

September 17, 2012

Mr. Jeffrey A. Halfinger, Vice President
Technology Development
Babcock & Wilcox mPower, Inc.
109 Ramsey Place
Lynchburg, VA 24501

SUBJECT: APPROVAL OF BABCOCK AND WILCOX MPOWER SAFEGUARDS
PROTECTION PROGRAM PLAN ADDENDUM

Dear Mr. Halfinger:

On December 22, 2010, the U.S. Nuclear Regulatory Commission (NRC), issued Order EA-2010-208, "Order Imposing Safeguards Information (SGI) Protection Requirements and Fingerprinting and Criminal History Records Check Requirements for Access to Safeguards Information," for the Babcock and Wilcox Nuclear Energy (B&W) Operations Group in Lynchburg, Virginia. EA-2010-208 included restrictions on the storage and sharing of the information designated SGI by the Order. Specifically, Section III.A.2 of EA-2010-208 requires written NRC approval of any additional facilities in which B&W intends to store the information designated SGI by the Order listed above.

In a letter to the NRC dated February 16, 2012, Babcock & Wilcox mPower, Inc. requested NRC approval to store SGI, governed by EA-2010-208, at the Bechtel Power Corporation (BPC) office located in Frederick, Maryland. The approval request contained an Addendum to the previously NRC approved B&W mPower Reactor Safeguards Information Protection Plan, Revision 3 (Plan). Additionally, the approval request contained assurances that B&W would establish and maintain the protective aspects of the previously NRC-approved plan. Assurances were also given that B&W would perform a comprehensive inspection of the BPC facility located in Frederick, Maryland, before the implementation of the activities described in the addendum.

On March 27, 2012, the NRC staff reviewed the addendum to the B&W SGI Protection Plan, and submitted a request for additional information (RAI) (ADAMS: ML120870312). On April 25, 2012, B&W mPower, Inc. in turn responded to the RAIs. Based on the staff's review of the information provided by B&W, its documented commitment to information security and compliance with the requirements stated in EA-2010-208 and the NRC approved Plan, the NRC has determined that the BPC facility meets the requirements for storage of SGI. Accordingly, your request to store SGI at the BPC facility is tentatively approved contingent upon NRC's notification of the satisfactory completion of the comprehensive inspection referenced in your letter dated February 16, 2012.

B&W mPower, Inc. is reminded that it must comply with the requirements set forth in NRC Order EA-2010-208, Section III, A.3 before providing SGI designated by this Order to any individual for

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whom fingerprinting and an FBI criminal history records check is not expected to yield sufficient criminal history information to form the basis for an informed decision on granting access to SGI.

Should you have any questions, comments or concerns regarding this issue, please contact, Ms. Yanely Malave, Project Manager via email at Yanely.Malave@nrc.gov or by telephone at (301) 415-1519. Alternatively, you may contact Mrs. Joelle Starefos, Lead Project Manager via email at Joelle.Starefos@nrc.gov or by telephone at (301) 415-6091.

Sincerely,

/RA/

Michael E. Mayfield, Director
Division of Advanced Reactors and Rulemaking
Office of New Reactors

Project No.: 0776

cc: DC B&W mPower Mailing List

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whom fingerprinting and an FBI criminal history records check is not expected to yield sufficient criminal history information to form the basis for an informed decision on granting access to SGI.

Should you have any questions, comments or concerns regarding this issue, please contact, Ms. Yanely Malave, Project Manager via email at Yanely.Malave@nrc.gov or by telephone at (301) 415-1519. Alternatively, you may contact Mrs. Joelle Starefos, Lead Project Manager via email at Joelle.Starefos@nrc.gov or by telephone at (301) 415-6091.

Sincerely,

/RA/

Michael E. Mayfield, Director
Division of Advanced Reactors and Rulemaking
Office of New Reactors

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NRO-002

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(Revised 06/26/2012)

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