

JUN 15 1995

License No: 37-02006-09
Docket No: 030-12894
Control No: 121506

Marcus C. Bennett
Vice President & Chief Financial Officer
Martin Marietta Corporation
P.O. Box 8555
Philadelphia, Pennsylvania 19101

Subject: Financial Assurance for Decommissioning for License No. 37-02006-09

Dear Mr. Bennett:

This is in reference to a telephone conversation on March 20, 1995, between John L. Andrews of your staff and Anthony Dimitriadis of this office. During this conversation, Mr. Andrews pointed out that a response was not yet received by Martin Marietta regarding financial assurance for License No. 37-02006-09.

Mr. Dimitriadis audited the financial assurance records for License No. 37-02006-09 and confirmed that a review of the decommissioning funding plan and associated self-guarantee, submitted on April 26, 1994, had not been performed for this license, in error. We have now reviewed your submittal dated April 26, 1994 which provides financial assurance for License No. 37-02006-09 and have no further questions at this time.

Based on the information provided in the above referenced documents, you are presently in compliance with the financial assurance requirements outlined in the decommissioning rule in 10 CFR 30.35.

If you have any questions, please contact Anthony Dimitriadis, at (610) 337-6953.

We apologize for any inconvenience this error may have caused.
Your cooperation with us is appreciated.

Sincerely,

Original Signed By:

Mohamed M. Shanbaky, Chief
Research and Development Section
Division of Radiation Safety
and Safeguards

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CC:
 Martin Marietta Corporation
 ATTN: S.J. Mucha, M.D., Chairman
 Ionizing Radiation Advisory Group
 P.O. Box 8555
 Philadelphia, Pennsylvania 19101

Martin Marietta Corporation
 ATTN: John L. Andrews
 Radiation Safety Officer
 Astro Space
 P.O. Box 8555
 Philadelphia, Pennsylvania 19101

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OFFICE	RI/DRSS	<i>AC</i> RI /DRSS		/				
NAME	ADimitriadis	MShanbaky <i>MS</i>						
DATE	05/20/95	05/7/95		05/ /95		05/ /95		05/ /95

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MARTIN MARIETTA

MARTIN MARIETTA CORPORATION

ASTRO SPACE
P.O. BOX 8555, PHILADELPHIA, PA 19101
PHONE: (215) 354-3840
FAX: (215) 354-3974

April 26, 1994

Mr. Mohamed M. Shanbaky, Chief
Division of Radiation Safety and Safeguards
US Nuclear Regulatory Commission, Region 1
475 Allendale Road
King of Prussia, PA 19406-1415

Dear Mr. Shanbaky:

Subject: **Financial Assurance for Decommissioning**
re License Nos. SUB-831 37-02006-05 37-02006-09
Control Nos. 113058 113059 unassigned
Docket Nos. 040-07344 030-06046 030-12894

In response to your letter of March 1 to Dr. Mucha at this location, by this letter and enclosures, Martin Marietta Astro Space hereby submits necessary documentation to comply with 10CFR 30.35 and 40.42 for the three radioactive materials licenses held at this 'Valley Forge' facility. We appreciate the several week extension provided to complete the activity a first time.

Attachment No. 1 is a Decommissioning Funding Plan which is an update of the one submitted to Mr. R. Bernero (NRC Hdqrs) by John F. McLaverty of the then GE Astro Space in January 1992.

Attachment No. 2 is a Self Guarantee that funds will be available if and when a DFP is implemented, per the method of 10CFR30, App. C.

If you have any questions regarding this, feel free to call me.

Sincerely,

John L. Andrews
John L. Andrews,
Radiation Safety Officer

cc: S.J. Mucha, M.D.

FEE LIST REQUIRED
Per 3/30/95 memo

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*Original
Annual Report
Appended*

121506

MAR 24 1995

ATTACHMENT NO: 1

Decommissioning Funding Plan

for

NRC Materials Licenses

SUB-831

37-02006-05

37-02006-09

April 22, 1994

Martin Marietta Corporation

Astro Space

(Valley Forge Facility)

P.O. Box 8555

Philadelphia, PA 19101

Decommissioning Funding Plan (DFP)

1.0 Scope

Martin Marietta Corporation, Astro Space (Valley Forge Facility) herein presents its updated DFP for NRC Materials License Nos. SUB-831, 37-02006-05 and 37-02006-09. This plan describes the radioactive byproduct and source material in inventory, their ownership and the current estimated costs for their proper removal.

2.0 Radioactive Material Inventory

Radioactive material inventory on these licenses generally consists of sealed sources. At the present time there is no identifiable radioactive contamination, fixed equipment or structure at sites identified on these licenses; any such item has been decontaminated.

Table 1 tabulates the activity and status of the complete current inventory. The items "A-N" are those identified in the original DFP; a copy of same is appended. Additions to the inventory since October 1991 are shown as items "O-S". For this status, reductions occurred because of transfer, decay in storage, inventory correction and decontamination activity. For item 'J', two Gammacells, the activity is nominal since 'reloads' occur from time to time and these do not affect DFP costs.

3.0 DFP Cost Estimate

Table 1 also presents estimated costs, by item, for decommissioning of inventory which is Martin Marietta property. These costs come directly from the appended original DFP or are reasonable estimates for the newly added items, if they are Martin Marietta property. Of the new items, we expect only 'R' to be here after 1994.

It is presumed that, with respect to radioactive materials owned by agencies of the U.S. government and held here for use, the U.S. government will assume any and all costs of physical transfer.

The decommissioning costs shown in Table 1 total to the amount of \$ 230,000; inventory items add to the subtotal of \$ 218,700 and the remainder covers estimated supervisory and other 'office-type support' charges of an administrative nature. The item-specific costs are a reduction from the total of \$ 370,000 in the original DFP because of the exclusion of government property (\$ 145,000) and elimination of items removed from inventory (\$ 8500). Additions for new items total \$4,000 and a separate cost of \$ 1,000 has been given for item 'G'.

4.0 Financial Assurance

Martin Marietta by separate Attachment (No. 2) provides Self Guarantee per the method of App. C of 10CFR30. A biannual review and update of the required amount of Self Guarantee will be performed to provide full and current coverage.

Table 1 Radioactive Materials and Estimated Decommissioning Costs (\$)

Rad. Mat'l Item	Isotope / Activity (Curies)	NRC License #			*: Notes
		SUB 831	37-	37-	
			02006-05	02006-09	
		Decommissioning Costs			
A	Am241 / 1.0		160,000		
B	Sr90 / 10.0		3,700		
C	Sr90 / 0.1		1,500		
D	Pu239 / 5 micro		5,000		
E	Pu238 / 0.09		15,000		
F	Co60 / 0.016		1,500		
G	Various / < 0.001		1,000		Density gauge and instrument calibration sources.
H	Kr85 / 0				Transferred in 1992.
I	Cs137 / 0.1 nano		*see note.		DOD/DNA property; transfer in process.
J	(b)(4) Co60			25,000	Two Gammacells
K	Depleted U (DU) / < 10 micro	2,000			Urethane resin with DU as a filler (250 cc).
L	U235 / 0				Container tag marking was in error; see item 'O' for contents.
M	Th232 / 0.0063	*see note.			USAF property (form is MgTh plates); transfer in process.
N	Various / 0				Decontamination of Room U8604 completed (1/94).
O (new)	U / approx. 45 lbs	2,000			Covered metal pail marked as item 'L' has 2 bags of low enrichment U dioxide.
P (new)	Kr85 / 0.66		1,500		Activity as of 1/94.
Q (new)	Depleted U / < 0.1	*see note.			Two items of DOE property on short term loan from Sandia and Los Alamos.
R (new)	Th232 / approx. 0.003	*see note.			USAF property (MgTh) in multiple spacecraft ready for shipment.
S (new)	Various / < 1 milli		500		Waste, to be removed in 1994.
SUBTOTALS		4,000	189,700	25,000	218,700
Administration (See text).					11,300
TOTAL					230,000

السنة

The following information provides a itemized breakdown of the cost estimate.

<u>License</u>	<u>ISOTOPE</u>	<u>ACTIVITY</u>	<u>COST</u>
A 37-02006-05	Am-241	1.0 Ci	\$ 160,000

This source will have to be disposed of as Class C radioactive material (long half life). The source will need to be placed in a mass weighing at least 22,000 pounds to be below the 100nCi/g limit. The final volume is estimated to be 216 cubic feet. US Ecology in Richland WA was contacted in July 1990 and quoted a disposal price of \$80,000.00. Considering the anticipated increases in disposal costs over the next 5 years, this price is doubled for this cost estimate.

B 37-02006-05	Sr-90	10.0 Ci	\$ 3,700
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This source will have to be disposed of as Class B radioactive material in a 55 gallon drum (7.4 cft). For this estimate the basic burial cost for Class B material is \$500/cft.

C 37-02006-05	Sr-90	0.1 Ci	\$ 1,500
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This source will have to be disposed of as Class A radioactive material in one 55 gallon drum. For this estimate the basic burial cost for Class A material is \$200/cft.

D 37-02006-05	Pu-239	0.000005 Ci	\$ 5,000
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E 37-02006-05	Pu-238	0.09 Ci	\$ 15,000
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These sources are special nuclear material and therefore a limit of 100nCi/g applies. These sources can be placed in individual 55 gallon drums filled with concrete (approx. 1000 lbs). Pu-239 - Class A. Pu-238 - Class C. The basic burial cost for Class C material is \$1000.00/cft.

F 37-02006-05	Co-60	0.081 Ci	} \$ 1,500
G 37-02006-05	Density gauge & assorted check sources	<0.001Ci	

Class A radioactive material in one 55 gallon drum.

H 37-02006-05

Kr-85

21.0 Ci

\$ 5,000

The Kr-85 gas is contained in eleven Type K compressed gas cylinders totaling 15,800 psi. Our options for disposition at this point include land burial, venting or recycling.

1. Land burial restrictions would require that the gas be dispensed into 720 type A bottles at 1.5 atmospheres. The total volume would approach 3800 cft. at a disposal cost (Class A) of \$775,000.00.

2. GE has conducted an Environmental Impact Assessment addressing the release of Kr-85 gas from the King of Prussia facility. As a result of this study, a request for an amendment to license 37-02006-05 was submitted to the Region I NRC offices on May 31, 1991. The amendment incorporates release limits of:

- 0.5 Ci/week
- 2.0 Ci/quarter
- 7.5 Ci/year
- 1.2 x10 uCi/ml point of discharge limit

Request was drawn after Kr-85 was transferred off-site license.

With these limits in place, venting the Kr-85 gas could be accomplished over a four year period at minimal cost (<\$1000).

3. Due to the national shortage in supplies of Kr-85 gas, Amersham Corporation has expressed interest in acquiring the Kr-85 gas for recycling. GE is currently pursuing this preferred course of action. Costs may include packaging and transportation at a cost of \$5000.00.

I 37-02006-05

contaminated
satellite (Cs-137)

0.001uCi

\$100,000

This item is a satellite midbody assembly which was contaminated during underground nuclear testing. The structure was decontaminated at the test site in 1985. A survey conducted in April 1991 indicated external radiation levels of about 1.5 to 3.0 microR/hr above background. Removable radiation levels (beta) did exceed 1000 dpm for one location on the structure. Volume reduction would definitely be appropriate for this item which is now housed in 512 cft box. This estimate, however, covers the cost of disposal as a Class A waste without volume reduction.

5/2/91

(b)(4)

J 37-02006-09

Co-60

\$ 25,000

(b)(4)

(b)(4) This item consists of two irradiators containing, and (nominal) of Co-60 in Certified Special Form. Nordion (formerly AECL) has agreed to remove the sources from the GE facility for \$18,600.00. The current cost estimate has been adjusted for an inflation rate of 10%/year over 5 years.

Y SUB-831 Contaminated oil ? \$ 2000
(250 cc)

This material was surveyed in October 1991 and showed gamma radiation levels just above background levels. Aliquots of the oil are being collected for further analysis. For this estimate it is assumed that the oil can be solidified and disposed of as a Class A waste. The estimate also includes the cost of analysis.

L SUB-831 U-235 0.01 Ci \$ 2000

U-235 is fissionable material which will be returned to the DOE. The cost of disposal will be incurred in packaging and shipping.

M SUB-831 MgTh 4500 lbs \$ 45,000

A 1991 disposal price quote of \$5/lb. was obtained from Spectralite Consortium Inc. This price is doubled for this cost estimate.

Costs for preparing sources for shipment, shipping expenses etc. have been factored into the cost estimates by doubling the burial costs. The burial costs were provided by Mr. William Dornside, who is chief technical expert for the Appalachian Compact at PA Department of Environmental Resources. The basic burial cost of \$100/cft. for Class A waste, \$250/cft. for Class B waste and \$500/cft. for Class C waste was doubled for the current estimate.

→ U8609
One room remains within the facility where there may be a possibility of decontamination activity. This is a lab which was designed to control airborne radioactivity (low specific activity materials). The lab contains two HEPA filtered hoods and a glove box. Radioactive material use has been terminated in this area. The decontamination work and final clearance radiation survey will be conducted by GE personnel. Assume one drum of Class A waste (HEPA filters, rags etc.) at a cost of \$1,500.

N
121506

Based on the available information, the comprehensive cost estimate for decommissioning facilities under the cited NRC licenses is \$370,000.00. This estimate has been corrected for inflation in that the disposal costs are based on the 1996 anticipated cost for the Pennsylvania Low Level Radioactive Waste Repository. However, it should be noted that since the costs for radioactive waste contractors and disposal costs have significantly exceeded the national inflation rate, projections of this nature are difficult at best. It is the intention of GE Aerospace to revise these estimates as necessary to ensure that sufficient financial assurance is maintained in compliance with NRC regulations.

If there are any questions concerning this report, feel free to contact the undersigned at phone (215) 354-1085.



John F. McLaverty
Senior Industrial Hygienist
Environmental, Health &
Safety Department

cc: Mr Bertram Wolfe
Vice President & General Manager
GE Company, San Jose, CA

Mr. Melvin B. Schweiger
Manager, Environmental Programs
GE Aerospace, King of Prussia, PA

Mr. Paul Vincent
Manager, EHS Department
GE Astro Space Division, King of Prussia, PA

ATTACHMENT NO. 2

**Decommissioning Funding
Self Guarantee Documents**

for

**NRC Materials Licenses
SUB-831
37-02006-05
37-02006-09**

April 27, 1994

**Martin Marietta Corporation
Astro Space
(Valley Forge Facility)
P.O. Box 8555
Philadelphia, PA 19101**

Self-Guarantee of Martin Marietta Corporation

License Nos. 37-02006-05
 SUB-831
 37-02006-09
Docket Nos. 030-06046
 040-07344
 030-12894
Control Nos. 113059
 113058
 Not available

Martin Marietta Corporation (hereinafter, "Licensee"), licensee of the above referenced Licenses issued by the U. S. Nuclear Regulatory Commission (hereinafter, "Commission"), in order to provide reasonable assurance of the availability of funds for decommissioning of facilities utilized pursuant to the referenced licenses, hereby guarantees to the Commission that funds will be available for decommissioning costs in the amount of \$230,000, as detailed in the Decommissioning Funding plan for the facilities, (Attachment 1 hereto) and as evidenced by the demonstration (Attachment 2 hereto) that the Licensee satisfies the financial test of Section II, Appendix C to 40 C. F. R. Part 30.

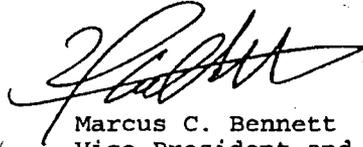
As further required by 10 C. F. R. Part 30, Appendix C, Licensee agrees:

- A. This guarantee will remain in force unless Licensee sends notice of cancellation by certified mail to the Commission. Cancellation may not occur, however, during the 120 days beginning on the date of receipt of the notice of cancellation by the Commission, as evidenced by the return receipt.
- B. Licensee shall provide alternative financial assurance as specified in the Commission's regulations within 90 days following receipt by the Commission of a notice of cancellation of the guarantee.
- C. The guarantee and financial test provisions must remain in effect until the Commission has terminated the license or until another financial assurance method acceptable to the commission has been put in effect by Licensee.
- D. Licensee will promptly forward to the Commission and Licensee's independent auditor all reports covering the latest financial year filed by the licensee* with the Securities and Exchange Commission pursuant to the requirements of Section 13 of the Securities and Exchange Act of 1934.
- E. If, at any time, Licensee's most recent bond issuance ceases to be rated in any category of "A" or above by either Standard and Poor's or Moody's, Licensee will provide notice in writing of such fact to the Commission within 20 days after publication of the change by the rating service. If Licensee's most recent bond issuance ceases to be rated in any category of A or above by both Standard and Poor's and Moody's, Licensee no longer meets the requirements of Section II.A of this appendix.

* 1993 Annual Report appended.

F. When required by regulation or order of the Commission, Licensee will fund and carry out required decommissioning activities, or Licensee will set up and fund a trust in the amount of the current cost estimates for decommissioning, upon issuance of an order by the Commission to do so.

Agreed to this 26th day of April, 1994

A handwritten signature in black ink, appearing to read 'Marcus C. Bennett', written in a cursive style.

Marcus C. Bennett
Vice President and
Chief Financial Officer

JOINT PROXY STATEMENT
for Special Meetings of Stockholders
to be held March 15, 1995

LOCKHEED MARTIN CORPORATION
PROSPECTUS

This Joint Proxy Statement/Prospectus is being furnished to holders of common stock of Lockheed Corporation, a Delaware corporation ("Lockheed"), and holders of common stock and preferred stock of Martin Marietta Corporation, a Maryland corporation ("Martin Marietta"), in connection with the solicitation of proxies by the respective Boards of Directors of Lockheed and Martin Marietta for use at their respective special meetings of stockholders, or any adjournment or postponement thereof (together, the "Special Meetings"), called to consider and vote upon a proposal (the "Combination Proposal") to approve and adopt an Agreement and Plan of Reorganization, dated as of August 29, 1994, by and among Lockheed, Martin Marietta and Lockheed Martin Corporation, a Maryland corporation ("Lockheed Martin"), as amended as of February 7, 1995 (the "Reorganization Agreement"), and the merger agreements contemplated thereby. The combination of the businesses of Lockheed and Martin Marietta contemplated by the Combination Proposal is referred to herein as the "Combination." At the Special Meetings, holders of common stock of Lockheed and Martin Marietta also will be asked to consider and vote upon a separate proposal (the "Omnibus Plan Proposal") to approve the adoption of the Lockheed Martin 1995 Omnibus Performance Award Plan (the "Lockheed Martin Omnibus Plan") and another separate proposal (the "Directors Plan Proposal" and, with the Omnibus Plan Proposal, the "Plan Proposals") to approve the adoption of the Lockheed Martin Directors Deferred Stock Plan (the "Lockheed Martin Directors Plan").

The Reorganization Agreement provides, among other things, for (a) the merger of Atlantic Sub, Inc., a Maryland corporation and wholly owned subsidiary of Lockheed Martin ("Atlantic Sub"), with and into Martin Marietta (the "Atlantic Sub Merger") pursuant to a Plan and Agreement of Merger, dated as of August 29, 1994 (the "Atlantic Merger Agreement"), among Martin Marietta, Atlantic Sub and Lockheed Martin, and (b) the merger of Pacific Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Lockheed Martin ("Pacific Sub"), with and into Lockheed pursuant to a Plan and Agreement of Merger, dated as of August 29, 1994 (the "Pacific Merger Agreement"), among Lockheed, Pacific Sub and Lockheed Martin (the "Pacific Sub Merger" and together with the Atlantic Sub Merger, the "Mergers"). As a result of the Combination, each of Lockheed and Martin Marietta will become a wholly owned subsidiary of Lockheed Martin and stockholders of Lockheed and Martin Marietta will become stockholders of Lockheed Martin on the terms described in this Joint Proxy Statement/Prospectus. The Combination will be accomplished pursuant to the Mergers. The Mergers will become effective pursuant to the filing of Articles of Merger with the Department of Assessments and Taxation of the State of Maryland and the filing of a Certificate of Merger with the Secretary of State of the State of Delaware (the date on which the Mergers are to become effective being herein referred to as the "Merger Date"), which is currently expected to occur shortly after the Special Meetings if the Combination Proposal is approved and adopted by the requisite vote of the respective stockholders of Lockheed and Martin Marietta, and after receipt of requisite regulatory approvals. See "THE COMBINATION" and "THE REORGANIZATION AGREEMENT."

Lockheed Martin has filed a registration statement on Form S-4 (together with all amendments, exhibits and schedules thereto, the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), relating to shares of Lockheed Martin Common Stock, par value \$1.00 per share (the "Lockheed Martin Common Stock"), that are proposed to be issued in connection with the Combination to holders of outstanding shares of Lockheed Common Stock, par value \$1.00 per share (the "Lockheed Common Stock"), and to holders of outstanding shares of Martin Marietta Common Stock, par value \$1.00 per share (the "Martin Marietta Common Stock"). This Joint Proxy Statement/Prospectus also constitutes the Prospectus of Lockheed Martin filed as part of the Registration Statement.

This Joint Proxy Statement/Prospectus and the accompanying form of proxy are first being mailed to the respective stockholders of Lockheed and Martin Marietta on or about February 11, 1995.

THE SECURITIES TO BE ISSUED PURSUANT TO THIS JOINT PROXY STATEMENT/PROSPECTUS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Joint Proxy Statement/Prospectus does not cover any resales of the Lockheed Martin Common Stock or Lockheed Martin Series A Preferred Stock, par value \$1.00 per share (the "Lockheed Martin Series A Preferred Stock"), to be received by the stockholders of Lockheed or Martin Marietta upon consummation of the Combination, and no person is authorized to make any use of this Joint Proxy Statement/Prospectus in connection with any such resale.

The date of this Joint Proxy Statement/Prospectus is February 9, 1995.

Table 1 Radioactive Materials and Estimated Decommissioning Costs (\$)

Rad. Mat'l Item	Isotope / Activity (Curies)	NRC License #			*: Notes
		SUB 831	37-	37-	
			02006-05	02006-09	
Decommissioning Costs					
A	Am241 / 1.0		160,000		
B	Sr90 / 10.0		3,700		
C	Sr90 / 0.1		1,500		
D	Pu239 / 5 micro		5,000		
E	Pu238 / 0.09		15,000		
F	Co60 / 0.016		1,500		
G	Various / < 0.001		1,000		Density gauge and instrument calibration sources.
H	Kr85 / 0				Transferred in 1992.
I	Cs137 / 0.1 nano		*see note.		DOD/DNA property; transfer in process.
J	Co60 (b)(4)			25,000	Two Gammacells
K	Depleted U (DU) / < 10 micro	2,000			Urethane resin with DU as a filler (250 cc).
L	U235 / 0				Container tag marking was in error; see item 'O' for contents.
M	Th232 / 0.0063	*see note.			USAF property (form is MgTh plates); transfer in process.
N	Various / 0				Decontamination of Room U8604 completed (1/94).
O (new)	U / approx. 45 lbs	2,000			Covered metal pail marked as item 'L' has 2 bags of low enrichment U dioxide.
P (new)	Kr85 / 0.66		1,500		Activity as of 1/94.
Q (new)	Depleted U / < 0.1	*see note.			Two items of DOE property on short term loan from Sandia and Los Alamos.
R (new)	Th232 / approx. 0.003	*see note.			USAF property (MgTh) in multiple spacecraft ready for shipment.
S (new)	Various / < 1 milli		500		Waste, to be removed in 1994.
SUBTOTALS		4,000	189,700	25,000	218,700
Administration (See text).					11,300
TOTAL					230,000

5/21/94

License Nos. 37-02006-05
SUB-831
37-02006-09
Docket Nos. 030-06046
040-07344
030-12894
Control Nos. 113059
113058
Not available

Attachment 2 to Self-Guarantee of Martin Marietta Corporation

Demonstration that Company Passes Financial Test of Part 30, Appendix C

A. To pass the financial test, a company must meet all of the following criteria:

(1) Tangible net worth at least 10 times the total current decommissioning cost estimate (or the current amount required if certification is used) for all decommissioning activities for which the company is responsible as self-guaranteeing licensee and as parent-guarantor.

Tangible net worth of Martin Marietta Corporation \$186,345,000

Total current decommissioning estimate per Attachment 1 \$ 230,000

Tangible net worth exceeds 10 Times the total current decommissioning estimate.

(2) Assets located in the United States amounting to at least 90 percent of total assets or at least 10 times the total current decommissioning cost estimate (or the current amount required if certification is used) for all decommissioning activities for which the company is responsible as self-guaranteeing licensee and as parent-guarantor.

The Corporation certifies that over 90% of its total assets (\$7.7 Billion at December 31, 1993) are located in the United States and that these assets exceed the total current decommissioning cost estimate as disclosed in Attachment 1.

(3) A current rating for its most recent bond issuance of AAA, AA or A as issued by Standard and Poor's (S&P), or Aaa, Aa, or A as issued by Moody's.

The Corporation's most recent bond issue, dated April 25, 1993 was rated "A" by Standard and Poor's.

B. To pass the financial test, a company must meet all of the following additional requirements.

(1) The company must have at least one class of equity securities registered under the Securities Exchange Act of 1934.

The Corporation's equity securities are registered under the Securities Exchange Act of 1934.

(2) The company's independent certified public accountant must have compared the data used by the company in the financial test which is derived from the independently audited, year-end financial statements for the latest fiscal year, which the amounts in such financial statement. In connection with that procedure, the licensee shall inform NRC within 90 days of any matters coming to the attention of the auditors that cause the auditors to believe that the data specified in the financial test should be adjusted and that the company no longer passes the test.

A letter from Ernst & Young, independent accountants, is provided herein.

(3) After the initial financial test, the company must repeat passage of the test within 90 days after the close of each succeeding fiscal year.

Martin Marietta Corporation acknowledges this requirement.

C. If the licensee no longer meets the requirements of Section II.A of this appendix, the licensee must send immediate notice to the Commission of its intent to establish alternate financial assurance as specified in the Commission's regulations within 120 days of such notice.

Martin Marietta Corporation acknowledges this requirement.

Report Of Independent Auditors

Martin Marietta Corporation

We have audited the balance sheet of Martin Marietta Corporation and consolidated subsidiaries as of December 31, 1993, and the related statements of earnings, shareowners' equity, and cash flows for the year then ended, and have issued our report thereon dated January 21, 1994. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have read "Attachment 2 to Self-Guarantee of Martin Marietta Corporation" prepared by the Corporation in connection with its Financial Assurance Submission. We have compared the amount for Item A1 appearing therein with the amount derived from the Corporation's consolidated financial statements for the year ended December 31, 1993. We have reviewed the Corporation's balance sheet to determine whether 90% or more of the consolidated assets are located in the United States and, therefore, the response to Item A2 is appropriate.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the specified information referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the specified information should be adjusted.

This letter is furnished solely to assist the Corporation in fulfilling its 1994 Financial Assurance Submission and is not to be used for any other purpose.

Ernst + Young

March 24, 1994