

July 22, 2013

MEMORANDUM TO: Robert Johnson, Chief
Fuel Manufacturing Branch
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards

FROM: Lydia Chang, Chief **/RA/**
Special Projects Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: BABCOCK & WILCOX NUCLEAR OPERATIONS GROUP, INC.
LYNCHBURG REQUEST TO CHANGE STANDBY TRUST
AGREEMENT TRUSTEE SAFETY EVALUATION REPORT

On April 30, 2013, Babcock & Wilcox Nuclear Operations Group, Inc. Lynchburg (B&W NOG) submitted its request to change its Standby Trust Agreement (STA) trustee. Enclosed is the Safety Evaluation Report input with respect to the STA agreement trustee change for B&W NOG. Please contact me if you have any questions.

Docket No.: 70-27
License No.: SNM-42

Enclosure:
Safety Evaluation Report

CONTACT: Reginald Augustus, FSME/DWMEP
(301) 415-0165

MEMORANDUM TO: Robert Johnson, Chief
Fuel Manufacturing Branch
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards

FROM: Lydia Chang, Chief **/RA/**
Special Projects Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: BABCOCK & WILCOX NUCLEAR OPERATIONS GROUP, INC.
LYNCHBURG REQUEST TO CHANGE STANDBY TRUST
AGREEMENT TRUSTEE SAFETY EVALUATION REPORT

On April 30, 2013, Babcock & Wilcox Nuclear Operations Group, Inc. Lynchburg (B&W NOG) submitted its request to change its Standby Trust Agreement (STA) trustee. Enclosed is the Safety Evaluation Report input with respect to the STA agreement trustee change for B&W NOG. Please contact me if you have any questions.

Docket No.: 70-27
License No.: SNM-42

Enclosure:
Safety Evaluation Report

CONTACT: Reginald Augustus, FSME/DWMEP
(301) 415-0165

Distribution:
MBaker

ML13197A032

OFC:	DURLD	DURLD	DURLD
NAME:	RAugustus	SAchten	LChang
DATE:	7/16/13	7/17/13	7/22/13

OFFICIAL RECORD COPY

Enclosure

SAFETY EVALUATION REPORT INPUT

DOCKET NO.: 70-27
LICENSE: SNM-42
LICENSEE: Babcock & Wilcox Nuclear Operations Group, Inc. Lynchburg
SUBJECT: Babcock & Wilcox Nuclear Operations Group, Inc. Standby Trust Agreement
Trustee Change

BACKGROUND

In a letter dated April 30, 2013, Babcock & Wilcox Nuclear Operations Group, Inc. Lynchburg (B&W NOG) submitted a request to update its Standby Trust Agreement (STA) trustee for its facility in Lynchburg, Virginia (Docket No. 70-27). On May 24, 2013, the Fuel Manufacturing Branch (FMB) in the Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards, requested technical assistance for the review of the B&W NOG STA trustee change from the Special Projects Branch (SPB), in the Division of Waste Management and Environmental Programs, Office of Federal and State Materials and Environmental Management Programs. On June 4, 2013, the SPB staff submitted a memo to the FMB staff stating that B&W NOG's submittal was adequate to perform a detailed review. On June 11, 2013, an email was sent to the FMB staff recommending Requests for Additional Information (RAIs). The RAI's were sent to the licensee. On July 9, 2013, B&W NOG provided responses to the RAI's to NRC staff.

DISCUSSION

Regulatory Requirements

Nuclear facilities licensed under 10 CFR Part 70 that use an STA are required to establish a trustee acceptable to the U.S. Nuclear Regulatory Commission (NRC) pursuant to 10 CFR 70.25, "Financial Assurance and Recordkeeping for Decommissioning." B&W NOG is a holder of a Special Nuclear Materials license. This review pertains to B&W NOG's facility in Lynchburg, Virginia, NRC Special Nuclear Material License SNM-42.

Staff Review

B&W NOG submitted a request to change its STA trustee for review and acceptance from NRC as required by 10 CFR 70.25(f)(2)(ii). In conjunction with responses to RAIs, the STA trustee change includes a financial institution that has authority to act as a trustee whose trust operations are regulated by a Federal agency. Relying on its submitted STA draft and responses to RAIs, the staff finds that the submitted request for a STA trustee change is based on a regulated bank that has authority to act as a trustee and is regulated by a Federal agency. Accordingly, the staff finds that the STA trustee change request satisfies the requirements of 10 CFR 70.25(f)(2)(ii) and is consistent with NUREG-1757, Volume 3, Rev. 1.

Enclosure

CONCLUSION

On the basis of the staff's review, as discussed above, B&W NOG has demonstrated that (1) the proposed STA trustee has authority to be a trustee and is acceptable, and (2) is Federally regulated. Therefore, B&W NOG satisfies the regulatory requirement of providing a trustee acceptable to NRC as set forth in 10 CFR 70.25.