



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

October 9, 2001

Docket No. 03005980

License No. 37-00030-02

William Lynch
Vice-President
Safety Light Corporation
4150- Old Berwick Road
Bloomsburg, PA 17815

SUBJECT: GUIDANCE ON ESTABLISHMENT OF SECOND NRC-ADMINISTERED
TRUST/ESCROW FUND

Dear Mr. Lynch:

This letter refers to your letter dated September 20, 2001, which responded to our letter of July 12, 2001, regarding disposition of the funds from Allendale Mutual Insurance Company.

As we previously stated, the above settlement funds should be deposited into the existing NRC-Administered Trust/Escrow Fund. We have no objection though, to your plans to arrange for a separate NRC-administered Trust/Escrow Fund. We do, however, request that you or your financial institution submit the required documentation by November 16, 2001. As you requested, enclosed are the applicable sections from the NRC guidance document, which provides detailed instructions, checklists and model agreements for trust and escrow financial assurance mechanisms for decommissioning. The full text of *NUREG-1727, NMSS Decommissioning Standard Review Plan- Appendix F, Standard Format and Content of Financial Assurance Mechanisms for Decommissioning* is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html>

Your letter also reminded us of your obligation under a Consent Order for the remediation of the Maxey Flats Site in Morehead, Kentucky. We request you advise us in detail regarding the status of this Consent Order and your specific obligation. After reviewing this matter, we will be able to better evaluate the appropriateness of any expenditure of NRC-administered funds prior to depletion of your Insurance Settlement Fund. Thank you for your continued cooperation.

Sincerely,

Original signed by Ronald R. Bellamy

Ronald R. Bellamy, Chief
Decommissioning and Laboratory Branch

Enclosure: Excerpts from NUREG-1727, Appendix F

W. Lynch
Safety Light Corporation

2

cc w/encl:

Larry Harmon, Plant Manager

David Allard, Director, Bureau of Radiation Protection, PADEP

James F. Kopenhaver, Program Manager, Radiation Protection Program

William Belanger, Health Physicist, EPA

W. Lynch
Safety Light Corporation

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Distribution w/o encl:
J. Parrott, NMSS
S. Lewis, OGC

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OFFICE	DNMS/RI	C	DNMS/RI	RC/ORA			
NAME	M Miller <i>mm</i>		R Bellamy <i>rm</i>	B Fewell <i>bf</i>			
DATE	10/9/01		10/9/01	10/9/01			

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APPENDIX F

STANDARD FORMAT AND CONTENT OF FINANCIAL ASSURANCE MECHANISMS FOR DECOMMISSIONING

SRP	DECOMMISSIONING
	FINANCIAL ASSURANCE
	STANDARD FORMAT AND CONTENT

<http://www2.fdic.gov/structur/trust/index.html>, and look to see that the bank branch has full trust powers.

CHECKLIST 4-A

TRUST FUNDS

- ☐ Documentation is complete:
 - ☐ 1. Trust agreement (originally signed duplicate)
 - ☐ 2. Schedule A
 - ☐ 3. Schedule B
 - ☐ 4. Schedule C
 - ☐ 5. Specimen certificate of events
 - ☐ 6. Specimen certificate of resolution
 - ☐ 7. Letter of acknowledgment
 - ☐ 8. Receipt or statement from the trustee showing the trust's current market value
 - ☐ 9. Checklist 4-B (if model trust wording is modified or not used)
- ☐ The trustee is qualified:
 - ☐ The financial institution is regulated by a Federal or State agency.
 - ☐ The financial institution has authority to act as a trustee and has trust operations that are regulated and examined by a Federal or State agency.
- ☐ The trust's current market value equals or exceeds the required coverage level.

Alternatively, licensees may contact the appropriate district office of the Office of the Comptroller of the Currency (OCC) and confirm that the institution (1) is Federally regulated and (2) has Federally regulated trust operations. (The OCC's home page on the World Wide Web is located at <http://www.occ.treas.gov>.) The six district offices of the OCC, along with the States and territories under their jurisdiction, are:

Northeastern District Office (212-819-9860) – CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT; District of Columbia, Puerto Rico, and Virgin Islands.

Southeastern District Office (404-659-8855) – AL, FL, GA, MS, NC, SC, TN, VA, and WV.

- **Central District Office (312-360-8800)** – IL, IN, KY, MI, OH, and WI.

financial assurance mechanism to make up the difference between the new coverage level and the amount of the trust.

In addition to being adequately funded, a trust agreement should allow the trustee access to the full level of coverage as appropriate to complete decommissioning activities. For example, in the model wording for a trust agreement, the trustee is authorized to make decommissioning payments only up to the amount listed in Schedule A to the trust agreement. If the amount listed in Schedule A is not at least as great as the NRC-approved cost estimate or certification amount, the trustee may not be able to make sufficient payments to complete decommissioning, even if there are sufficient monies in the trust.

4.3 RECOMMENDED DOCUMENTATION

The terms and conditions of a trust are governed by a written trust agreement. The wording of a trust agreement may vary, but Section 4.4 of this Appendix is a model trust agreement that would meet NRC's requirements and is recommended by the NRC. Other documentation must also be submitted with a trust agreement. As summarized in Checklist 4-A,¹¹ the following documentation is to be submitted with the trust agreement.

- The *trust agreement* (along with any amendments) is the written document that specifies the terms and conditions of the trust. The wording contained in the model trust presented in Section 4.4 is acceptable to the NRC. Licensees who use other wording should refer to Checklist 4-B to ensure that the alternative wording contains all the necessary terms and conditions.
- *Schedule A* (Section 4.5) identifies the name and address of the licensee, the NRC license numbers covered by the trust, the addresses of the licensed activity, the amount of regulatory assurances demonstrated by the trust agreement, and the date on which these amounts were last adjusted and approved by NRC.
- *Schedule B* (Section 4.5) lists the property (i.e., cash, securities, or other liquid assets) used to establish the initial trust fund.
- *Schedule C* (Section 4.5) specifies the compensation to be paid by the licensee to the trustee for its services.
- The *specimen certificate of events* (Section 4.6) and the *specimen certificate of resolution* (Section 4.7) provide the format for instructing the trustee to release monies from the trust in order to fund decommissioning activities at the licensee's facility. When submitted as part of a financial assurance package, the specimen certificates should be unexecuted drafts. (Actual authorization to release funds from the trust is accomplished when completed and notarized versions of these

¹¹ Supporting documentation may differ for licensees who submit trusts that differ from the recommended model.

CHECKLIST 4-B**Terms and Conditions Needed in Decommissioning Trust Agreements**

Use this checklist only if deviating from the wording recommended in Section 4.4.

- ☐ Execution date of trust.
- ☐ Purpose of trust ("whereas" clauses).
- ☐ Statement of licensee's regulatory obligations as reason for the trust fund.
- ☐ Grantor or grantors (introductory paragraph).
- ☐ Trustee or trustees (introductory paragraph):
 - ☐ 1. Names and addresses; and
 - ☐ 2. Bank or corporate trustee.
- ☐ Identification of facilities (name, address, and license number) and cost estimates or certification amounts (Section 2 and Schedule A).
- ☐ Words of transfer, conveyance, and delivery in trust (Section 3).
- ☐ Description of trust property (Section 4 and Schedule B):
 - ☐ 1. Cash,
 - ☐ 2. Securities, and
 - ☐ 3. Other liquid assets.
- ☐ Additions to trust (Section 4).
- ☐ Distribution of trust principal (Section 5):
 - ☐ 1. Disbursement to licensee upon proper certification;
 - ☐ 2. Payment for activities at NRC's direction in writing;
 - ☐ 3. Refund to grantor at NRC's written specification upon completion of decommissioning; and
 - ☐ 4. Maximum withdrawal of funds at one time for a particular license is limited to 10 percent of the remaining funds available for that license unless NRC written approval is attached.
- ☐ Trust management (Sections 6 - 8):
 - ☐ 1. Discretionary powers;
 - ☐ 2. Fiduciary duty;
 - ☐ 3. Commingling and investment;
 - ☐ 4. Sale or exchange of trust property;
 - ☐ 5. Scope of investments;
 - ☐ 6. Express powers of trustee;
 - ☐ 7. Borrowing money and encumbering trust assets;
 - ☐ 8. Insurance (optional);
 - ☐ 9. Operation of business (optional); and
 - ☐ 10. Compromise of claims (optional).
- ☐ Taxes and expenses (Section 9).
- ☐ Annual valuation (Section 10).
- ☐ Advice of counsel (Section 11).
- ☐ Authority, compensation, and tenure of trustees (Sections 12 - 14):
 - ☐ 1. Trustee compensation (Schedule C);
 - ☐ 2. Successor trustee; and
 - ☐ 3. Instructions to trustee.
- ☐ Amendment of agreement (Section 15).
- ☐ Irrevocability and termination (Section 16).
- ☐ Immunity and indemnification (Section 17).
- ☐ Law to govern construction and operation of trust (Section 18).
- ☐ Interpretation and severability (Section 19).
- ☐ Signatures and titles.
- ☐ Acknowledgments, seals, or attestations, if necessary or desired (witness by notary public).
- ☐ Acceptance of trust by trustee or trustees (acknowledgment).

to the Trustee are referred to as the "Fund," together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the NRC.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- (a) A certificate duly executed by the Secretary of the Grantor attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate of Events, and
- (b) A certificate attesting to the following conditions:
 - (1) that decommissioning is proceeding pursuant to an NRC-approved plan;
 - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that plan; and
 - (3) that the NRC has been given 30 days prior notice of [insert name of licensee]'s intent to withdraw funds from the trust fund.

No withdrawal from the Fund for a particular license can exceed 10 percent of the remaining funds available for that license unless NRC written approval is attached.

In addition, the Trustee shall make payments from the Fund as the NRC shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the NRC from the Fund for expenditures for required activities in such amounts as the NRC shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as

or such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve Bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal government; and
- (e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. After payment has been made into this trust fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the trust fund, furnish to the Grantor and to the NRC a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the NRC shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing with the Grantor. (See Schedule C.)

Section 13. Successor Trustee. Upon 90 days notice to the NRC and the Grantor, the Trustee may resign; upon 90 days notice to NRC and the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee, the successor accepts the appointment, the successor is ready to assume its duties as trustee, and NRC has agreed, in writing, that the successor is an appropriate State or Federal government agency or an entity that has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. When the resignation or replacement is effective, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any

F51

each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this Agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereunto affixed and attested as of the date first written above.

[Insert name of licensee (Grantor)]
[Signature of representative of Grantor]
[Title]

ATTEST:
[Title] [Seal]

[Insert name of Trustee]
[Signature of representative of Trustee]
[Title]

ATTEST:
[Title] [Seal]

4.6 MODEL SPECIMEN CERTIFICATE OF EVENTS

[Insert name and address of trustee]

Attention: Trust Division

Gentlemen:

In accordance with the terms of the Agreement with you dated _____, I, _____, Secretary of [insert name of licensee], hereby certify that the following events have occurred:

1. [Insert name of licensee] is required to commence the decommissioning of its facility located at [insert location of facility] (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on _____ (copy of approval attached).
3. The Board of Directors of [insert name of licensee] has adopted the attached resolution authorizing the commencement of the decommissioning.

Secretary of [insert name of licensee]

Date

4.8 MODEL LETTER OF ACKNOWLEDGMENT

STATE OF _____

To Wit: _____

CITY OF _____

On this ____ day of _____, before me, a notary public in and for the city and State aforesaid, personally appeared _____, and she/he did depose and say that she/he is the [insert title] of _____ [if applicable, insert " , national banking association" or " , State banking association"], Trustee, which executed the above instrument; that she/he knows the seal of said association; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association; and that she/he signed her/his name thereto by like order.

[Signature of notary public]My Commission Expires: _____
[Date]

Wide Web is located at <http://www.occ.treas.gov>.) The six district offices of the OCC, along with the States and territories under their jurisdiction, are as follows:

CHECKLIST 5-A

ESCROW ACCOUNTS

- ☐ Documentation is complete:
 - ☐ 1. Escrow agreement (originally signed duplicate)
 - ☐ 2. Specimen certificate of events
 - ☐ 3. Specimen certificate of resolution to commence decommissioning
 - ☐ 4. Certified resolution authorizing the making and performance of the escrow agreement
 - ☐ 5. Certificate of names and specimen signatures
 - ☐ 6. Receipt or statement from the escrow agent showing the escrow's current market value
 - ☐ 7. Checklist 5-B (if model escrow wording is modified or not used)
- ☐ The financial institution is regulated by a Federal or State agency.
- ☐ The escrow's current market value equals or exceeds the required coverage level.

- Northeastern District Office (212-819-9860) -- CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT, District of Columbia, Puerto Rico, and Virgin Islands.
- Southeastern District Office (404-659-8855) -- AL, FL, GA, MS, NC, SC, TN, VA, and WV.
- Central District Office (312-360-8800) -- IL, IN, KY, MI, OH, and WI.
- Midwestern District Office (816-556-1800) -- IA, KS, MN, MO, NE, ND, and SD.
- Southwestern District Office (214-720-0656) -- AR, LA, OK, and TX.
- Western District Office (415-545-5900) -- AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY, and Guam.

- The word "State" in the title of a financial institution signals that the institution is *State regulated*. U.S. branches of foreign banks are usually regulated by the State in which they are located. To determine whether a State-regulated financial institution qualifies as an acceptable escrow agent, licensees should access the FDIC's Institution Directory on

wording should refer to Checklist 5-B to be sure that the alternative wording contains all the necessary terms and conditions.

- The *specimen certificate of events* (Section 5.5) and the *specimen certificate of resolution to commence decommissioning* (Section 5.6) provide the required format for instructing the escrow agent to release monies from the escrow in order to fund decommissioning activities at the licensee's facility. When submitted as part of a financial assurance package, the specimen certificates should be unexecuted drafts. (Actual authorization to release funds from the escrow is accomplished when completed and notarized versions of these certificates are signed by the secretary of the licensee and presented to the escrow agent.)
- The *certified resolution authorizing the making and performance of the escrow agreement* (Section 5.7) officially certifies that the licensee's Board of Directors has authorized the licensee to enter into the escrow agreement.
- The *certificate of names and specimen signatures* (Section 5.8) presents the names and signatures of the licensee's officers or representatives who are authorized to sign the escrow agreement and notices, instructions, and other communications under the agreement.

5.4 MODEL ESCROW AGREEMENT

ESCROW AGREEMENT

Escrow Account Number _____

Paragraph 1. Establishment of Escrow Account.

It is agreed between the parties that [insert name of licensee] has elected to establish an escrow account with [insert name, address, and position (if applicable) of escrow agent] to provide financial assurance for decommissioning of the facility(ies) in the amounts shown below:

[For each facility for which financial assurance is provided by the escrow agreement, list facility name, address, and license number, corresponding estimated or certified decommissioning costs, and indicate amount of financial assurance provided by the escrow account.]

Paragraph 2. Description of Property in Escrow Account.

It is hereby acknowledged by the parties that [list the assets that have been delivered to the escrow agent and indicate the market value of each item] has (have) been delivered to escrow.

[Insert name of licensee] warrants to and agrees with [insert name of escrow agent] that, unless otherwise expressly set forth in this Agreement: there is no security interest in the property in the escrow account or any part thereof; no financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the escrow account or any part thereof; and the escrow agent shall have no responsibility at any time to ascertain whether or not any security interest exists or to file any financing statement under the Uniform Commercial Code with respect to the escrow account or any part thereof.

Paragraph 3. Conditions of Escrow Agreement.

The property described in Paragraph 2 above will remain in the escrow account created by this Agreement until one of the following two conditions has been satisfied:

- (1) The conditions specified in Paragraph 4 of this Agreement have been met; or
- (2) The decommissioning activities required by 10 CFR Part [insert 30, 40, 70, or 72] have been completed, the license has been terminated, the facility site is available for unrestricted use for any public or private purpose, and the escrow account has been terminated by joint notice, in writing, from [insert name of licensee] and the U.S. Nuclear Regulatory Commission (NRC), or by NRC alone if the licensee ceases to exist.

income, in accordance with general investment policies and guidelines which the [insert name of licensee] may communicate in writing to the escrow agent from time to time, subject, however, to the provisions of the escrow account; the escrow agent shall discharge its duties with respect to the escrow account solely in the interest of NRC and with the care, skill, prudence, and diligence, under the circumstances then prevailing, that persons of prudence, acting in like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims; except that:

- (a) Securities or other obligations of the licensee, or any other owner or operator of the licensed facility(ies), or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80a-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal government;
- (b) The escrow agent is authorized to invest the escrow account in time or demand deposits to the extent insured by an agency of the Federal government, and in obligations of the Federal government such as GNMA, FNMA, and FHLM bonds and certificates or State and Municipal bonds rated BBB or higher by Standard & Poor's or Baa or higher by Moody's Investment Services; and
- (c) The escrow agent is authorized to hold uninvested cash, awaiting investment or distribution, for a reasonable time and without liability for the payment of interest thereon.

Express Power of the Escrow Agent

Without in any way limiting the powers and discretion conferred upon the escrow agent by other provisions of this Agreement or by law, the escrow agent is expressly authorized and empowered:

- (a) To register any securities held in the escrow account in its own name and to hold any security in bearer form or in book entry or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the escrow agent shall at all times show that all such securities are part of the escrow account;
- (b) To deposit any cash in the escrow account in interest-bearing accounts or savings certificates to the extent insured by an agency of the Federal government; and
- (c) To pay taxes, from the account, of any kind that may be assessed or levied against the escrow account and all brokerage commissions incurred by the escrow account.

Paragraph 7: Annual Valuation:

After delivery has been made into this escrow account, the escrow agent shall annually, at least 30 days before the anniversary date of receipt of the property into the escrow account, furnish to the licensee and to the NRC a statement confirming the value of the escrow account. Any securities in the account shall be valued at market value as of no more than 60 days before the

Paragraph 11. Amendment of Agreement.

This Agreement may be amended by an instrument in writing executed by the licensee, the escrow agent, and the NRC, or by the escrow agent and the NRC if the licensee ceases to exist. All amendments shall meet the relevant regulatory requirements of the NRC.

Paragraph 12. Termination.

This Agreement can be terminated by written notice of termination to the escrow agent signed by [insert name of licensee] and the NRC, or by the NRC alone if the licensee ceases to exist.

Paragraph 13. Interpretation.

This escrow agreement constitutes the entire agreement between [insert name of licensee] and [insert name of escrow agent]. The escrow agent shall not be bound by any other agreement or contract entered into by [insert name of licensee], and the only document that may be referenced in case of ambiguity in this escrow agreement is the licensing agreement between [insert name of licensee] and the United States Nuclear Regulatory Commission, or its successor.

Paragraph 14. Acceptance of Appointment by Escrow Agent.

[Insert name, address, and position (if applicable) of escrow agent] does hereby acknowledge its appointment by [insert name of licensee] to serve as escrow agent for the escrow account created under this Agreement and agrees to carry out its obligations and duties as stated in this escrow agreement.

Paragraph 15. Severability.

If any part of this Agreement is invalid, it shall not affect the remaining provisions that will remain valid and enforceable.

5.5 MODEL SPECIMEN CERTIFICATE OF EVENTS

[Insert name and address of escrow agent]

Attention: Escrow Division

Gentlemen:

In accordance with the terms of the Agreement with you dated _____, I, _____, Secretary of [insert name of licensee], hereby certify that the following events have occurred:

1. [Insert name of licensee] is required to commence the decommissioning of its facility located at [insert location of facility] (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on _____ (copy of approval attached).
3. The Board of Directors of [insert name of licensee] has adopted the attached resolution authorizing the commencement of the decommissioning.

Secretary of [insert name of licensee]

Date

**5.7 MODEL CERTIFIED RESOLUTION AUTHORIZING THE MAKING
AND PERFORMANCE OF THE ESCROW AGREEMENT**

I, _____, do hereby certify that I am Secretary of [insert name of licensee],
a [insert State of incorporation] corporation, and that the resolution listed below was duly
adopted at a meeting of this Corporation's Board of Directors on _____, 19____.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this
Corporation this ____ day of _____, 19____.

Secretary

RESOLVED, that this Board of Directors hereby authorizes the President, or such other
employee of the Company as he may designate, to enter into an escrow agreement with the
[insert name of escrow agent] in accordance with the terms and conditions described to this
Board of Directors at this meeting and with such other terms and conditions as the President
shall approve with and upon the advice of Counsel.



UNITED STATES
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William Lynch
Vice-President
Safety Light Corporation
4150- Old Berwick Road
Bloomsburg, PA 17815

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Sincerely,

Original signed by Ronald R. Bellamy

Ronald R. Bellamy, Chief
Decommissioning and Laboratory Branch

Enclosure: Excerpts from NUREG-1727, Appendix F

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