

JUN 07 1991

License No. SUB-1452
SMB-179
Docket No. 040-03866
040-00672
Control No. 113010
113009

Nuclear Metals, Incorporated
ATTN: Alden R. Gilman
Vice President
2229 Main Street
Concord, Massachusetts 01742

Gentlemen:

This is in reference to your submittal dated July 26, 1990 to provide financial assurance for License Nos. SUB-1452 and SMB-179. In order to continue our review, we need the following additional information:

1. Please state whether the financial assurance documentation dated July 26, 1990 is for License No. SMB-179 or SUB- ?.
2. Please provide additional financial assurance in the amount of \$750,000. Documentation for this additional financial assurance should state that it is designated for License No. SMB-179 or SUB-1452, depending on which license you designate as the recipient of the financial assurance dated July 26, 1990.
3. Please amend the first sentence of Section 13. of your Standby Trust Agreement to read: "Upon 90 days notice to the NRC, the Trustee may resign; upon 90 days notice to the NRC and the Trustee, the Grantor may replace the Trustee" This is due to the fact that we may need 90 days to act on this matter.
4. Please complete and submit the acknowledgement that was submitted with your Standby Trust Agreement.
5. Please provide a copy of corporate by-laws or other evidence indicating that Wilson B. Tuffin is authorized to sign your Standby Trust Agreement for Nuclear Metals, Incorporated.
6. Please provide a copy of corporate by-laws or other evidence indicating that parties signing your Irrevocable Letter of Credit are authorized to represent State Street Bank and Trust Company.

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7. Please amend Section 21 of your Standby Trust Agreement to list the NRC's address as: U. S. Nuclear Regulatory Commission Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406.
8. In previous discussions with you and members of your staff, I have stated that it would not be necessary for Nuclear Metals to provide a formal Decommissioning Funding Plan (DFP) and site specific cost estimate until you apply for license renewal five years from the date we issue the renewal for which you recently applied. We have carefully reviewed the rule and concluded I was incorrect. Since you have renewal applications under consideration, you are required to submit a DFP and site specific cost estimate and a financial instrument in the amount of the cost estimate as soon as possible. Until such a DFP can be approved you must complete and maintain the above discussed financial assurance. In response to this letter please propose a schedule for completing and submitting a DFP.

We will continue our review upon receipt of this information. Please reply in duplicate to my attention at the Region I office and refer to Mail Control Nos. 113010 and 113009.

We would appreciate a reply from you within 30 calendar days from the date of this letter. I apologize for any inconvenience my error in explaining the rule may cause.

Sincerely,

Original Signed By:

John D. Kinneman
John D. Kinneman, Chief
Nuclear Materials Safety Section B
Division of Radiation Safety
and Safeguards

Enclosures:
Regulatory Guide 3.66

bcc:
E. Reber, RI
J. Kinneman, RI

RY:DRSS
Reber/ED

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ML:DRSS
Kinneman

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