January 4, 2007

Mr. Scott P. Murray, Manager
Licensing and Liabilities COE
Global Nuclear Fuel - Americas, LLC
Castle Hayne Road
Wilmington, NC 28401

SUBJECT: APPROVAL OF ANNUAL FINANCIAL TEST UPDATE FOR DECOMMISSIONING FINANCIAL ASSURANCE, (TAC L31943)

Dear Mr. Murray:

The Nuclear Regulatory Commission (NRC) staff reviewed the Annual Financial Test Update, transmitted by letter dated March 16, 2006, as well as the corrected Page 2 of the Guarantee Instrument, transmitted by letter SPM 06-008, dated September 27, 2006. The reviewers determined that the financial test performed by Global Nuclear Fuels demonstrated continued qualification to use a parent company guarantee as financial assurance for decommissioning costs. This was determined to be acceptable. This letter will close TAC L31943.

If you have any questions regarding this matter, I can be reached by phone at (301) 415-6155, or via e-mail to mnb@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html (the Public Electron Reading Room).

Sincerely,

/RA/

Merritt N. Baker, Project Manager
Fuel Manufacturing Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-1113
License No.: SNM-1097

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