

MATERIALS LICENSE

Amendment No. 11

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

OFFICIAL RECORD COPY

<p>Licensee</p> <p>1. Lockheed Martin Corporation</p> <p>2. P.O. Box 8555 Philadelphia, Pennsylvania 19101</p>	<p>In accordance with letter dated April 12, 1996, 3. License Number 37-02006-09 is amended in its entirety to read as follows:</p> <hr/> <p>4. Expiration Date May 31, 2003</p> <hr/> <p>5. Docket or Reference No. 030-12894</p>
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<p>6. Byproduct, Source, and/or Special Nuclear Material</p> <p>A. Cobalt 60</p>	<p>7. Chemical and/or Physical Form</p> <p>A. Sealed sources (AECL Model C-166, C-167, or C-198)</p>	<p>8. Maximum Amount that Licensee May Possess at Any One Time Under This License</p> <p>(b)(2)High } curies per source and (b)(2)High } curies total</p>
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9. Authorized use

A. For use in AECL Model Gammacell 220 Irradiator for irradiation of materials except explosives and flammable materials.

CONDITIONS

- 10. Licensed material shall be used only at 230 Mall Boulevard, King of Prussia, Pennsylvania.
- 11. A. Licensed material shall be used by individuals designated by the Ionizing Radiation Advisory Group, S. J. Mucha, M.D., Chairman.  
B. The Radiation Safety Officer for this license is John Andrews.
- 12. Sealed sources or detector cells containing licensed material shall not be opened or sources removed from source holders or detector cells by the licensee.
- 13. A. Sealed sources and detector cells shall be tested for leakage and/or contamination at intervals not to exceed 6 months or at such other intervals as are specified by the certificate of registration referred to in 10 CFR 32.210, not to exceed 3 years.  
B. Notwithstanding Paragraph A of this Condition, sealed sources designed to emit alpha particles shall be tested for leakage and/or contamination at intervals not to exceed 3 months.

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ML 10

MATERIALS LICENSE  
SUPPLEMENTARY SHEET

License Number

2

3

Docket or Reference Number

37-02006-09

030-12894

Amendment No. 11

(13. continued)

CONDITIONS

- C. In the absence of a certificate from a transferor indicating that a test has been made within six months prior to the transfer, a sealed source or detector cell received from another person shall not be put into use until tested.
- D. Each sealed source fabricated by the licensee shall be inspected and tested for construction defects, leakage, and contamination prior to any use or transfer as a sealed source.
- E. Sealed sources and detector cells need not be leak tested if:
- (i) they contain only hydrogen 3; or
  - (ii) they contain only a gas; or
  - (iii) the half-life of the isotope is 30 days or less; or
  - (iv) they contain not more than 100 microcuries of beta and/or gamma emitting material or not more than 10 microcuries of alpha emitting material; or
  - (v) they are not designed to emit alpha particles, are in storage, and are not being used. However, when they are removed from storage for use or transfer to another person, and have not been tested within the required leak test interval, they shall be tested before use or transfer. No sealed source or detector cell shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.
- F. The test shall be capable of detecting the presence of 0.005 microcurie of radioactive material on the test sample. Records of leak test results shall be kept in units of microcuries and shall be maintained for inspection by the Commission. If the test reveals the presence of 0.005 microcurie or more of removable contamination, a report shall be filed with the U.S. Nuclear Regulatory Commission and the source shall be removed from service and decontaminated, repaired, or disposed of in accordance with Commission regulations. The report shall be filed within 5 days of the date the leak test result is known with the U.S. Nuclear Regulatory Commission, Region I, ATTN: Chief, Nuclear Materials Safety Branch, 475 Allendale Road, King of Prussia, Pennsylvania 19406. The report shall specify the source involved, the test results, and corrective action taken.
- G. The licensee is authorized to collect leak test samples for analysis by the licensee. Alternatively, tests for leakage and/or contamination may be performed by persons specifically licensed by the Commission or an Agreement State to perform such services.
14. The licensee shall not perform repairs or alterations of the irradiator involving removal of shielding or access to the licensed material. Removal, replacement, and disposal of sealed sources in the irradiator shall be performed by a person specifically licensed by the Commission or an Agreement State to perform such services.

**MATERIALS LICENSE  
SUPPLEMENTARY SHEET**

License Number

37-02006-09

Docket or Reference Number

030-12894

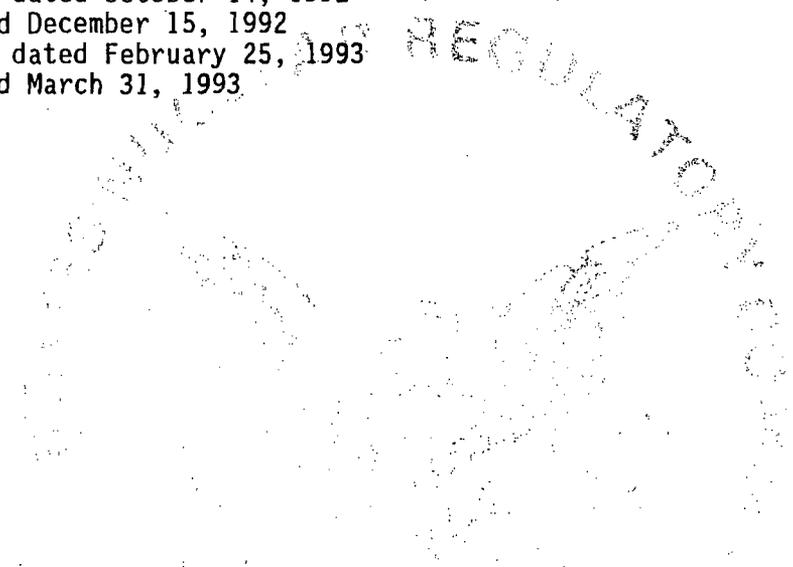
Amendment No. 11

(Continued)

**CONDITIONS**

15. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents including any enclosures, listed below. The Nuclear Regulatory Commission's regulations shall govern unless the statements, representations and procedures in the licensee's application and correspondence are more restrictive than the regulations.

- A. Application dated October 14, 1992
- B. Letter dated December 15, 1992
- C. Application dated February 25, 1993
- D. Letter dated March 31, 1993



For the U.S. Nuclear Regulatory Commission

**Original Signed By:  
Francis M. Costello**

Date SEP - 4 1996

By \_\_\_\_\_  
Nuclear Materials Safety Branch  
Region I  
King of Prussia, Pennsylvania 19406

SEP - 4 1996

Dr. S.J. Mucha, Chairman  
Ionizing Radiation Advisory Group  
Lockheed Martin Corporation  
P.O. Box 8555  
Philadelphia, PA 19101

Dear Dr. Mucha:

This refers to your license amendment request. Enclosed with this letter is the amended license. Please note that as part of this amendment, in accordance with 10 CFR 30.36, effective February 15, 1996, the expiration date of your license has been extended by a period of five years. Your new expiration date is stated in Item 4 of the license.

In reference to your submittals dated July 5, 1996, July 25, 1996, August 5, 1996 and August 27, 1996 to provide financial assurance for License Nos. 37-02006-05, 37-02006-09 and SUB-831, we have reviewed these documents 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, and 40.36.

Please review the enclosed document carefully and be sure that you understand and fully implement all the conditions incorporated into the amended license. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region I Office, Licensing Assistance Team, (610) 337-5093 or 5239, so that we can provide appropriate corrections and answers.

Thank you for your cooperation.

Sincerely,

**ORIGINAL SIGNED BY:**

Francis M. Costello, Chief  
Nuclear Materials Safety Branch 3  
Division of Nuclear Materials Safety

License No. 37-02006-09  
Docket No. 030-12894  
Control No. 123186

Enclosure:  
Amendment No. 11

OFFICIAL RECORD COPY **ML 10**

Dr. S.J. Mucha  
Lockheed Martin Corporation

-2-

DOCUMENT NAME: R:\WPS\MLTR\L3702006.09

To receive a copy of this document, indicate in the box: "C" = Copy w/o attach/encl "E" = Copy w/ attach/encl "N" = No copy

OFFICE	DNMS/RI	N	DNMS/RI				
NAME	Reber/eh		Costello				
DATE	08/30/96		08/30/96	08/	/96	08/	/96

OFFICIAL RECORD COPY

NOTE: THIS FORM MUST BE COMPLETED FOR ALL AMENDMENT/RENEWAL ACTIONS

CHECKLIST FOR DETERMINING WHEN A SIGNIFICANT LICENSING ACTION MAY  
REQUIRE AN ADDITIONAL ONSITE INSPECTION

If licensing action has resulted in one of the following, regional management must determine the need for performing an onsite inspection prior to the next scheduled inspection:

1. Does the licensing action result in increased authorization for types and quantities of radioactive material that could result in a significant potential for increased radiation exposure to the public and occupational workers?

No  
 Yes (Describe) \_\_\_\_\_

NOTE: This can be identified by a change to a higher priority, i.e., from a Priority 2 to a Priority 1 license. Another significant change in this area would be an increase in the authorized quantity from a millicurie amount to a curie amount.

2. Does the licensing action authorize a physical move of a facility or authorize use at a temporary job site(s)?

No  
 Yes (Describe) \_\_\_\_\_

3. Does the licensing action authorize satellite facilities where material will be used or stored?

No  
 Yes (Describe) \_\_\_\_\_

4. Does the licensing action increase the types of uses or disposal (incineration) of radioactive materials?

No  
 Yes (Describe) \_\_\_\_\_

5. Does the licensing action significantly increase the number of authorized users?

No  
 Yes (Describe) \_\_\_\_\_

123186

Lockheed Martin Corporation  
6801 Rockledge Drive Bethesda, MD 20817  
Telephone 301-897-6000

**LOCKHEED MARTIN** 

MS16  
L-3

August 27, 1996

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

Re: Financial Assurance for Decommissioning  
License nos: SUB-831 37-02006-05 37-02006-09  
Docket nos: 040-07344 030-06046 030-12894

Dear Mr. Shanbaky:

Attached please find an original standby trust agreement from Bank of Montreal Trust Company (note the blue ink signatures and the raised seals for the notary which indicate it is an original). This is to replace the previously submitted standby trust agreement dated July 7, 1996. Per your instructions, we have added the "Acknowledgement" (4.3.4), the "Specimen Certificate of Events" (4.3.2.1), and the "Certificate of Resolution" (4.3.2.2).

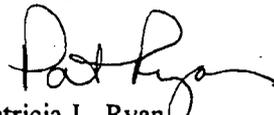
Could you please send me the July 7th standby trust agreement? My mailing address is:

6801 Rockledge Blvd.  
Bethesda, MD 20817

The original standby letter of credit (no. XXXXXXXXXX) from Wachovia Bank remains in full force and effect, of course.

Please do not hesitate to call me or John Andrews (610-354-3840) if there are any questions. Thank you.

Sincerely,



Patricia L. Ryan  
Director Trade Finance  
301-897-6172

**OFFICIAL RECORD COPY**

**ML 10**

123186  
AUG 28 1996

cc: John Andrews, LM Missiles & Space  
Jim DeNaploi, LM Legal  
Sue Fabos, LM Legal

**Lockheed Martin Corporation**

**STANDBY TRUST AGREEMENT  
for the benefit of the U.S. Nuclear Regulatory Commission**

TRUST AGREEMENT, the Agreement entered into as of August 22, 1996 by and between Lockheed Martin Corporation, a Maryland corporation, herein referred to as the "Grantor," and Bank of Montreal Trust Company, 77 Water Street, New York, New York 10005, incorporated in the State of New York, the "Trustee."

WHEREAS, the U.S. Nuclear Regulatory Commission (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, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 30 and 40. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a Part 30 and 40 license provide assurance that funds will be available when needed for required decommissioning activities.

WHEREAS, the Grantor has elected to use of letter of credit to provide all of such financial assurance for the facilities identified herein; and

WHEREAS, when payment is made under a letter of credit, this standby trust shall be used for the receipt of such payment; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee.

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

*Section 1. Definitions.* As used in this Agreement:

- (a) The term "Grantor" means the NRC licensee who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

*Section 2. Costs of Decommissioning.* This Agreement pertains to the costs of decommissioning the materials and activities identified in License Number Nos. SUB-831, 37-02006-05, 37-02006-09; Docket Nos. 040-07344, 030-06046, 030-12894 issued pursuant to 10 CFR Part 30 and 40 as shown in Schedule A.

*Section 3. Establishment of Fund.* The Grantor and the Trustee hereby establish a standby trust fund (the "Fund") for the benefit of the NRC. The Grantor and the Trustee intend that no third party have access to the Fund except as provided herein.

**Section 4. Payments Constituting the Fund.** Payments made to the Trustee for the Fund shall consist of cash, securities, or other liquid assets acceptable to the Trustee. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee are referred to as the "Fund," together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the NRC.

**Section 5. Payment for Required Activities Specified in the Plan.** The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- a. A certificate duly executed by the Secretary of the Depositor attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate, and
- b. A certificate attesting to the following conditions:
  - (1) that decommissioning is proceeding pursuant to an NRC-approved plan.
  - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that Plan, and
  - (3) that the NRC has been given 30 days' prior notice of Lockheed Martin Corporation's intent to withdraw funds from the escrow fund.

No withdrawal from the fund can exceed 100 (One Hundred) percent of the outstanding balance of the Fund or \$226,000.00 dollars, whichever is greater, unless NRC approval is attached.

In the event of the Grantor's default or inability to direct decommissioning activities, the Trustee shall make payments from the Fund as the NRC shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the NRC, from the Fund for expenditures for required activities in such amounts as the NRC shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

**Section 6. Trust Management.** The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; *except that:*

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80a-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;
- (b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal Government, and in obligations of the Federal Government such as GNMA, FNMA, and FHLM bonds and certificates or State and Municipal bonds rated BBB or higher by the Standard and Poors or Baa or higher by Moody's Investment Services; and
- (c) For a reasonable time, not to exceed 60 days, the Trustee is authorized to hold uninvested cash, awaiting investment or distribution, without liability for the payment of interest thereon.

*Section 7. Commingling and Investment.* The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), including one which may be created, managed, underwritten, or to which investment advice is rendered, or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

*Section 8. Express Powers of Trustee.* Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by public or private sale, as necessary to allow duly authorized withdrawals at the joint request of the Grantor and the NRC or to reinvest in securities at the direction of the Grantor;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name, or in the name of a nominee, and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, to reinvest interest payments and funds from matured and redeemed instruments, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee

or such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal government; and
- (e) To compromise or otherwise adjust all claims in favor of or against the Fund.

*Section 9. Taxes and Expenses.* All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

*Section 10. Annual Valuation.* After payment has been made into this standby trust fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the standby trust fund, furnish to the Grantor and to the NRC a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the NRC shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

*Section 11. Advice of Counsel.* The Trustee may from time to time consult with counsel with respect to any questions arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

*Section 12. Trustee Compensation.* The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing with the Grantor. (See Schedule C.)

*Section 13. Successor Trustee.* Upon 90 days notice to the NRC, the Trustee may resign; upon 90 days notice the NRC and the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the NRC, and the present Trustee by certified mail 10 days before

such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 9.

*Section 14. Instructions to the Trustee.* All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this Agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. If the NRC issues orders, requests or instructions to the Trustee these shall be in writing, signed by the NRC or designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or the NRC hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests and instructions from the Grantor and/or NRC, except as provided for herein.

*Section 15. Amendment of Agreement.* This agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and the NRC, or by the Trustee and the NRC, if the Grantor ceases to exist.

*Section 16. Irrevocability and Termination.* Subject to the right of the parties to amend this Agreement as provided in Section 15, this trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the NRC, or by the Trustee and the NRC, if the Grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor.

*Section 17. Immunity and Indemnification.* The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor or the NRC issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

*Section 18.* This Agreement shall be administered, construed, and enforced according to the laws of the State of New York.

*Section 19. Interpretation and Severability.* As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereunto affixed and attested as of the date first written above.

GRANTOR:  
LOCKHEED MARTIN CORPORATION

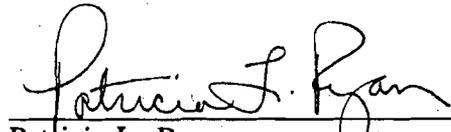
  
\_\_\_\_\_  
P.C. Reynolds  
Assistant Treasurer

On this 22nd day of August, 1996, before me, the undersigned notary, personally appeared P.C. Reynolds, Assistant Treasurer of Lockheed Martin Corporation, known to me to be the person whose name is subscribed to within the instrument and acknowledged that he executed the same for the purpose therein contained.

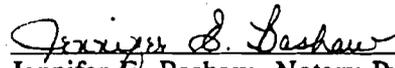
  
\_\_\_\_\_  
Jennifer E. Bashaw, Notary Public

Jennifer E. Bashaw, Notary Public  
Montgomery County  
State of Maryland  
My Commission Expires Dec. 7, 1996

Attest:

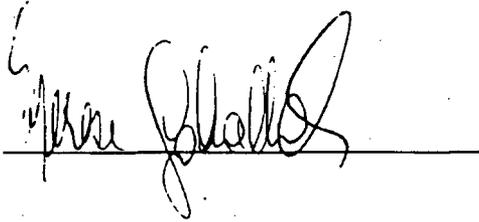
  
\_\_\_\_\_  
Patricia L. Ryan  
Director Trade Finance

On this 22nd day of August, 1996, before me, the undersigned notary, personally appeared Patricia L. Ryan, Director Trade Finance of Lockheed Martin Corporation, known to me to be the person whose name is subscribed to within the instrument and acknowledged that she executed the same for the purpose therein contained.

  
\_\_\_\_\_  
Jennifer E. Bashaw, Notary Public

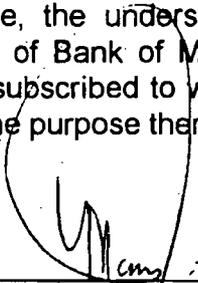
Jennifer E. Bashaw, Notary Public  
Montgomery County  
State of Maryland  
My Commission Expires Dec. 7, 1996

**TRUSTEE:  
BANK OF MONTREAL TRUST COMPANY**



Handwritten signature of Therese Gaballah, Vice President of Bank of Montreal Trust Company, written over a horizontal line.

On this 26th day of August, 1996, before me, the undersigned notary personally appeared Therese Gaballah, a Vice President of Bank of Montreal Trust Company, known to me to be the person whose name is subscribed to within the instrument and acknowledged that she executed the same for the purpose therein contained.



Handwritten signature of Maureen Radigan, Notary Public, written over a horizontal line.

Maureen Radigan, Notary Public

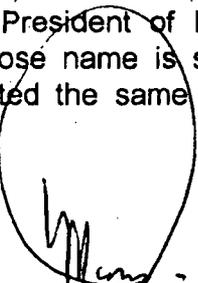
Attest:



Handwritten signature of Amy Roberts, Assistant Vice President of Bank of Montreal Trust Company, written over a horizontal line.

**MAUREEN RADIGAN**  
Notary Public, State of New York  
No. 31-4971219  
Qualified in New York County 96  
Commission Expires August 27, 1996

On this 26th day of August, 1996, before me, the undersigned notary, personally appeared Amy Roberts, and Assistant Vice President of Bank of Montreal Trust Company, known to me to be the person whose name is subscribed to within the instrument and acknowledged that she executed the same for the purpose therein contained.



Handwritten signature of Maureen Radigan, Notary Public, written over a horizontal line.

Maureen Radigan, Notary Public

**MAUREEN RADIGAN**  
Notary Public, State of New York  
No. 31-4971219  
Qualified in New York County 96  
Commission Expires August 27, 1996

## SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimates for the following licensed activities:

<u>US Nuclear Regulatory Commission License Number</u>	<u>Name and Address of Licensee</u>	<u>Address of Licensed Activity</u>	<u>Cost Estimates for Regulatory Assurances Demonstrated by this Agreement</u>
SUB-831 37-02006-05 37-02006-09	Lockheed Martin Corporation 6801 Rockledge Dr. Betheda, MD 20817	230 Mall Blvd. King of Prussia, PA 19406	\$226,000.00

The cost estimates listed here were last adjusted and approved by the NRC in 1994.

**SCHEDULE B**

**List of Property Comprising Trust Fund**

**Amount:** \$226,000.00

**As evidenced by:** Wachovia Bank of North Carolina, letter of credit <sup>(b)(4)</sup>

**SCHEDULE C**

**Bank of Montreal Trust Company, Trustee's fees shall be \$1,000.00 per annum.**

SPECIMEN CERTIFICATE OF EVENTS

Bank of Montreal Trust Company  
77 Water Street  
New York, New York 10005

Attention: Trust Division

Gentlemen:

In accordance with the terms of the Agreement with you dated \_\_\_\_\_, I, \_\_\_\_\_, Secretary of Lockheed Martin Corporation, hereby certify that the following events have occurred:

1. Lockheed Martin Corporation is required to commence the decommissioning of its facility located at 230 Mall Blvd., King of Prussia, PA 19406 (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on \_\_\_\_\_ (copy of approval attached).
3. The Board of Directors of Lockheed Martin Corporation has adopted the attached resolution authorizing the commencement of the decommissioning.

\_\_\_\_\_  
Secretary of Lockheed Martin Corporation

\_\_\_\_\_  
Date

SPECIMEN CERTIFICATE OF RESOLUTION

I, \_\_\_\_\_, do hereby certify that I am Secretary of [ insert name of licensee ], a [ insert state of incorporation ] corporation, and that the resolution listed below was duly adopted at a meeting of this Corporation's Board of Directors on \_\_\_\_\_, 19\_\_.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Secretary

RESOLVED, that this Board of Directors hereby authorizes the President, or such other employee of the Company as he may designate, to commence decommissioning activities at [ insert name of facility ] in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of Counsel.

<b>TELEPHONE CONVERSATION RECORD</b>	<b>Date:</b> August 12, 1996	<b>Time:</b> 4:00 pm
<b>Mail Control No.:</b> 123249	<b>License No.:</b> SUB-831 37-02006-09	<b>Docket No.:</b> 040-07344 030-12894
<b>Person Called:</b> John Andrews	<b>Organization:</b> Martin Marietta	<b>Telephone Number:</b> (610) 354-3840
<b>Person Calling:</b> Eric H. Reber / (215) 337-5276		
<b>Subject:</b> Financial Assurance		
<b>Summary:</b> Please provide originally signed documents.  Please submit Specimen Cert. of Events  Please provide Cert. of Resolution  Please provide Acknowledgement		
<b>Action Required/Taken:</b>		
<b>Signature:</b> 	<b>Date:</b> 8/12/96	

**OFFICIAL RECORD COPY**

**ML 10**

PARTIAL  
RESPONSE

LOCKHEED MARTIN  MS 16

MISSILES & SPACE : VALLEY FORGE OPERATION L-3

POST OFFICE BOX 8555

PHILADELPHIA, PENNSYLVANIA 19101

August 5, 1996

Mr. Eric Reber, Senior Health Physicist  
Division of Nuclear Materials Safety: Region 1  
US Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19406

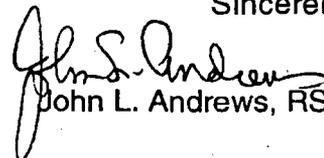
Re: Decommissioning Funding Plan, Licenses No. 37-02006-05 and -09, SUB-831

Dear Mr. Reber:

I am supplying as an attachment the Tables 1, "Annual Radioactive Materials List and Estimated Decommissioning Costs", from our records for 1994, 1995 and 1996; these material removal tables are complete, i.e. there are no additional site cleanup requirements. These tables show the evolution of the costs covered by the Standby Letter of Credit.

The issue of the original copy in the July submission by our Treasury appears to be almost moot; they advise me a new issue is forthcoming due to the need for a Notary tied to the Acknowledgement. When received, they will want you to return the July submission.

Sincerely,

  
John L. Andrews, RSO

Attachment

cc: Dr. T. A. Hoover, M.D., E. M. Wisser

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ML 10

120887/123186/  
123249

AUG - 6 1996

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

Rad. Mat'l Item	Isotope / Activity (Curies)	NRC License #			*: Notes
		SUB 831	37- 02006-05	37- 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

*Swk*

Table 1 Radic ve Materials and Estimated Decom missioning 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 / <i>DU</i>			25,000	Two Gammacells
K	Depleted U (DU) / < 10 micro				Disposed of as rad waste in 1994.
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				Disposed of as rad waste in 1994.
P (new)	Kr85 / 0.66		1,500		Activity as of 1/94.
Q (new)	Depleted U / < 0.1	*see note.			Two items of loaned DOE property one returned in 1994, the other to be returned in March 1995.
R (new)	Th232 / approx. 0.003	*see note.			USAF property (MgTh) in multiple spacecraft ready for shipment.
S (new)	Various / < 1 milli				Disposed of as rad waste in 1994.
SUBTOTALS		0	189,200	25,000	214,200
Administration (See text).					11,800
TOTAL					226,000

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

Rad. Mat'l	Isotope / Activity (Curies)	ESTIMATED DECOMMISSIONING COSTS (\$)			Notes
Item No.		NRC License #			
		SUB 831	37-	37-	
			02006-05	02006-09	
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, test samples and instrument calibration sources.
I	Cs137 / 0.1 nano		0		DOD/DNA property; will ship as waste in 1996, on contract.
J	Co60 (b)(4)			25,000	Two Gammacells
M	Th232 / 0.0063	0			USAF property (form is MgTh plates).
P (new)	Kr85 / 0.66		1,500		Activity as of 1/94.
R (new)	Th232 / approx. 0.003	0			USAF property (MgTh) in multiple spacecraft.
<b>SUBTOTALS:</b>		<b>0</b>	<b>189,200</b>	<b>25,000</b>	<b>214,200</b>
<b>Administration (See text)</b>					<b>11,800</b>
			<b>TOTAL</b>		<b>226,000</b>

*Sum!*

<b>TELEPHONE CONVERSATION RECORD</b>		<b>Date:</b> August 2, 1996	<b>Time:</b> 10:15 am
<b>Mail Control No.:</b> 123186 123249	<b>License No.:</b> 37-02006-09 030-12894	<b>Docket No.:</b> SUB-831 040-07344	
<b>Person Called:</b> John L. Andrews	<b>Organization:</b> Martin Marietta	<b>Telephone Number:</b> (610) 354-3840	
<b>Person Calling:</b> Eric H. Reber / (215) 337-5276			
<b>Subject:</b> Financial Assurance			
<b>Summary:</b>  Please provide originally signed documents.  Why \$226K instead of \$230k per DFP dated 4/22/94? He said that they have amended their DFP and that he will send a copy.  Please submit Specimen Cert. of Events  Please provide Cert. of Resolution  Please provide Acknowledgement			
<b>Action Required/Taken:</b>			
<b>Signature:</b> <i>Eric H. Reber</i>		<b>Date:</b> <i>8/2/96</i>	

Official Record  
8/2/96