

Honeywell
P.O. Box 1053
Morristown, NJ 07962-1053

August 1, 2007

ATTN: Document Control Desk
Director, Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

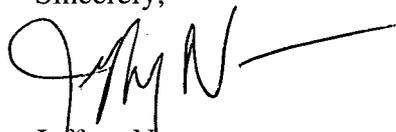
Re: Honeywell, Metropolis, Illinois (SUB-526)
Docket No. 40-3392

Dear Mr. Strosnider:

Pursuant to the request of Mr. Michael Raddatz, please find attached a signed Self-Guarantee pursuant to which Honeywell International Inc. ("Honeywell") commits to the Nuclear Regulatory Commission to carry out the required decommissioning activities at Honeywell's conversion facility in Metropolis, Illinois as required by NRC License No. SUB-526.

Please feel free to contact the undersigned at 973-455-2945 with any comments or questions.

Sincerely,



Jeffrey Neuman
General Counsel
Honeywell Fluorine Products

cc: Mr. Michael G. Raddatz, NMSS
Larry Parscale, Honeywell International Inc.

Nmss01

SELF-GUARANTEE

Guarantee made this August 1, 2007, by Honeywell International Inc. (Honeywell), a corporation organized under the laws of the State of Delaware, herein referred to as "guarantor," to the U.S. Nuclear Regulatory Commission (NRC), beneficiary, on behalf of ourselves as licensee.

Recitals

1. The guarantor has full authority and capacity to enter into this self-guarantee under its bylaws, articles of incorporation, and the laws of the State of Delaware, its State of incorporation. Guarantor has approval from its Board of Directors to enter into this self-guarantee.
2. This self-guarantee is being issued to comply with regulations issued by NRC, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. NRC has promulgated regulations in title 10, Chapter I of the *Code of Federal Regulations*, Part 40, which require that a holder of, or an applicant for, a materials license issued pursuant to 10 CFR Part 40 provide assurance that funds will be available when needed for required decommissioning activities.
3. The self-guarantee is issued to provide financial assurance for decommissioning activities for Honeywell Metropolis Works, 2768 North US 45 Rd., Metropolis, Illinois, NRC License No. SUB-526, as required by 10 CFR Part 40. The decommissioning costs for these activities are as follows:
 - (a) \$156,348,034 in 2006 dollars, based on a site reclamation cost estimate submitted to the NRC on January 10, 2007, and approved in a letter from Michael Raddatz, NRC, to David Edwards, Honeywell, "Approval of Reclamation Cost Estimate" (July 12, 2007).
4. The guarantor meets the following financial test criteria for a self-guarantee and agrees to comply with all notification requirements as specified in 10 CFR Part 40, Appendix C to 10 CFR Part 30, and NRC License SUB-526:
 - (a) The sum of tangible net worth plus goodwill at least 10 times the current decommissioning cost estimates for all decommissioning activities for which the company is responsible as a self-guaranteeing licensee and as a parent-guarantor.¹

¹ This test differs from that in 10 CFR Part 30, Appendix C, in that the sum of tangible net worth plus goodwill (rather than tangible net worth only) must be at least 10 times the current decommissioning cost estimate. This test is based on an alternate financial test contained in Honeywell's December 1, 2006 request for an exemption from the NRC's decommissioning funding assurance requirements. That exemption request was approved as License Condition 27 in SUB-526, which was issued on May 11, 2007.

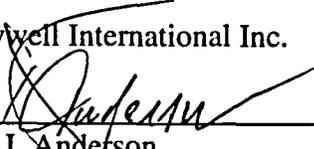
- (b) Assets located in the United States amounting to at least 90 percent of total assets or at least 10 times the current decommissioning cost estimates for all decommissioning activities for which the company is responsible as a self-guaranteeing licensee and as a parent-guarantor; and
 - (c) At least one class of equity securities registered under the Securities Exchange Act of 1934; and
 - (d) A current rating for its most recent bond issuance of AAA, AA, or A as issued by Standard & Poor's, or Aaa, Aa, or A as issued by Moody's.
5. The guarantor does not have a parent company holding majority control of its voting stock.
 6. Decommissioning activities as used below refer to the activities required by 10 CFR Part 40 for decommissioning of the facilities identified above.
 7. Pursuant to the guarantor's authority to enter into this guarantee, the guarantor guarantees to NRC that the guarantor shall
 - (a) carry out the required decommissioning activities, as required by NRC License No. SUB-526 or
 - (b) set up a trust fund in favor of the above identified beneficiary in the amount of the current cost estimates for these activities.
 8. The guarantor agrees to perform the financial test in Appendix C to 10 CFR Part 30, as amended in Recital 4, within 90 days of the close of the fiscal year. In accordance with License Condition 26, Honeywell will submit revised financial statements, financial test data, and an auditor's special report and reconciling schedule to the NRC annually within 120 days of the close of each fiscal year.
 9. The guarantor agrees that if, in performing the financial test in Recital 8, it fails to meet the self-guarantee financial test criteria identified in Recital 4, it shall send, by certified mail, immediate notice to NRC that it intends to provide alternative financial assurance as specified in 10 CFR Part 40. Within 120 days of such notice, the guarantor shall establish such financial assurance.
 10. The guarantor also agrees to notify the beneficiary promptly if the ownership of the licensed activity is transferred, and to maintain this guarantee until the new licensee provides alternative financial assurance acceptable to the beneficiary.
 11. The guarantor agrees that if it determines, at any time other than as described in Recital 9, that it no longer meets the self-guarantee financial test criteria or it is disallowed from continuing as a self-guarantor, it shall establish alternative financial assurance as specified in 10 CFR Part 30, 40, 70, or 72, as applicable, within 120 days.

12. The guarantor, as well as its successors and assigns, agrees to remain bound jointly and severally under this guarantee notwithstanding any or all of the following: amendment or modification of the license or NRC-approved decommissioning funding plan for that facility, the extension or reduction of the time of performance of required activities, or any other modification or alteration of an obligation of the licensee pursuant to 10 CFR Part 40.
13. The guarantor agrees that it shall be liable for all litigation costs incurred by the beneficiary, NRC, in any successful effort to enforce the agreement against the guarantor.
14. The guarantor agrees to remain bound under this self-guarantee for as long as it, as licensee, must comply with the applicable financial assurance requirements of 10 CFR Part 40, for the previously listed facilities, except that the guarantor may cancel this self-guarantee by sending notice by certified mail to NRC, such cancellation to become effective no earlier than 120 days after receipt of such notice by NRC, as evidenced by the return receipt.
15. The guarantor agrees that if it, as licensee, fails to provide alternative financial assurance as specified in 10 CFR Part 40, as applicable, and obtain written approval of such assurance from NRC within 90 days after a notice of cancellation by the guarantor is received by NRC from the guarantor, the guarantor shall make full payment under the self-guarantee.
16. The guarantor expressly waives notice of acceptance of this self-guarantee by NRC. The guarantor also expressly waives notice of amendments or modifications of the decommissioning requirements.
17. If the guarantor files financial reports with the U.S. Securities and Exchange Commission, then it shall promptly submit them to its independent auditor and to NRC during each year in which this self-guarantee is in effect.
18. The guarantor agrees that if, at any time before termination of this self-guarantee, its most recent bond issuance ceases to be rated in the category of "A" or above by either Standard & Poor's or Moody's, it shall provide notice in writing of such fact to NRC within 20 days after publication of the change by the rating service.

I hereby certify that this self-guarantee is true and correct to the best of my knowledge.

Effective date: August 1, 2007

Honeywell International Inc.



David J. Anderson
Senior Vice President and Chief Financial Officer

Signature of witness or notary: 