

Garrett, Betty

From: Webb, James
Sent: Thursday, February 03, 2011 3:15 PM
To: Garrett, Betty
Subject: Please place in ADAMS
Attachments: Draft Surety Bond

The attached email is available to the public for normal release. A SUNSI review was completed and the document is acceptable.

Docket No.: 40-8584
License No.: SUA-1350

Garrett, Betty

From: Webb, James
Sent: Thursday, February 03, 2011 3:11 PM
To: Paulson, Oscar (CCC)
Cc: Przygodzki, Roman
Subject: Draft Surety Bond
Attachments: ML1101105910.pdf

Mr. Oscar Paulson
Facility Supervisor
Kennecott Uranium Company
Sweetwater Facility
Rawlins, WY 82301

Dear Mr. Paulson,

The attached PDF file includes our Request for Additional Information (RAI). Comment No. 1 was revised after placing in ADAMS and is shown below. Direct your response to the revised Comment No. 1.

Please address the two comments and provide a written response within 30 days. The response should include a schedule if additional time is needed to complete these actions. If you need to discuss the comments, please contact me via email or by phone at (301) 415-6252.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this email will be available electronically for public inspection in the NRC Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/reading-rm/adams.html>

Sincerely,

James Webb
Project Manager
USNRC
Washington D.C.

Comment 1: Schedule B of the Tenth Amended Standby Trust Agreement was not revised by a "Whereas" clause to reflect the change in the financial instrument relied on as financial assurance for decommissioning. Please justify this omission or revise the Tenth Amended Standby Trust appropriately.

The Schedule B of the Ninth Amended Standby Trust Agreement, in part, states that "Future contributions to the Standby Trust will initially consist of funds designated for deposit in accordance with the terms of an irrevocable standby letter of credit..." (ML101110484). In its current submittal, Kennecott Uranium Company (Kennecott) seeks to rely upon a Surety Bond as financial assurance. However, Schedule B of the Tenth Amended Standby Trust Agreement was not modified by a "Whereas" clause to reflect the change in the financial instrument relied on as financial assurance. Please explain why Kennecott's Tenth Amended Standby Trust Agreement does not include this revision, or revise the Tenth Amended Standby Trust Agreement appropriately.

Kennecott Uranium Company

**Request for Additional Information for
Surety Bond and Tenth Amended Standby Trust Agreement**

January 11, 2011

Comment 1: Schedule B of the Tenth Amended Standby Trust Agreement was not revised to reflect the change in the financial instrument relied on as financial assurance for decommissioning. Please justify this omission or revise Schedule B appropriately.

The Schedule B of the Ninth Amended Standby Trust Agreement, in part, states that "Future contributions to the Standby Trust will initially consist of funds designated for deposit in accordance with the terms of an irrevocable standby letter of credit..." (ML101110484). In its current submittal, Kennecott Uranium Company (Kennecott) seeks to rely upon a Surety Bond as financial assurance. However, Schedule B of the Tenth Amended Standby Trust Agreement was not modified to reflect the change in the financial instrument relied on as financial assurance. Please explain why Kennecott's Tenth Amended Standby Trust Agreement does not include a revision to Schedule B, or revise Schedule B appropriately.

Comment 2: Provide an originally signed Surety Bond and Tenth Amended Standby Trust Agreement.

Page 5 of the Branch Technical Position (BTP) "Technical Position on Financial Assurances for Reclamation, Decommissioning and Long-Term Surveillance and Control of Uranium Recovery Facilities (October 1988)" (ML020300533) states that "[t]he financial instrument's form should allow the NRC licensing staff to determine that it is properly signed and notarized...". In this regard, the staff is unable to determine whether the Surety Bond and Tenth Amended Standby Trust Agreement are "properly signed and notarized" because the submitted Surety Bond and Tenth Amended Standby Trust Agreement are copies, rather than originals. Kennecott is requested to provide an originally signed Surety Bond and Tenth Amended Standby Trust Agreement.

Enclosure