

December 4, 2014

Mr. Johnny C. Graves
State of Tennessee
Department of Environment and Conservation
Division of Radiological Health
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue, 15th Floor
Nashville, TN 37243

Subject: Contract No. DE-AC30-11CC40015, DUF₆ Conversion Project
Applications for Renewal of Radioactive Waste License-for-Delivery

Reference: Letter from J. Graves to M. Reichert, "Notice of Radioactive Waste License-for-Delivery
Expiration," dated November 3, 2014

Babcock and Wilcox Conversion Services, LLC (BWCS) is submitting the attached applications for renewal of the Radioactive Waste License-For-Delivery for the Paducah DUF₆ Conversion Facility (Permit No. T-KY0008-L14) and the Portsmouth DUF₆ Conversion Facility (Permit No. T-OH020-L14). Additionally, Section I.132, *Nuclear Hazards Indemnity*, of the BWCS Department of Energy (DOE) prime contract is being provided to address the requirement for Certificate of Liability Insurance. This clause provides evidence that any damages or liability will be covered 100 percent by the statutory indemnity of the Price-Anderson Amendments Act (PAAA), the federal statute which provides omnibus liability coverage for any and all nuclear liability claims which may emanate from authorized activities under the BWCS-DOE prime contract.

If you have any questions, contact Thomas J. Simmons, Waste Management and Transportation Manager at (270) 538-2051.

Respectfully,



Brenda G. Mills
Environment, Safety, Health and Quality Director

- Attachments:
1. Applications for Renewal for Radioactive Waste License-For-Delivery (Paducah/Piketon)
 2. DOE Prime Contract No. DE-AC30-11CC40015, Section I.132, DEAR 952.250-70, *Nuclear Hazards Indemnity Agreement (Jun 1996)*

cc/att: R. Edwards, III, DOE
J. Johnson, DOE
R. Sangston, BWCS
T. Simmons, BWCS
J. Siegel, BWCS
BWCS Project File

T. Hicks, DOE
B. Mills, BWCS
J. Johnson, BWCS
J. Rouse, BWCS
DOE Project File

P. Burban, DOE
R. Hogg, BWCS
R. Hoffman, BWCS
T. Huey, BWCS
Project File



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF RADIOLOGICAL HEALTH
WILLIAM R. SNODGRASS TENNESSEE TOWER
312 ROSA L. PARKS AVENUE, 15th FLOOR
NASHVILLE, TN 37243

APPLICATION FOR RADIOACTIVE WASTE LICENSE-FOR-DELIVERY

Applicability: Pursuant to Department Rule 0400-20-10-.32, a Radioactive Waste License-for-Delivery is required to be obtained by all shippers who transport radioactive waste or have radioactive waste transported into or within the State of Tennessee. Persons whose activities result in the generation of radioactive waste have the primary responsibility to assure that a license is obtained.

Instructions: Complete Items 1 through 15. Submit original and one copy to Director, Division of Radiological Health, Department of Environment and Conservation, William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks Avenue, 15th Floor, Nashville, TN 37243. All items must be completed, required certificate of insurance or bond attached, and signed and dated by an authorized person. If an item is not applicable, indicate "N/A". Incomplete forms and failure to provide an insurance certificate will result in delays or denial of the license. Additional sheets may be used, if necessary. Upon approval, the Department will return one copy with the License-for-Delivery. All license fees shall be made payment to "Treasurer, State of Tennessee". NOTE: on remittance - "FOR RADIOACTIVE WASTE SHIPPER'S LICENSE"

NOTE: Radioactive Waste License-for-Delivery may be obtained for more than one facility or location of a company, corporation etc. However, an application shall be submitted for each facility to include the additional fee and the required certificate of insurance or bond. Only one name and address shall be used for each facility or location.

1. Name and Address of Applicant (Shipper/Generator): B&W Conversion Services, LLC (BWCS) 1020 Monarch Street, Suite 300 Lexington, KY 40513	2. Person Responsible for Radioactive Waste Shipments: a) Name: Thomas Simmons b) Title: Waste Management & Transportation Manager c) Address: 5509 Hobbs Road, Kevil, KY 42053 d) Telephone: 270-538-2051	
3. Shipment Location(s): a) BWCS - Kevil, Kentucky (T-KY008-L14) b) c)	4. NRC or Agreement State Radioactive Material License No. for Each Facility: a) Department of Energy Contract No. DE-AC30-11CC40015 b) c)	
5. Total Estimated Annual Pounds 20,000 lbs	6. Type of License and Amount of Fee Remittal Renewal (X) \$850 New () \$	
7. Complete Waste Descriptions: a) Hydrofluoric Acid Solution (HF) b) Potassium Hydroxide Solution (KOH) c) Low-Level Waste Solids (PPE, Misc. Debris, etc.) d) e)	8. Physical & Chemical Form: a) Liquid HF Solution b) Liquid KOH Solution c) Low-Level Waste Solids d) e)	9. Waste Class & Stability: a) Class A Unstable b) Class A Unstable c) Class A Unstable d) e)
10. List Prominent Radionuclides: U ²³⁸ U ²³⁴ U ²³⁵	11. Total Estimated Radioactivity (Curies): 0.03Ci	
12. Name and Address of Broker, if used: N/A	13. Name and Address of Carrier: Specialty Transport, Inc. 2530 Mitchell Street Knoxville, TN 37917	

INFORMATION TO BE SUBMITTED AS ATTACHMENT

- A Certificate of Liability Insurance issued to the licensee/generator shall be submitted as evidence of financial ability to protect the State of Tennessee and the public at large from possible radiological injury or damage due to transportation of radioactive waste. For those applicants not maintaining liability insurance, they must deposit and maintain with the Department a cash or corporate surety bond in the amount of five hundred thousand dollars (\$500,000.00). Failure to submit a current certificate or bond will result in processing delays.
- In compliance with Department Rule 0400-20-10-.32, I hereby certify on behalf of the applicant (licensee/generator) to the Tennessee Department of Environment and Conservation that (s) the applicant will comply fully with all applicable laws, rules and regulations (both State and Federal), any disposal facility radioactive material license requirements and criteria regarding the packaging, transportation, storage, disposal, and delivery of such wastes; (b) the applicant will hold the State of Tennessee harmless of all claims, actions, proceedings in law or equity arising out of radiological injury or damages to persons or property occurring during the transportation of its radioactive waste into or within the State including all costs defending same, provided, however, that nothing contained therein shall be construed as a waiver of the State's sovereign immunity; (c) the applicant has current copies of the Regulations for the transportation of radioactive waste into or within Tennessee. U.S.D.O.T. Regulations, and when applicable, the disposal facility radioactive material license and the disposal facility waste acceptance criteria; (d) the applicant has prepared this application to conform with Tennessee Department of Environment and Conservation Regulations for transportation of radioactive waste into or within Tennessee, and that all information contained herein, including any required supplements attached hereto, is true and correct to the best of my knowledge and belief.

Date: 12/4/14


Signature
Brenda Mills, Environment, Safety, Health and Quality Director
Typed Name and Title of Applicant's Authorized Representative



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF RADIOLOGICAL HEALTH
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15. In compliance with Department Rule 0400-20-10-.32, I hereby certify on behalf of the applicant (licensee/generator) to the Tennessee Department of Environment and Conservation that (s) the applicant will comply fully with all applicable laws, rules and regulations (both State and Federal), any disposal facility radioactive material license requirements and criteria regarding the packaging, transportation, storage, disposal, and delivery of such wastes; (b) the applicant will hold the State of Tennessee harmless of all claims, actions, proceedings in law or equity arising out of radiological injury or damages to persons or property occurring during the transportation of its radioactive waste into or within the State including all costs defending same, provided, however, that nothing contained therein shall be construed as a waiver of the State's sovereign immunity; (c) the applicant has current copies of the Regulations for the transportation of radioactive waste into or within Tennessee. U.S.D.O.T. Regulations, and when applicable, the disposal facility radioactive material license and the disposal facility waste acceptance criteria; (d) the applicant has prepared this application to conform with Tennessee Department of Environment and Conservation Regulations for transportation of radioactive waste into or within Tennessee, and that all information contained herein, including any required supplements attached hereto, is true and correct to the best of my knowledge and belief.

Date: 12/4/14

B. Mills
Signature
Brenda Mills, Environment, Safety, Health and Quality Director

Typed Name and Title of Applicant's Authorized Representative

DE-AC30-11CC40015
OPERATION OF DUF6

SECTION I

- (1) Immediately notify the contracting officer and promptly furnish copies of all pertinent papers received;
- (2) Authorize Department representatives to collaborate with: in-house or DOE-approved outside counsel in settling or defending the claim; or counsel for the insurance carrier in settling or defending the claim if the amount of the liability claimed exceeds the amount of coverage, unless precluded by the terms of the insurance contract; and
- (3) Authorize Department representatives to settle the claim or to defend or represent the contractor in and/or to take charge of any litigation, if required by the Department, if the liability is not insured or covered by bond. In any action against more than one Department contractor, the Department may require the contractor to be represented by common counsel. Counsel for the contractor may, at the contractor's own expense, be associated with the Department representatives in any such claim or litigation.

I.130 DEAR 952.233-5 AGENCY PROTEST REVIEW (SEP 1996)

Protests to the Agency will be decided either at the level of the Head of the Contracting Activity or at the Headquarters level. The Department of Energy's agency protest procedures, set forth in 933.103, elaborate on these options and on the availability of a suspension of a procurement that is protested to the agency. The Department encourages potential protesters to discuss their concerns with the contracting officer prior to filing a protest.

I.131 DEAR 952.247-70 FOREIGN TRAVEL (DEC 2000)

Contractor foreign travel shall be conducted pursuant to the requirements contained in DOE Order 551.1, Official Foreign Travel, or any subsequent version of the order in effect at the time of award.

I.132 DEAR 952.250-70 NUCLEAR HAZARDS INDEMNITY AGREEMENT (JUN 1996)

- (a) Authority. This clause is incorporated into this contract pursuant to the authority contained in subsection 170d. of the Atomic Energy Act of 1954, as amended (hereinafter called the Act.)
- (b) Definitions. The definitions set out in the Act shall apply to this clause.
- (c) Financial protection. Except as hereafter permitted or required in writing by DOE, the contractor will not be required to provide or maintain, and will not provide or maintain at Government expense, any form of financial protection to cover public liability, as described in paragraph (d)(2) below. DOE may, however, at any time require in writing that the contractor provide and maintain financial protection of such

DE-AC30-11CC40015
OPERATION OF DUF6

SECTION I

a type and in such amount as DOE shall determine to be appropriate to cover such public liability, provided that the costs of such financial protection are reimbursed to the contractor by DOE.

- (d) (1) Indemnification. To the extent that the contractor and other persons indemnified are not compensated by any financial protection permitted or required by DOE, DOE will indemnify the contractor and other persons indemnified against (i) claims for public liability as described in subparagraph (d)(2) of this clause; and (ii) such legal costs of the contractor and other persons indemnified as are approved by DOE, provided that DOE's liability, including such legal costs, shall not exceed the amount set forth in section 170e.(1)(B) of the Act in the aggregate for each nuclear incident or precautionary evacuation occurring within the United States or \$100 million in the aggregate for each nuclear incident occurring outside the United States, irrespective of the number of persons indemnified in connection with this contract.
- (2) The public liability referred to in subparagraph (d)(1) of this clause is public liability as defined in the Act which (i) arises out of or in connection with the activities under this contract, including transportation; and (ii) arises out of or results from a nuclear incident or precautionary evacuation, as those terms are defined in the Act.
- (e) (1) Waiver of Defenses. In the event of a nuclear incident, as defined in the Act, arising out of nuclear waste activities, as defined in the Act, the contractor, on behalf of itself and other persons indemnified, agrees to waive any issue or defense as to charitable or governmental immunity.
- (2) In the event of an extraordinary nuclear occurrence which:
 - (i) Arises out of, results from, or occurs in the course of the construction, possession, or operation of a production or utilization facility; or
 - (ii) Arises out of, results from, or occurs in the course of transportation of source material, by-product material, or special nuclear material to or from a production or utilization facility; or
 - (iii) Arises out of or results from the possession, operation, or use by the contractor or a subcontractor of a device utilizing special nuclear material or by-product material, during the course of the contract activity; or
 - (iv) Arises out of, results from, or occurs in the course of nuclear waste activities, the contractor, on behalf of itself and other persons indemnified, agrees to waive:

DE-AC30-11CC40015
OPERATION OF DUF6

SECTION I

(A) Any issue or defense as to the conduct of the claimant (including the conduct of persons through whom the claimant derives its cause of action) or fault of persons indemnified, including, but not limited to:

1. Negligence;
2. Contributory negligence;
3. Assumption of risk; or
4. Unforeseeable intervening causes, whether involving the conduct of a third person or an act of God;

(B) Any issue or defense as to charitable or governmental immunity; and

(C) Any issue or defense based on any statute of limitations, if suit is instituted within 3 years from the date on which the claimant first knew, or reasonably could have known, of his injury or change and the cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. The waiver shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified.

(v) The term extraordinary nuclear occurrence means an event which DOE has determined to be an extraordinary nuclear occurrence as defined in the Act. A determination of whether or not there has been an extraordinary nuclear occurrence will be made in accordance with the procedures in 10 CFR part 840.

(vi) For the purposes of that determination, "offsite" as that term is used in 10 CFR part 840 means away from "the contract location" which phrase means any DOE facility, installation, or site at which contractual activity under this contract is being carried on, and any contractor-owned or controlled facility, installation, or site at which the contractor is engaged in the performance of contractual activity under this contract.

(3) The waivers set forth above:

- (i) Shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action;

DE-AC30-11CC40015
OPERATION OF DUF6

SECTION I

- (ii) Shall be judicially enforceable in accordance with its terms by the claimant against the person indemnified;
 - (iii) Shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages;
 - (iv) Shall not apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
 - (v) Shall not apply to injury to a claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place, if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;
 - (vi) Shall not apply to any claim resulting from a nuclear incident occurring outside the United States;
 - (vii) Shall be effective only with respect to those obligations set forth in this clause and in insurance policies, contracts or other proof of financial protection; and
 - (viii) Shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (A) the limit of liability provisions under subsection 170e. of the Act, and (B) the terms of this agreement and the terms of insurance policies, contracts, or other proof of financial protection.
- (f) Notification and litigation of claims. The contractor shall give immediate written notice to DOE of any known action or claim filed or made against the contractor or other person indemnified for public liability as defined in paragraph (d)(2). Except as otherwise directed by DOE, the contractor shall furnish promptly to DOE, copies of all pertinent papers received by the contractor or filed with respect to such actions or claims. DOE shall have the right to, and may collaborate with, the contractor and any other person indemnified in the settlement or defense of any action or claim and shall have the right to (1) require the prior approval of DOE for the payment of any claim that DOE may be required to indemnify hereunder; and (2) appear through the Attorney General on behalf of the contractor or other person indemnified in any action brought upon any claim that DOE may be required to indemnify hereunder, take charge of such action, and settle or defend any such action. If the settlement or defense of any such action or claim is undertaken by DOE, the contractor or other person indemnified shall furnish all reasonable assistance in effecting a settlement or asserting a defense.

DE-AC30-11CC40015
OPERATION OF DUF6

SECTION I

- (g) Continuity of DOE obligations. The obligations of DOE under this clause shall not be affected by any failure on the part of the contractor to fulfill its obligation under this contract and shall be unaffected by the death, disability, or termination of existence of the contractor, or by the completion, termination or expiration of this contract.
- (h) Effect of other clauses. The provisions of this clause shall not be limited in any way by, and shall be interpreted without reference to, any other clause of this contract, including the clause entitled Contract Disputes, provided, however, that this clause shall be subject to the clauses entitled Covenant Against Contingent Fees, and Accounts, records, and inspection, and any provisions that are later added to this contract as required by applicable Federal law, including statutes, executive orders and regulations, to be included in Nuclear Hazards Indemnity Agreements.
- (i) Civil penalties. The contractor and its subcontractors and suppliers who are indemnified under the provisions of this clause are subject to civil penalties, pursuant to 234A of the Act, for violations of applicable DOE nuclear-safety related rules, regulations, or orders.
- (j) Criminal penalties. Any individual director, officer, or employee of the contractor or of its subcontractors and suppliers who are indemnified under the provisions of this clause are subject to criminal penalties, pursuant to 223(c) of the Act, for knowing and willful violation of the Atomic Energy Act of 1954, as amended, and applicable DOE nuclear safety-related rules, regulations or orders which violation results in, or, if undetected, would have resulted in a nuclear incident.
- (k) Inclusion in subcontracts. The contractor shall insert this clause in any subcontract which may involve the risk of public liability, as that term is defined in the Act and further described in paragraph (d)(2) above. However, this clause shall not be included in subcontracts in which the subcontractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements under section 170b. of the Act or NRC agreements of indemnification under section 170c. or k. of the Act for the activities under the subcontract.

I.133 DEAR 952.251-70 CONTRACTOR EMPLOYEE TRAVEL DISCOUNT (DEC 2000)

- (a) The contractor shall take advantage of travel discounts offered to Federal contractor employee travelers by AMTRAK, hotels, motels, or car rental companies, when use of such discounts would result in lower overall trip costs and the discounted services are reasonably available. Vendors providing these services may require the contractor employee to furnish them a letter of identification signed by the authorized contracting officer.
- (b) Contracted airlines. Contractors are not eligible for GSA contract city pair fares.