



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

APR 12 1994

Mr. Charles A. Judd
Executive Vice President
Envirocare of Utah, Inc.
American Towers Commercial
46 W. Broadway, Suite 240
Salt Lake City, Utah 84101

Dear Mr. Judd:

On February 18, 1994, Envirocare of Utah, Inc., (Envirocare) notified the U.S. Nuclear Regulatory Commission of its intent to amend license condition 9.6(a) to byproduct material license SMC-1559. The proposed amendment would change the method of financial assurance from a Trust Agreement to a Letter of Credit, with a Standby Trust. As agreed upon in our telephone conversation of February 14, 1994, Envirocare submitted the proposed amendment and all supporting documentation for NRC review, prior to actually executing the Letter of Credit. The NRC staff has completed its review of Letter of Credit and Standby Trust and has found Envirocare's proposed amendment to be deficient in the following areas:

1. Envirocare must submit an Executed Letter of Credit and Standby Trust Fund Agreement.
2. The submitted draft Letter of Credit does not conclude with the following wording, as recommended in the NRC's "Technical Position on Financial Assurances for Reclamation, Decommissioning, and Long-Term Surveillance and Control of Uranium Recovery Facilities," Appendix B:

This credit is subject to [insert either "the most recent edition of the Uniform Customs and Practices for Documentary Credits, published by the International Chamber of Commerce," or the "Uniform Commercial Code"].
3. Envirocare must submit evidence indicating that the parties signing the Standby Trust Agreement for the licensee are authorized to represent the company.

In addition, it should be pointed out that the documents submitted by the licensee must be originally signed duplicates, as recommended in the NRC's technical position.

As a result of our review, the NRC staff concludes that if Envirocare formally submits the proposed license amendment, correcting the above stated deficiencies, the amendment will be approved.

In order to support our review schedule, please provide your response to the enclosed comments within 60 days of the date of this letter. If you are unable to meet that date, please provide your schedule for responding within

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Mr. Charles A. Judd

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10 days of the date of this letter. Should you have any questions regarding the above information, please contact the NRC Project Manager, Sandra L. Wastler at (301) 504-2582.

Sincerely,

Original Signed by *Robert Lane Johnson*
 for Joseph J. Holonich, Chief
 High-Level Waste and Uranium
 Recovery Projects Branch
 Division of Waste Management
 Office of Nuclear Material Safety
 and Safeguards

cc: D. Hiller
W. Sinclair, Utah

Docket Number: 40-8989 License Number: SMC-1559

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SUBJECT ABSTRACT: COMMENTS ON ENVIROCARE'S CHANGE TO LETTER OF CREDIT

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