



MIT NUCLEAR REACTOR LABORATORY

AN MIT INTERDEPARTMENTAL CENTER

John A. Bernard
Director of Reactor Operations

Mail Stop: NW12-208a
138 Albany Street
Cambridge, MA 02139

Phone: 617 253-4202
Fax: 617 253-7300
Email: bernardj@mit.edu

July 5, 2006

U.S. Nuclear Regulatory Commission
Washington, DC 20555

Re: Review of Decommissioning Funding Response for MIT Research Reactor,
License No. R-37, Docket No. 50-20

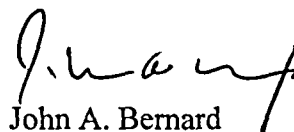
Dear Sir or Madam:

The Massachusetts Institute of Technology has recently completed a review of the projected costs associated with the decommissioning of the MIT Research Reactor and wishes to increase the funds held in escrow to \$23M for License No. R-37. The basis for this figure was the application of standard cost-indices to the estimate that was prepared originally by GE and later re-established by Duke Engineering.

Paragraph 4 of the amendment dated November 30, 2005, to the original agreement requires that: 1) MIT give 30 days notice of any change to both the escrow agent and the NRC; and 2) NRC "approve the amendment in a writing delivered to the escrow agent." A copy of the November 30, 2005, amendment is enclosed for your reference. MIT hereby requests that NRC so notify the escrow agent. It would be most appreciated if MIT were copied on that notification.

Please contact the undersigned if further information is required. Also, it should be understood that MIT has no intention of decommissioning the MIT Research Reactor.

Sincerely,



John A. Bernard

JAB/koc

Enclosure

Cc: David Moncton, Director of the MIT Nuclear Reactor Laboratory
Margaret Brill, Contracts Counsel, MIT Senior Counsel's Office
Robert Davine, Administrative Officer, MIT Nuclear Reactor Laboratory
Alexander Adams, Senior Project Manager, NRC Research and Test Reactors Section

A020

AMENDED ESCROW AGREEMENT

This Amended Escrow Agreement, dated as of November 30, 2005, amends the Escrow Agreement originally dated as of August 18, 1990, as amended and restated as of March 31, 1994, and as further amended and restated as of March 21, 1997 (together, the "Escrow Agreement"), between Massachusetts Institute of Technology ("M.I.T. ") and U.S. Bank National Association (the "Escrow Agent"), successor to State Street Bank and Trust Company which, in turn, was successor to The First National Bank of Boston, pursuant to Paragraph 12 of the Escrow Agreement.

1. Paragraph 1 of the Escrow Agreement is hereby amended in its entirety to read as follows:

"1. Establishment of Escrow Account

M.I.T. hereby establishes an escrow account (the "Escrow Account") with the Escrow Agent pursuant to the terms of this agreement, to provide financial assurance for decommissioning of two M.I.T. facilities, in the amounts shown below:

First Facility:

<u>Facility name:</u>	Massachusetts Institute of Technology
<u>Address:</u>	77 Massachusetts Avenue Cambridge, Massachusetts 02139
<u>License number:</u>	SNM-986
<u>Applicable NRC Regulations:</u>	10 C.F.R. 70
<u>Estimated Decommissioning Costs:</u>	\$1,125,000.00
<u>Amount of Financial Assurance Provided:</u>	\$1,125,000.00

Second Facility:

<u>Facility name:</u>	Massachusetts Institute of Technology Research Reactor
<u>Address:</u>	138 Albany Street Cambridge, Massachusetts 02139
<u>License number:</u>	R-37
<u>Applicable NRC Regulations:</u>	10 C.F.R. 50
<u>Estimated Decommissioning Costs:</u>	\$20,000,000.00
<u>Amount of Financial Assurance Provided:</u>	\$20,000,000.00"

2. The first sentence of Paragraph 2 of the Escrow Agreement is hereby amended to read as follows:

"It is hereby acknowledged by the parties that cash or other liquid assets with a value of \$21,125,000.00 have been delivered to the Escrow Agent, and they, or assets of equivalent value, less any amounts disbursed pursuant to Paragraph 4 of this agreement, will remain in the Escrow Account until one of the conditions stated in Paragraph 3 of this agreement has been satisfied."

3. The third sentence under the heading "Escrow Account Management" in Paragraph 6 of the Escrow Agreement, beginning with the words "Interest earnings shall be," is hereby amended to read as follows:

"Interest earnings shall be paid immediately upon receipt to Massachusetts Institute of Technology Pool C custody account #42312967 at U.S. Bank National Association, with advice to Stephen Gorman, MIT Investment Management Company, Office of the Treasurer, 238 Main Street, Suite 200, Cambridge, Massachusetts 02142, or as M.I.T. otherwise directs the Escrow Agent, provided that immediately after such interest payment the market value of the Escrow Account is equal to or greater than the Required Balance.

4. Paragraph 12 of the Escrow Agreement is hereby amended in its entirety to read as follows:

“ 12. Amendment to this Agreement.

This Agreement may be amended by an instrument in writing executed by M.I.T. and the Escrow Agent provided that M.I.T. has given 30 days prior written notice to the Escrow Agent and the NRC and the NRC has approved the amendment in a writing delivered to the Escrow Agent.”

5. Paragraph 17 of the Escrow Agreement is hereby amended in its entirety to read as follows:

“17. Notices

If any notice or communication is required to be given hereunder it shall be deemed given if in writing and mailed by certified or registered mail, postage prepaid, return receipt requested:

If to Escrow Agent: U.S. Bank National Association
Corporate Trust Services
Mailcode: EX-MA-FED
One Federal Street, 3rd Floor
Boston, MA 02110
Attention: 1990 M.I.T. Escrow

If to M.I.T.: Massachusetts Institute of Technology
Office of the Treasurer
238 Main Street, Suite 200
Cambridge, Massachusetts 02142
Attention: Mr. Allan S. Bufferd
 Office of the Treasurer

If to NRC: U.S. Nuclear Regulatory Commission
Washington, D.C. 20555”

6. It is the intention of the parties hereto that all provisions, terms and conditions contained in the Escrow Agreement originally dated as of August 18, 1990, as amended and restated as of March 31, 1994, and March 21, 1997, which have not been amended or modified as set forth above, shall remain in full force and effect.

WITNESS the execution hereof under seal as of the date above first written.

U.S. BANK NATIONAL
ASSOCIATION

MASSACHUSETTS INSTITUTE
OF TECHNOLOGY

By Todd R. Dinezza

By Alan S. Bufford

Name TODD R. DINEZZA

Name Alan S. Bufford

Title Assistant Vice President

Title Treasurer

Date 11/30/2005

Date 11-29-2005

The Commonwealth of Massachusetts

Suffolk, ss.

Date: 11/30, 2005

Then personally appeared the above named Todd Dinezza, being an Authorized Officer of U.S. Bank National Association and acknowledged the foregoing to be the free act and deed of U.S. Bank National Association, before me

RACHEL M. SYLVIA
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS
MY COMMISSION EXPIRES FEBRUARY 18, 2011

Rachel M. Sylvia
Notary Public

My commission expires:

The Commonwealth of Massachusetts

Middlesex, ss.

Date: November 29, 2005

Then personally appeared the above named Allan S. Bufford being an Authorized Officer of the Massachusetts Institute of Technology and acknowledged the foregoing to be the free act and deed of said Massachusetts Institute of Technology, before me

Allan S. Bufford
Notary Public

My commission expires:

3-29-2007