

**From:** John Nicholson  
**To:** Paul.oechsli@pw.utc.com  
**Date:** Tue, Jun 6, 2006 8:54 AM  
**Subject:** mail control number 137147 financial assurance

SMB-151  
040 00791  
137147

Dear Mr. Oechsli:

I have been working with Pratt & Whitney since June 2005 to try and resolve the issue of financial assurance for your U.S. Nuclear Regulatory Commission (NRC) license, number SMB-151. I initially dealt with Carlos Rivera, your radiation safety officer. Since October 2005 I have been dealing with Terrence McCarthy.

In a letter to the NRC dated June 2, 2005 from Mr. Rivera, Pratt & Whitney submitted a revised Surety Bond increasing the amount to the required \$225,000. The Surety Bond method requires a Standby Trust Agreement (STA) be in place. There were some issues with the original STA dated March 12, 1993. I detailed these concerns in a letter dated June 29, 2005 addressed to Kevin Doyle. I understand Mr. Rivera and Mr. McCarthy received a copy of this letter.

Mr. Rivera attempted to answer my concerns in a letter dated September 21, 2005. Some concerns were not answered and schedules of the STA were amended without signatures of the grantor or the trustee. I subsequently had a telephone conversation with Mr. McCarthy, and on October 18, 2005, I sent him an email and faxed him a copy of the original, March 12, 1993, STA.

In a telephone conversation with Mr. McCarthy on January 10, 2006, which I followed up with an email that same day, I was informed a new STA was being finalized and I could expect a response by January 31, 2006.

To date I have not received the revised STA. This action needs to be resolved very quickly. The revised STA needs to be sent to my attention by June 26, 2006. Currently Pratt & Whitney is not in compliance with NRC regulations by not having a financial assurance mechanism in place. If you have any questions about what is required, refer to the correspondence mentioned in this letter. If it is still not clear, call me at 610-337-5236.

Regards,

John Nicholson  
U.S. Nuclear Regulatory Commission  
phone: 610-337-5236  
fax: 610-337-5269  
jjn@nrc.gov

**CC:** Carlos.rivera@pw.utc.com; Peter.kelly@pw.utc.com; Sandy.soucy@pw.utc.com;  
Terrance.mccarthy@pw.utc.com

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**Subject:** mail control number 137147 financial assurance  
**Creation Date:** Tue, Jun 6, 2006 8:54 AM  
**From:** John Nicholson

**Created By:** JJN@nrc.gov

**Recipients**

pw.utc.com

carlos.rivera CC (Carlos.rivera@pw.utc.com)  
Paul.oechsli (Paul.oechsli@pw.utc.com)  
Peter.kelly CC (Peter.kelly@pw.utc.com)  
Sandy.soucy CC (Sandy.soucy@pw.utc.com)  
Terrance.mccarthy CC (Terrance.mccarthy@pw

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