

CABOT

40-6940
40-9027

July 18, 1994

U.S. Nuclear Regulatory Commission
Mr. Mark Klasky
Mail Stop 5E4
Washington, DC 20555

RE: FINANCIAL ASSURANCE FOR DECOMMISSIONING
(TAC. NO. L10014)

Dear Mr. Klasky:

Per our telecon of July 12, I am submitting the following information in order to address the NRC's questions concerning the Decommissioning Funding Plan for the Cabot corporation facilities listed on licenses SMB-920 and SMC-1562 as outlined in correspondence received on June 13, 1994.

In response to NRC concerns relating to the detail of the funding estimate for the Boyertown facility, Cabot is submitting a complete copy of the project work conducted by SEG, Inc. to develop the aforementioned costs. This submittal will supplement and replace the information contained in Attachment P of the license renewal application.

Currently, our attorneys are reviewing the NRC guidance document concerning the establishment of a standby trust agreement (STA). Once they have developed the procedure for establishing the standby trust agreement, the STA will be put in place. Concurrent with the STA, the surety method of assurance will be made effective for the amount identified in the SEG report. It should be noted that no cost estimates are available, or in planned development, for the stored residues. Cabot believes that the installation of the planned process modifications outlined in the SMB-920 license application will address the ultimate disposition of these residues. We believe that the revenues from the recovered tantalum values in the residues will adequately support the future disposition of the LLW materials generated from the process modification.

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Cabot Performance Materials
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Boyertown, Pennsylvania 19512-1608
Phone: 215 367-2181

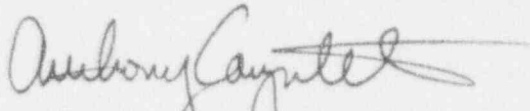
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At present, there are no adequate cost estimates for either the Reading or Revere locations. Cabot is in the process of initiating a contract with a consultant to conduct site assessments at both locations.

Once the site assessments are complete, the information obtained will be used to develop the cost estimates for these locations. When these estimates are completed, the surety method of assurance will be placed into effect in the required amounts as outlined in the estimates.

I hope that this submittal adequately addresses the concerns outlined in the NRC correspondence which we received. Should you have any questions, or require additional information, please contact me at your convenience.

Sincerely,
CABOT PERFORMANCE MATERIALS



Anthony T. Campitelli
Manager, Environmental Affairs

Attachment

cc: RSBarron
JSLindell
GRScoll/Boston

/cas
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