MEMORANDUM FOR: Guy H. Cunningham, III, Executive Legal Director

Office of the Executive Legal Director

FROM:

Harold R. Denton, Director

Office of Nuclear Reactor Regulation

SUBJECT:

"PLANNED REORGANIZATION OF MCDERMOTT, INCORPORATED,

PARENT OF BABCOCK & WILCOX"

This is in response to your note dated October 29, 1982, subject as above, in which you requested that we consider what, if any, conditions should be imposed on Babcock & Wilcox as a result of the planned reorganization of their corporation. Babcock & Milcox holds Facility License CX-10 for their critical experiment facility at the Lynchburg Research Center.

We believe that conditions similar to those imposed on General Atomic Company when it was formed by Gulf and Royal Dutch/Shell, modified as necessary to reflect the instant situation, would also be appropriate conditions for Babcock & Wilcox. These conditions are stated on page 6 of the draft memorandum attached to your note.

Edson Case

Narold R. Denton, Director
Office of Nuclear Reactor Regulation

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