



CONVERSATION RECORD

NAME OF PERSON(S)/TITLE CONTACTED OR IN CONTACT WITH YOU Matthew Trusner	DATE OF CONTACT 02/21/2020	TYPE OF CONVERSATION <input checked="" type="checkbox"/> E-MAIL <input type="checkbox"/> TELEPHONE <input type="checkbox"/> INCOMING <input checked="" type="checkbox"/> OUTGOING
E-MAIL ADDRESS mtrusner@zevacor.com	TELEPHONE NUMBER 217-433-7902	
ORGANIZATION Zevacor Molecular	DOCKET NUMBER(S) 030-38841; 030-38903	
LICENSE NAME AND NUMBER(S) 13-35179-02; 13-35179-03	MAIL CONTROL NUMBER(S) 589778; 611551	
SUBJECT Decommissioning Financial Assurance Documents Needed Pursuant to 10 CFR 30.35 and NUREG 1757, Vol. 3, rev. 1		
SUMMARY AND ACTION REQUIRED (IF ANY) In accordance with Title 10 of the <i>Code of Federal Regulations</i> (CFR) Sections 30.35(e) and 30.35(f), "Financial Assurance and Recordkeeping for Decommissioning," and NUREG 1757, Vol. 3, rev. 1, "Consolidated Decommissioning Guidance: Financial Assurance, Recordkeeping, and Timeliness," the above-listed organization (licensee, you) is required to submit a financial instrument - including a Standby Trust Agreement (STA) to which the surety bond (SB) - submitted on March 5, 2018 - would be payable. You also must submit a certification of financial assurance (CFA) that financial assurance has been provided in the amount of your submitted Decommissioning Cost Estimate (DCE). According to our records, neither an STA nor a DCE for your NRC License Nos. 13-35179-02 and 13-35179-03 has been submitted. Please submit an STA and CFA within 60 days of this record. Please note that additional revisions to your submitted SB and DCE are under review and may require additional information at a later date. For additional guidance, please refer to NUREG 1757, Vol. 3, rev. 1. For your reference, Model CFA and STA documents are attached to this record. In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this record will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html .		
NAME OF PERSON DOCUMENTING CONVERSATION Sara A. Forster, Health Physicist, Materials Licensing Branch, Division of Nuclear Materials Safety, Region III		
SIGNATURE 	DATE OF SIGNATURE 02/21/2020	

A.2.4 Model Certification of Financial Assurance

CERTIFICATION OF FINANCIAL ASSURANCE

Principal: *[Legal names and business address of licensee]*
NRC license number, name, and address of the facility

Issued to: U.S. Nuclear Regulatory Commission

I certify that *[insert name of licensee]* is licensed to possess the following types of *[insert all that apply: "sealed sources or plated foils with a half-life greater than 120 days licensed under 10 CFR Part 30," "unsealed byproduct material with a half-life greater than 120 days licensed under 10 CFR Part 30," "source material in a readily dispersible form licensed under 10 CFR Part 40," "unsealed special nuclear material licensed under 10 CFR Part 70" and "spent nuclear fuel, high-level radioactive waste, and reactor-related greater than Class C waste licensed under 10 CFR Part 72"]* in the following amounts:

<u>Type of Material</u>	<u>Amount of Material</u>
<i>[List materials and quantities of materials noted above. For byproduct materials and special nuclear materials, list separately the type and amount of each isotope authorized by the license.]</i>	

I also certify that financial assurance in the amount of *[insert the total of all prescribed amounts calculated from Checklist 2 or the amount of the site-specific cost estimate, in U.S. dollars]* has been obtained for the purpose of decommissioning as prescribed by 10 CFR Part *[insert 30, 40, 70, or 72]*.

[This paragraph is needed for a 10 CFR Part 72 licensee (10 CFR 72.30(e)(5)) only that qualifies to use an external sinking fund that is not coupled with another form of financial assurance.] I also certify that *[insert name of licensee]* is qualified to use the assurance method of 10 CFR 72.30(e)(5) or 10 CFR 50.75(e)(1)(ii), and *[insert name of licensee]* either (1) recovers the total cost of decommissioning through rates established by "cost of service" or similar ratemaking regulation or (2) has a source of revenues for its external sinking fund that is a "non-bypassable charge," the total amount of which will provide funds needed for decommissioning. As of *[insert date]*, *[\$[insert dollar amount]]* has been collected for decommissioning. Therefore, *[\$[insert dollar amount]]* remains to be collected for decommissioning. The remaining funds needed for decommissioning will be collected *[insert frequency (i.e., monthly, semi-annually, annually)]* over the next *[insert time period]* in the amount of *[\$[insert dollar amount]]*.

[This paragraph is needed for 10 CFR Part 72 licensees (10 CFR 72.30(e)) only.] Contact information for this certification of financial assurance by *[insert name of licensee]* is the following: *[insert the licensee's name, license number, and docket number and the name, address, contact person, and phone number of the issuer or guarantor and of the trustee]*.

[Signatures and titles of officials of institution]

[Corporate seal]

[Date]

A.12.4 Model Standby Trust Agreement

STANDBY TRUST AGREEMENT

TRUST AGREEMENT, the Agreement entered into as of *[insert date]* by and between *[insert name of licensee]*, a *[insert name of State]* *[insert “corporation,” “partnership,” “proprietorship,” or “LLC”]*, herein referred to as the “Grantor,” and *[insert name and address of a trustee acceptable to NRC]*, the “Trustee.”

WHEREAS, the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I, of the *Code of Federal Regulations*, Part *[insert 30, 40, 70, or 72]*. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a materials license issued pursuant to 10 CFR Part *[insert 30, 40, 70, or 72]* provide assurance that funds will be available when needed for required decommissioning activities.

WHEREAS, the Grantor has elected to use a *[insert “letter of credit,” “surety bond,” “insurance policy,” “parent company guarantee,” or “self-guarantee”]* to provide *[insert “all” or “part”]* of such financial assurance for the facilities identified herein; and

WHEREAS, when payment is made under a *[insert “letter of credit,” “surety bond,” “insurance policy,” “parent company guarantee,” or “self-guarantee”]*, this standby trust shall be used for the receipt of such payment; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee;

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term “Grantor” means the NRC licensee who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term “Trustee” means the trustee who enters into this Agreement and any successor trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the materials and activities identified in License Number *[insert license number]* issued pursuant to 10 CFR Part *[insert 30, 40, 70, or 72]*, as shown in Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund (the Fund) for the benefit of NRC. The Grantor and the Trustee intend that no third party shall have access to the Fund except as provided herein.

Section 4. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash, securities, or other liquid assets acceptable to the Trustee. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee are referred to as the “Fund,” together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by NRC.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- (a) A certificate duly executed by the Secretary of the Grantor attesting to the occurrence of the events, and in the form set forth in the attached Certificate of Events, and
- (b) A certificate attesting to the following conditions:
 - (1) that decommissioning is proceeding pursuant to an NRC-approved plan;
 - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that plan; and
 - (3) that NRC has been given 30 days prior notice of [*insert name of licensee*]'s intent to withdraw funds from the trust fund.

No withdrawal from the Fund for a particular license can exceed 10 percent of the remaining funds available for that license unless NRC written approval is attached.

In addition, the Trustee shall make payments from the Fund as NRC shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by NRC from the Fund for expenditures for required activities in such amounts as NRC shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims, except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as

amended (15 U.S.C. 80a-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

- (b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal government, and in obligations of the Federal government such as GNMA, FNMA, and FHLM bonds and certificates or State and Municipal bonds rated BBB or higher by Standard & Poor's or Baa or higher by Moody's Investment Services; and
- (c) For a reasonable time, not to exceed 60 days, the Trustee is authorized to hold uninvested cash, awaiting investment or distribution, without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), including one that may be created, managed, underwritten, or to which investment advice is rendered, or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary to allow duly authorized withdrawals at the joint request of the Grantor and NRC or to reinvest in securities at the direction of the Grantor;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (b) To register any securities held in the Fund in its own name, or in the name of a nominee, and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, to reinvest interest payments and funds from matured and redeemed instruments, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee or such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or

instrumentality thereof, with a Federal Reserve Bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. After payment has been made into this standby trust fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the standby trust fund, furnish to the Grantor and to NRC a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and NRC shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing with the Grantor. (See Schedule C.)

Section 13. Successor Trustee. Upon 90 days notice to NRC and the Grantor, the Trustee may resign; upon 90 days notice to NRC and the Trustee, the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee, the successor accepts the appointment, the successor is ready to assume its duties as trustee, and NRC has agreed, in writing, that the successor is an appropriate Federal or State government agency or an entity that has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. When the resignation or replacement is effective, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the

Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust, in a writing sent to the Grantor, NRC, and the present Trustee, by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this Agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. If NRC issues orders, requests, or instructions to the Trustee, these shall be in writing, signed by NRC or its designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or NRC hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or NRC, except as provided for herein.

Section 15. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and NRC, or by the Trustee and NRC if the Grantor ceases to exist. All amendments shall meet the relevant regulatory requirements of NRC.

Section 16. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 15, this trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and NRC, or by the Trustee and NRC if the Grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor.

Section 17. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor or NRC issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 18. This Agreement shall be administered, construed, and enforced according to the laws of the State of [*insert name of State*].

Section 19. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this Agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereunto affixed and attested as of the date first written above.

[Insert name of licensee (Grantor)]
[Signature of representative of Grantor]
[Title]

ATTEST:

[Title]

[Seal]

[Insert name and address of Trustee]
[Signature of representative of Trustee]
[Title]

ATTEST:

[Title]

[Seal]

Song, Taehoon

From: Forster, Sara
Sent: Friday, February 21, 2020 3:56 PM
To: Song, Taehoon; Pavon, Sandy
Cc: Tomczak, Tammy
Subject: FW: Additional Information re Zevacor Molecular's Decommissioning Cost Estimate and Surety Bond, NRC Lic. Nos. 13-35179-02 & -03, CN589778 & 611551
Attachments: 03210.561155113-35179-03 FA NRC 699 STA and Cert needed signed.pdf

Could you please have this conversation record scanned in and returned to me?

Thank you!

Sara

From: Forster, Sara
Sent: Friday, February 21, 2020 3:55 PM
To: Matthew Trusner <mtrusner@zevacor.com>
Cc: Desai, Sachin <sachin.desai@hoganlovells.com>; Roma, Amy C. <amy.roma@hoganlovells.com>
Subject: Additional Information re Zevacor Molecular's Decommissioning Cost Estimate and Surety Bond, NRC Lic. Nos. 13-35179-02 & -03, CN589778 & 611551

Dear Mr. Trusner:

In accordance with Title 10 of the Code of Federal Regulations Section 30.35(e) and 30.35(f), "Financial assurance and recordkeeping for decommissioning," the above referenced licensee (you) is required to submit a Certification of Financial Assurance (CFA) in support of its submitted March 5, 2018, Decommissioning Funding Plan. In addition, you are required to submit a Standby Trust Agreement (STA) for the December 2, 2019 Surety Bond No. 1078981. To date, our office does not have a record of either the CFA or the STA having been submitted to our office. For additional information on preparing and submitting these documents, please refer to NUREG 1757, Vol. 3, rev. 1, "Consolidated Decommissioning Guidance: Financial Assurance, Recordkeeping, and Timeliness."

In addition, in accordance with your December 20, 2019 letter, we have noted that a Transfer of Control (TOC) is anticipated for this licensee, in the near future. If that TOC is completed within 60 days of this message, you may defer your response until that time.

To complete your Financial Assurance package, please submit a CFA and STA for your license. In addition, upon completion of the TOC, please provide any updates to your DFP and Surety Bond, as needed to reflect any name change, etc., as specified in 10 CFR 30.35. Once the NRC has received original and acceptable financial assurance, previously submitted instruments will be returned to you or to other Zevacor representative, as designated.

Please do not hesitate to contact me if you have any questions concerning this request.

Sincerely yours,

Sara A. Forster, Health Physicist Licensing Reviewer
U.S. Nuclear Regulatory Commission - Region III
Division of Nuclear Materials Safety
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