
From: Kalman, Kenneth
Sent: Wednesday, May 11, 2011 4:46 PM
To: 'Bradway, Pam J.'
Cc: Przygodzki, Roman; Michalak, Paul; Kline, Kenneth; Chang, Lydia
Subject: RE: Guidance for revising Trust Agreement

Pam,

We reviewed the documents you sent us and have the following comments. Please revise accordingly.

Thank you,

Ken

Trust Document:

- Shieldalloy appears to have used the NUREG model for a *Standby* Trust Agreement. As this account is already funded, this might be revised to be a Trust Agreement. Are the revised trust documents intended for the existing funding, for a letter of credit (or other instrument) that might be procured in the future, or both?
- Section 5: Shieldalloy appears to have modified one of the paragraphs: “**In the event of the Grantor’s default or inability to direct decommissioning activities**, the Trustee shall make payments from the Fund as NRC shall direct...” (red text denotes Shieldalloy’s edit). The red text could adversely limit NRC’s ability to direct payments out of the Trust. It is recommended that the language be consistent with the guidance.

Trust Agreement Schedules:

- Schedule B generally lists the property/funding of the Trust. The version that Shieldalloy provided states that no property is part of the Trust, however, it is our understanding that the Trust is already funded. Schedule B should list the amount of funding. It would also be helpful if Schedule B listed the account information too, in the event that the staff needs to call the bank regarding the account)
- Schedule C generally states the annual fee charged by the Trustee. However, this information is not provided in the draft. Could this information be populated into Schedule C?
- The Certificate of Resolution states that Shieldalloy is a New York corporation. However, the first paragraph and Section 18 of the draft Standby Trust Agreement state that Shieldalloy is a Delaware corporation. Shieldalloy should clarify the state of incorporation and revise the documents to make them consistent.
- The Letter of Acknowledgement lists the bank as “Citizens Bank,” but lists “RBS Citizens, N.A.” is listed on the Standby Trust Agreement. The Letter of Acknowledgement should be consistent with the Trust Document. Also, per NUREG-1757, the Letter of Acknowledgement should state whether the bank is a national or State banking association.

From: Bradway, Pam J. [<mailto:pbradway@shieldalloy.com>]
Sent: Monday, May 09, 2011 11:15 AM

To: Kalman, Kenneth
Cc: Przygodzki, Roman; Michalak, Paul
Subject: RE: Guidance for revising Trust Agreement

Ken -

All historical references to elements that are unrelated to the current situation have been eliminated and the Trust document has been updated to reflect current guidelines. Please review and advise.

Regards,
Pam

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From: Bradway, Pam J.
Sent: Monday, May 02, 2011 2:17 PM
To: Kalman, Kenneth
Cc: Przygodzki, Roman; Michalak, Paul
Subject: RE: Guidance for revising Trust Agreement

Ken -

I have asked SMC's legal counsel to provide me with a Draft trust document (prepared in accordance with NRC guidelines) to replace the 1990 Standby Trust; I'll forward a copy to you within the next few days.

Regards,
Pam

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From: Kalman, Kenneth [<mailto:Kenneth.Kalman@nrc.gov>]
Sent: Thursday, April 28, 2011 10:39 AM

To: Bradway, Pam J.
Cc: Przygodzki, Roman; Michalak, Paul
Subject: Guidance for revising Trust Agreement

Pam,

Here is the link to the NRC public website for NUREG-1757 Volume 3:

<http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1757/v3/>

Appendix A.4 provides guidance and sample language for Trust Funds.

Roman Przygodzki, performed an initial review of your existing Trust Agreement, and it looks like Sections 5, 6b, 8a, 13, and 15 of the existing Trust Agreement may be inconsistent with the recommended language contained in NUREG-1757, Vol. 3, Appendix A.4. It also appears that Section 5a uses a term "Depositor," but it does not appear that this term was defined in the document.

If you have any questions, please contact Roman by email or phone 301-415-5143.

Thank you,

Ken Kalman