

From: Helvenston, Edward
To: ["jay.silberg@pillsburylaw.com"](mailto:jay.silberg@pillsburylaw.com)
Cc: [Murray, Ruthanne](#); [Henderson, Mable](#); [Olvera, Eric](#); [Kanas, Catherine](#); [Wachutka, Jeremy](#); [Alexander Adams \(Alexander.Adams@nrc.gov\)](#); [Bowers, Anthony](#); [Traiforos, Spyros](#)
Subject: Follow-up to conference call between Pillsbury LLP and NRC staff to discuss Aerotest financial protection documents
Date: Friday, July 08, 2016 7:46:00 AM
Attachments: [Schedules.pdf](#)
[certificate of events.pdf](#)

Jay,

This email is a follow-up to our conference call with you on July 7, 2016. The NRC participants on this call were:

Ed Helvenston, NRR
Ruth Murray, NRR
Mai Henderson, NRR
Cathy Kanatas, OGC

During the call, we had discussed your questions regarding how to adapt the forms of NUREG-1757 for use by Aerotest to satisfy the 10 CFR Part 140 requirement to provide financial protection by the "adequate resources" method of 10 CFR 140.14(a)(2). Specifically, we discussed how to adapt the language in the CEO letter, CFO letter, the Confirmation of CFO's letter, the Parent Company Guarantee, and the Standby Trust Agreement. We discussed revisions to the draft documents that you sent to us by letter dated June 15, 2016.

We discussed the following revision to the CEO letter:

-Insert "is required to file a Form 10-K" and "This fiscal year of the firm ends on December 31"

We discussed the following revisions to the CFO letter:

-Change "to provide adequate financial assurance" (1 occurrence) to "to demonstrate financial protection in the form of adequate resources"
-Change "to demonstrate financial assurance" (1 occurrence) to "to demonstrate financial protection in the form of adequate resources"
-Change "Aerotest Research and Radiography Reactor" (1 occurrence) to "Aerotest Radiography and Research Reactor" to be consistent with the facility license

We discussed the following revision to the Confirmation of CFO's letter, specifically, the attached "Schedule Reconciling Amounts Contained in Chief Financial Officer's Letter with Amount in Financial Statements":

-Change "decommissioning costs" (4 occurrences) to "financial protection amount"

We discussed the following revisions to the Parent Company Guarantee:

-Change "which requires that a holder of, or an applicant for, a an operating license issued pursuant to 10 CFR Part 50 to maintain financial protection" (1 occurrence in Recital #2) to "which require that a holder of, or an applicant for, an operating license issued pursuant to

10 CFR Part 50 have and maintain financial protection in the amount specified in 10 CFR 140.11.”

-Change “Aerotest Research and Radiography Reactor” (1 occurrence in Recital #3) to “Aerotest Radiography and Research Reactor”

-Change “Aerotest Research and Radiograph Reactor” (1 occurrence in Recital #5) to “Aerotest Radiography and Research Reactor”

-Change “and obtain written approval of such financial from” (1 occurrence in Recital #8) to “and obtain written approval of such financial protection from”

-Change “the parent company guarantee for decommissioning” (1 occurrence in Recital #18) to “the parent company guarantee for financial protection”

We also discussed revisions to the Standby Trust Agreement. The Standby Trust Agreement form of NUREG-1757 refers to an attached “Schedule A,” “Schedule B,” “Schedule C,” and “Certificate of Events,” but these documents do not appear to be attached to your draft Standby Trust Agreement. The attachments to this email (which are from NUREG-1757, Vol. 3, Rev. 1, at A-52 and A-53) provide templates for Trust Agreement Schedules A, B, and C, and the Certificate of Events.

Since, as we discussed, the Standby Trust Agreement form of NUREG-1757 refers to an attached “Schedule A,” “Schedule B,” “Schedule C,” and “Certificate of Events,” the NRC staff expects you to determine if one or more of these documents is applicable, and then either: (1) create the attachment(s), (2) indicate where the information is provided elsewhere, or (3) delete the reference(s) from your Standby Trust Agreement if you determine they are not applicable. Additionally, if you decide to include Schedule A, it could be referenced in the Standby Trust Agreement by adding “, as shown in Schedule A.” to the end of Section 2 of the Standby Trust Agreement.

Finally, we discussed the affidavits that should be submitted to accompany your revised versions of the financial protection documents. The documents should include 1) an affidavit to provide that the documents are submitted to the NRC under oath and affirmation in accordance with 10 CFR 50.30; and, if you determine it to be necessary, 2) an affidavit requesting withholding of any business sensitive or proprietary information in the documents from public disclosure in accordance with 10 CFR 2.390.

I hope that our call and this email address your outstanding questions regarding how to adapt the NUREG-1757 forms, and that you will be able to submit revised documents in a timely manner, but please do not hesitate to contact me if any other questions arise.

Sincerely,
Ed

Ed Helvenston, U.S. NRC
Research and Test Reactor Licensing Branch (PRLB)
Division of Policy and Rulemaking (DPR)
Office of Nuclear Reactor Regulation (NRR)
O-11C14
(301) 415-4067

Standby Trust Agreement Schedules

Schedule A

This Agreement demonstrates financial ~~assurance~~-protection for the following prescribed amounts for the following licensed activities:

<u>U.S. NUCLEAR REGULATORY COMMISSION LICENSE NUMBER(S)</u>	<u>NAME AND ADDRESS OF LICENSEE</u>	<u>ADDRESS OF LICENSED ACTIVITY</u>	<u>FINANCIAL PROTECTION AMOUNT DEMONSTRATED BY THIS AGREEMENT</u>
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The financial protection amount(s) listed here were last adjusted and approved by NRC on [insert date].

Schedule B

DOLLAR AMOUNT _____
AS EVIDENCED BY _____

Schedule C

[Insert name, address, and phone number of Trustee.]
Trustee's fees shall be \$_____ per year.

A.4.6 Model Specimen Certificate of Events

[Insert name and address of trustee]

Attention: Trust Division

To Whom It May Concern [May be personalized]:

In accordance with the terms of the Agreement with you dated ____, I, _____, Secretary of [insert name of licensee], hereby certify that the following events have occurred:

1. [Insert name of licensee] is required to commence the decommissioning of its facility located at [insert location of facility] (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on _____ (copy of approval attached).
3. The Board of Directors of [insert name of licensee] has adopted the attached resolution authorizing the commencement of the decommissioning.

Secretary of [insert name of licensee]

Date