March 22, 2010

MEMORANDUM TO: Thomas G. Hiltz, Chief
Advanced Fuel Cycle, Enrichment,
and Uranium Conversion Branch
Special Projects and Technical
Support Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

FROM: M. Breeda Reilly, Senior Project Manager **/RA/**
Advanced Fuel Cycle, Enrichment,
and Uranium Conversion Branch
Special Projects and Technical
Support Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: FEBRUARY 25, 2010, TELECONFERENCE SUMMARY, HONEYWELL INTERNATIONAL, DISCUSSION OF FINANCIAL INSTRUMENTS FOR HONEYWELL METROPOLIS WORKS

On February 25, 2010, the U.S. Nuclear Regulatory Commission's staff held a telephone conference call with staff from Honeywell International to discuss language for financial instruments. The summary of this call is enclosed. The summary contains no proprietary or classified information.

Docket No.: 40-3392

Enclosure: As stated

CONTACT: Breeda Reilly, NMSS/FCSS
(301) 492-3110

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OFFICE	NMSS/AFCB	NMSS/AFCB	NMSS/AFCB
NAME	BReilly	LAllen	THiltz
DATE	03/18/10	03/22/10	03/22/10

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Telephone Conference Call Summary

Honeywell International
Discussion of Proposed Edits to Model Financial Instruments
For Honeywell Metropolis Works

DATE AND TIME: 2:30 P.M. (EST); February 25, 2010

CALL PARTICIPANTS: K. Kline, U.S. Nuclear Regulatory Commission (NRC)
R. Przygodzki, NRC
B. Reilly, NRC
M. Greeno, Honeywell International (Honeywell)
T. Smith, Winston & Strawn

During the conference call, NRC staff provided feedback on edits that Honeywell is considering to the model standby letter of credit and model surety bond found in NUREG-1757, Volume 3, "Consolidated NMSS Decommissioning Guidance." The edits are based on Honeywell's discussions with the financial institutions, selected by Honeywell, that may issue the financial instrument(s). Honeywell indicated that they anticipate no changes to the language in the model standby trust agreement. Honeywell mentioned that they currently have a self-guarantee in place and are aiming to put alternate financial assurance arrangements in place by the end of March 2010, but, in any event, will provide alternate financial assurance arrangements by April 10, 2010. The NRC staff suggested that keeping the language in the financial instruments as similar as possible to the model language will facilitate NRC's review. Honeywell also mentioned that their corporate office is appealing the denial of its exemption request in the DC Court of Appeals. While the appeal is pending, Honeywell intends to provide alternate financial assurance to meet the regulatory requirements.

Honeywell has had the opportunity to review and comment on this summary.

Enclosure