



OFFICE OF THE
GENERAL COUNSEL

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20545-0001

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only
Rec'd. 9/27/96*

September 27, 1996

MEMORANDUM TO:

Michael F. Weber, Chief
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

FROM:

Stuart A. Treby *Stuart A Treby*
Assistant General Counsel for
Rulemaking and Fuel Cycle

SUBJECT:

AMENDED LETTER OF CREDIT - ADVANCED MEDICAL
SYSTEMS

By memorandum dated September 19, 1996, you requested OGC's review of the August 20, 1996, Amendment to the existing Letter of Credit (LOC) submitted by AMS with respect to its obligations to assure funds for decommissioning of its facility at London Road in Cleveland, Ohio. The NRC has already reviewed the existing LOC (with the assistance of its contractor, ICF) and accepted it, but has not indicated that it finds that the amount of the LOC will necessarily be adequate to assure the full costs of decommissioning the London Road facility. To the contrary, the adequacy of AMS' decommissioning funding plan (DFP) and financial instrument submitted in support of that DFP is still under review in connection with the pending license renewal application under section 30.35(c)(2) and 30.35(e).

OGC's review of the Amendment has not identified any legal problems. OGC recommends that RIII reply to AMS' submittal, indicating that we accept the amended LOC, but that this acceptance does not indicate that the NRC may not later require AMS under section 30.15 to provide decommissioning financial assurance in an amount greater than \$940,000. Please provide that letter to Stuart Treby, OGC, for review prior to its transmittal.

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We also understand from the August 26, 1996, letter from Bank One to Kevin Null, RIII, that the Region has in its possession an original signed copy of the Amendment, as required by section 30.35.

Attachment: Memorandum dated September 19, 1996.

cc w/Attachment: L. M. Bykoski, NMSS
T. C. Johnson, NMSS
M. L. Zabler, OGC
J. R. Madera, RIII
K. G. Null, RIII
B. A. Berson, RIII