

Financial Assurance Policy:

Applicant is required to submit financial assurance in accordance with "State Regulations for Protection Against Radiation," 1200-02-10-.12(4). Our policy requires the applicant to submit financial assurance in an amount equal to the square footage of all requested use and storage areas multiplied by \$42.00 per square foot. An example of a question sent to an applicant and his response concerning the dimensions of the facility is attached. After confirmation of the areas is made and the applicant submits the calculated amount of money in an acceptable form of financial assurance, the license authorization is granted assuming any other health and safety questions are properly addressed.

January 08, 2010

Mr. Charlie Arnott
Division of Radiological Health
Department of Environment and Conservation
3rd Floor, L&C Annex
401 Church Street
Nashville, TN 37243-1532

Dear Mr. Arnott:

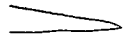
In response to your letter dated December 17, 2009, is providing the following information and clarification.

Item 2

Submit a summary of dimensions and square feet for financially assured (bonded) areas in Attachment 3 of the application including the areas for 4 high stacking (11.8 RSG-1) that show that these areas are covered within the current financial assurance amount of \$7,793,153.00. The 4 high stacking areas must be multiplied by 4.

Response: Included are floor prints with dimensions and square footage noted for financially assured areas. proposes to stack sea land containers 3 high within the Radioactive Materials Storage Area. proposes to stack intermodal containers 4 high but these stacking heights equate to a similar volume to 3 high sea land containers stacked. In reviewing the current Letter of Credit on file with the TDRH the amount assured matches the footprint including using a 3X factor for the Radioactive Materials Storage Area. Two copies of the floor prints are included to be added to Attachment 3 of the "Application for Source Material License Renewal".

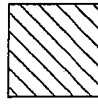
Sincerely,



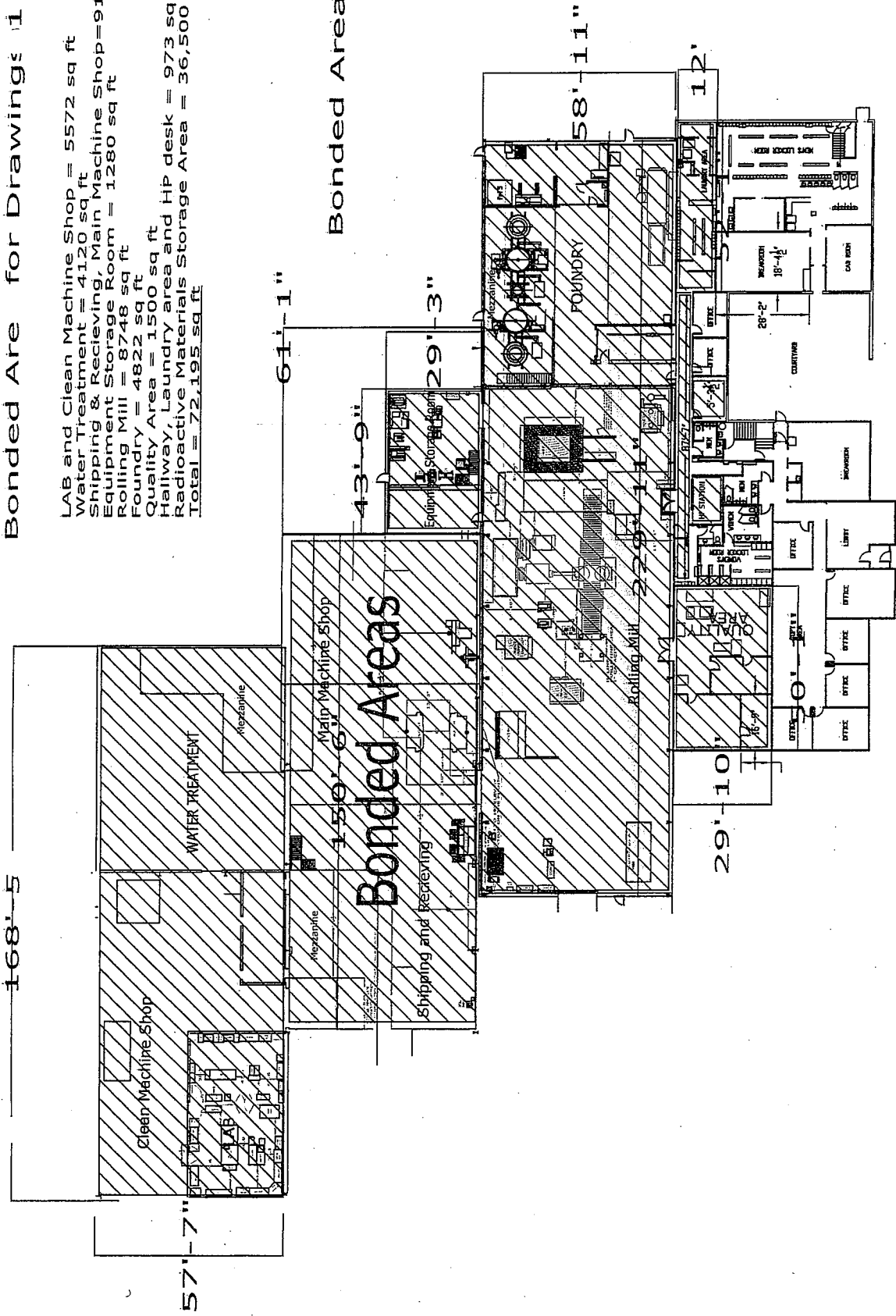
2

Bonded Area for Drawings 1 and 2

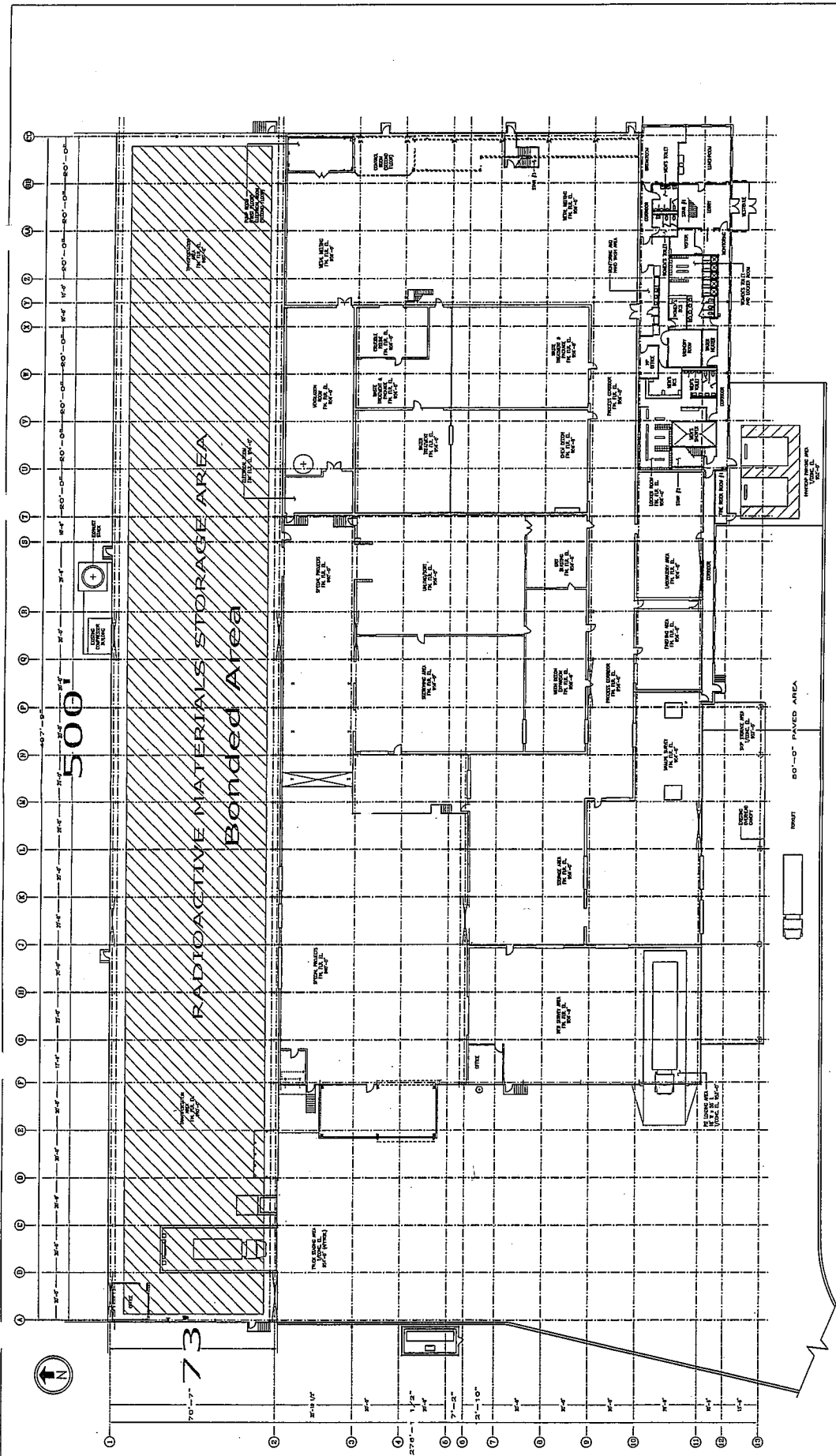
- LAB and Clean Machine Shop = 5572 sq ft
- Water Treatment = 4120 sq ft
- Shipping & Receiving, Main Machine Shop = 9180 sq ft
- Equipment Storage Room = 1280 sq ft
- Rolling Mill = 8748 sq ft
- Foundry = 4822 sq ft
- Quality Area = 1500 sq ft
- Hallway, Laundry area and HP desk = 973 sq ft
- Radioactive Materials Storage Area = 36,500 sq ft
- Total = 72,195 sq ft**



Bonded Area =



Drawing 1 of 2



Drawing 2 of 2