

**Specialty Materials**

Honeywell  
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Highway 45 North  
Metropolis, IL 62960  
618 524-2111  
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April 11, 2008

(UPS: 301-415-8147)

U.S. Nuclear Regulatory commission  
ATTN: Document Control Desk  
Director, Office of Nuclear Material Safety and Safeguards  
11545 Rockville Pike  
Mail Stop T-8A33, Two White Flint N  
Rockville, MD 20852-2738

Subject: HONEYWELL METROPOLIS WORKS (DOCKET NO. 40-3392) – REQUEST FOR EXTENSION OF EXEMPTION FROM DECOMMISSIONING FINANCIAL ASSURANCE REQUIREMENTS CONTAINED IN LICENSE CONDITION 27 IN SUB-526, ISSUED ON MAY 11, 2007.

- References:
1. Letter dated May 11, 2007, from Director, Office of Nuclear Material Safety and Safeguards (NRC) to J. Neuman (Honeywell International Inc.) granting Honeywell International Inc. an exemption from decommissioning financial assurance requirement contained in License Condition 27 on Sub-526.
  2. "Request for Exemption from Decommissioning Financial Assurance Requirements," Attachment 1 to letter dated December 1, 2006 from J. Tus (Honeywell International Inc.) to Director, Office of Nuclear Material Safety and Safeguards (NRC)

Dear Mr. Weber:

By letter dated May 11, 2007, NRC granted Honeywell International Inc. (Honeywell) a one-year exemption from a portion of the financial test in 10 C.F.R. Part 30, Appendix C which would have required that Honeywell's year-end tangible net worth be equal to at least ten times its total decommissioning liabilities. The exemption permitted Honeywell to include goodwill in the determination of tangible net worth and was contained in license condition 27 in Sub-526. On March 27, 2008, Honeywell filed with the NRC a letter in support of its use of the self-guarantee financial test for the fiscal year ended December 31, 2007 in which it demonstrated that its net worth, as measured in accordance with the exemption, was more than 10 times its current decommissioning cost estimates.


In accordance with 10 C.F.R. § 40.14, "Specific Exemptions," and 10 C.F.R. § 30.11, "Specific Exemptions," Honeywell now requests that the NRC extend the exemption from the same portion of the financial test in 10 C.F.R. Part 30, Appendix C until the earlier to occur of (1) May 11, 2009 and (2) a final rule amending 10 CFR Part 30 is issued pursuant to the proposed rule published in the Federal Register on January 22, 2008.

The rationale for seeking an extension of the exemption granted to Honeywell in the May 11, 2007 is largely the same as was set forth in Attachment 1 to the letter dated December 1, 2006 from J. Tus (Honeywell International Inc.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) entitled "Request for Exemption from Decommissioning Financial Assurance Requirements". Specifically, inclusion of goodwill in the determination of tangible net worth in the financial test in 10 C.F.R. Part 30, Appendix C satisfies the intent of the decommissioning funding requirements without imposing a significant and unnecessary burden on Honeywell. The exemption should be continued because it is authorized by law, does not endanger life or property or the common defense and security, and is otherwise in the public interest. Further, continuing the exemption will not result in any significant impact to the environment.

The NRC should also grant Honeywell's request for an extension to the exemption granted in May 2007 because the exemption is entirely consistent with a proposed rule promulgated by the NRC on January 22, 2008. The proposed rule includes, *inter alia.*, an amendment to 10 C.F.R. Part 30, Appendix C that would allow the licensee to use intangible assets, if the licensee also has an investment grade bond rating. As set forth in the letter submitted by Honeywell on March 27, 2008, Honeywell currently maintains an investment grade bond rating of "A" from Standard & Poor's.

Honeywell continues to be fully-committed to the safe and proper operation of our Metropolis Works Facility, including providing financial assurance for decommissioning funding. This is consistent with our corporate commitment to the continued safety of our workers and the public, and the protection of the environment. This letter does not contain any new regulatory commitments.

Respectfully submitted,



Mitch Tillman  
Plant Manager  
Metropolis Works facility  
Honeywell International Inc.

cc: Mr. Michael Raddatz, NMSS (UPS: 301-415-6334)  
U.S. Nuclear Regulatory Commission  
Fuel Cycle Licensing Branch  
Mail Stop T-8A33, Two White Flint North  
11545 Rockville Pike  
Rockville, MD 20852-2738

Ms. Tilda Liu (UPS: 301-415-6334)  
U.S. Nuclear Regulatory Commission  
Fuel Cycle Licensing Branch  
Mail Stop T-8A33, Two White Flint North  
11545 Rockville Pike  
Rockville, MD 20852-2738

Jeffrey Neuman, Honeywell International Inc.  
Larry Parscale, MTW Regulatory Affairs Manager

**NRC FORM 313**  
(10-2005)  
10 CFR 30, 32, 33,  
34, 35, 36, 39, and 40

**U.S. NUCLEAR REGULATORY COMMISSION**

**APPROVED BY OMB: NO. 3150-0120**

**EXPIRES: 10/31/2008**

Estimated burden per response to comply with this mandatory collection request: 4.4 hours. Submittal of the application is necessary to determine that the applicant is qualified and that adequate procedures exist to protect the public health and safety. Send comments regarding burden estimate to the Records and FOIA/Privacy Services Branch (T-5 F53), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by internet e-mail to [infocollects@nrc.gov](mailto:infocollects@nrc.gov), and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0120), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

**APPLICATION FOR MATERIAL LICENSE**

**INSTRUCTIONS: SEE THE APPROPRIATE LICENSE APPLICATION GUIDE FOR DETAILED INSTRUCTIONS FOR COMPLETING APPLICATION. SEND TWO COPIES OF THE ENTIRE COMPLETED APPLICATION TO THE NRC OFFICE SPECIFIED BELOW.**

**APPLICATION FOR DISTRIBUTION OF EXEMPT PRODUCTS FILE APPLICATIONS WITH:**

DIVISION OF INDUSTRIAL AND MEDICAL NUCLEAR SAFETY  
OFFICE OF NUCLEAR MATERIALS SAFETY AND SAFEGUARDS  
U.S. NUCLEAR REGULATORY COMMISSION  
WASHINGTON, DC 20555-0001

**ALL OTHER PERSONS FILE APPLICATIONS AS FOLLOWS:**

**IF YOU ARE LOCATED IN:**

ALABAMA, CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, KENTUCKY, MAINE, MARYLAND, MASSACHUSETTS, MISSISSIPPI, NEW HAMPSHIRE, NEW JERSEY, NEW YORK, NORTH CAROLINA, PENNSYLVANIA, PUERTO RICO, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, VERMONT, VIRGINIA, VIRGIN ISLANDS, OR WEST VIRGINIA, SEND APPLICATIONS TO:

LICENSING ASSISTANCE TEAM  
DIVISION OF NUCLEAR MATERIALS SAFETY  
U.S. NUCLEAR REGULATORY COMMISSION, REGION I  
475 ALLENDALE ROAD  
KING OF PRUSSIA, PA 19406-1415

**IF YOU ARE LOCATED IN:**

ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, MISSOURI, OHIO, OR WISCONSIN, SEND APPLICATIONS TO:

MATERIALS LICENSING BRANCH  
U.S. NUCLEAR REGULATORY COMMISSION, REGION III  
2443 WARRENVILLE ROAD, SUITE 210  
LISLE, IL 60532-4352

ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, HAWAII, IDAHO, KANSAS, LOUISIANA, MONTANA, NEBRASKA, NEVADA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, OREGON, PACIFIC TRUST TERRITORIES, SOUTH DAKOTA, TEXAS, UTAH, WASHINGTON, OR WYOMING, SEND APPLICATIONS TO:

NUCLEAR MATERIALS LICENSING BRANCH  
U.S. NUCLEAR REGULATORY COMMISSION, REGION IV  
611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TX 76011-4005

**PERSONS LOCATED IN AGREEMENT STATES SEND APPLICATIONS TO THE U.S. NUCLEAR REGULATORY COMMISSION ONLY IF THEY WISH TO POSSESS AND USE LICENSED MATERIAL IN STATES SUBJECT TO U.S. NUCLEAR REGULATORY COMMISSION JURISDICTIONS.**

1. THIS IS AN APPLICATION FOR (Check appropriate item)

- A. NEW LICENSE
- B. AMENDMENT TO LICENSE NUMBER Sub-526 Docket40-3392
- C. RENEWAL OF LICENSE NUMBER \_\_\_\_\_

2. NAME AND MAILING ADDRESS OF APPLICANT (Include ZIP code)

Honeywell Metropolis Works  
2768 North US 45 Road  
Metropolis, IL 62960

3. ADDRESS WHERE LICENSED MATERIAL WILL BE USED OR POSSESSED

2768 North US 45 Road  
Metropolis, IL 62960

4. NAME OF PERSON TO BE CONTACTED ABOUT THIS APPLICATION

Larry Parscale, Regulatory Affairs Manager

TELEPHONE NUMBER

(618) 524-6221

SUBMIT ITEMS 5 THROUGH 11 ON 8-1/2 X 11" PAPER. THE TYPE AND SCOPE OF INFORMATION TO BE PROVIDED IS DESCRIBED IN THE LICENSE APPLICATION GUIDE.

5. RADIOACTIVE MATERIAL  
a. Element and mass number; b. chemical and/or physical form; and c. maximum amount which will be possessed at any one time.

6. PURPOSE(S) FOR WHICH LICENSED MATERIAL WILL BE USED.

7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING EXPERIENCE.

8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS.

9. FACILITIES AND EQUIPMENT.

10. RADIATION SAFETY PROGRAM.

11. WASTE MANAGEMENT.

12. LICENSE FEES (See 10 CFR 170 and Section 170.31)

FEE CATEGORY	AMOUNT ENCLOSED	\$

13. CERTIFICATION. (Must be completed by applicant) THE APPLICANT UNDERSTANDS THAT ALL STATEMENTS AND REPRESENTATIONS MADE IN THIS APPLICATION ARE BINDING UPON THE APPLICANT.

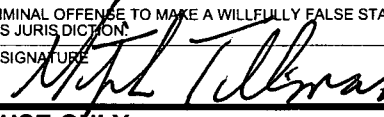
THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATION ON BEHALF OF THE APPLICANT, NAMED IN ITEM 2, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PARTS 30, 32, 33, 34, 35, 36, 39, AND 40, AND THAT ALL INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF.

WARNING: 18 U.S.C. SECTION 1001 ACT OF JUNE 25, 1948 62 STAT. 749 MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

CERTIFYING OFFICER - TYPED/PRINTED NAME AND TITLE

Mitch Tillman, Plant Manager

SIGNATURE



DATE

9/11/08

**FOR NRC USE ONLY**

TYPE OF FEE	FEE LOG	FEE CATEGORY	AMOUNT RECEIVED	CHECK NUMBER	COMMENTS
			\$		
APPROVED BY				DATE	