From Sellafield to the States and back again
The journey of BNFL and the effect on its in-house legal services

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Abstract

This paper will discuss the development and ultimate decline of BNFL, a Government owned public limited company in the nuclear sector, and its in house legal team. It considers the key challenges in the 1990's to develop the BNFL Group into the leading global nuclear services provider, culminating in the acquisition of Magnox Electric plc and Westinghouse Electric LLC. These developments demanded the enhancement of the legal team both through promotion and by recruiting the right quality of lawyers, who could be commercially driven in an extremely regulated industry. It will challenge the corporate centre legal model and look at the advantages and disadvantages of a centralised team and the management structures necessary to deliver a truly integrated legal service. It will also consider two key case studies – firstly on the manner in which the legal team integrated with the corporate finance teams, bankers and external US lawyers to acquire and then ultimately sell Westinghouse Electric LLC. Secondly the impact on the team of the Energy Act 2004, the legislation that enabled the transfer of all BNFL’s nuclear sites to the newly created Nuclear Decommissioning Authority, thereby signalling the beginning of the end for the Group.

In the beginning.....

BNFL was established almost forty years ago as a limited company wholly owned by UK Government. It was set up to hold the commercial business of the United Kingdom Atomic Energy Authority. BNFL was, and to a certain extent still is, governed and regulated by a number of specialist pieces of legislation. These include the Atomic Energy Act 1971 which established BNFL, the Nuclear Installations Act 1965 (as amended) and the Radioactive Substances Act 1996. Initially, BNFL’s operational sites comprised Chapelcross in Scotland, Sellafield (formerly known as Windscale) in West Cumbria, Capenhurst in Cheshire and Springfields near Preston, Lancashire. Collectively these sites gave BNFL the complete deck of cards to become a leader in the commercial nuclear market, the entire “nuclear fuel cycle”. The site at Springfields converted natural uranium into a form suitable for enrichment; at the Capenhurst site they could enrich that product into a form suitable for making nuclear fuel and then Springfields fabricated the enriched fuel into nuclear fuel rods for use in reactors. BNFL at that time had two Magnox Reactors located at Chapelcross and at Calder Hall, on the Sellafield site.

By far the largest site however was, and still is, Sellafield. During the 1980’s BNFL was dominated by the construction of Thorp, the UK’s only Thermal Oxide Reprocessing Plant, which cost almost £2 billion and took some ten years to build and commission. The facility was funded primarily through a number of advance payments under
reprocessing contracts BNFL entered into with European and Japanese utilities. This provided the first real impetus for growth for the BNFL in-house legal team, as a small but growing group of lawyers dealing with the negotiation and construction of the contracts and the legal challenges against the commissioning and operation of Thorp and the transport of nuclear material, from anti-nuclear groups such as Greenpeace.

During the mid to late 1980’s the legal team developed into a specialist group clearly split into contentious and non-contentious groups, with the majority of non-contentious work, such as contracts, regulatory, property and planning being undertaken solely by the in-house team, using Freshfields as a one stop shop, for assistance on contentious work, which was too large to be dealt with solely by the in-house litigation team.

The mid to late 1990’s saw the next stage in the development of BNFL. Privatisation was in everyone’s mind and BNFL was considered by the Government as a viable business to partially float. With this in mind, the Government set out to rationalise the nuclear industry and in 1998 BNFL “acquired” all the UK’s Magnox Reactors, following the restructuring of Nuclear Electric and privatisation of British Energy. This was an unusual acquisition for a growing commercial entity, as the Magnox reactor fleet had a limited life span and therefore BNFL inherited a large portfolio of liabilities which ultimately contributed to its demise. Also, as part of the preparation of the business for its own potential flotation, BNFL was given permission by the Department of Trade and Industry, to acquire Westinghouse Electric’s nuclear business from the media giant CBS. This was a landmark decision by Government and the transaction was at the heart of BNFL’s strategy to become a truly global nuclear services provider, which could compete with the might of the French Government-owned Cogema, now known as Areva.

In legal terms this strategy created a unique set of challenges for the in-house team - from delivering the day job in one of the most regulated industries in the UK, to contemplating the largest cross border deal the Company had ever undertaken. In response, BNFL developed one of the largest and most successful in-house legal teams in the country. The team at its largest consisted of some 40 lawyers and other professionals specialising in litigation, commercial contracts, M&A, employment, regulatory, planning and property matters, company secretarial and insurance. Due to the size of the team and to avoid a completely flat management structure, there was a need to revisit the structure to provide clear roles and responsibilities for the team members and clear management direction and focus. We developed a structure based on specialism, not unlike that used in private practice, with the same drivers for client satisfaction and a cost-effective and efficient service. This provided a platform for growth and development of lawyers in the department.

The specialist nature of much of the work meant that the majority of the legal issues were dealt with in-house and so the new Management Team within BNFL Legal Department was challenged to rethink the way in which lawyers had traditionally been recruited by the Company and developed its own selection process outside of the existing HR framework. A choice was made not to use recruitment agencies but to advertise in legal journals and the press to source out key individuals at all levels who could work to enhance and develop the existing team. Candidates’ CVs were scrutinized and the interview process was innovative, using a number of techniques to ensure we recruited the best candidates for the job. We also decided to take trainee solicitors and developed, with the assistance of the Law Society, in house training sessions focussed on the nuclear business and its legal issues.
BNFL had since 1971 engaged the services of Freshfields to assist it on large litigation matters and Corporate transactions. Its team understood the business and the strategy of BNFL. The philosophy of an integrated team, with in-house and external lawyers together with technical specialists working with the business, ensured the best legal advice was provided to the business, in the most cost-effective way. The desire was to create a true business partnership. The model was and remains very effective both from a cost perspective and the results it has achieved, particularly in respect of complex litigation and M&A transactions.

At the heart of all high performing legal functions is strong relationships. When the decision was taken in 1996 to acquire Westinghouse, BNFL selected a US firm, Sutherland, Asbill and Brennan, which had only been used once before, to assist us with the acquisition. This could have been seen as a risk but the decision was based on the firm’s ability to deal with particularly complex US regulatory issues. This specialism, coupled with the teams approachability and drive to get things done was apparent at the first meeting. The decision to use Sutherland has been borne out - the deal team initially put forward has assisted both BNFL and Westinghouse on the whole spectrum of legal issues from corporate to regulatory and IP and have stayed with BNFL from acquisition right through to the sale of Westinghouse in 2006. This relationship, together with the relationship with Freshfields is built on commitment, trust and a strict instruction process, to ensure the right lawyers do the work, at the most efficient cost and most importantly knowing and understanding the business.

Obtaining clear instructions from Clients, as we all know is vital, if the matter is to be dealt with effectively and within budget and to time. To achieve this we introduced Quality Measures which included an instruction process at the start of a matter and a wrap up process at its completion. This was rolled out throughout the Group’s Legal Departments both in the UK and US. This process has allowed us to achieve a legal service that is very transparent and focused on continued communication throughout the project, however small or large. Our Clients in the main are our commercial colleagues within the businesses and they have worked with the legal team over a period of time, to ensure that clear instructions are given at the outset of a matter. Instructions once given are recorded and relayed back to the client to ensure certainty. External advisers also adhere to this process.

We seek external legal advice for three reasons: resource, specialism, jurisdictional. This decision always rests with the in-house team and all instructions are given by the in-house team to ensure that, as an intelligent customer, we get the right lawyer for the right job at the right price. In the case of work being resourced using external advisers, it is very important once instructions have been provided to get an estimate of the costs of completing the matter. This estimate, once given, is agreed with the internal client by the in-house lawyer and becomes a limit of liability which cannot be increased without prior approval of the client. The preference, within BNFL, reflecting the type of work that has been traditionally resourced externally, is to be billed on an hourly basis. This provides transparency of costs, without the finger in the air approach to fixed fees, albeit menu pricing has been adopted recently, as we have developed our relationship with Eversheds, particularly in the employment area. This no surprises approach has meant that the use of external legal advisers within BNFL has become readily accepted and in turn the external lawyers have become part of our integrated team.

Having acquired Westinghouse Electric in 1999 it was necessary to integrate the Westinghouse legal team into the Group Legal family. The General Counsel of Westinghouse Electric LLC and Counsel for BNFL’s other US company BNFL Inc
became members of the BNFL Group Legal Management Team, reporting to the Group Legal Director and Company Secretary. This transition took time to develop, but as a result of the desire on both sides of the pond to work together and share experiences, we adopted consistent practices and through continuing communication became an integrated group, with an international platform to enable us to deal with the growing needs of the business.

**Seeds of change**

However, BNFL is no different from other businesses, and business fortunes can rapidly change. The turn of the year 2000 heralded two issues which were to prove key in BNFL’s future. Firstly the much reported data falsification incident in the MOX Demonstration Facility (MDF) at Sellafield led to a loss of confidence in the business by customers and shareholders. This was quickly followed by a fundamental reappraisal of the company’s historic liabilities at Magnox Sites and Sellafield. Along with its assets, BNFL also inherited the legacy of the nuclear sites, including the liabilities from military activities which had been carried out on the Sellafield site since the late 1940’s. This reappraisal led to a hit on profits of almost £2 billion and a significant net asset deficit for the Company. The scale of this deficit demanded a radical solution from both BNFL and the UK Government, resulting in the agreement to ring fence the nuclear liabilities and in doing so seek to create a competitive market for nuclear decommissioning and clean up in the UK.

This culminated in the enactment of the Energy Act 2004. This piece of legislation established the Nuclear Decommissioning Authority (the NDA). Chapter II of the Act gave wide powers to the Secretary of State for Trade and Industry to transfer assets and liabilities from both BNFL and indeed the UKAEA to the NDA. As far as BNFL and Magnox Electric were concerned, on 1 April 2005 all of the nuclear sites were transferred to the NDA. BNFL and Magnox were granted the first M&O contracts to manage and operate the sites on behalf of the NDA, with the NDA set to ultimately compete these contracts over an agreed timescale. This transfer of liabilities enabled BNFL to derecognise the nuclear accounting provisions in respect of these sites, thereby completing BNFL’s transformation from an owner operator into a fully fledged management and operations contractor.

The Energy Act 2004 not only established the NDA, but it is the statute that sets out its principle functions. The NDA has responsibility for securing the operation (pending the commencement of their decommissioning) of the designated nuclear installations and, of course, the operation of vital facilities particularly at Sellafield for treating, storing, transporting and disposing of hazardous material. The Act, in giving powers to the Secretary of State to designate the nuclear sites for decommissioning and clean-up purposes, ensured that the aims of the Energy Act 2004 to deal with the ageing nuclear sites was fulfilled. At this time the advent of new build was not in the minds of the Government and so to use these designated sites in future for purposes other than those designated by the Act will need to be addressed by Government.

During this time it was extremely important for the BNFL in-house legal team to be fully integrated into the business and finance teams so that they could properly advise on all issues connected to this new regime. From 2004, the legal and financial teams, working with DTI, were required to identify the assets and liabilities of BNFL and its subsidiaries so that a series of Nuclear Transfer Schemes could be drafted to transfer not only the nuclear sites to the NDA, but also funding, assets and certain contracts and
intellectual property. The use of transfer schemes gave the Secretary of State statutory power to transfer assets and liabilities without the need for consent or consideration passing. No employees transferred to the NDA, they remained employees of BNFL, Magnox and Springfields Fuels Limited, collectively the Site Licence Companies (SLC) and became the key employees to assist in managing and operating the sites under the terms of the incumbent Management and Operations Contracts with the NDA.

The beginning of the end!

This major reorganisation of the nuclear industry in the UK (putting the BE story to one side) lead to a whole-scale reorganisation of BNFL. The issues alluded to above meant that a flotation or Public Private Partnership (PPP) was no longer an option. Following a strategic review by H M Government, it was decided that significant value could be realised for assets such as Westinghouse Electric Company LLC and its subsidiaries and the sale of the newly established UK holding company British Nuclear Group Limited. So under the leadership of Mike Parker, BNFL embarked on a sales process to dispose of all of BNFL’s commercial businesses to the private sector. The size and scale of the overall process made it one of the most ambitious disposal processes to realise value for Government since the utility privatisations of the early 1980’s. The highpoint was undoubtedly the sale of Westinghouse – a fiercely competitive auction process with multiple bidding rounds finally secured proceeds of almost £3bn for the UK tax payer and a profit of almost 200% over BNFL’s original investment 7 years earlier. The deal was a classic win win, with Toshiba Corporation, the ultimate acquirer, gaining access to Westinghouse’s AP 1000 technology, the leading new nuclear reactor design, at the time of a budding global nuclear renaissance. Behind the glamour of the headline numbers however, lay a host of complex legal issues. BNFL’s integrated team approach meant that the in house legal team formed a core part of the deal team from day 1, helping formulate strategy and driving key areas such as:

- Early and proactive analysis on competition and US regulatory issues, helping to drive potential purchaser strategy at a very early stage in the process;
- Using the combined knowledge of the Westinghouse and BNFL legal teams to identify and resolve key deal issues and blockers at an early stage;
- Developing a strategy for the sale and purchase agreement very early in the process, thereby enabling the competitive tension to fully translate into the best possible agreement for BNFL and its shareholders.

The approach again demonstrated that integration with business and finance teams gave the legal team the ability to influence strategy and ultimately to provide strategic legal advice with tangible benefits for value.

Springfields Fuels Limited

Of particular interest in the transaction, from a UK legal perspective, was BNFL’s Springfields Site, which had been part of the BNFL Group since its formation. Springfields plays a little known but fundamental role in UK electricity generation, fabricating the fuel for all British Energy’s nuclear reactors, which still generate some 15% of total UK electricity demand. As part of the Group’s reorganisation in 2005, the employees and contracts that made up the Springfields Fuels business were placed in a
separate legal entity, Springfields Fuels Limited. This was achieved by Nuclear Transfer Scheme, with this company becoming the holder of the nuclear site licence and M&O contract with the NDA for the Springfields site. A Nuclear Site Licence, issued by the Health and Safety Executive, is required by virtue of the Nuclear Installations Act 1965 before a nuclear site can be operated. Each Site Licence has 37 conditions, which the operator of the site must adhere to. Failure to do so will lead to HM Nuclear Installation Inspectorate taking action to insist that the operator either stops doing something or indeed starts doing something. Springfields Fuels Limited fitted logically within Westinghouse’s overall portfolio but was something of an unknown quantity for Toshiba, whose key deal drivers ultimately surrounded the Westinghouse business in the US particularly the AP1000 and new reactor build. The challenge for BNFL was therefore to include this UK business in the sale of Westinghouse’s US and Europe businesses. The defining issues would be how the existing M&O Contract to manage and operate the site that had been granted to an ultimately Government-owned entity, could be amended to make it suitable for a private sector company and how employee’s pensions could be protected. The key issues surrounded the nature and extent of the indemnities; the provision and reimbursement of working capital; the longevity of the contract and termination rights; and how the UKAEA Combined Pension Scheme could be replicated to create a new pension scheme to allow non-Government owned companies to participate for the benefit of their employees.

BNFL’s long relationship with Freshfields and their experience on the M&O contract negotiations in 2005, ensured that knowledge of the business was retained and put to use for the ultimate benefit of both the NDA and Toshiba. The legal team itself was multi-disciplinary, with lawyers from Freshfields, BNFL and Westinghouse working alongside each other to deliver a contract which both met the NDA’s aspirations and delivered a risk reward balance which would prove acceptable to Westinghouse and ultimately Toshiba. Long negotiations with the NDA delivered a revised M&O Contract that was acceptable to Toshiba and the establishment of the Combined Nuclear Pension Scheme (CNPP) with the result that Springfields was successfully included in the sale of Westinghouse. This was a win not only from value perspective but also in finding a good home and solid future for over 1500 staff who work on the Springfields Site, including one of the commercial lawyers from the legal team, who became the first Company Secretary and Head of Legal for Westinghouse’s nuclear interests in the UK. Indeed, this was the first stage in the NDA’s journey to create a competitive decommissioning and clean-up market in the UK.

**British Nuclear Group**

British Nuclear Group Limited (BNG) was incorporated as a result of the reorganisation of BNFL in 2004 in readiness for the transfer of liabilities to the NDA. BNG was established to create a business structure that could match the requirements of the developing decommissioning market. The structure adopted was to create a Parent Body organisation, to be responsible for the management of two of the Site Licence Companies, Sellafield Limited and Magnox Electric Limited and also create a separate tier two contracting business specialising in the remediation and cleanup of nuclear facilities, in the form of BNG Project Services Limited. In setting up BNG, with the ultimate intention to sell the Company, it was decided to establish a separate legal department to match that of Westinghouse, with the Head of Legal reporting to the CEO of BNG with a dotted line to the Group Legal Director and a seat at the table of the
Group Legal Management Team. This was the first time, in the history of BNFL, that the UK business would not be serviced by a centralised legal team employed from the Corporate Centre of BNFL. There was long debate as to the merits of this model and whether indeed it would create a more integrated legal service for the BNG business in the UK, as the traditional view of BNFL was that providing a central legal service was the most efficient and cost-effective solution from which some real benefits derived:

- enables critical mass and permits specialism – the use of specialists as opposed to generalists benefits of each of the businesses that make up the group;
- avoids silo mentality and ensures sharing of best practice across the Group;
- avoids duplication and allows for development of lawyers;
- can be fundamentally cheaper, particularly in cases of high work volume.

In the end it was agreed that if you are to develop and then sell a business, it is usually best to take the lawyers with you. BNG Legal Services was established in 2004. BNFL kept a small legal team at the BNFL Corporate Centre that focused on the strategy for BNFL and the sale of Westinghouse Electric LLC, Company Secretarial for the Group and Insurance for the Group.

The Panel

BNFL had during 2000-2004 been through a number of reviews focussing on the size of the overall centre team and the corporate overhead cost. The tension of internal resource constraints verses an ever increasing amount of legal work required a more cost-effective solution. Enter the Panel.

The Panel approach to the provision of legal services enabled us to continue provide a high quality legal service to the business recognising that some core work can be serviced locally without paying magic circle rates. To put together our Panel, we embarked on a selection process - this was not a ‘beauty parade’ which is expensive to all and tends to show the marketing team of a law firm at their best, when what you really want to see are the people who you will be working with. We chose a select Panel of firms based in Manchester, with some more local firms in the far reaches of our remote sites. The Panel we chose was primarily DLA Piper, Eversheds and Hammonds. All three firms put forward teams that could assist us in sub £50 million M&A transactions, employment, Property and IP. We retained in-house all of the commercial contract work.

Having taken the decision to keep the internal numbers of lawyers small and supplement our team with both regional and city practices, we have developed a good working relationship between lawyers, other corporate professionals and our businesses. The key people in our business trust the external Panel but do so knowing that from the Corporate Centre, Group Legal monitors the panel and agrees rates for the whole Group. This approach ensures high quality and rigorously monitors the costs.

The break up of the BNFL Group

By the beginning of 2006, a decision was taken not to sell BNG as a whole, but to break up the business and sell off its constituent parts; with the exception of Sellafield Limited which would remain with BNFL until the NDA completed its competition to have a commercial operator take the shares in Sellafield Limited from BNFL and in so doing,
the responsibility, as the new Parent Body Organisation, to manage and operate the Sellafield Site.

BNFL sold its Reactor Sites business in 2006. This business represented the group that managed and operated all of the Magnox sites in the UK. Again the incumbent “M&O” Contract needed to be re-visited in the light of a sale into the Private Sector and, following a competitive process, BNFL sold its Reactor Sites Management Company to Energy Solutions in June 2007 for £91M. This was followed by the most recent sale of BNG Project Services in January 2008 to VT Group for £45M. Project Services is a Tier 2 contractor specialising in the decommissioning and remediation of nuclear facilities. Since this is a tier 2 business, it has added to the diversification of the market and it is hoped that over the next 5 years will grow into a key player both in the decommissioning market and the new-build market.

The final chapter

In BNFL, what we hoped to achieve, in the disposal of the constituent parts of the business, was best value for the tax payer and a good home for our businesses and our people. In Group Legal we followed this ethos and ensured that each of the lawyers, who had a particular specialism, was given the opportunity to move with the business that best suited them when it was sold. During this process it was extremely important to have an open and transparent approach, so that each member of the in-house legal team had full knowledge of the business plans to enable them to make the right personal choices. Regular updates and one to one sessions were held to maintain engagement, deal with issues/problems early and ensure we achieved the best for our people.

With all of the commercial businesses sold by 2007, BNFL’s main focus now is Sellafield. Sellafield is the most complex of all of the nuclear sites that were transferred to the NDA. The competition process will mean that in July of this year, a preferred bidder will be announced and once contracts are signed with the NDA, this new parent will hold the shares in Sellafield Limited and the successful company will be responsible for the operation and management of Sellafield.

With the uncertainty, particularly in this area, a number of our specialist lawyers decided to leave the Group and armed with their depth of knowledge and experience, gained whilst working for the BNFL Group, have been well placed to start new legal careers in both private practice and in-house roles. This has meant that for Sellafield Limited, we have needed to recruit new specialists particularly, in the regulatory and commercial areas. Young lawyers have been attracted to the business, as the challenges Sellafield faces are well published and are both complex and new. The team is working well and in these early days all eyes are focused on who will become the new Parent Body Organisation (PBO) chosen to manage Sellafield Limited in through to the next decade.

The candidates are CH2M Hill, Serco-Bechtel-Babcock & Wilcox, URS Washington-Amec-Areva consortium and Fluor-Toshiba.

Focussing finally on the legal team and how it was formed and where we are now, I would comment as follows:-

We followed a model, as explained earlier, of a centralised legal department that serviced the whole of the BNFL Group in the UK and Europe. This gave the most cost-effective approach to the provision of legal services and allowed our lawyers to become specialised. When we acquired Westinghouse Electric LLC it was not possible to retain this centralised approach solely in the UK but we managed BNFL Group Legal via the
main offices in the UK and US. Successfully integrating the teams, to ensure consistency of approach, with an agreed set of processes and quality measures, has enabled the lawyers, who ultimately moved with the individual businesses as they were sold, to have a good basis to continue to service their new clients in an efficient and cost effective manner.

This approach allowed us to demand the best lawyers as we paid well and provided an exceptional quality of work. This will serve the industry well as it develops in this new era.

The NDA market has created diversification for the legal team and the advent of new build will create even more diversification and opportunities for a group of professionals extremely used to dealing with change.

Sue Quint joined BNFL in 1982 and became a Solicitor in 1992. She was initially employed as a commercial lawyer, becoming Head of Special Projects in 1995. From that she headed up the Corporate and Commercial team for BNFL in 2000, dealing with the acquisition of a number of European companies and during the expansion of BNFL Group Legal, was responsible for the recruitment of a large number of new lawyers and the mentoring of the Trainee Solicitors in the Group. In 2004, following the acquisition of both Magnox Electric plc and Westinghouse Electric LLC, she became UK General Counsel and Deputy Group Legal Director, responsible for the leadership and management of the legal team in the UK. She lead the reorganisation of the BNFL Group in 2004/5, dealing with the transfer of assets and liabilities to the Nuclear Decommissioning Authority (NDA) by Nuclear Transfer Scheme, providing advice to Government on the drafting of the Energy Act 2004, the legislation that established the NDA. Sue negotiated with the NDA the first incumbent Management and Operations Contracts for the operation and decommissioning of the NDA’s nuclear sites. She led the sale of Westinghouse Electric LLC and Westinghouse UK to Toshiba in October 2006 and sold Reactor Sites Management Company and Magnox Electric Limited to Energy Solutions LLC in June 2006. In October 2007 she took over from Alvin Shuttleworth as BNFL’s Group Legal Director reporting to BNFL’s CEO Mike Parker. In this role she is a key member of the Executive Team, responsible for the sale of all the remaining businesses of BNFL and the monitoring and minimisation of all liabilities of the company, so that it can be handed over to the control of the Department of Business Enterprise and Regulatory reform in March 2009. Sue is also on the Boards of British Nuclear Group Limited the Parent Body Organisation that manages Sellafield Limited and on the Sellafield Limited Board. She is also on the Board of Nexia Solutions, the company who provides technology services and solutions across the nuclear fuel cycle.
British Nuclear Fuels plc was established as a limited company in 1971 by virtue of the Atomic Energy Act 1971 and became a plc in 1984. In the 1990's there was rapid growth and by 2000 we had acquired Magnox Electric plc and Westinghouse Electric LLC. In 2004 BNFL was an international business employing 23,000 people worldwide in 16 countries and serving governments and nuclear utilities around the globe. Following a strategy review by BNFL and its shareholder in 2003, it was ultimately decided to reorganise the nuclear industry and particularly BNFL and by the enactment of the Energy Act in 2004, the Nuclear Decommissioning Authority (NDA) was established and on 1 April 2005 the NDA took strategic responsibility for the decommissioning and cleanup of all 20 of the UK's nuclear sites and BNFL became an operator of its sites, rather than an owner. BNFL then embarked on a restructuring and disposal programme delivering significant profits in 2007, selling Westinghouse Electric LLC to Toshiba for circa £3B. The main focus for 2008 is for BNFL to work with its shareholder the Department for Business, Enterprise and Regulatory Reform (BERR) on creating a successful National Nuclear Laboratory and supporting the NDA in ensuring a successful Parent Body Organisation, through a competitive dialogue process, is appointed for Sellafield Limited by the end of 2008.