

March 17, 2015

Mr. Tony England, Manager
Licensing & Safety Analysis
Babcock & Wilcox Nuclear
Operations Group, Inc.
P.O. Box 785
Lynchburg, VA 24505-0785

SUBJECT: BABCOCK & WILCOX COMPANY PLANNED SPIN-OFF OF POWER
GENERATION BUSINESS, TECHNICAL ASSIGNMENT CONTROL NUMBER
L33356

Dear Mr. England:

Pursuant to the requirements in Title 10 of the *Code of Federal Regulations* (10 CFR) 30.34(b), 40.46, and 70.36(a), the U.S. Nuclear Regulatory Commission (NRC) staff has reviewed your letter dated November 20, 2014 (Agencywide Documents Access Management System [ADAMS] Accession No. ML14329A057), as well as your response to a request for additional information (RAI) dated December 23, 2014 (ML14365A062). You describe a planned spin-off of certain non-nuclear affiliates within the Babcock & Wilcox (B&W) group of companies, as well as a planned change in the names of two NRC licensees who are part of the B&W corporate family. Actions to be taken regarding companies in the non-nuclear power generation side of the B&W corporate family are not being reviewed by the NRC. B&W is the ultimate corporate parent of three NRC licensees, and will remain so.

As stated in your submittal on behalf of B&W, "Babcock & Wilcox Government and Nuclear Operations Inc." holds NRC License SNM-2001 at the Shallow Land Disposal Area (SLDA) in Parks Township, PA. The SLDA site is being remediated by the U.S. Army Corps of Engineers, and License SNM-2001 is in abeyance. This NRC licensee will be re-named "BWXT Government Group, Inc." (BWXT Group). Any NRC-licensed material remaining at the site following remediation by the U.S. Army Corps of Engineers will be the responsibility of the BWXT Group.

"Babcock & Wilcox Nuclear Operations Group, Inc." holds NRC License SNM-42, for its operating facility in Lynchburg, VA. This NRC licensee will be re-named "BWXT Nuclear Operations Group, Inc." (BWXT NOG).

A third B&W company referenced in your submittal is Nuclear Fuel Services (NFS), which holds NRC license SNM-124 for its operating facility in Erwin, TN. The name of this NRC licensee is not being changed.

The three NRC licensees referenced above will remain under the existing B&W corporate chain of companies, and their relationship to each other within the chain will stay the same. Specifically, BWXT NOG will stay one step below the BWXT Group in the corporate chain, and NFS will stay three steps below BWXT NOG in the corporate chain. In this regard, you state that, as is presently the case, B&W companies at levels above the NRC license-holders in the

corporate chain, will have no authority over NRC-licensed activities. The NRC licensees will continue to abide by all constraints, conditions, requirements, and commitments contained in their NRC licenses.

As further stated in your submittal, the name change from "Babcock & Wilcox Government and Nuclear Operations Inc." to the BWXT Group will not result in any changes to existing NRC licensee programs, procedures, organization, location, facilities, equipment, and/or conduct of any future operations at the SLDA site under License SNM-2001. Similarly, the name change from "Babcock & Wilcox Nuclear Operations Group, Inc." to BWXT NOG will not result in any changes to existing NRC licensee programs, procedures, organization, location, facilities, equipment, and/or conduct of ongoing operations under License SNM-42 at the Lynchburg, VA site. Likewise, there will be no such changes to NFS operations under License SNM-124 at the Erwin, TN site. As stated above, the three NRC licensees will remain part of the B&W corporate family, and their relative relationships to each other within the B&W chain of companies will stay the same. Accordingly, based on the statements and representations made in your November 2014 letter and December 2014 RAI response, as summarized above, the NRC staff finds that the proposed set of B&W corporate actions constitutes neither a direct nor indirect transfer of control of any NRC license.

Technical Assignment Control Number L33356 is closed.

In accordance with 10 CFR 2.390 of NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room, or from the Publicly Available Records component of ADAMS.

If you have any questions regarding this matter, I may be reached at 301-287-9109.

Sincerely,

/RA/

Merritt N. Baker, Senior Project Manager
Fuel Manufacturing Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket Nos.: 70-27
70-143
70-3085

License Nos.: SNM-42
SNM-124
SNM-2001

cc: D.L. Spangler, B&W NOG-L
D.C. Ward, B&W NOG-L
A. Sabish, NFS

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Merritt N. Baker, Senior Project Manager
 Fuel Manufacturing Branch
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 Office of Nuclear Material Safety
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Docket Nos.: 70-27
 70-143
 70-3085

License Nos.: SNM-42
 SNM-124
 SNM-2001

cc: D.L. Spangler, B&W NOG-L
 D.C. Ward, B&W NOG-L
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