

VOID SHEET

TO: License Fee Management Branch

FROM: RIII - CHARLES E GILL

SUBJECT: VOIDED APPLICATION

Control Number: 300232

Applicant: WIL Research Labs

License Number: 34-20020-01

Docket Number: 030-17926

Date Voided: 8/1/98

Reason for Void: Approval of financial assurance  
instrument (type 7). No licensing action was need. [No]  
fee are required.

Charles F Gill 8/1/98  
Signature Date

Attachment:  
Official Record Copy of  
Voided Action

FOR LFMB USE ONLY

- ☐ Refund Authorized and processed  
☒ No Refund Due  
☐ Fee Exempt or Fee Not Required

~~VOID~~ KPB  
ML30

Comments: 300232

Log completed ☒

9809240073 980801  
PDR ADOCK 03017926  
B PDR

Processed by: SAC 9/21/98

(FOR LFMS USE)  
INFORMATION FROM LTS

BETWEEN:

License Fee Management Branch, ARM  
and  
Regional Licensing Sections

Program Code: 03620  
Status Code: 0  
Fee Category: 3M  
Exp. Date: 20050228  
Fee Comments:  
Decom Fin Assur Req: Y

LICENSE FEE TRANSMITTAL

A. REGION

1. APPLICATION ATTACHED

Applicant/Licensee: WIL RESEARCH LABORATORIES, INC.  
Received Date: 970211  
Docket No: 3017926  
Control No.: 300232  
License No.: 34-20070-01  
Action Type: Amendment

2. FEE ATTACHED

Amount: ~~X~~  
Check No.: ~~X~~

~~X~~ ADDL INFO  
300204-55

3. COMMENTS

Signed D. Hershey  
Date 3-4-97

B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered /\_\_/) )

1. Fee Category and Amount: \_\_\_\_\_

2. Correct Fee Paid. Application may be processed for:

Amendment \_\_\_\_\_  
Renewal \_\_\_\_\_  
License \_\_\_\_\_

3. OTHER \_\_\_\_\_

Signed \_\_\_\_\_  
Date \_\_\_\_\_



MAR 01 1996

Daniel W. Sved, Ph.D.  
Radiation Safety Officer  
Wil Research Laboratories, Inc.  
1407 George Road  
Ashland, OH 44805

Dear Mr. Sved:

We have reviewed your response dated July 19, 1995, to our letter dated May 31, 1995, concerning the additional information submitted regarding your decommissioning funding plan surety bond. Please provide the following additional information:

1. **Revise or Justify the Salary Rates Used in the Cost Estimate (NUREG/CR-1754, Addendum 1)**

Your cost estimate is based on salary rates (including overhead) that appear low relative to those in Appendix D of NUREG/CR-1754, Addendum 1:

	<u>Submitted Rates</u>	<u>NUREG/CR-1754</u>
Supervisor	\$80,000	\$88,400
Foreman	\$40,000	\$66,300
Technician	\$20,000	\$52,400
Clerical	--	\$40,800

Using the rates in NUREG/CR-1754, NRC estimates that total decommissioning costs would increase by nearly \$25,000. Thus, the decommissioning cost estimate may be substantially low. Therefore, please revise the salary rates used in your cost estimate, or provide justification for the rates used, including the source of the data and whether the rates reflect licensee staff or contractor staff (including contractor profit).

2. **Account for the Costs to Purchase and Dispose of Equipment and Supplies for Decontamination (*Regulatory Guide 3.66*, pages 1-9 and 1-10)**

It is not clear whether you have included in your cost estimate any amounts to purchase or dispose of equipment or supplies for decontamination efforts. Equipment and supplies (including personal protective equipment, brushes, etc.) are regularly used during decontamination procedures. In addition, the equipment and supplies may need to be disposed of as radioactive waste after use. According to *Regulatory Guide 3.66* "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30,

40, 70, and 72," June 1990, pages 1-9 and 1-10, a decommissioning cost estimate should include costs of equipment and supplies required during decommissioning. Based on the amounts of equipment and supplies needed to decommission the six reference laboratories in NUREG/CR-1754, Addendum 1, NRC estimates that including equipment and supplies would increase the licensee's total cost estimate by approximately \$18,000 (i.e., purchase costs), plus any associated disposal costs. Therefore, please include in your cost estimate the costs to purchase and dispose of equipment and supplies used during decommissioning.

3. Include Hours for a Health Physicist Technician in the Decommissioning Cost Estimate (NUREG/CR-1754, Addendum 1, Appendix B)

Appendix B of NUREG/CR-1754, Addendum 1, includes 47 hours for a health physicist technician for the decommissioning of a reference laboratory. A health physicist technician typically conducts radiation surveys and interprets their results. The cost estimate submitted by the licensee, however, does not include any hours for a health physicist technician. Please include hours for a health physicist technician in the decommissioning cost estimate.

4. Revise the Surety Bond to Clarify that the Licensee is the Principal of the Bond (*Regulatory Guide 3.66*, page 4-30)

Your previous submission included a surety bond from Reliance Insurance Company with an effective date of July 31, 1994. Line three of that bond listed WIL Research Laboratories, Inc. as the principal of the bond. At the conclusion of the bond, however, Great Lakes Chemical Corporation (the parent company of the licensee) was listed as the principal. The identity of the principal is an important provision because the surety becomes liable on the bond only upon the principal's failure to act in certain instances specified in the bond. In addition, if the surety wishes to cancel the bond, the surety must notify the principal so that the principal can seek alternative financial assurance prior to the bond's cancellation.

We requested (in a letter dated May 31, 1995) that you revise the bond to state that you are the principal. In response to our request, you indicated (in a letter to NRC dated July 19, 1995) that

"The current surety bond, effective July 31, 1994 and issued by Reliance Insurance Company, lists WIL as both the principal of the bond and the NRC license holder. WIL is a wholly owned subsidiary of the Great Lakes Chemical Corporation, which is listed as principal at the end of the bond. This current bond was issued as a replacement for the bond submitted with our original DFP and contains the same information as the original bond. The original bond was considered acceptable for our DFP by the NRC."



(The current submission includes a copy of a previous surety bond (issued by Seaboard Surety Company, effective on July 31, 1992) that may be "the original bond" referenced by the licensee. The Seaboard bond, however, does not identify two principals, nor does it mention Great Lakes Chemical Corporation.)

You did not revise the Reliance surety bond as requested. Therefore, in order to avoid confusion that could delay the release of funds should it become necessary to draw on the bond, or that could jeopardize your ability to obtain alternative assurance in the event of a cancellation, please revise the Reliance surety bond to list only the licensee as the principal of the bond, as recommended in *Regulatory Guide 3.66*, page 4-30.

5. Submit Evidence that the Party Signing the Surety Bond for the Licensee is Authorized to Represent the Licensee (*Regulatory Guide 3.66*, page 3-17)

The previous submission by you did not include evidence that the party signing the surety bond is authorized to represent you in the agreement, as recommended in *Regulatory Guide 3.66*, page 3-17. NRC requested (in a letter dated May 31, 1995) that you submit such evidence. In response to the request, you indicated that "evidence that the party signing the bond [Joseph F. Holson] is authorized to represent WIL was submitted to NRC with the first surety bond." Regardless of the validity of this evidence (see Item 7 below), however, the Reliance surety bond is signed by an individual other than Joseph F. Holson.<sup>1</sup> To ensure the validity and enforceability of the mechanism, NRC request that you submit a copy of the corporate by-laws or other evidence indicating that the party signing the surety bond for WIL Research Laboratories, Inc. is authorized to do so.

6. Submit Evidence that the Party Signing the Standby Trust Agreement for the Licensee is Authorized to Represent the Licensee (*Regulatory Guide 3.66*, page 3-14)

The standby trust agreement (as well as your original surety bond) is signed for by Joseph F. Holson, its "President and Director." Evidence of Holson's authority to sign this mechanism (as well as the surety bond) is provided in the form of a sworn, notarized affidavit, which states that "I have the power invested in me to approve and sign for the company in all business matters relating to the company." This evidence, however, is insufficient to ensure the validity and enforceability of the mechanism because it provides no independent

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<sup>1</sup> The Reliance surety bond is signed by Richard Ferguson (no title stated), who appears to work for the Great Lakes Chemical Company, rather than the licensee.

D. Sved

-4-

verification that the "President and Director" is authorized to sign the standby trust agreement, such as would be provided in your corporate by-laws or articles of incorporation. Therefore, please submit a copy of the corporate by-laws or other evidence indicating that the party signing the standby trust agreement for the licensee is authorized to do so, as recommended in *Regulatory Guide 3.66*, page 3-14.

Finally, all documents submitted to the NRC must be originally signed duplicates, as recommended in *Regulatory Guide 3.66*. Unless the documents have been properly signed, NRC cannot be certain that the financial assurance mechanism is enforceable.

We will continue our review of your submission upon receipt of the information requested in our letter dated May 31, 1995. Please reply in duplicate, within 30 days, and refer to Control Number 300204.

If you have any questions or require clarification on any of the information stated above, you may contact us at (708) 829-9887.

Sincerely,

Original Signed By  
Cassandra F. Frazier  
Materials Licensing Branch

License No.: 34-20070-01  
Docket No.: 030-17926

DOCUMENT NAME: M:\03017926.DE6

To receive a copy of this document, indicate in the box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

OFFICE	DNMS/RIII								
NAME	CFFRAZIER:Jaw								
DATE	02/21/96								

OFFICIAL RECORD COPY





February 6, 1997

A  
030-17926

Ms. Gidget M. Watson  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control No.: 300204

Dear Ms. Watson:

WIL Research Laboratories is requesting amendment of our NRC materials license number 34-20070-01. We would like to change two items: 1) Decrease the maximum amount of Carbon-14 to 990 millicuries (item 8A) and 2) Remove Jerry E. Bennick from the list of authorized users (item 11). The reasons for these changes are: 1) to lower the maximum amount of long-lived isotopes so that we may submit a fixed certification of financial assurance for decommissioning in the amount of \$150,000 (as per 10 CFR 30.35 d) in lieu of a decommissioning funding plan and 2) the named individual is no longer employed at WIL Research. Enclosed is a check for the amendment fee of \$610.

We are in the process of revising the surety bond and standby trust agreement necessary to comply with NRC regulations concerning decommissioning. Thank you for your patience in this matter.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/ari

Enclosure

RECEIVED  
FEB 18 1997  
REGION III

PM 2-6-97



March 26, 1996

Ms. Cassandra F. Frazier  
U.S. Nuclear Regulatory Commission  
Region III  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control Number 300204

Dear Ms. Frazier:

This is in response to your letter of March 4, 1996 concerning the decommissioning funding plan (DFP) for WIL Research Laboratories, Inc. We fully intend to comply with the regulations concerning decommissioning plans, in fact, that is what we believed we had done when our plan was initially accepted. In light of the recent requests to provide additional information concerning our DFP, we are in the process of having a new surety bond and standby trust agreement prepared. When these items are ready, we will submit them to you along with the other information requested.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/arc

RECEIVED

APR 01 1996

REGION III





March 26, 1996

Ms. Cassandra F. Frazier  
U.S. Nuclear Regulatory Commission  
Region III  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control Number 300204

Dear Ms. Frazier:

This is in response to your letter of March 4, 1996 concerning the decommissioning funding plan (DFP) for WIL Research Laboratories, Inc. We fully intend to comply with the regulations concerning decommissioning plans, in fact, that is what we believed we had done when our plan was initially accepted. In light of the recent requests to provide additional information concerning our DFP, we are in the process of having a new surety bond and standby trust agreement prepared. When these items are ready, we will submit them to you along with the other information requested.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/arc

RECEIVED  
APR 01 1996  
REGION III

95-42

AUG 17 1995

MEMORANDUM FOR: Dr. Louis Bykoski, Project Officer, Low-Level Waste  
and Decommissioning Projects Branch  
Division of Waste Management  
Office of Nuclear Material Safety and Safeguards

FROM: John R. Madera, Chief, Materials Licensing Section  
Nuclear Material Safety Branch  
Division of Radiation Safety and Safeguards  
Region III

SUBJECT: REQUEST FOR ASSISTANCE IN PROCESSING AND REVIEW  
OF NONSTANDARD FINANCIAL ASSURANCE SUBMITTALS RELATED  
TO THE DECOMMISSIONING RULE

Enclosed for your review are responses to NRC request for additional information from Region III licensees regarding Financial Assurance. The Licensees are as follows:

Minnesota Mining & Manufacturing	License Nos. 22-00057-07 and 22-00057-61;
Data Chem Laboratories	License No. 34-26556-01;
McDonnell Douglas Corporation	License No. 24-02261-03; and
WIL Research Laboratories	License No. 34-20070-01.

They have submitted additional information which requires contractor review.

We appreciate your efforts in resolving these issues. If you have any questions please contact Gidget Watson of my staff at (708) 829-9815.

Enclosure: Licensee Submittals

DOCUMENT NAME: M:\03004952.DE5

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure  
"N" = No copy

OFFICIAL	DRSS/RIII								
NAME	GWatson:brt								
DATE	08/14/95 <i>W</i>								

OFFICIAL RECORD COPY





July 19, 1995

U.S. Nuclear Regulatory Commission  
Gidget M. Watson  
801 Warrenville Road  
Lisle, IL 60532-4351

Control No.: 300204

Dear Ms. Watson:

This letter is in response to your letter of May 31, 1995 requesting additional information concerning our decommissioning funding plan (DFP). The additional information or actions requested were: 1) revision of the surety bond to indicate that WIL Research Laboratories, Inc. (WIL), the licensee, is the principal of the bond, 2) submission of evidence that the party signing the bond is authorized to represent WIL, and 3) that a standby trust agreement be submitted. These concerns apparently stem from the replacement of the surety bond originally submitted with our DFP.

- 1) The current surety bond, effective July 31, 1994 and issued by Reliance Insurance Company, lists WIL as both the principal of the bond and the NRC license holder. WIL is a wholly owned subsidiary of the Great Lakes Chemical Corporation, which is listed as the principal at the end of the bond. This current bond was issued as a replacement for the bond submitted with our original DFP and contains the same information as the original bond. The original bond was considered acceptable for our DFP by the NRC.
- 2) Evidence that the party signing the bond is authorized to represent WIL was submitted to the NRC with the first surety bond.
- 3) A standby trust agreement between WIL and the Lafayette Bank & Trust Company was submitted to the NRC with our DFP.

If I can be of any further assistance in addressing your concerns, please do not hesitate to contact me.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/arc

RECEIVED  
JUL 24 1995

MAY 31 1995

WIL Research Laboratories  
ATTN: Daniel W. Sved, Ph.D.  
Radiation Safety Officer  
1407 George Road  
Ashland, OH 44805

Dear Dr. Sved:

We have reviewed your letter dated October 20, 1994, regarding your decommissioning funding plan and surety bond and find that we will need additional information as follows:

- (1) **Revise the Bond to Clarify that the Licensee is the Principal of the Surety Bond (*Regulatory Guide 3.66*, page 4-30)**

It is not clear from the submission who is the principal of the surety bond. WIL Research Laboratories, Inc. is listed as the principal in line three of the bond. At the conclusion of the bond, however, Great Lakes Chemical Corporation is listed as the principal. (In a previous submission to NRC, you demonstrated that Great Lakes Chemical Corporation was the parent company of the licensee.) The identity of the principal is an important provision because the surety becomes liable on the bond only upon the principal's failure to act in certain instances specified in the bond. Moreover, the principal must be notified of the surety's intent to cancel the bond so that the principal obtains alternate assurance prior to the bond's cancellation.

To avoid confusion that could delay the release of funds should it become necessary to draw on the bond, or that could jeopardize your ability to obtain alternative assurance in the event of cancellation, revise the bond. The revised bond should state that you, and not the parent company, are the principal of the bond, as recommended in *Regulatory Guide 3.66*, "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30, 40, 70, and 72" (June 1990), page 4-30 through 4-32.

- (2) **Submit Evidence that the Party Signing the Surety Bond for the Licensee is Authorized to Represent You (*Regulatory Guide 3.66*, page 3-17)**

The submission does not include evidence that the party signing the surety bond for you is authorized to represent you in the agreement, as recommended in *Regulatory Guide 3.66*, page 3-17. Evidence of authority to represent you is necessary to ensure the validity and

enforceability of the mechanism. Submit a copy of the corporate by-laws or other evidence indicating that the party signing the surety bond for you is authorized to do so.

(3) **Submit a Standby Trust Agreement (10 CFR 30.35(f)(2)(ii))**

Under 10 CFR 30.35(f)(2)(ii), a surety method of assurance, such as a surety bond, "must be payable to a trust established for decommissioning costs." The submitted surety bond requires that funds paid under the bond must be deposited into a standby trust fund, but your submission does not include a standby trust agreement. Therefore, funds cannot be withdrawn under the payment surety bond until a standby trust has been established. This delay may prevent decommissioning from taking place in a timely manner. Moreover, if it is not possible to establish a trust fund at the time the bond is drawn upon (e.g., if the licensee no longer exists), funds drawn from the bond may be unavailable to pay for decommissioning activities. Submit a standby trust agreement and related documents, as recommended in *Regulatory Guide 3.66*, pages 4-18 through 4-27.

Finally, documents submitted must be originally signed duplicates. Unless the documents have been properly signed, NRC cannot be certain that the financial assurance mechanisms are enforceable.

We will continue our review of your letter upon receipt of this information. Please reply in duplicate, within 30 days, and refer to Control Number 300204.

If you have any questions or require clarification on any of the information stated above, you may contact us at (708) 829-9887.

Sincerely,

Original Signed By  
Gidget M. Watson  
Nuclear Materials Licensing Section

License No.: 34-20070-01  
Docket No.: 030-17926

DOCUMENT NAME: M:\03017926.DF5

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OFFICE	DRSS/RIII		DRSS/RIII						
NAME	GWATSON:jaw		CFRAZIER						
DATE	05/31/95		05/31/95						

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

94-39

April 18, 1995

MEMORANDUM TO: John R. Madera, Chief  
Materials Licensing Section  
Division of Radiation Safety  
and Safeguards, Region III

FROM: Louis M. Bykoski *Louis M. Bykoski*  
Materials Decommissioning Section  
Low-Level Waste and Decommissioning  
Projects Branch  
Division of Waste Management, NMSS

SUBJECT: THE OFFICE OF GENERAL COUNSEL AND CONTRACTOR COMMENTS ON  
STANDARD FINANCIAL ASSURANCE SUBMITTALS

Our contractor, ICF Incorporated, and the Office of General Counsel (OGC) have reviewed and provided comments on four Region III nonstandard financial assurance submittal sent to us for review.

1. McDonnell Douglas
2. Wil Research
3. Minnesota Mining & Manufacturing and
4. Data Chem Laboratories

The ICF comments are presented in two parts. The first part deals with specific recommendations to current deficiencies. The second part (Other Issues) provides a discussion of changes to the standard wording that are acceptable and are not considered to be deficiencies. The OGC comments include additional deficiencies that need to be corrected by the licensee and comments for our internal use.

You should carefully review all the comments before preparing the deficiency letter. We have enclosed both the ICF and OGC comments to assist you in your review.

Should you have any further questions with regard to the comments, please call me on (301) 415-6754 or Bradley Jones of OGC on (301) 504-1628.

Enclosures: As stated



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

April 18, 1995

MEMORANDUM TO: John R. Madera, Chief  
Materials Licensing Section  
Division of Radiation Safety  
and Safeguards, Region III

FROM: Louis M. Bykoski *Louis M. Bykoski*  
Materials Decommissioning Section  
Low-Level Waste and Decommissioning  
Projects Branch  
Division of Waste Management, NMSS

SUBJECT: THE OFFICE OF GENERAL COUNSEL AND CONTRACTOR COMMENTS ON  
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The ICF comments are presented in two parts. The first part deals with specific recommendations to current deficiencies. The second part (Other Issues) provides a discussion of changes to the standard wording that are acceptable and are not considered to be deficiencies. The OGC comments include additional deficiencies that need to be corrected by the licensee and comments for our internal use.

You should carefully review all the comments before preparing the deficiency letter. We have enclosed both the ICF and OGC comments to assist you in your review.

Should you have any further questions with regard to the comments, please call me on (301) 415-6754 or Bradley Jones of OGC on (301) 504-1628.

Enclosures: As stated

## LIST OF INSTRUCTIONS

### WIL Research

In reviewing the comments the reviewer will note that there will be some overlap between ICF and OGC comments. The following comments should be included in the basis for the deficiency letter:

1. ICF comments 1 through 3 plus last paragraph.
  2. All OGC comments.
- All other comments and discussions are for reviewer information.



MEMO TO: Louis M. Bykoski, NMSS  
FROM: OGC  
RE: REVIEW OF NONSTANDARD SUBMITTALS

Wil Research Laboratories, Inc.

We have no legal objection to ICF's comments on Wil Research Laboratories. In addition, in reviewing the "Other Issues" section of ICF's memorandum, we recommend that the suggestion in item "b" for reviewing a complete copy of the power of attorney be followed.



CONSULTING GROUP

ICF Incorporated  
9300 Lee Highway  
Fairfax, VA 22031-1207  
703/934-3000 Fax 703-934-9740

April 7, 1995

To: Dr. Lou Bykoski, NMSS/NRC

From: Bill Goldberg and John Collier, ICF Incorporated

Subject: Review of Decommissioning Funding Plan and Surety Bond Submitted by WIL Research Laboratories, Inc.

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WIL Research Laboratories, Inc., in Ashland, Ohio, submitted a decommissioning funding plan (DFP) and surety bond in the amount of \$99,700. The submission assures decommissioning costs for license 34-20070-01, issued under 10 CFR Part 30 and revises materials previously submitted to NRC.<sup>1</sup> The current submission does not include a cost estimate (see Other Issue a). Upon review of the surety bond, ICF recommends that NRC require the licensee to modify the submission in the following ways:

- (1) Revise the bond to clarify that the licensee is the principal of the surety bond (Regulatory Guide 3.66, page 4-30);
- (2) Submit evidence that the party signing the surety bond for the licensee is authorized to represent the licensee (Regulatory Guide 3.66, page 3-17); and
- (3) Submit a standby trust agreement (10 CFR 30.35(f)(2)(ii)).

These recommendations and other issues are discussed below.

- (1) Revise the Bond to Clarify that the Licensee is the Principal of the Surety Bond (Regulatory Guide 3.66, page 4-30)

It is not clear from the submission who is the principal of the surety bond. WIL Research Laboratories, Inc. is listed as the principal in line three of the bond. At the conclusion of the bond, however, Great Lakes Chemical Corporation is listed as the principal. (In a previous submission to NRC, the licensee demonstrated that Great Lakes Chemical Corporation was the parent company of the licensee.) The identity of the principal is an important provision because the surety becomes liable on the bond only upon the principal's failure to act in certain instances specified in the bond.

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<sup>1</sup> ICF reviewed two previous parent company guarantee submissions from the licensee and reported several recommendations to NRC in memoranda dated November 13, 1990, and February 10, 1992.

Moreover, the principal must be notified of the surety's intent to cancel the bond so that the principal obtains alternate assurance prior to the bond's cancellation.

To avoid confusion that could delay the release of funds should it become necessary to draw on the bond, or that could jeopardize the licensee's ability to obtain alternative assurance in the event of cancellation, ICF recommends that NRC require the licensee to revise the bond. The revised bond should state that the licensee, and not the parent company, is the principal of the bond, as recommended in *Regulatory Guide 3.66, "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30, 40, 70, and 72"* (June 1990), page 4-30 through 4-32.

- (2) Submit Evidence that the Party Signing the Surety Bond for the Licensee is Authorized to Represent the Licensee (*Regulatory Guide 3.66, page 3-17*)

The submission does not include evidence that the party signing the surety bond for the licensee is authorized to represent the licensee in the agreement, as recommended in *Regulatory Guide 3.66, page 3-17*. Evidence of authority to represent the licensee is necessary to ensure the validity and enforceability of the mechanism. ICF recommends that NRC require the licensee to submit a copy of the corporate by-laws or other evidence indicating that the party signing the surety bond for the licensee is authorized to do so.

- (3) Submit a Standby Trust Agreement (10 CFR 30.35(f)(2)(ii))

Under 10 CFR 30.35(f)(2)(ii), a surety method of assurance, such as a surety bond, "must be payable to a trust established for decommissioning costs." The submitted surety bond requires that funds paid under the bond must be deposited into a standby trust fund, but the licensee's submission does not include a standby trust agreement. Therefore, funds cannot be withdrawn under the payment surety bond until a standby trust has been established. This delay may prevent decommissioning from taking place in a timely manner. Moreover, if it is not possible to establish a trust fund at the time the bond is drawn upon (e.g., if the licensee no longer exists), funds drawn from the bond may be unavailable to pay for decommissioning activities. ICF recommends that NRC require the licensee to submit a standby trust agreement and related documents, as recommended in *Regulatory Guide 3.66, pages 4-18 through 4-27*.

#### Other Issues

Apart from editorial and non-substantive changes to the standard wording provided in *Regulatory Guide 3.66*, the following modifications are noteworthy:

- (a) The \$99,700 amount of financial assurance demonstrated for license 34-20070-01 is substantially greater than the amount of the last decommissioning cost estimate (dated November 7, 1991) that was



reviewed by ICF for this license.<sup>2</sup> Because NRC has not asked ICF to review an updated cost estimate for this facility, ICF cannot determine whether the cost estimate has been revised to fully comply with NRC regulations and guidance, or whether the amount of financial assurance remains at least as great as the current cost estimate.

- (b) *Regulatory Guide 3.66*, page 3-17, indicates that licensees using surety bonds should submit a copy of the broker or agent's power of attorney authorizing the broker or agent to issue bonds to NRC. Although the licensee included a copy of the power of attorney, part of the copy reviewed by ICF is obscured by a notarized acknowledgment. Consequently, ICF cannot evaluate the adequacy of the power of attorney. NRC may wish to confirm that the power of attorney is acceptable by reviewing a complete copy, including its full text and signatures.
- (c) The surety bond in the current submission, which was issued by the Reliance Insurance Company, is intended to replace another surety bond issued by Seaboard Insurance Company. NRC did not provide ICF with the Seaboard bond for review or indicate whether it met NRC requirements. ICF recommends, however, that NRC not allow the Seaboard bond to be terminated until the Reliance bond has been revised to address the recommendations discussed above.

Finally, NRC should ensure that documents submitted by the licensee are originally signed duplicates, as recommended in *Regulatory Guide 3.66*. Unless the documents have been properly signed, NRC cannot be certain that the financial assurance mechanism is enforceable. Because ICF does not possess the original submissions, we cannot verify compliance with these requirements.

attachments

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<sup>2</sup> ICF reviewed this cost estimate and reported recommendations to NRC in a memorandum dated February 10, 1992.

APPENDIX A  
CHECKLIST FOR DECOMMISSIONING FINANCIAL ASSURANCE

NAME OF LICENSEE OR APPLICANT WIL Research Laboratories

MAILING ADDRESS 1407 George Road  
Ashland, Ohio 44805

A. Licensee Part (check one of the following):

- ☒ Part 30 Licensee or Applicant ☐ Part 70 Licensee or Applicant  
☐ Part 40 Licensee or Applicant ☐ Part 72 Licensee or Applicant

B. Check appropriate item in each category (if applicable)

1. 12/19/94 Date of Financial Assurance Submission
2. ☐ Public Entity  
☒ Private Entity
3. ☒ Certification of Financial Assurance <sup>\$</sup>99,700.00  
☐ Decommissioning Funding Plan
4. (a) ☐ Prepayment Option (See Appendix B)  
☐ Trust Fund  
☐ Escrow Account  
☐ Certificate of Deposit  
☐ Government Fund  
☐ Deposit of Government Securities  
(b) ☒ Surety/Insurance/Other Guarantee (See Appendix C)  
☒ Surety bond  
☐ Letter of Credit  
☐ Line of Credit  
☐ Parent Company Guarantee/Financial Test<sup>\*</sup>  
(c) ☐ External Sinking Fund, Sinking Account and Surety/  
Insurance (See Appendix D)  
☐ Trust Fund  
☐ Escrow Account  
☐ Certificate of Deposit  
☐ Government Fund  
☐ Deposit of Government Securities  
☐ Surety Bond  
☐ Letter of Credit  
☐ Line of Credit  
(d) ☐ Statement of Intent (public entities only)

\*May not be used in combination with any other instrument.

APPENDIX C

CHECKLIST FOR SUBMISSION OF SURETY/INSURANCE/PARENT COMPANY GUARANTEE

A. Check Appropriate Form of Surety/Insurance/Guarantee

- ☒ Surety Bond
- ☐ Letter of Credit
- ☐ Line of Credit
- ☐ Parent Company Guarantee/Financial Test\*
- ☐ Insurance

B. Check Documents Submitted for Surety/Insurance/Guarantee

1. Surety Bond
  - ☒ Surety Bond
  - ☐ Standby Trust Agreement *missing*
  - ☐ Acknowledgement *missing*
2. Letter of Credit
  - ☐ Letter of Credit
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement
3. Line of Credit
  - ☐ Verification
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement
4. Parent Company Guarantee
  - ☐ Letter from Chief Executive Officer of Applicant or Licensee
  - ☐ Letter from Chief Financial Officer of Parent Company
  - ☐ Financial Test: Alternative [I or II]
  - ☐ Auditor's Special Report and Attached Schedule
  - ☐ Corporate Guarantee
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement
5. Insurance
  - ☐ Certificate of Insurance
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement

\*May not be used in combination with any other instrument.



EXHIBIT 3-6

CHECKLIST OF CRITERIA FOR REVIEW OF SURETY BONDS

• Copy of corporate by-laws or other evidence indicating that parties signing the financial instrument (for the applicant) are authorized to represent the organization in the transaction.

• Evidence that the financial instrument is an originally signed duplicate (e.g., an executed copy of the instrument).

• Copy of Circular 570 of the U.S. Department of Treasury.

• Copy of broker/agent's power of attorney authorizing the broker/agent to issue bonds.

• Signed statement from applicant indicating that they will notify NRC if the surety company intends to cancel or go bankrupt.

• Date of execution of bond and effective date.

• Name and address of licensee (principal).

• Type of business organization; State of incorporation, if appropriate.

• NRC license number, identification of licensed facility(ies), decommissioning costs.

• Identification of corporate or individual surety(ies).

1. Name;
2. State of incorporation;
3. Qualification in jurisdiction where facility covered by the surety bond is located.

• Designation of obligee (NRC or State regulatory agency).

• Recitation of consideration (fee paid for surety bond).

• Liability of surety.

1. Penal sum
2. Limitation of liability
3. Condition(s) of liability
4. Statement of joint and several liability

• Statement of licensee's or applicant's regulatory obligations as reason for bond.

• Scope and duration of bond.

1. Restricted to single obligation
2. Continuing
3. Provisions for renewal

EXHIBIT 3-6 (Continued)

- Termination.
  - 1. By surety
  - 2. By principal
  - 3. Effective date of termination or revocation
- Adjustment of penal sum.
- Date.
- Signatures.
- Premium.

*Standard Wording*

CMD: -----

LICENSE SCREEN \* - DECOMMISSIONING FINANCIAL ASSURANCE INFORMATION

DOCKET: 030-17926 LIC: 34-20070-01 NAME: WIL Research Laboratories

PARTY ISSUING MECHANISM:

NAME: Reliance Insurance Company  
ADDR1: 4 Penn Center Plaza  
ADDR2:  
CITY: Philadelphia  
STATE: PA ZIP: 19103

ASSUR TYPE: ? CERT DPM  
MECH TYPE: SB  
MECH AMOUNT: 0 \$99,700  
APPROVED? - DATE: 0  
EXPIRES ? - DATE: 0  
ACTION (A=ADD C=CHG D=DELETE)

PARTY ISSUING MECHANISM:

NAME: -----  
ADDR1: -----  
ADDR2: -----  
CITY: -----  
STATE: ----- ZIP: -----

ASSUR TYPE: ? CERT  
MECH TYPE: -----  
MECH AMOUNT: 0  
APPROVED? - DATE: 0  
EXPIRES ? - DATE: 0  
ACTION (A=ADD C=CHG D=DELETE)

\*\*\* 000 000 \*\*\*

B NJ LIU10

NUM

A.8

RS C9

T for Attention. Home to Switch

Capture Off

1 Numeric

CMD: -----

LTS - FINANCIAL ASSURANCE INFORMATION

VALID MECHANISM TYPE CODES AND THEIR MEANINGS:

MECH TYPE	DESCRIPTION
TR	TRUST FUND
ES	ESCROW ACCOUNT
CD	CERTIFICATE OF DEPOSIT
GF	GOVERNMENT FUND
GS	DEPOSIT OF GOVERNMENT SECURITIES
SB	SURETY BOND
LT	LETTER OF CREDIT
LN	LINE OF CREDIT
PG	PARENT COMPANY GUARANTEE
SI	STATEMENT OF INTENT

PRESS RETURN KEY FOR FINANCIAL ASSURANCE SCREEN:

B NJ LIU10

A.8

R1 C1

T for Attention. Home to Switch

Capture Off

1 Numeric



94-39

DEC 1 9 1994

MEMORANDUM FOR: Dr. Louis Bykoski, Project Officer  
Low-Level Waste and Decommissioning Projects  
Branch, Division of Waste Management  
Office of Nuclear Materials Safety and Safeguards

FROM: John R. Madera, Chief  
Materials Licensing Section, Nuclear Materials  
Safety Branch  
Division of Radiation Safety and Safeguards, Region III

SUBJECT: REQUEST FOR ASSISTANCE IN PROCESSING AND REVIEW OF  
NONSTANDARD FINANCIAL ASSURANCE SUBMITTALS RELATED  
TO THE DECOMMISSIONING RULE

Enclosed for your review is one financial assurance submittal from a Region III licensee. The licensee is Wil Research Laboratories, License Number 34-20070-01. They have submitted a new Surety Bond to provide for financial assurance for decommissioning dated October 20, 1994 (enclosed) which requires contractor review.

We appreciate your efforts in resolving these issues. If you have any questions, please contact Cassandra Frazier of my staff at (708) 829-9830.

License No.: 34-20070-01  
Docket No.: 030-17926

Enclosure: licensee ltr dtd 10/20/94

DOCUMENT NAME: M\03017926.OTHR

To receive a copy of this document, indicate in the box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

OFFICE	DRSS/RIII		DRSS/RIII						
NAME	CFRAZIER: jaw		JRMADERA						
DATE	12/12/94		12/12/94						

OFFICIAL RECORD COPY



ROLLINS HUDIG HALL

Rollins Hudig Hall of Illinois, Inc.  
123 North Wacker Drive, Chicago, Illinois 60606  
312/701-4000

October 20, 1994  
VIA UPS

Ms. Sandy Frazier  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, Illinois  
60532-3451

31-20070-01  
030-17926  
NF

Re: Reliance Insurance Company Bond # B2475328  
Eff Date 7/31/1994  
Principal: Wil Research Laboratories, Inc.

Dear Ms. Frazier:

Please find enclosed the above captioned bond which has been written through the Reliance Insurance Company of Philadelphia, Pennsylvania, replacing bond #236197 with Seaboard Insurance Company. Reliance bond was sent to Great Lakes Chemical Corporation for filing sometime ago, (see my attached correspondence), however, Seaboard Insurance Company informed me that they have not been released from their liability, thus the issuance of a duplicate original bond.

At your earliest convenience, please forward aforementioned release to Seaboard Insurance Company for closing of their file.

Should you need any additional information regarding this bond, do not hesitate to contact me at 312-701-4446.

Very truly yours,  
Rollins Hudig Hall of Illinois, Inc.

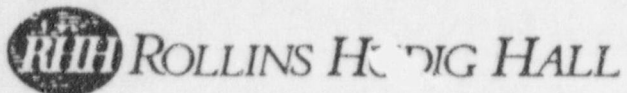
Sarah Daniels  
Technical Associate  
Financial Surety Department  
312-701-4446

300204

RECEIVED

NOV 10 1994

REGION III



Rollins Hudig Hall of Illinois, Inc.  
123 North Wacker Drive, Chicago, Illinois 60606  
312/701-4000

October 12, 1994  
Via UPS

RECEIVED

OCT 13 1994

R. R. FERGUSON

Sue McGee  
Great Lakes Chemical Corporation  
One Great Lakes Boulevard  
West Lafayette, Indiana  
47906

Re: Bond #'s B2412666, B2441116, B2441117, & B2475329

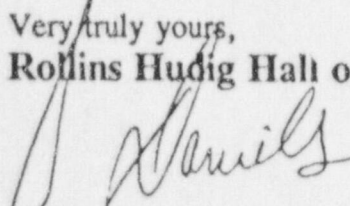
Dear Sue:

Enclosed please find the above captioned bonds which I have re-issued. (The original bonds have not been filed and I need to get the enclosed signed, in order to process ASAP). I have contacted Glen Perdue's office in an effort to find out where bonds were filed, however, I haven't been successful, therefore, I have issued duplicate originals for immediate filing.

Return these bonds to me along with the one that I sent on October 12, 1994.

Thank you.

Very truly yours,  
Rollins Hudig Hall of Illinois, Inc.

  
Sarah Daniels  
Technical Associate  
Financial Surety Department  
312-701-4446



## PAYMENT SURETY BOND

Date bond executed: June 10, 1994  
Effective date: July 31, 1994  
Principal: WIL Research Laboratories, Inc.  
Type of Organization: Corporation  
State of Incorporation: Indiana (if applicable)  
NRC license number, name and address of facility, and amount(s)  
for decommissioning activity guaranteed by this bond:  
34-20070-01

Name: WIL Research Laboratories, Inc.

Address: 1407 George Road

Ashland, Ohio 44805

Amount(s): \$99,700.00

Surety(ies): Reliance Insurance Company

Address(es): 4 Penn Center Plaza

Philadelphia, Pa 19103

Type of Organization: Corporation

State of incorporation: Pennsylvania (if applicable)

Surety's qualification in jurisdiction where licensed  
facility ~~(xxx)~~ is ~~(xxx)~~ (located). Yes

#B2475328

Surety's bond number: \_\_\_\_\_

Total penal sum of bond: \$99,700.00

Know all persons by these presents, that we, the Principal and Surety(ies) hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all

other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas, the U.S. Nuclear Regulatory Commission, 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 1 of the Code of Federal Regulations, Part 30, applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning:

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of decommissioning of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount(s) after an order to begin facility decommissioning is issued by the NRC or a U.S. district court or other court of competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance and obtain the written approval of the NRC of such assurance, within 30 days after the date a notice of cancellation from the Surety(ies) is received by both the Principal and the NRC, then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the NRC that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the NRC provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the Principal and the NRC, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the NRC and to Surety(ies) 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond from the NRC.

The Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the NRC.

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 Principal and Surety(ies) have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

Principal: Great Lakes Chemical Corporation  
One Great Lakes Boulevard  
West Lafayette, Indiana 47906

By: Richard Ferguson

Surety: Reliance Insurance Company

By: Sarah Daniels  
Sarah Daniels Attorney-In-Fact

State of Incorporation: New York

Liability Limit: \$99,700.00

COUNTERSIGNATURE

Elizabeth V. Parker  
RESIDENT AGENT



# RELIANCE INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the RELIANCE INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint Thomas J. Joslin, Robert J. Throckmorton, Jacquelyn Rice, Tammy Behnke, Leslie Kazmierowski, Lloyd N. Wheeler, Christine Marotta, Sarah Daniels, Karen Daniel, Sandra Terry, Lynn J. Kidd, Michael A. Dougherty, individually, of Chicago, Illinois, its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of suretyship and to bind the RELIANCE INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the RELIANCE INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of RELIANCE INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

### ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKING

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

### ACKNOWLEDGMENT BY SURETY

State of Illinois  
County of Cook } ss.:  
On the 10th day of June 1994, before me personally came Sarah Daniels  
Cook County Illinois  
to me known, who, being by me duly sworn, did depose and say: that he resides \_\_\_\_\_  
that he is the \_\_\_\_\_ of Reliance Insurance Company

▲▲▲▲▲  
"OFFICIAL SEAL"  
▲ Jaquarian Marie Martin ▲  
▲ Notary Public, State of Illinois ▲  
▲ My Commission Expires April 21, 1998 ▲  
▼▼▼▼▼

Jaquarian Marie Martin  
(Notary Public)

11039

NOTARIAL SEAL  
VALENCIA WORTHAM, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires Nov. 18, 1996



Valencia Wortham  
Notary Public in and for State of Pennsylvania  
Residing at Philadelphia

I, Anita Zippert, Secretary of the RELIANCE INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said RELIANCE INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 10th day of June 1994



Anita Zippert  
Secretary

FEB 26 1997

Daniel W. Sved, Ph.D.  
Radiation Safety Officer  
WIL Research Laboratories, Inc.  
1407 George Road  
Ashland, OH 44805

Dear Dr. Sved:

Enclosed is Amendment No. 07 to your NRC Material License No. 34-20070-01 in accordance with your request.

Please be advised that the revised surety bond and standby trust agreement may be submitted to Control No. 300232 with no additional fee.

Please review the enclosed document carefully and be sure that you understand all conditions. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region III office at (630) 829-9887 so that we can provide appropriate corrections and answers.

Please be advised that your license expires at the end of the day, in the month, and year stated in the license. Unless your license has been terminated, you must conduct your program involving byproduct materials in accordance with the conditions of your NRC license, representations made in your license application, and NRC regulations. In particular, note that you must:

1. Operate in accordance with NRC regulations 10 CFR Part 19, "Notices, Instructions and Reports to Workers; Inspections," 10 CFR Part 20, "Standards for Protection Against Radiation," and other applicable regulations.
2. Notify NRC, in writing, within 30 days:
  - a. When the Radiation Safety Officer permanently discontinues performance of duties under the license or has a name change; or
  - b. When the licensee's mailing address changes (no fee is required if the location of byproduct material remains the same).

302331

3. In accordance with 10 CFR 30.36(b) and/or license condition, notify NRC, promptly, in writing, and request termination of the license when you decide to terminate all activities involving materials authorized under the license.
4. Request and obtain a license amendment before you:
  - a. Change Radiation Safety Officers;
  - b. Order byproduct material in excess of the amount, or radionuclide, or form different than authorized on the license;
  - c. Add or change the areas of use or address or addresses of use identified in the license application or on the license; or
  - d. Change ownership of your organization.
5. Submit a complete renewal application with proper fee or termination request at least 30 days before the expiration date of your license. You will receive a reminder notice approximately 90 days before the expiration date. Possession of byproduct material after your license expires is a violation of NRC regulations. A license will not normally be renewed, except on a case-by-case basis, in instances where licensed material has never been possessed or used.

In addition, please note that NRC Form 313 requires the applicant, by his/her signature, to verify that the applicant understands that all statements contained in the application are true and correct to the best of the applicant's knowledge. The signatory for the application should be the licensee or certifying official rather than a consultant.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you. This could include issuance of a notice of violation, or imposition of a civil penalty, or an order suspending, modifying or revoking your license as specified in the General Policy and Procedures for NRC Enforcement Actions. Since serious consequences to employees and the public can result from failure to comply with NRC requirements,



D. Sved

-3-

prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance which NRC expects of its licensees.

Sincerely,

Original Signed By  
Gidget Watson  
Nuclear Materials Licensing Branch

License No. 34-20070-01  
Docket No. 030-17926

Enclosure: Amendment No. 07

DOCUMENT NAME: M:\03017926.CL7

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	DNMS/RIII								
NAME	GWatson:brt								
DATE	02/26/97 GW								

OFFICIAL RECORD COPY

## CONVERSATION RECORD

TIME

DATE

(time)

12/9/96

☐ VISIT☐ CONFERENCE☒ TELEPHONE☐ INCOMING☒ OUTGOING

NAME OF PERSON(S) CONTACTED OR IN CONTACT

ORGANIZATION (OFFICE, DEPT. ETC.)

TELEPHONE NO.

Dan Sved

RSO, WIL research

SUBJECT

C/N 00204

## SUMMARY

Dan will be submitting a request to amend their license to reduce possession limit to a level that requires 150,000 dollars, in lieu of their previously submitted DFP (see C/N 00204).

Following the amendment, Dan will be submitting a revised Surety Bond and Standby Trust Agreement for the 150,000 dollars. This will be submitted in reference to C/N 00204. The action is to be reassigned to Gidget Watson, who was the original reviewer.

ACTION REQUIRED

NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Kevin G. Null

Kevin G. Null

12/9/96

ACTION TAKEN

SIGNATURE

TITLE

DATE



February 6, 1997

A  
030-17926

Ms. Gidget M. Watson  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control No.: 300204

Dear Ms. Watson:

WIL Research Laboratories is requesting amendment of our NRC materials license number 34-20070-01. We would like to change two items: 1) Decrease the maximum amount of Carbon-14 to 990 millicuries (item 8A) and 2) Remove Jerry E. Bennick from the list of authorized users (item 11). The reasons for these changes are: 1) to lower the maximum amount of long-lived isotopes so that we may submit a fixed certification of financial assurance for decommissioning in the amount of \$150,000 (as per 10 CFR 30.35 d) in lieu of a decommissioning funding plan and 2) the named individual is no longer employed at WIL Research. Enclosed is a check for the amendment fee of \$610.

We are in the process of revising the surety bond and standby trust agreement necessary to comply with NRC regulations concerning decommissioning. Thank you for your patience in this matter.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/ari

Enclosure

RECEIVED  
FEB 18 1997  
REGION III

Per: 2-6-97





February 6, 1997

Ms. Gidget M. Watson  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control No.: 300204

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Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/ari

Enclosure

RECEIVED

FEB 18 1997

FEB 18 1997 REGION III

302331

Pm: 2-6-97

## CONVERSATION RECORD

TIME

DATE

(time)

12/9/96

☐ VISIT☐ CONFERENCE☒ TELEPHONE☐ INCOMING☒ OUTGOING

NAME OF PERSON(S) CONTACTED OR IN CONTACT

ORGANIZATION (OFFICE, DEPT. ETC.)

TELEPHONE NO.

Dan Sved

RSO, WIL research

SUBJECT

C/N 00204

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ACTION REQUIRED

NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Kevin G. Null

*Kevin G. Null**12/9/96*

ACTION TAKEN

SIGNATURE

TITLE

DATE



February 6, 1997

Ms. Gidget M. Watson  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control No.: 300204

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Radiation Protection Officer

DWS/ari

Enclosure

RECEIVED

FEB 18 1997

FEB 18 1997 REGION III

Pm: 2-6-97

302331



## CONVERSATION RECORD

TIME

DATE

(time)

12/9/96

☐ VISIT☐ CONFERENCE☒ TELEPHONE☐ INCOMING☒ OUTGOING

NAME OF PERSON(S) CONTACTED OR IN CONTACT

ORGANIZATION (OFFICE, DEPT. ETC.)

TELEPHONE NO.

Dan Sved

RSO, WIL research

SUBJECT

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NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Kevin G. Null

*Kevin G. Null**12/9/96*

ACTION TAKEN

SIGNATURE

TITLE

DATE



February 6, 1997

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U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control No.: 300204

Dear Ms. Watson:

WIL Research Laboratories is requesting amendment of our NRC materials license number 34-20070-01. We would like to change two items: 1) Decrease the maximum amount of Carbon-14 to 990 millicuries (item 8A) and 2) Remove Jerry E. Bennick from the list of authorized users (item 11). The reasons for these changes are: 1) to lower the maximum amount of long-lived isotopes so that we may submit a fixed certification of financial assurance for decommissioning in the amount of \$150,000 (as per 10 CFR 30.35 d) lieu of a decommissioning funding plan and 2) the named individual is no longer employed at WIL Research. Enclosed is a check for the amendment fee of \$610.

We are in the process of revising the surety bond and standby trust agreement necessary to comply with NRC regulations concerning decommissioning. Thank you for your patience in this matter.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/ari

Enclosure

RECEIVED

FEB 18 1997

FEB 1 REGION III

Pm: 2-6-97

302331

## CONVERSATION RECORD

TIME

DATE

(time)

12/9/96

☐ VISIT☐ CONFERENCE☒ TELEPHONE☐ INCOMING☒ OUTGOING

NAME OF PERSON(S) CONTACTED OR IN CONTACT

ORGANIZATION (OFFICE, DEPT. ETC.)

TELEPHONE NO.

Dan Sved

RSO, WIL research

SUBJECT

C/N 00204

## SUMMARY

Dan will be submitting a request to amend their license to reduce possession limit to a level that requires 150,000 dollars, in lieu of their previously submitted DFP (see C/N 00204).

Following the amendment, Dan will be submitting a revised Surety Bond and Standby Trust Agreement for the 150,000 dollars. This will be submitted in reference to C/N 00204. The action is to be reassigned to Gidget Watson, who was the original reviewer.

ACTION REQUIRED

NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Kevin G. Null

Kevin G. Null

12/9/96

ACTION TAKEN

SIGNATURE

TITLE

DATE





February 6, 1997

Ms. Gidget M. Watson  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control No.: 300204

Dear Ms. Watson:

WIL Research Laboratories is requesting amendment of our NRC materials license number 34-20070-01. We would like to change two items: 1) Decrease the maximum amount of Carbon-14 to 990 millicuries (item 8A) and 2) Remove Jerry E. Bennick from the list of authorized users (item 11). The reasons for these changes are: 1) to lower the maximum amount of long-lived isotopes so that we may submit a fixed certification of financial assurance for decommissioning in the amount of \$150,000 (as per 10 CFR 30.35 d) in lieu of a decommissioning funding plan and 2) the named individual is no longer employed at WIL Research. Enclosed is a check for the amendment fee of \$610.

We are in the process of revising the surety bond and standby trust agreement necessary to comply with NRC regulations concerning decommissioning. Thank you for your patience in this matter.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/ari

Enclosure

RECEIVED

FEB 18 1997

FEB 1 REGION III

302331

Pm: 2-6-97

## CONVERSATION RECORD

TIME

DATE

(time)

12/9/96

☐ VISIT☐ CONFERENCE☒ TELEPHONE☐ INCOMING☒ OUTGOING

NAME OF PERSON(S) CONTACTED OR IN CONTACT

ORGANIZATION (OFFICE, DEPT. ETC.)

TELEPHONE NO.

Dan Sved

RSO, WIL research

SUBJECT

C/N 00204

## SUMMARY

Dan will be submitting a request to amend their license to reduce possession limit to a level that requires 150,000 dollars, in lieu of their previously submitted DFP (see C/N 00204).

Following the amendment, Dan will be submitting a revised Surety Bond and Standby Trust Agreement for the 150,000 dollars. This will be submitted in reference to C/N 00204. The action is to be reassigned to Gidget Watson, who was the original reviewer.

ACTION REQUIRED

NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Kevin G. Null

Kevin G. Null

12/9/96

ACTION TAKEN

SIGNATURE

TITLE

DATE

CMD: \_\_\_\_\_

MILESTONE

970709

MAIL CONTROL NO: 300204

DOCKET NO: 03017926

LICENSE NO: 34-20070-01\_\_

NAME: WIL RESEARCH LABORATORIES, INC. \_\_\_\_\_

ACTION TYPE: 4

		NON-FEE:			
MILESTONE	MILESTONE DATE	MILESTONE	REVIEWER	MILESTONE DATE	TICKLER DATE
-----	-----	-----	-----	-----	-----
01	941031	10	R0	941115	0 _____
02	941110	13	R3	941115	0 _____
03	970226	19	R3	941219	950123
07	970226	20	R3	950425	0 _____
---	-----	14	R3	950531	950705
---	-----	16	R3	950724	0 _____
---	-----	19	R3	950817	950921

006 000



CMD: \_\_\_\_\_

MILESTONE

970709

MAIL CONTROL NO: 300204

DOCKET NO: 03017926

LICENSE NO: 34-20070-01\_\_

NAME: WIL RESEARCH LABORATORIES, INC. \_\_\_\_\_

ACTION TYPE: 4

		NON-FEE:			
MILESTONE	MILESTONE DATE	MILESTONE	REVIEWER	MILESTONE DATE	TICKLER DATE
-----	-----	-----	-----	-----	-----
01	941031	20	R3	960119	0_____
02	941110	14	R3	960229	960404
03	970226	14	S5	960304	961231
07	970226	15	S5	961209	961229
---	-----	21	S5	970225	0_____
---	-----	22	S5	970226	0_____
---	-----	---	---	-----	-----

000 000



A  
030-17926

March 26, 1996

Ms. Cassandra F. Frazier  
U.S. Nuclear Regulatory Commission  
Region III  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control Number 300204

Dear Ms. Frazier:

This is in response to your letter of March 4, 1996 concerning the decommissioning funding plan (DFP) for WIL Research Laboratories, Inc. We fully intend to comply with the regulations concerning decommissioning plans, in fact, that is what we believed we had done when our plan was initially accepted. In light of the recent requests to provide additional information concerning our DFP, we are in the process of having a new surety bond and standby trust agreement prepared. When these items are ready, we will submit them to you along with the other information requested.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/arc

RECEIVED

APR 01 1996

REGION III

300232



March 26, 1996

Ms. Cassandra F. Frazier  
U.S. Nuclear Regulatory Commission  
Region III  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control Number 300204

Dear Ms. Frazier:

This is in response to your letter of March 4, 1996 concerning the decommissioning funding plan (DFP) for WIL Research Laboratories, Inc. We fully intend to comply with the regulations concerning decommissioning plans, in fact, that is what we believed we had done when our plan was initially accepted. In light of the recent requests to provide additional information concerning our DFP, we are in the process of having a new surety bond and standby trust agreement prepared. When these items are ready, we will submit them to you along with the other information requested.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/arc

RECEIVED

APR 01 1996

REGION III





UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION III  
801 WARRENVILLE ROAD  
LISLE, ILLINOIS 60532-4351

AUG 05 1998

Daniel W. Sved, Ph.D  
Radiation Safety Officer  
WIL Research Laboratories, Inc.  
1407 George Road  
Ashland, OH 44805

Dear Dr. Sved:

We have reviewed your decommissioning financial assurance submittal dated July 27, 1998 in response to our June 30, 1998 letter. Within the scope of our review, no further deficiencies were identified. A copy of this information will be placed in your license file.

In addition, you will note that we are returning a cancelled financial assurance document you previously submitted. This document was replaced by current submittals. Specifically, your Payment Surety Bond issued by the Seaboard Surety Company has been replaced a Payment Surety Bond and its subsequent Rider issued by the Reliance Insurance Company. The cancelled originally signed Payment Surety Bond is enclosed.

If you have any questions or require clarification on any of the information stated above, you may contact us at (630) 829-9887.

Sincerely,

Original signed by  
Monte P. Phillips, Chief  
Materials Licensing Branch

License No. 34-20070-01  
Docket No. 030-17926

Enclosure: as stated

cc w encl: Seaboard Surety Company  
300 S. Wacker Drive  
Suite 1600  
Chicago, IL 60606-6701

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	DNMS/RIII	<input checked="" type="checkbox"/>	DNMS/RIII	<input checked="" type="checkbox"/>			
NAME	CGIII/ <i>CG</i>		MPHILLIPS				
DATE	8/1/98		8/3/98				

OFFICIAL RECORD COPY

**The St Paul**

Surety

**Seaboard Surety Company**

300 S Wacker Dr., Ste. 1600  
Chicago, IL 60606-6701  
Telephone 312.987.0140  
Facsimile 312.987.0136

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

April 9, 1996

United States Nuclear Regulatory Commission  
Washington, D.C. 20555

RE: Bond No. 236197  
WIL Research Laboratories  
Payment Surety Bond  
Bond Amount: \$97,700  
Effective Date: July 31, 1992  
NRC License No. 34-20070-01  
Location: 1407 George Road, Ashland, Ohio

Gentlemen:

We have been advised that a replacement bond for the captioned obligation has been issued by Reliance Insurance Company of Philadelphia, Pennsylvania under their bond number B2475328 effective July 31, 1994 and filed with your office.

Please approve termination of the above bond issued by Seaboard Surety Company with respect to future liability 90 days after receipt of this notification, in accordance with the terms of the bond. Please let me know if there are any questions. Thank you.

Sincerely,

SEABOARD SURETY COMPANY

*Bernard F. Hronek*

Bernard F. Hronek

BFH/rm

Seaboard Surety  
Company  
St. Paul Fire and Marine  
Insurance Company  
St. Paul Mercury  
Insurance Company  
St. Paul Guardian  
Insurance Company

**The St Paul**

*Surety*

**Seaboard Surety Company**  
300 S Wacker Dr., Ste. 1600  
Chicago, IL 60606-6701  
Telephone 312.987.0140  
Facsimile 312.987.0136

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

April 9, 1996

WIL Research Laboratories, Inc.  
Subsidiary of Great Lakes Chemical Corporation  
1407 George Road  
Ashland, Ohio 44805

RE: Bond No. 236197  
WIL Research Laboratories  
Payment Surety Bond  
Bond Amount: \$27,700  
Effective Date: July 31, 1992  
NRC License No. 34-20070-01  
Location: 1407 George Road, Ashland, Ohio

Gentlemen:

We have been advised that a replacement bond for the captioned obligation has been issued by Reliance Insurance Company of Philadelphia, Pennsylvania under their bond number B2475328 effective July 31, 1994 and filed with your office.

Please approve termination of the above bond issued by Seaboard Surety Company with respect to future liability 90 days after receipt of this notification, in accordance with the terms of the bond. Please let me know if there are any questions. Thank you.

Sincerely,

SEABOARD SURETY COMPANY

*Bernard F. Hronek*

Bernard F. Hronek

BFH/rm

Seaboard Surety  
Company  
St. Paul Fire and Marine  
Insurance Company  
St. Paul Mercury  
Insurance Company  
St. Paul Guardian  
Insurance Company



November 22, 1994

Ms. Sandy Frazier  
U. S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, Illinois 60532

RE: Bond No. 236197  
Will Research Laboratories, Inc.  
(Great Lakes Chemical Corporation)  
Payment Surety Bond  
\$99,700.00  
NRC License No. 34-20070-01  
Effective: July 31, 1992

Dear Sandy:

We have been advised by the Producing Agent on the above captioned account that a duplicate original replacement bond for the Reliance was executed and forwarded on October 21, 1994.

It would be very much appreciated if you could please acknowledge that this duplicate original has now been received and whether or not we can consider our liability under our bond as captioned above as terminated.

Your past and future assistance in this matter, is very much appreciated.

Very truly yours,

SEABOARD SURETY COMPANY

*Geraldine Peterson*

Geraldine Peterson

GP/gto  
Encls.

## PAYMENT SURETY BOND

Date bond executed: July 22, 1992  
Effective date: July 31, 1992  
Principal: WIL Research Laboratories, Inc.  
Type of Organization: Corporation  
State of Incorporation: Indiana (if applicable)  
NRC license number, name and address of facility, and amount(s)  
for decommissioning activity guaranteed by this bond:  
34-20070-01

Name: WIL Research Laboratories, Inc.  
Address: 1407 George Road  
Ashland, Ohio 44805  
Amount(s): \$99,700.00  
Surety(ies): Seaboard Surety Company  
Address(es): 300 South Wacker Drive  
Suite 1600  
Chicago, Illinois 60606  
Type of Organization: Corporation  
State of incorporation: New York (if applicable)  
Surety's qualification in jurisdiction where licensed  
facility ~~(XXX)~~ is ~~(XXX)~~ located) Yes  
Surety's bond number: 236197  
Total penal sum of bond: \$99,700.00

Know all persons by these presents, that we, the Principal and Surety(ies) hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all

other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas, the U.S. Nuclear Regulatory Commission, 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 1 of the Code of Federal Regulations, Part 30, applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning:

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of decommissioning of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount(s) after an order to begin facility decommissioning is issued by the NRC or a U.S. district court or other court of competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance and obtain the written approval of the NRC of such assurance, within 30 days after the date a notice of cancellation from the Surety(ies) is received by both the Principal and the NRC, then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the NRC that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the NRC provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the Principal and the NRC, as evidenced by the return receipts.



The Principal may terminate this bond by sending written notice to the NRC and to Surety(ies) 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond from the NRC.

The Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the NRC.

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 Principal and Surety(ies) have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

WIL Research Laboratories, Inc. 3/98

Principal 52 Northwest Highway West Lafayette,  
Indiana 47906

By: \_\_\_\_\_

Surety(ies) Seaboard Surety Company

By: \_\_\_\_\_

Thomas J. Goslin

Attorney-In-Fact

State of incorporation: New York

Liability limit: \$99,700.00

Bond premium: \$997.00



July 27, 1998

Mr. Charles F. Gill  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control No.: 3002<sup>32</sup>~~04~~

Dear Mr. Gill

Enclosed please find duplicate copies of a specimen "Certificate of Events" and a specimen "Certificate of Resolution" as requested for inclusion in our decommissioning funding plan. My understanding is that these documents are only to be completed and signed in the event that WIL Research Laboratories, Inc. needs to decommission their facility in Ashland, OH.

I hope that these documents are sufficient to meet the needs of the commission. If you have any additional concerns, please to not hesitate to contact me.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/rko

Enclosure

RECEIVED  
JUL 29 1998  
REGION III

JUL 29 1998



Certificate of Events

Lafayette Bank & Trust Company  
133 North 4<sup>th</sup> Street  
Lafayette, IN 47901

Attention: Trust Division

Gentlemen:

In accordance with the terms of the Agreement with you dated \_\_\_\_\_,  
I, \_\_\_\_\_, Secretary of WIL Research Laboratories, Inc. hereby  
certify that the following events have occurred:

1. WIL Research Laboratories, Inc. is required to commence the decommissioning of its facility located at 1407 George Road, Ashland, Ohio (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 WIL Research Laboratories, Inc. has adopted the attached resolution authorizing the commencement of the decommissioning.

\_\_\_\_\_  
Secretary of WIL Research Laboratories, Inc.

\_\_\_\_\_  
Date

A-217





Certificate of Events

Lafayette Bank & Trust Company  
133 North 4<sup>th</sup> Street  
Lafayette, IN 47901

Attention: Trust Division

Gentlemen:

In accordance with the terms of the Agreement with you dated \_\_\_\_\_,  
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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 WIL Research Laboratories, Inc. has adopted the attached resolution authorizing the commencement of the decommissioning.

\_\_\_\_\_  
Secretary of WIL Research Laboratories, Inc.

\_\_\_\_\_  
Date

A-217



Certificate of Resolution

I, \_\_\_\_\_, do hereby certify that I am Secretary of WIL Research Laboratories, Inc., an Indiana corporation, and that the resolution listed below was duly adopted at a meeting of this Corporation's Board of Directors on \_\_\_\_\_, 19\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Secretary

RESOLVED, that this Board of Directors hereby authorizes the President, or such other employee of the Company as he may designate, to commence decommissioning activities at WIL Research Laboratories, Inc. in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the president shall approve with and upon the advice of Counsel.



Certificate of Resolution

I, \_\_\_\_\_, do hereby certify that I am Secretary of WIL Research Laboratories, Inc., an Indiana corporation, and that the resolution listed below was duly adopted at a meeting of this Corporation's Board of Directors on \_\_\_\_\_, 19\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Corporation this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Secretary

RESOLVED, that this Board of Directors hereby authorizes the President, or such other employee of the Company as he may designate, to commence decommissioning activities at WIL Research Laboratories, Inc. in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the president shall approve with and upon the advice of Counsel.





UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION III  
801 WARRENVILLE ROAD  
LISLE, ILLINOIS 60532-4351

JUN 30 1998

Daniel W. Sved, Ph.D.  
Radiation Safety Officer  
Wil Research Laboratories, Inc.  
1407 George Road  
Ashland, OH 44805

Dear Dr. Sved:

We have reviewed your responses dated August 6, 1997 and August 7, 1997, concerning addition information regarding your payment surety bond rider and revised standby trust agreement, and find that we need additional submittals, as follow.

- **Submit a Specimen Certificate of Events and Specimen Certificate of Resolution with the Standby Trust Agreement (*Regulatory Guide 3.66*, pages 4-24 and 4-25)**

The submission does not include a specimen certificate of events or a specimen certificate of resolution with the revised standby trust agreement. Section 5 of the agreement refers to a specimen certificate of events that is to be attached to the trust agreement. The specimen certificate of events, in turn, is to refer to an attached certificate of resolution. Without the specimen certificates, NRC cannot be certain that the trustee will release decommissioning funds only upon receiving appropriate instructions. In addition, the trustee may not be able to determine the validity of future resolutions authorizing commencement of decommissioning activities and payments from the trust. Submit a specimen certificate of events and a specimen certificate of resolution, which should (1) be worded similarly to the specimen certificates on page 4-24 and page 4-25 of *Regulatory Guide 3.66* and (2) contain blank spaces for dates and signatures until decommissioning activities have been authorized.

Finally, all documents submitted to the NRC must be originally signed duplicates, as recommended in *Regulatory Guide 3.66*. Unless the documents have been properly signed, NRC cannot be certain that the financial assurance mechanism is enforceable.

D. Sved

2

We will continue our review of your request upon receipt of these additional submittals. Please reply in duplicate, within 30 days, and refer to Control Number 300204:

If you have any questions or require clarification on any of the information stated above, you may contact us at (630) 829-9887.

Sincerely,

Original signed by  
Charles F. Gill  
Materials Licensing Branch

License No. 34-20070-01  
Docket No. 030-17926

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	DNMS/RIII	<input checked="" type="checkbox"/>	DNMS/RIII	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NAME	CGIII/ <i>CG</i>						
DATE	6/30/98						

OFFICIAL RECORD COPY



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

June 3, 1998

98-B

MEMORANDUM TO: Charles Gill  
Materials Licensing Section  
Division of Radiation Safety  
and Safeguards, Region III

FROM: Louis M. Bykoski *Louis M. Bykoski*  
Facilities Decommissioning Section  
Low-Level Waste and Decommissioning  
Projects Branch  
Division of Waste Management, NMSS

SUBJECT: THE OFFICE OF THE GENERAL COUNSEL AND  
CONTRACTOR COMMENTS ON NON-STANDARD FINANCIAL  
ASSURANCE SUBMITTAL

Our contractor, ICF Incorporated, and the Office of the General Counsel (OGC) have reviewed and provided comments on the Wil Research Laboratories, non-standard financial assurance submittal sent to us for review.

The ICF comments are presented in two parts. The first part deals with specific recommendations to current deficiencies. The second part (Other Issues) provides a discussion of changes to the standard wording that are acceptable and are not considered to be deficiencies. The OGC comments may include additional deficiencies that need to be corrected by the licensee and comments for our internal use.

You should carefully review all the comments before preparing the deficiency letter. We have attached both the ICF comments to assist you in your review.

Attachments: As stated

CONTACT: L. Bykoski, NMSS  
301-415-6754

Stephen Lewis, OGC  
301-415-1634

RECEIVED  
JUN 10 1998  
REGION III



## LIST OF INSTRUCTIONS

WIL Research Laboratories, Inc.

In reviewing the comments the reviewer will note that there will be some overlap between ICF and OGC comments. The following comments should be included in the basis for the deficiency letter:

1. ICF comments 1 through 2 plus last paragraph.
2. All OGC comments.

All other comments and discussions are for reviewer information.

MEMO TO: Louis M. Bykoski, NMSS  
FROM: OGC  
RE: REVIEW OF NONSTANDARD SUBMITTALS

Subject: Wil Research Laboratories

OGC has no objection to ICF's recommendations. We note that Recommendation No. 1 recognizes that the NRC may already have the information to satisfy us that the certification level under 10 CFR 30.35 is correct. It appears to OGC from the earlier NRC memorandum that the Region is satisfied that the certification amount accurately reflects the reduced possession limit. Accordingly, this recommendation may not need to be passed on to Wil Research.



CONSULTING GROUP

ICF Incorporated  
9300 Lee Highway  
Fairfax, VA 22031-1207  
703/934-3000 Fax 703-934-9740

May 1, 1998

To: Dr. Lou Bykoski, NMSS/NRC

From: Matt Borick and John Collier, ICF Incorporated

Subject: Review of Surety Bond Submitted by WIL Research Laboratories, Inc.

---

WIL Research Laboratories, Inc. in Ashland, Ohio, submitted a rider to a previously submitted surety bond, along with a revised standby trust agreement (see Other Issue e).<sup>1</sup> The surety bond rider increases the bond amount from \$99,700 to \$150,000. The submission addresses estimated decommissioning costs of \$150,000 for license 34-20070-01 issued under 10 CFR Part 30.

Upon review of the submission, ICF recommends that NRC require the licensee to modify the submission in the following ways:

- (1) If deemed necessary by NRC, submit a certification statement (10 CFR 30.35, and *Regulatory Guide 3.66*, page 1-5); and
- (2) Submit a specimen certificate of events and specimen certificate of resolution with the standby trust agreement (*Regulatory Guide 3.66*, pages 4-24 and 4-25).

These recommendations and other issues are discussed below.

**(1) If Deemed Necessary by NRC, Submit a Certification Statement (10 CFR 30.35, and *Regulatory Guide 3.66*, page 1-5)**

Although a previous submission from the licensee included a decommissioning cost estimate in the amount of \$99,625, an NRC memorandum included with the current submission states that

---

<sup>1</sup> ICF reviewed four previous submissions from the licensee and reported recommendations to NRC in memoranda dated November 13, 1990, February 10, 1992, April 7, 1995, and December 8, 1995.



This licensee has reduced its licensed material possession limit to a level that requires 150,000 dollars of financial assurance, in lieu of its previously submitted decommissioning funding plan estimated amount (\$99,700.00).

The current submission, however, does not include a certification statement, as required under 10 CFR 30.35. The certification statement, in addition to providing information that would allow NRC to verify the certification amount (e.g., the names and locations of the facilities for which financial assurance is provided, and the amount and types of materials handled), officially certifies that the licensee is in compliance with the appropriate requirements. If NRC has obtained this information already, it may not be necessary to require a certification statement. If NRC has not already obtained this information, however, then ICF recommends that NRC require the licensee to submit a certification statement certifying compliance with the decommissioning rules, as recommended in *Regulatory Guide 3.66* "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30, 40, 70, and 72" (June 1990), page 1-5.

**(2) Submit a Specimen Certificate of Events and Specimen Certificate of Resolution with the Standby Trust Agreement (*Regulatory Guide 3.66*, pages 4-24 and 4-25)**

The submission does not include a specimen certificate of events or a specimen certificate of resolution with the revised standby trust agreement. Section 5 of the agreement refers to a specimen certificate of events that is to be attached to the trust agreement. The specimen certificate of events, in turn, is to refer to an attached certificate of resolution. Without the specimen certificates, NRC cannot be certain that the trustee will release decommissioning funds only upon receiving appropriate instructions. In addition, the trustee may not be able to determine the validity of future resolutions authorizing commencement of decommissioning activities and payments from the trust. NRC should require the licensee to submit a specimen certificate of events and a specimen certificate of resolution, which should (1) be worded similarly to the specimen certificates on page 4-24 and page 4-25 of *Regulatory Guide 3.66* and (2) contain blank spaces for dates and signatures until decommissioning activities have been authorized.

**Other Issues**

Apart from editorial and non-substantive changes to the standard wording provided in *Regulatory Guide 3.66*, the following modifications are noteworthy:

- (a) The copies of the original surety bond and the bond rider reviewed by ICF have been marked up in a way that makes the reference numbers placed on the mechanisms by the issuer illegible. Consequently, ICF was unable to confirm that the mechanisms are consistently referenced throughout each mechanism and throughout the submission. To avoid the possibility that an inconsistency in these numbers might impair the

effectiveness of the licensee's financial assurance, NRC should ensure that (1) the reference number within each mechanism (e.g., the surety bond number) is consistent throughout each mechanism, and (2) any other references in the submission accurately identify the appropriate mechanisms.

- (b) The licensee's surety bond lists Pennsylvania as the surety company's state of incorporation on the first page of the bond, but lists New York as the state of incorporation on the signature page. This discrepancy should not diminish the protections provided by the surety bond because the attached power of attorney document (as well as the U.S. Department of Treasury's *Circular 570*) confirms that Pennsylvania is the correct state. Therefore, any ambiguity should be resolved in favor of Pennsylvania.
- (c) The surety bond does not indicate the bond premium, as recommended by *Regulatory Guide 3.66* on page 4-32. The bond premium represents an agreement between the licensee and the surety company and its omission from the surety bond does not affect the bond's remaining provisions.
- (d) A date of signature is not indicated on the surety bond or the revised standby trust agreement as called for in *Regulatory Guide 3.66*. In the absence of these dates, however, the execution dates will serve as the dates of signature.
- (e) The revised standby trust agreement (dated May 1, 1997) submitted by the licensee appears to be intended to replace an earlier standby trust agreement (dated July 10, 1992). It is worth noting, however, that Section 16 of the earlier standby trust agreement allows the trust to be terminated only with the written consent of NRC. If the earlier trust has been terminated without NRC's knowledge and approval then the required procedures specified in the trust agreement have not been followed. NRC may wish to investigate this issue with the licensee and the trustee.
- (f) The words "or \_\_\_\_\_ dollars, whichever is greater," have been omitted from Section 5 of the standby trust agreement. Nevertheless, Section 5 appropriately limits withdrawals from the trust to no more than 10 percent of the trust's value, unless NRC's approval has been attached to the withdrawal request.
- (g) Schedule A of the standby trust agreement is missing the following line recommended in *Regulatory Guide 3.66*: "The cost estimates listed here were last adjusted and approved by the NRC on \_\_\_\_." This statement is intended to assist the trustee in evaluating the information in Schedule A, but is not critical to the trust's effectiveness, assuming that NRC determines that Schedule A is accurate.

Finally, NRC should ensure that documents submitted by the licensee are originally signed duplicates, as recommended in *Regulatory Guide 3.66*. Unless the documents have been properly signed, NRC cannot be certain that the financial assurance mechanism is enforceable.

Because ICF does not possess the original submissions, we cannot verify compliance with these requirements.

attachments



APPENDIX A  
CHECKLIST FOR DECOMMISSIONING FINANCIAL ASSURANCE

NAME OF LICENSEE OR APPLICANT

WIL Research Laboratories, Inc.

MAILING ADDRESS

1407 George Road

Ashland, Ohio 44805

**A. Licensee Part (check one of the following):**

- ☒ Part 30 Licensee or Applicant      ☐ Part 70 Licensee or Applicant  
☐ Part 40 Licensee or Applicant      ☐ Part 72 Licensee or Applicant

**B. Check appropriate item in each category (if applicable)**

1. <sup>Received by NRC</sup>  
on Aug. 11, 1997 Date of Financial Assurance Submission
2. ☐ Public Entity Surety bond effective 7/31/94  
amended 3/1/97  
☒ Private Entity Standby trust effective 5/1/97
3. ☐ Certification of Financial Assurance  
☐ Decommissioning Funding Plan
4. (a) ☐ Prepayment Option (See Appendix B)  
☐ Trust Fund  
☐ Escrow Account  
☐ Certificate of Deposit  
☐ Government Fund  
☐ Deposit of Government Securities
- (b) ☒ Surety/Insurance/Other Guarantee (See Appendix C)  
☒ Surety bond \$150,000 Standby trust fees: \$300 opening fee  
\$10 per payment  
\$2 per check  
☐ Letter of Credit  
☐ Line of Credit  
☐ Parent Company Guarantee/Financial Test<sup>a</sup>
- (c) ☐ External Sinking Fund, Sinking Account and Surety/  
Insurance (See Appendix D)  
☐ Trust Fund  
☐ Escrow Account  
☐ Certificate of Deposit  
☐ Government Fund  
☐ Deposit of Government Securities  
☐ Surety Bond  
☐ Letter of Credit  
☐ Line of Credit
- (d) ☐ Statement of Intent (public entities only)

<sup>a</sup>May not be used in combination with any other instrument.

## APPENDIX C

### CHECKLIST FOR SUBMISSION OF SURETY/INSURANCE/PARENT COMPANY GUARANTEE

#### A. Check Appropriate Form of Surety/Insurance/Guarantee

- ☒ Surety Bond
- ☐ Letter of Credit
- ☐ Line of Credit
- ☐ Parent Company Guarantee/Financial Test\*
- ☐ Insurance

#### B. Check Documents Submitted for Surety/Insurance/Guarantee

1. Surety Bond
  - ☒ Surety Bond
  - ☒ Standby Trust Agreement
  - ☒ Acknowledgement
2. Letter of Credit
  - ☐ Letter of Credit
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement
3. Line of Credit
  - ☐ Verification
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement
4. Parent Company Guarantee
  - ☐ Letter from Chief Executive Officer of Applicant or Licensee
  - ☐ Letter from Chief Financial Officer of Parent Company
  - ☐ Financial Test: Alternative [I or II]
  - ☐ Auditor's Special Report and Attached Schedule
  - ☐ Corporate Guarantee
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement
5. Insurance
  - ☐ Certificate of Insurance
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement

May not be used in combination with any other instrument.

EXHIBIT 3-6

CHECKLIST OF CRITERIA FOR REVIEW OF SURETY BONDS

- ✓ • Copy of corporate by-laws or other evidence indicating that parties signing the financial instrument (for the applicant) are authorized to represent the organization in the transaction.

- none to check* • Evidence that the financial instrument is an originally signed duplicate (e.g., an executed copy of the instrument).

- ✓ • Copy of Circular 570 of the U.S. Department of Treasury.

- ✓ • Copy of broker/agent's power of attorney authorizing the broker/agent to issue bonds.

- ✓ • Signed statement from applicant indicating that they will notify NRC if the surety company intends to cancel or go bankrupt.

- ✓ • Date of execution of bond and effective date.

- ✓ • Name and address of licensee (principal).

- ✓ • Type of business organization; State of incorporation, if appropriate.

- ✓ • NRC license number, identification of licensed facility(ies), decommissioning costs.

- ✓ • Identification of corporate or individual surety(ies).

- ✓ 1. Name;  
✓ 2. State of incorporation; (says PA on page 1, NY on page 3)  
✓ 3. Qualification in jurisdiction where facility covered by the surety bond is located.



EXHIBIT 3-6 (Continued)

- ✓ • Designation of obligee (NRC or State regulatory agency).
- ✓ • Recitation of consideration (fee paid for surety bond).
- ✓ • Liability of surety.
  - ✓ 1. Penal sum
  - ✓ 2. Limitation of liability
  - ✓ 3. Condition(-) of liability
  - ✓ 4. Statement of joint and several liability
- ✓ • Statement of licensee's or applicant's regulatory obligations as reason for bond.
- ✓ • Scope and duration of bond.
  - ✓ 1. Restricted to single obligation
  - ✓ 2. Continuing
  - ✓ 3. Provisions for renewal
  - ✓ 4. Payable to a standby trust fund
- ✓ • Termination.
  - ✓ 1. By surety
  - ✓ 2. By principal
  - ✓ 3. Effective date of termination or revocation
- ✓ • Adjustment of penal sum.
- ✓ • Date.
- ✓ • Signatures.
- missing • Premium.

EXHIBIT 3-5

CHECKLIST OF CRITERIA FOR REVIEW OF TRUST AGREEMENTS<sup>a</sup>

- ✓ • Copy of corporate by-laws or other evidence indicating that parties signing the financial instrument (for the applicant) are authorized to represent the organization in the transaction.
- NRC to check • Evidence that the financial instrument is an originally signed duplicate (e.g., an executed copy of the instrument).
- ✓ • Evidence that the financial institution has authority to act as a trustee.
- ✓ • Purpose of trust ("whereas" clauses).
  - 1. Description
- ✓ • Grantor or grantors (introductory paragraph).
  - ✓ 1. Names
  - 2. Addresses (not called for in Reg Guide 366)
- ✓ • Trustee or trustees.
  - ✓ 1. Names and addresses
  - ✓ 2. Bank or corporate trustee (introductory paragraph)
- ✓ • Identification of facilities and cost estimates (Section 2).<sup>b</sup>

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<sup>a</sup>Adapted from 17A Am Jur Legal Forms 2d (Rev) §251.94.

<sup>b</sup>References are to recommended wording for trust agreements provided in Section 4.

EXHIBIT 3-5 (continued)

- ✓ • Words of transfer, conveyance, and delivery in trust (Section 3).
- ✓ • Payments constituting the trust fund (Section 4).
- ✓ • Duration of trust.
- ✓ • Description of trust property.
  - ✓ 1. Property described in attached schedule (Schedule B)
  - ✓ 2. Cash
  - ✓ 3. Stock and other securities
- ✓ • Additions to trust.
- ✓ • Distribution of trust principal (Section 5).
  - ✓ 1. Disbursement to licensee upon proper certification
  - ✓ 2. Payment for activities at NRC's direction in writing
  - ✓ 3. Refund to grantor at NRC's specification in writing after completion of decommissioning activities
  - ✓ 4. Withdrawal provisions must not exceed 10 percent
- ✓ • Trust management (Sections 6-8).
  - ✓ 1. Discretionary powers
  - ✓ 2. Fiduciary duty
  - ✓ 3. Commingling and investment
  - ✓ 4. Sale or exchange of trust property
  - ✓ 5. Scope of investments
  - ✓ 6. Express powers of trustee
  - ✓ 7. Borrowing money and encumbering trust assets

Optional

- (Optional provisions)



EXHIBIT 3-5 (continued)

Optional {

- 8. Insurance
- 9. Operation of business
- 10. Compromise of claims

- ✓ • Taxes and expenses (Section 9).
- ✓ • Annual valuation (Section 10).
- ✓ • Advice of counsel (Section 11).
- ✓ • Authority, compensation, and tenure of trustees (Sections 12-16).
  - ✓ 1. Trustee compensation
  - ✓ 2. Successor trustee
  - ✓ 3. Instructions to trustee
- ✓ • Amendment of agreement (Section 15).
- ✓ • Irrevocability and termination (Section 16).
- ✓ • Immunity and indemnification (Section 17).
- ✓ • Law to govern construction and operation of trust (Section 18).
- ✓ • Interpretation and severability (Section 19).
- ✓ • Date (signature block).
- ✓ • Signatures (signature block).
- ✓ • Acknowledgements, seals or attestations, if necessary or desired (witness by notary public).
- ✓ • Acceptance of trust by trustee or trustees (acknowledgment).
- missing • Specimen certificate of events & certificate of resolution.

CMD :

LICENSE SCREEN # 6 - DECOMMISSIONING FINANCIAL ASSURANCE INFORMATION

DOCKET: 030-17926    LIT: 34-20020-01    NAME: Will Research Laboratories, Inc.

=====

PARTY ISSUING MECHANISM:

NAME : Rehman Insurance Company                      ASSUR TYPE : ? CERT                      ? DFP  
ADDR1: 4 Penn Center Plaza                      MECH TYPE : SB  
ADDR2: \_\_\_\_\_                      MECH AMOUNT: \$150,000  
CITY : Philadelphia                      APPROVED?    DATE: \_\_\_\_\_  
STATE: PA    ZIP: 19103                      EXPIRES ?    DATE: Until cancelled  
ACTION (A=ADD C=CHG D=DELETE) : \_\_\_\_\_

-----

PARTY ISSUING MECHANISM:

NAME : \_\_\_\_\_                      ASSUR TYPE : ? CERT                      ? DFP  
ADDR1: \_\_\_\_\_                      MECH TYPE : \_\_\_\_\_  
ADDR2: \_\_\_\_\_                      MECH AMOUNT: \_\_\_\_\_  
CITY : \_\_\_\_\_                      APPROVED?    DATE: \_\_\_\_\_  
STATE: \_\_\_\_\_    ZIP: \_\_\_\_\_                      EXPIRES ?    DATE: \_\_\_\_\_  
ACTION (A=ADD C=CHG D=DELETE) : \_\_\_\_\_

=====

\*\* 000 000 \*\*

CMD: \_\_\_\_\_

VALID MECHANISM TYPE CODES AND THEIR MEANINGS:

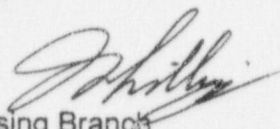
MECH TYPE	DESCRIPTION
-----	-----
TR	TRUST FUND
ES	ESCROW ACCOUNT
CD	CERTIFICATE OF DEPOSIT
GF	GOVERNMENT FUND
GS	DEPOSIT OF GOVERNMENT SECURTIES
SB	SURETY BOND
LT	LETTER OF CREDIT
LN	LINE OF CREDIT
PG	PARENT COMPANY GUARANTEE
SI	STATEMENT OF INTENT
SG	SELF GUARANTEE

PRESS RETURN KEY FOR FINANCIAL ASSURANCE SCREEN:

MAR 12 1998

98-B

MEMORANDUM TO: Dr. Louis Bykoski, Project Officer  
Facilities Decommissioning Section  
Low-Level Waste and Decommissioning Projects Branch  
Division of Waste Management, Office of Nuclear Material  
Safety and Safeguard

FROM: Monte P. Phillips, Chief   
Nuclear Materials Licensing Branch  
Division of Nuclear Materials Safety, Region III

SUBJECT: REQUEST FOR ASSISTANCE IN PROCESSING AND REVIEW  
OF NONSTANDARD FINANCIAL ASSURANCE SUBMITTALS  
RELATED TO THE DECOMMISSIONING RULE

Enclosed for your review is one financial assurance submittal from a Region III licensee. The licensee is WIL Research Laboratories, Inc., License Number 34-20070-01. This licensee has reduced its licensed material possession limit to a level that requires 150,000 dollars of financial assurance, in lieu of its previously submitted decommissioning funding plan estimated amount (\$99,700.00). Your last memorandum to us regarding this matter was dated January 19, 1996.

We are enclosing copies of the current and proposed replacement financial assurance instruments for your review. The original submittals are secured in the Decommissioning Financial Assurance safe in Region III.

We ask that you review the enclosed documents for acceptability.

License No. 34-20070-01  
Docket No. 030-17926

CONTACT: Charles F. Gill  
(630) 829-9814

- Enclosures:
1. Payment Surety Bond dtd 06/10/94
  2. Payment Surety Bond Rider dtd 03/20/97  
(attached to ltr dtd 08/06/97)
  3. Revised STA dtd 06/16/97 (attached to  
ltr dtd 08/06/97)
  4. WIL Research Laboratories, Inc. by-laws  
(attached to ltr dtd 08/07/97)

DOCUMENT NAME: M:\03017926.DE8

To receive a copy of this document, indicate in the box: "C" = Copy without enclosure "E" = Copy with enclosure "N" = No copy

OFFICE	RIII	<input checked="" type="checkbox"/> E	RIII	<input checked="" type="checkbox"/> N			
NAME	CFGILL:jaw	<input checked="" type="checkbox"/> C	MPPHILLIPS				
DATE	03/6/98		03/9/98				

OFFICIAL RECORD COPY





August 6, 1997

Ms. Gidget M. Watson  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Ref: Control No.: 300232

Dear Ms. Watson:

Enclosed please find originally signed duplicates of 1) the rider to our surety bond that increased the bond amount to \$150,000 and changed the principal to WIL Research Laboratories, Inc. and 2) the revised standby trust agreement. These documents were signed by Joseph F. Holson, Ph.D., President, Director of WIL Research. Also enclosed is a copy of WIL Research's by-laws, which in Section 3.05 indicates that the President of the company has "the authority and the duty to manage the affairs of the corporation."

I hope that these documents are sufficient to meet the requirements for our financial assurance for decommissioning. If you have any questions, please do not hesitate to contact me.

Sincerely,

Daniel W. Sved, Ph.D.  
Radiation Protection Officer

DWS/sas

Enclosures

RECEIVED  
AUG 11 1997  
REGION III

AUG 11 1997

pm: 8-6-97

RIDER

To be attached to and form a part of

Bond No. [REDACTED]

Executed By: WIL Research Laboratories, Inc.  
and by: Reliance Insurance Company, as Surety  
in favor of: U.S. Nuclear Regulatory Commission  
Effective as of: July 31, 1994

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to:

increasing the bond amount

FROM: \$99,700.00  
TO: \$150,000.00

and

changing the principal name on the signature page to read

FROM: Great Lakes Chemical Corporation  
One Great Lakes Boulevard  
West Lafayette, Indiana 47906

TO: WIL Research Laboratories, Inc.  
1407 George Road  
Ashland, Ohio 44805

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective the 1<sup>st</sup> day of March, 1997.

Signed and Sealed this 20<sup>th</sup> day of March, 1997.

WIL Research Laboratories, Inc.

By: [Signature]

Reliance Insurance Company

BY: Sandra Martinez  
Sandra Martinez, Attorney-in-fact

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ACKNOWLEDGMENT BY SURETY

State of Illinois  
County of Cook } ss.:  
On the 20th day of March 1997, before me personally came Sandra Martinez  
in DuPage County, Illinois  
to me known, who, being by me duly sworn, did depose and say: that he resides Attorney-in-Fact  
that he is the Reliance Insurance Company of Reliance Insurance Company



Lynn J. Kidd  
(Notary Public)

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NEGOTIABLE



RELIANCE SURETY COMPANY  
UNITED PACIFIC INSURANCE COMPANY

RELIANCE INSURANCE COMPANY  
RELIANCE NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Thomas J. Joslin, Christine Marotta, Jacquelyn Rice, Sandra Martinez, Lynn J. Kidd, Michael A. Dougherty, Geoffrey E. Heekin, Robert E. Duncan, Patricia Thurmond, Jennifer L. Jakaitis, of Chicago, Illinois their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committee of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this May 1, 1997.

RELIANCE SURETY COMPANY  
RELIANCE INSURANCE COMPANY  
UNITED PACIFIC INSURANCE COMPANY  
RELIANCE NATIONAL INDEMNITY COMPANY

*David T. Akers*



STATE OF Pennsylvania }  
COUNTY OF Philadelphia } ss.

On this, May 1, 1997, before me, Valencia Wortham, personally appeared David T. Akers, who acknowledged himself to be the Senior Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.

Notarial Seal  
Valencia Wortham, Notary Public  
Philadelphia, Philadelphia County  
My Commission Expires Nov. 18, 2000



*Valencia Wortham*

Notary Public in and for the State of Pennsylvania  
Residing at Philadelphia

I, Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 20th day of March 19 97.

*Anita Zippert*

Secretary



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## STANDBY TRUST AGREEMENT

TRUST AGREEMENT, the Agreement entered into as of May 1, 1997, by and between WIL Research Laboratories, Inc., an Indiana corporation, herein referred to as the "Grantor," and Lafayette Bank & Trust Company, 133 North 4th Street, Lafayette, Indiana 47901, 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 30. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a Part 30 license provide assurance that funds will be available when needed for required decommissioning activities.

WHEREAS, the Grantor has elected to use a surety bond to provide all of such financial assurance for the facilities identified herein; and

WHEREAS, when payment is made under a surety bond, 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 34-20070-01 issued pursuant to 10 CFR Part 30 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 the NRC. The Grantor and the Trustee intend that no third party 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

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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 the 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 Depositor attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate, and
- b. A certificate attesting to the following conditions:
  - (1) the 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 the NRC has been given 30 days' prior notice of WIL Research Laboratories, Inc.'s intent to withdraw funds from the escrow fund.

No withdrawal from the fund can exceed 10 percent of the outstanding balance of the Fund unless NRC approval is attached.

In the event of the Grantor's default or inability to direct decommissioning activities, the Trustee shall make payments from the Fund as the 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 the NRC from the Fund for expenditures for required activities in such amounts as the NRC shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the 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 management of 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:

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- (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 and Poors 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 the 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;
- (c) 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

**NON NEGOTIABLE**

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 the 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 the 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 the NRC, the Trustee may resign; upon 90 days notice to NRC and the Trustee, the Grantor may replace the Trustee; but which resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the

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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, the 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 the NRC issues orders, requests, or instructions to the Trustee these shall be in writing, signed by the NRC, or their 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 the 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 the 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 the NRC, or by the Trustee and the NRC if the Grantor ceases to exist.

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 the NRC, or by the Trustee and the 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, the Trustee, and the 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 Indiana.

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Section 19.

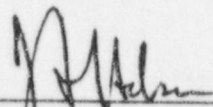
Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this 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.

ATTEST:

*L. Kay Nelson*  
*Asst. Secretary*

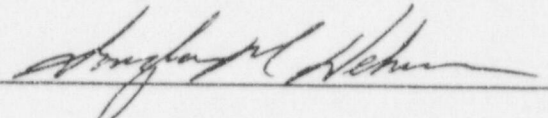
WIL RESEARCH LABORATORIES, INC.

  
\_\_\_\_\_  
Joseph F. Holson, Ph.D.  
President, Director

ATTEST:

*Michelle Sturmyugh*  
*Assistant Secretary*

LAFAYETTE BANK & TRUST COMPANY

  
\_\_\_\_\_

**NON NEGOTIABLE**

# ACKNOWLEDGEMENT

STATE OF INDIANA

To Wit: \_\_\_\_\_

CITY OF LAFAYETTE

On this 16 day of June, before me, a notary public in and for the city and State aforesaid, personally appeared Douglas M. Wehrman and he did depose and say that he is the Trust Officer (title), of Lafayette Bank & Trust Company, Trustee, which executed the above instrument, that he knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association; and that he signed his name thereto by like order.

Janet S Lloyd  
(Signature of notary public)

My Commission Expires: 8-29-97  
Resident of Clinton County

Janet S Lloyd

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## SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimates for the following licensed activities:

U.S. NUCLEAR REGULATORY COMMISSION <u>LICENSE NUMBER</u>	NAME AND ADDRESS OF <u>LICENSEE</u>	ADDRESS OF LICENSED <u>ACTIVITY</u>	COST ESTIMATES FOR REGULATORY ASSURANCES DEMONSTRATED BY THIS <u>AGREEMENT</u>
34-20070-01	WIL Research Laboratories, Inc. 1407 George Road Ashland, Ohio 44805	Same	\$150,000.00

**NON NEGOTIABLE**



**SCHEDULE B**

AMOUNT \$150,000.00

AS EVIDENCED BY PAYMENT SURETY BOND

**NON NEGOTIABLE**

## SCHEDULE C

LAFAYETTE BANK & TRUST COMPANY shall charge no fee as long as there are no assets in the Trust to administer.

In the event cash, securities, or other liquid assets are deposited with the Trustee pursuant to the Agreement, fees will be charged in accordance with the current Trust Fees and Services schedule as follows:

1. The opening fee is to be \$300.
2. If payments are to be collected; the charge is \$10 per payment.
3. If funds are to be disbursed, there will be an additional fee of \$2 per check.

In the event changes in the fee schedule are adopted after the date of this Agreement, the fees will be charged in accordance with the schedule in force at the time the Trust is activated.

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Rollins Hudig Hall of Illinois, Inc.  
123 North Wacker Drive, Chicago, Illinois 60606  
312/701-4000

October 20, 1994  
VIA UPS

Ms. Sandy Frazier  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, Illinois  
60532-3451

Re: Reliance Insurance Company Bond # [REDACTED]  
Eff Date 7/31/1994  
Principal: Wil Research Laboratores, Inc.

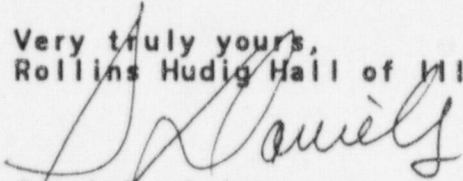
Dear Ms. Frazier:

Please find enclosed the above captioned bond which has been written through the Reliance Insurance Company of Philadelphia, Pennsylvania, replacing bond #236197 with Seaboard Insurance Company. Reliance bond was sent to Great Lakes Chemical Corporation for filing sometime ago, (see my attached correspondence), however, Seaboard Insurance Company informed me that they have not been released from their liability, thus the issuance of a duplicate original bond.

At your earliest convenience, please forward aforementioned release to Seaboard Insurance Company for closing of their file.

Should you need any additional information regarding this bond, do not hesitate to contact me at 312-701-4446.

Very truly yours,  
Rollins Hudig Hall of Illinois, Inc.

  
Sarah Daniels  
Technical Associate  
Financial Surety Department  
312-701-4446

RECEIVED

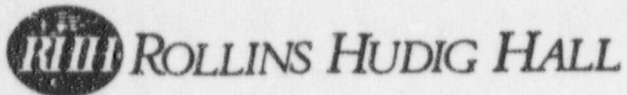
NOV 10 1994

REGION III

An AON Company

300204





Rollins Hudig Hall of Illinois, Inc.  
123 North Wacker Drive, Chicago, Illinois 60606  
312/701-4000

October 12, 1994  
Via UPS

RECEIVED

OCT 13 1994

R. R. FERGUSON

Sue McGee  
Great Lakes Chemical Corporation  
One Great Lakes Boulevard  
West Lafayette, Indiana  
47906

Re: Bond #'s [REDACTED]

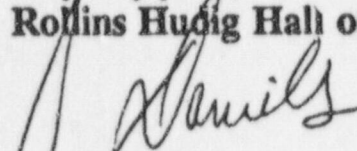
Dear Sue:

Enclosed please find the above captioned bonds which I have re-issued. (The original bonds have not been filed and I need to get the enclosed signed, in order to process ASAP). I have contacted Glen Perdue's office in an effort to find out where bonds were filed, however, I haven't been successful, therefore, I have issued duplicate originals for immediate filing.

Return these bonds to me along with the one that I sent on October 12, 1994.

Thank you.

Very truly yours,  
Rollins Hudig Hall of Illinois, Inc.

  
Sarah Daniels  
Technical Associate  
Financial Surety Department  
312-701-4446

PAYMENT SURETY BOND

Date bond executed: June 10, 1994  
 Effective date: July 31, 1994  
 Principal: WIL Research Laboratories, Inc.  
 Type of Organization: Corporation  
 State of Incorporation: Indiana (if applicable)  
 NRC license number, name and address of facility, and amount(s)  
 for decommissioning activity guaranteed by this bond:  
34-20070-01

Name: WIL Research Laboratories, Inc.  
 Address: 1407 George Road  
Ashland, Ohio 44805  
 Amount(s): \$99,700.00  
 Surety(ies): Reliance Insurance Company  
 Address(es): 4 Penn Center Plaza  
Philadelphia, Pa 19103

Type of Organization: Corporation  
 State of incorporation: Pennsylvania (if applicable)  
 Surety's qualification in jurisdiction where licensed  
 facility ~~is~~ located. Yes  
 Surety's bond number: [REDACTED]  
 Total penal sum of bond: \$99,700.00

Know all persons by these presents, that we, the Principal and Surety(ies) hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all

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other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas, the U.S. Nuclear Regulatory Commission, 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 1 of the Code of Federal Regulations, Part 30, applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning:

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of decommissioning of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount(s) after an order to begin facility decommissioning is issued by the NRC or a U.S. district court or other court of competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance and obtain the written approval of the NRC of such assurance, within 30 days after the date a notice of cancellation from the Surety(ies) is received by both the Principal and the NRC, then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the NRC that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the NRC provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the Principal and the NRC, as evidenced by the return receipts.

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The Principal may terminate this bond by sending written notice to the NRC and to Surety(ies) 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond from the NRC.

The Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the NRC.

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 Principal and Surety(ies) have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

Principal: Great Lakes Chemical Corporation  
One Great Lakes Boulevard  
West Lafayette, Indiana 47906

By: *Richard Ferguson*

Surety: Reliance Insurance Company

By: *Sarah Daniels*  
Sarah Daniels Attorney-In-Fact

State of Incorporation: New York

Liability Limit: \$99,700.00

COUNTERSIGNATURE

*Geoffrey V. Parker*  
RESIDENT AGENT

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300204

# LIANCE INSURANCE COM. NY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the RELIANCE INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint Thomas J. Joelin, Robert J. Throckmorton, Jacquelyn Rice, Tammy Behnke, Leslie Kazmierowski, Lloyd N. Wheeler, Christine Marotta, Sarah Daniels, Karen Daniel, Sandra Terry, Lynn J. Kidd, Michael A. Dougherty, individually, of Chicago, Illinois, its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of suretyship and to bind the RELIANCE INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the RELIANCE INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of RELIANCE INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

### ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKING

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.
2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.
3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and shall have power and authority to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

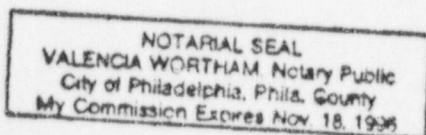
### ACKNOWLEDGMENT BY SURETY

State of Illinois }  
County of Cook } ss.:  
On the 10th day of June 1994, before me personally came Sarah Daniels  
Cook County Illinois  
to me known, who, being by me duly sworn, did depose and say: that he resides \_\_\_\_\_  
that he is the \_\_\_\_\_ of Reliance Insurance Company



11039

Jaquarian Marie Martin  
(Notary Public)



Valencia Wortham  
Notary Public in and for State of Pennsylvania  
Residing at Philadelphia

I, Anita Zippert, Secretary of the RELIANCE INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said RELIANCE INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 10th day of June 19 94



Anita Zippert  
Secretary

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MAR 01 1996

Daniel W. Sved, Ph.D.  
Radiation Safety Officer  
Wil Research Laboratories, Inc.  
1407 George Road  
Ashland, OH 44805

Dear Mr. Sved:

We have reviewed your response dated July 19, 1995, to our letter dated May 31, 1995, concerning the additional information submitted regarding your decommissioning funding plan surety bond. Please provide the following additional information:

1. **Revise or Justify the Salary Rates Used in the Cost Estimate (NUREG/CR-1754, Addendum 1)**

Your cost estimate is based on salary rates (including overhead) that appear low relative to those in Appendix D of NUREG/CR-1754, Addendum 1:

	<u>Submitted Rates</u>	<u>NUREG/CR-1754</u>
Supervisor	\$80,000	\$88,400
Foreman	\$40,000	\$66,300
Technician	\$20,000	\$52,400
Clerical	--	\$40,800

Using the rates in NUREG/CR-1754, NRC estimates that total decommissioning costs would increase by nearly \$25,000. Thus, the decommissioning cost estimate may be substantially low. Therefore, please revise the salary rates used in your cost estimate, or provide justification for the rates used, including the source of the data and whether the rates reflect licensee staff or contractor staff (including contractor profit).

2. **Account for the Costs to Purchase and Dispose of Equipment and Supplies for Decontamination (Regulatory Guide 3.66, pages 1-9 and 1-10)**

It is not clear whether you have included in your cost estimate any amounts to purchase or dispose of equipment or supplies for decontamination efforts. Equipment and supplies (including personal protective equipment, brushes, etc.) are regularly used during decontamination procedures. In addition, the equipment and supplies may need to be disposed of as radioactive waste after use. According to *Regulatory Guide 3.66 "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30,*



40, 70, and 72," June 1990, pages 1-9 and 1-10, a decommissioning cost estimate should include costs of equipment and supplies required during decommissioning. Based on the amounts of equipment and supplies needed to decommission the six reference laboratories in NUREG/CR-1754, Addendum 1, NRC estimates that including equipment and supplies would increase the licensee's total cost estimate by approximately \$18,000 (i.e., purchase costs), plus any associated disposal costs. Therefore, please include in your cost estimate the costs to purchase and dispose of equipment and supplies used during decommissioning.

3. Include Hours for a Health Physicist Technician in the Decommissioning Cost Estimate (NUREG/CR-1754, Addendum 1, Appendix B)

Appendix B of NUREG/CR-1754, Addendum 1, includes 47 hours for a health physicist technician for the decommissioning of a reference laboratory. A health physicist technician typically conducts radiation surveys and interprets their results. The cost estimate submitted by the licensee, however, does not include any hours for a health physicist technician. Please include hours for a health physicist technician in the decommissioning cost estimate.

4. Revise the Surety Bond to Clarify that the Licensee is the Principal of the Bond (*Regulatory Guide 3.66*, page 4-30)

Your previous submission included a surety bond from Reliance Insurance Company with an effective date of July 31, 1994. Line three of that bond listed WIL Research Laboratories, Inc. as the principal of the bond. At the conclusion of the bond, however, Great Lakes Chemical Corporation (the parent company of the licensee) was listed as the principal. The identity of the principal is an important provision because the surety becomes liable on the bond only upon the principal's failure to act in certain instances specified in the bond. In addition, if the surety wishes to cancel the bond, the surety must notify the principal so that the principal can seek alternative financial assurance prior to the bond's cancellation.

We requested (in a letter dated May 31, 1995) that you revise the bond to state that you are the principal. In response to our request, you indicated (in a letter to NRC dated July 19, 1995) that

"The current surety bond, effective July 31, 1994 and issued by Reliance Insurance Company, lists WIL as both the principal of the bond and the NRC license holder. WIL is a wholly owned subsidiary of the Great Lakes Chemical Corporation, which is listed as principal at the end of the bond. This current bond was issued as a replacement for the bond submitted with our original DFP and contains the same information as the original bond. The original bond was considered acceptable for our DFP by the NRC."

(The current submission includes a copy of a previous surety bond (issued by Seaboard Surety Company, effective on July 31, 1992) that may be "the original bond" referenced by the licensee. The Seaboard bond, however, does not identify two principals, nor does it mention Great Lakes Chemical Corporation.)

You did not revise the Reliance surety bond as requested. Therefore, in order to avoid confusion that could delay the release of funds should it become necessary to draw on the bond, or that could jeopardize your ability to obtain alternative assurance in the event of a cancellation, please revise the Reliance surety bond to list only the licensee as the principal of the bond, as recommended in *Regulatory Guide 3.66*, page 4-30.

5. **Submit Evidence that the Party Signing the Surety Bond for the Licensee is Authorized to Represent the Licensee** (*Regulatory Guide 3.66*, page 3-17)

The previous submission by you did not include evidence that the party signing the surety bond is authorized to represent you in the agreement, as recommended in *Regulatory Guide 3.66*, page 3-17. NRC requested (in a letter dated May 31, 1995) that you submit such evidence. In response to the request, you indicated that "evidence that the party signing the bond [Joseph F. Holson] is authorized to represent WIL was submitted to NRC with the first surety bond." Regardless of the validity of this evidence (see Item 7 below), however, the Reliance surety bond is signed by an individual other than Joseph F. Holson.<sup>1</sup> To ensure the validity and enforceability of the mechanism, NRC request that you submit a copy of the corporate by-laws or other evidence indicating that the party signing the surety bond for WIL Research Laboratories, Inc. is authorized to do so.

6. **Submit Evidence that the Party Signing the Standby Trust Agreement for the Licensee is Authorized to Represent the Licensee** (*Regulatory Guide 3.66*, page 3-14)

The standby trust agreement (as well as your original surety bond) is signed for by Joseph F. Holson, its "President and Director." Evidence of Holson's authority to sign this mechanism (as well as the surety bond) is provided in the form of a sworn, notarized affidavit, which states that "I have the power invested in me to approve and sign for the company in all business matters relating to the company." This evidence, however, is insufficient to ensure the validity and enforceability of the mechanism because it provides no independent

---

<sup>1</sup> The Reliance surety bond is signed by Richard Ferguson (no title stated), who appears to work for the Great Lakes Chemical Company, rather than the licensee.

verification that the "President and Director" is authorized to sign the standby trust agreement, such as would be provided in your corporate by-laws or articles of incorporation. Therefore, please submit a copy of the corporate by-laws or other evidence indicating that the party signing the standby trust agreement for the licensee is authorized to do so, as recommended in *Regulatory Guide 3.66*, page 3-14.

Finally, all documents submitted to the NRC must be originally signed duplicates, as recommended in *Regulatory Guide 3.66*. Unless the documents have been properly signed, NRC cannot be certain that the financial assurance mechanism is enforceable.

We will continue our review of your submission upon receipt of the information requested in our letter dated May 31, 1995. Please reply in duplicate, within 30 days, and refer to Control Number 300204.

If you have any questions or require clarification on any of the information stated above, you may contact us at (708) 829-9887.

Sincerely,

Original Signed By  
Cassandra F. Frazier  
Materials Licensing Branch

License No.: 34-20070-01  
Docket No.: 030-17926

DOCUMENT NAME: M:\03017926.DE6

To receive a copy of this document, indicate in the box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

OFFICE	DNMS/RIII								
NAME	CFRAZIER: jw								
DATE	02/21/96								

OFFICIAL RECORD COPY



94-39

DEC 19 1994

MEMORANDUM FOR: Dr. Louis Bykoski, Project Officer  
Low-Level Waste and Decommissioning Projects  
Branch, Division of Waste Management  
Office of Nuclear Materials Safety and Safeguards

FROM: John R. Madera, Chief  
Materials Licensing Section, Nuclear Materials  
Safety Branch  
Division of Radiation Safety and Safeguards, Region III

SUBJECT: REQUEST FOR ASSISTANCE IN PROCESSING AND REVIEW OF  
NONSTANDARD FINANCIAL ASSURANCE SUBMITTALS RELATED  
TO THE DECOMMISSIONING RULE

Enclosed for your review is one financial assurance submittal from a Region III licensee. The licensee is Wil Research Laboratories, License Number 34-20070-01. They have submitted a new Surety Bond to provide for financial assurance for decommissioning dated October 20, 1994 (enclosed) which requires contractor review.

We appreciate your efforts in resolving these issues. If you have any questions, please contact Cassandra Frazier of my staff at (708) 829-9830.

License No.: 34-20070-01  
Docket No.: 030-17926

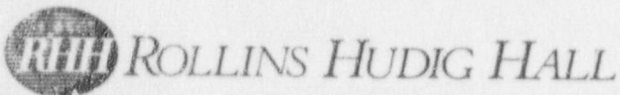
Enclosure: Licensee ltr dtd 10/20/94

DOCUMENT NAME: M\03017926.OTHR

To receive a copy of this document, indicate in the box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

OFFICE	DRSS/RIII	DRSS/RIII							
NAME	CFRAZIER: jaw	JRMAJERA							
DATE	12/12/94	12/12/94							

OFFICIAL RECORD COPY



Rollins Hudig Hall of Illinois, Inc.  
123 North Wacker Drive, Chicago, Illinois 60606  
312/701-4000

October 20, 1994  
VIA UPS

Ms. Sandy Frazier  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, Illinois  
60532-3451

34-20070-01  
030-17926  
NF

Re: Reliance Insurance Company Bond # B2475328  
Eff Date 7/31/1994  
Principal: Will Research Laboratories, Inc.

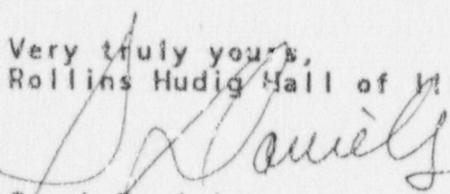
Dear Ms. Frazier:

Please find enclosed the above captioned bond which has been written through the Reliance Insurance Company of Philadelphia, Pennsylvania, replacing bond #236197 with Seaboard Insurance Company. Reliance bond was sent to Great Lakes Chemical Corporation for filing sometime ago, (see my attached correspondence), however, Seaboard Insurance Company informed me that they have not been released from their liability, thus the issuance of a duplicate original bond.

At your earliest convenience, please forward aforementioned release to Seaboard Insurance Company for closing of their file.

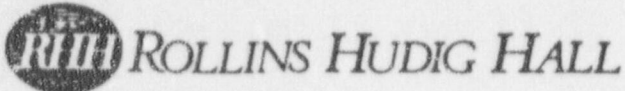
Should you need any additional information regarding this bond, do not hesitate to contact me at 312-701-4446.

Very truly yours,  
Rollins Hudig Hall of Illinois, Inc.

  
Sarah Daniels  
Technical Associate  
Financial Surety Department  
312-701-4446

300204

RECEIVED  
NOV 10 1994  
REGION III



Rollins Hudig Hall of Illinois, Inc.  
123 North Wacker Drive, Chicago, Illinois 60606  
312/701-4000

October 12, 1994  
Via UPS

RECEIVED

OCT 13 1994

R. R. FERGUSON

Sue McGee  
Great Lakes Chemical Corporation  
One Great Lakes Boulevard  
West Lafayette, Indiana  
47906

Re: Bond #'s B2412666, B2441116, B2441117, & B2475329

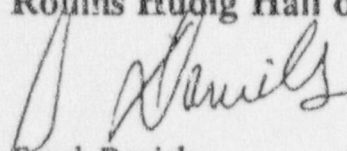
Dear Sue:

Enclosed please find the above captioned bonds which I have re-issued. (The original bonds have not been filed and I need to get the enclosed signed, in order to process ASAP). I have contacted Glen Perdue's office in an effort to find out where bonds were filed, however, I haven't been successful, therefore, I have issued duplicate originals for immediate filing.

Return these bonds to me along with the one that I sent on October 12, 1994.

Thank you.

Very truly yours,  
Rollins Hudig Hall of Illinois, Inc.

  
Sarah Daniels  
Technical Associate  
Financial Surety Department  
312-701-4446



## PAYMENT SURETY BOND

Date bond executed: June 10, 1994  
Effective date: July 31, 1994  
Principal: WIL Research Laboratories, Inc.  
Type of Organization: Corporation  
State of Incorporation: Indiana (if applicable)  
NRC license number, name and address of facility, and amount(s)  
for decommissioning activity guaranteed by this bond:  
34-20070-01

Name: WIL Research Laboratories, Inc.  
Address: 1407 George Road  
Ashland, Ohio 44805  
Amount(s): \$99,700.00  
Surety(ies): Reliance Insurance Company  
Address(es): 4 Penn Center Plaza  
Philadelphia, Pa 19103  
Type of Organization: Corporation  
State of incorporation: Pennsylvania (if applicable)  
Surety's qualification in jurisdiction where licensed  
facility~~(xxx)~~ is ~~(xxx)~~located). Yes  
#B2475328  
Surety's bond number: \_\_\_\_\_  
Total penal sum of bond: \$99,700.00

Know all persons by these presents, that we, the Principal and Surety(ies) hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all

other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas, the U.S. Nuclear Regulatory Commission, 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 1 of the Code of Federal Regulations, Part 30, applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning:

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of decommissioning of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount(s) after an order to begin facility decommissioning is issued by the NRC or a U.S. district court or other court of competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance and obtain the written approval of the NRC of such assurance, within 30 days after the date a notice of cancellation from the Surety(ies) is received by both the Principal and the NRC, then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the NRC that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the NRC provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the Principal and the NRC, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the NRC and to Surety(ies) 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond from the NRC.

The Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the NRC.

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 Principal and Surety(ies) have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

Principal: Great Lakes Chemical Corporation  
One Great Lakes Boulevard  
West Lafayette, Indiana 47906

By: *Robert Ferguson*

---

Surety: Reliance Insurance Company

By: *Sarah Daniels*  
Sarah Daniels Attorney-In-Fact

---

State of Incorporation: New York

Liability Limit: \$99,700.00

COUNTERSIGNATURE

*George V. Parker*  
RESIDENT AGENT



# RELiance INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the RELIANCE INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint Thomas J. Joslin, Robert J. Throckmorton, Jacquelyn Rice, Tammy Behnke, Leslie Kazmierowski, Lloyd N. Wheeler, Christine Marotta, Sarah Daniels, Karen Daniel, Sandra Terry, Lynn J. Kidd, Michael A. Dougherty, individually, of Chicago, Illinois, its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of suretyship and to bind the RELIANCE INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the RELIANCE INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of RELIANCE INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

### ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKING

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

### ACKNOWLEDGMENT BY SURETY

State of Illinois

County of Cook

ss.:

On the 10th day of June

19 94

before me personally came Sarah Daniels

Cook County Illinois

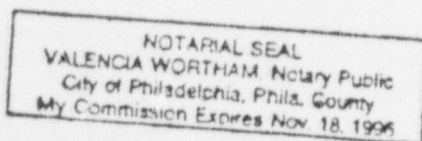
to me known, who, being by me duly sworn, did depose and say: that he resides

that he is the \_\_\_\_\_ of Reliance Insurance Company



Jaquarian Marie Martin  
(Notary Public)

11039



Valencia WORTHAM

Notary Public in and for State of Pennsylvania  
Residing at Philadelphia

I, Anita Zippert, Secretary of the RELIANCE INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said RELIANCE INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 10th day of June

19 94



Anita Zippert  
Secretary



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

45-42

January 19, 1996

MEMORANDUM TO: John R. Madera, Chief  
Materials Licensing Section  
Division of Radiation Safety  
and Safeguards, Region III

FROM: Louis M. Bykoski *Louis M. Bykoski*  
Materials Decommissioning Section  
Low-Level Waste and Decommissioning  
Projects Branch  
Division of Waste Management, NMSS

SUBJECT: THE OFFICE OF GENERAL COUNSEL AND CONTRACTOR COMMENTS ON  
NON-STANDARD FINANCIAL ASSURANCE SUBMITTAL

Our contractor, ICF Incorporated, and the Office of General Counsel (OGC) have reviewed and provided comments on the Wil Research Laboratories nonstandard financial assurance submittal sent to us for review.

The ICF comments are presented in two parts. The first part deals with specific recommendations to current deficiencies. The second part (Other Issues) provides a discussion of changes to the standard wording that are acceptable and are not considered to be deficiencies. The OGC comments may include additional deficiencies that need to be corrected by the licensee and comments for our internal use.

You should carefully review all the comments before preparing the deficiency letter. We have enclosed both the ICF and OGC comments to assist you in your review.

Attachments: As stated

CONTACT: Louis M. Bykoski, NMSS/DWM  
415-6754  
Bradley Jones, OGC  
415-1628

## LIST OF INSTRUCTIONS

Wil Research Laboratories

In reviewing the comments the reviewer will note that there will be some overlap between ICF and OGC comments. The following comments should be included in the basis for the deficiency letter:

1. ICF comments 1 through 6 plus last paragraph.
2. All OGC comments.

All other comments and discussions are for reviewer information.



MEMO TO: Louis M. Bykoski, NMSS  
FROM: OGC  
RE: REVIEW OF NONSTANDARD SUBMITTALS

REVIEW OF ICF COMMENTS ON WIL RESEARCH LABORATORIES, INC.,  
~~E. I. DUPONT DE NEMOURS & COMPANY AND NII FINANCIAL~~  
~~SUBMITTALS~~

We have reviewed the ~~three~~ ICF memoranda, ~~all~~ dated December 8, 1995 and addressed to Dr. Lou Bykoski, which provided comments on the referenced companies' financial assurance submittals for licensed facilities. We have no legal objection to the comments provided by ICF on the referenced financial assurance documents and have no additional comments.



CONSULTING GROUP

ICF Incorporated  
9300 Lee Highway  
Fairfax, VA 22031-1207  
703/934-3000 Fax 703-934-9740

December 8, 1995

To: Dr. Lou Bykoski, NMSS/NRC

From: Mohammad Iqbal, Matt Borick, and John Collier, ICF Incorporated

Subject: Review of Decommissioning Cost Estimate and Surety Bond Submitted by WIL Research Laboratories, Inc.

---

WIL Research Laboratories, Inc. in Ashland, Ohio, submitted a decommissioning funding plan (DFP), using a surety bond and standby trust fund, in the amount of \$99,700. The submission assures estimated decommissioning costs of \$99,625 for license 34-20070-01 issued under 10 CFR Part 30.<sup>1</sup> Upon review of the submission, ICF recommends that NRC require the licensee to modify the submission in the following ways:

- (1) Revise or justify the salary rates used in the cost estimate (NUREG/CR-1754, Addendum 1);
- (2) Account for the costs to purchase and dispose of equipment and supplies for decontamination (Regulatory Guide 3.66, pages 1-9 and 1-10);
- (3) Include hours for a health physicist technician in the decommissioning cost estimate (NUREG/CR-1754, Addendum 1, Appendix B);
- (4) Revise the surety bond to clarify that the licensee is the principal of the bond (Regulatory Guide 3.66, page 4-30);
- (5) Submit evidence that the party signing the surety bond for the licensee is authorized to represent the licensee (Regulatory Guide 3.66, page 3-17); and
- (6) Submit evidence that the party signing the standby trust agreement for the licensee is authorized to represent the licensee (Regulatory Guide 3.66, page 3-14).

These recommendations and other issues are discussed below.

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<sup>1</sup> ICF reviewed three previous submissions from the licensee and reported several recommendations to NRC in memoranda dated November 13, 1990, February 10, 1992, and April 7, 1995.

- (1) Revise or Justify the Salary Rates Used in the Cost Estimate (NUREG/CR-1754, Addendum 1)

The licensee's cost estimate is based on salary rates (including overhead) that appear low relative to those in Appendix D of NUREG/CR-1754, Addendum 1:<sup>2</sup>

	<u>Submitted Rates</u>	<u>NUREG/CR-1754<sup>3</sup></u>
Supervisor	\$80,000	\$88,400
Foreman	\$40,000	\$66,300
Technician	\$20,000	\$52,400
Clerical	--	\$40,800

Using the rates in NUREG/CR-1754, ICF estimates that total decommissioning costs would increase by nearly \$25,000. Thus, the decommissioning cost estimate may be substantially low. ICF recommends that NRC require the licensee to revise the salary rates used in the cost estimate, or provide justification for the rates used, including the source of the data and whether the rates reflect licensee staff or contractor staff (including contractor profit).

- (2) Account for the Costs to Purchase and Dispose of Equipment and Supplies for Decontamination (*Regulatory Guide 3.66*, pages 1-9 and 1-10)

It is not clear whether the licensee has included in its cost estimate any amounts to purchase or dispose of equipment or supplies for decontamination efforts. Equipment and supplies (including personal protective equipment, brushes, etc.) are regularly used during decontamination procedures. In addition, the equipment and supplies may need to be disposed of as radioactive waste after use. According to *Regulatory Guide 3.66* "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30, 40, 70, and 72," June 1990, pages 1-9 and 1-10, a decommissioning cost estimate should include costs of equipment and supplies required during decommissioning. Based on the amounts of equipment and supplies needed to decommission the six reference laboratories in NUREG/CR-1754, Addendum 1, ICF estimates that including equipment and supplies would increase the licensee's total cost estimate by approximately \$18,000 (i.e., purchase costs), plus any associated disposal costs. Therefore, ICF recommends that NRC require the licensee to include in its cost

---

<sup>2</sup> NUREG/CR-1754, Addendum 1, Technology, Safety and Costs of Decommissioning Reference Non-Fuel-Cycle Nuclear Facilities: Compendium of Current Information, Pacific Northwest Laboratory, October 1989.

<sup>3</sup> Adjusted annual charge-out rates for owner/operator's staff from NUREG/CR-1754, Addendum 1, Table D.1. Adjusted from 1988 to 1995 dollars using an inflation adjustment factor of 1.23 (or 128.3/103.9, based on GDP implicit price deflators as reported in *Economic Indicators*, October 1995).



estimate the costs to purchase and dispose of equipment and supplies used during decommissioning.

- (3) Include Hours for a Health Physicist Technician in the Decommissioning Cost Estimate (NUREG/CR-1754, Addendum 1, Appendix B)

Appendix B of NUREG/CR-1754, Addendum 1, includes 47 hours for a health physicist technician for the decommissioning of a reference laboratory. A health physicist technician typically conducts radiation surveys and interprets their results. The cost estimate submitted by the licensee, however, does not include any hours for a health physicist technician. ICF recommends that NRC require the licensee to include hours for a health physicist technician in the decommissioning cost estimate.

- (4) Revise the Surety Bond to Clarify that the Licensee is the Principal of the Bond (*Regulatory Guide 3.66*, page 4-30)

The licensee's previous submission included a surety bond from Reliance Insurance Company with an effective date of July 31, 1994. Line three of that bond listed WIL Research Laboratories, Inc. as the principal of the bond. At the conclusion of the bond, however, Great Lakes Chemical Corporation (the parent company of the licensee) was listed as the principal. The identity of the principal is an important provision because the surety becomes liable on the bond only upon the principal's failure to act in certain instances specified in the bond. In addition, if the surety wishes to cancel the bond, the surety must notify the principal so that the principal can seek alternative financial assurance prior to the bond's cancellation.

NRC requested (in a letter dated May 31, 1995) that the licensee revise the bond to state that the licensee is the principal.<sup>4</sup> In response to NRC's request, the licensee indicated (in a letter to NRC dated July 19, 1995) that

"The current surety bond, effective July 31, 1994 and issued by Reliance Insurance Company, lists WIL as both the principal of the bond and the NRC license holder. WIL is a wholly owned subsidiary of the Great Lakes Chemical Corporation, which is listed as principal at the end of the bond. This current bond was issued as a replacement for the bond submitted with our original DFP and

---

<sup>4</sup> ICF does not have a copy of NRC's letter dated May 31, 1995. However, the licensee's July 19, 1995, letter to NRC indicates that

"This letter is in response to your letter dated May 31, 1995 requesting additional information concerning our decommissioning funding plan (DFP). The additional information or actions requested were: 1) revision of the surety bond to indicate that WIL Research Laboratories, Inc. (WIL), the licensee, is the principal of the bond, 2) submission of evidence that the party signing the bond is authorized to represent WIL, and 3) that a standby trust agreement be submitted."

contains the same information as the original bond. The original bond was considered acceptable for our DFP by the NRC."

(The current submission includes a copy of a previous surety bond (issued by Seaboard Surety Company, effective on July 31, 1992) that may be "the original bond" referenced by the licensee. The Seaboard bond, however, does not identify two principals, nor does it mention Great Lakes Chemical Corporation.)

The licensee did not revise the Reliance surety bond as requested by NRC. Therefore, in order to avoid confusion that could delay the release of funds should it become necessary to draw on the bond, or that could jeopardize the licensee's ability to obtain alternative assurance in the event of a cancellation, ICF recommends that NRC require the licensee to revise the Reliance surety bond to list only the licensee as the principal of the bond, as recommended in *Regulatory Guide 3.66*, page 4-30.

- (5) Submit Evidence that the Party Signing the Surety Bond for the Licensee is Authorized to Represent the Licensee (*Regulatory Guide 3.66*, page 3-17)

The previous submission by the licensee did not include evidence that the party signing the surety bond for the licensee is authorized to represent the licensee in the agreement, as recommended in *Regulatory Guide 3.66*, page 3-17. NRC requested (in a letter dated May 31, 1995) that the licensee submit such evidence. In response to NRC's request, the licensee indicated that "evidence that the party signing the bond [Joseph F. Holson] is authorized to represent WIL was submitted to NRC with the first surety bond." Regardless of the validity of this evidence (see Recommendation 6), however, the Reliance surety bond is signed by an individual other than Joseph F. Holson.<sup>5</sup> To ensure the validity and enforceability of the mechanism, ICF recommends that NRC require the licensee to submit a copy of the corporate by-laws or other evidence indicating that the party signing the surety bond for WIL Research Laboratories, Inc. is authorized to do so.

- (6) Submit Evidence that the Party Signing the Standby Trust Agreement for the Licensee is Authorized to Represent the Licensee (*Regulatory Guide 3.66*, page 3-14)

The standby trust agreement (as well as the licensee's original surety bond) is signed for the licensee by Joseph F. Holson, its "President and Director." Evidence of Holson's authority to sign this mechanism (as well as the surety bond) is provided in the form of a sworn, notarized affidavit, which states that "I have the power invested in me to approve and sign for the company in all business matters relating to the company." This evidence, however, is insufficient to ensure the validity and enforceability of the

---

<sup>5</sup> The Reliance surety bond is signed by Richard Ferguson (no title stated), who appears to work for the Great Lakes Chemical Company, rather than the licensee.

mechanism because it provides no independent verification that the "President and Director" is authorized to sign the standby trust agreement, such as would be provided in the licensee's corporate by-laws or articles of incorporation. ICF recommends that NRC require the licensee to submit a copy of the corporate by-laws or other evidence indicating that the party signing the standby trust agreement for the licensee is authorized to do so, as recommended in Regulatory Guide 3.66, page 3-14.

#### Other Issues

Apart from editorial and non-substantive changes to the standard wording provided in Regulatory Guide 3.66, the following modifications are noteworthy:

- (a) In its cost estimate, the licensee uses cost estimating tables taken from Appendix F of Regulatory Guide 3.66. Although these tables state that the labor requirements are specified in work days (as in Regulatory Guide 3.66), the actual labor units used in the submitted tables are work hours.
- (b) ICF notes the following issues regarding the Seaboard surety bond:
  - Although the first page of the Seaboard bond identifies the address of the licensed facility as "1407 George Road, Ashland, Ohio 44805," the last page lists the address of the principal as "52 NorthWest Highway, West Lafayette, Indiana 47906." It is unclear whether the different addresses can be explained by separate facilities for licensed activities and corporate activities (e.g., headquarters). Nevertheless, the bond clearly identifies the principal of the bond as WIL Research Laboratories, Inc., and identifies the appropriate facility covered by the bond.
  - The evidence submitted to demonstrate the authority of the signatory for the Seaboard bond is identical to that for the standby trust agreement. As discussed in Recommendation 6, this evidence would not be acceptable.

These issues are not relevant, however, assuming the Seaboard bond has been replaced by the Reliance bond.

- (c) A date of signature is not indicated on the Reliance surety bond or standby trust agreement as called for in Regulatory Guide 3.66. In the absence of these dates, however, the execution dates will serve as the dates of signature.
- (d) The words "or \_\_\_\_\_ dollars, whichever is greater," have been omitted from Section 5 of the standby trust agreement. Nevertheless, Section 5 appropriately limits withdrawals from the trust to no more than 10 percent of the trust's value, unless NRC's approval has been attached to the withdrawal request.
- (e) Sections 18 and 19 of the licensee's standby trust agreement appear to be misnumbered as Sections 17 and 18, respectively. Thus, there are two



different sections labeled "Section 17." This does not affect the standby trust agreement, however, because the interpretation and severability provision in the agreement states that "the descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement," as recommended in *Regulatory Guide 3.66*, page 4-23.

- (f) Schedule A of the standby trust agreement is missing the following line recommended in *Regulatory Guide 3.66*: "The cost estimates listed here were last adjusted and approved by the NRC on \_\_\_\_." This statement is intended to assist the trustee in evaluating the information in Schedule A, but is not critical to the trust's effectiveness because NRC will evaluate the cost estimate and ensure that Schedule A is accurate.
- (g) The wording of the submitted certificate of resolution differs slightly from that of *Regulatory Guide*, page 4-25 and omits the following sentence: "IN WITNESS WHEREOF, I have hereunto signed my named and affixed the seal of this Corporation this \_\_\_\_ day of \_\_\_\_\_, 19\_\_." Nevertheless, the submitted certificate of resolution ensures that the trustee will release decommissioning funds only upon receiving appropriate instructions.

Finally, NRC should ensure that documents submitted by the licensee are originally signed duplicates, as recommended in *Regulatory Guide 3.66*. Unless the documents have been properly signed, NRC cannot be certain that the financial assurance mechanism is enforceable. Because ICF does not possess the original submissions, we cannot verify compliance with these requirements.

attachments

REVIEW OF DECOMMISSIONING FUNDING PLAN (DFF)

Name of company or institution:

WIL Research Labs, Inc.

Number of licenses and  
applicable regulations:

1

10 CFR Part 30

10 CFR Part 40

10 CFR Part 70

10 CFR Part 72

Isotopes handled and  
possession limits  
(specify units):

<sup>14</sup>  
C

1000 mCi

Total cost estimate for  
licenses listed above:

\$ 99,625

General comments on DFF:

The licensee used incorrect salary rates and does not include hours for a health physicist technician. Furthermore, costs of supplies (brushes etc.) are not included. The correct cost estimate is \$189,312

**CHECKLIST FOR REVIEWING DECOMMISSIONING FUNDING PLANS (DFP's)**

**QUESTIONS**

**COMMENTS**

<p>(1) Does the licensee provide supporting documentation for its cost estimates?</p> <p><u>✓</u> Yes      <u>      </u> No</p>	
<p>(2) Does the licensee use the Appendix F "Cost Estimating Tables?"</p> <p><u>✓</u> Yes      <u>      </u> No</p>	
<p>(3) Does the cost estimate include the following major cost elements?</p>	
<p>(i) Planning and Preparation?</p> <p><u>✓</u> Yes      <u>      </u> No</p>	
<p>(ii) Decontamination and/or Dismantling of Radioactive Facility Components?</p> <p><u>✓</u> Yes      <u>      </u> No</p>	
<p>(iii) Packaging, Shipping, and Disposal of Radioactive Wastes?</p> <p><u>✓</u> Yes      <u>      </u> No</p>	
<p>(iv) Restoration of Contaminated Areas on Facility Grounds?</p> <p><u>      </u> Yes      <u>      </u> No      <u>✓</u> NA</p>	<p>Licensee does not mention this.</p>
<p>(v) Final Radiation Survey?</p> <p><u>✓</u> Yes      <u>      </u> No</p>	
<p>(vi) Site Stabilization, Long-Term Surveillance?</p> <p><u>      </u> Yes      <u>      </u> No      <u>✓</u> NA</p>	<p>Licensee does not mention this.</p>



CHECKLIST FOR REVIEWING DFP's (continued)

QUESTIONS

COMMENTS

<p>(4) Is the total cost estimate reasonable for the type(s) and size(s) of facility licensed?</p> <p>___ Yes    <input checked="" type="checkbox"/> No</p> <p>___ Not Sure</p>	<p>Actual cost calculated as 189,312.00</p>
<p>(5) Are the cost estimates for individual facility activities and/or components reasonable?</p> <p>___ Yes    ___ No</p> <p><input checked="" type="checkbox"/> Not Sure</p>	<p>1</p>

CHECKLIST FOR REVIEWING DFP's (continued)

QUESTIONS

COMMENTS

<p>(6) Do the computations seem correct?</p> <p><input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No</p>	
<p>(7) Does the licensee take credit for the potential salvage value of recovered materials or decontaminated equipment?</p> <p><input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No</p>	
<p>(8) Does the licensee include a contingency factor in the cost estimate?</p> <p><input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No</p>	
<p>(9) Does the licensee provide a description of the methods that will be used to adjust the decommissioning cost estimate periodically over the life of the facility?</p> <p><input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No</p>	<p>Provided in a previous submission</p>

APPENDIX A  
CHECKLIST FOR DECOMMISSIONING FINANCIAL ASSURANCE

NAME OF LICENSEE OR APPLICANT

WIL Research Laboratories, Inc.

MAILING ADDRESS

1407 George Road

Ashland, OH 44805

A. Licensee Part (check one of the following):

- ☒ Part 30 Licensee or Applicant      ☐ Part 70 Licensee or Applicant  
☐ Part 40 Licensee or Applicant      ☐ Part 72 Licensee or Applicant

B. Check appropriate item in each category (if applicable)

1. <sup>Received by NRC</sup> Oct. 18, 1995 Date of Financial Assurance Submission
2. ☐ Public Entity  
☒ Private Entity
3. ☐ Certification of Financial Assurance  
☒ Decommissioning Funding Plan      Cost estimate = \$99,625      Standby Trust - effective 7/10/92
4. (a) ☐ Prepayment Option (See Appendix B)  
☐ Trust Fund  
☐ Escrow Account  
☐ Certificate of Deposit  
☐ Government Fund  
☐ Deposit of Government Securities
- (b) ☒ Surety/Insurance/Other Guarantee (See Appendix C)  
☒ Surety bond      \$99,700      Bond premium = \$997.00  
☐ Letter of Credit  
☐ Line of Credit  
☐ Parent Company Guarantee/Financial Test\*
- (c) ☐ External Sinking Fund, Sinking Account and Surety/Insurance (See Appendix D)  
☐ Trust Fund  
☐ Escrow Account  
☐ Certificate of Deposit  
☐ Government Fund  
☐ Deposit of Government Securities  
☐ Surety Bond  
☐ Letter of Credit  
☐ Line of Credit
- (d) ☐ Statement of Intent (public entities only)

\*May not be used in combination with any other instrument.



EXHIBIT 3-5

CHECKLIST OF CRITERIA FOR REVIEW OF TRUST AGREEMENTS<sup>a</sup>

- *submitted a sworn affidavit* Copy of corporate by-laws or other evidence indicating that parties signing the financial instrument (for the applicant) are authorized to represent the organization in the transaction.
- *NAC to check* Evidence that the financial instrument is an originally signed duplicate (e.g., an executed copy of the instrument).
- ✓ • Evidence that the financial institution has authority to act as a trustee.
- ✓ • Purpose of trust ("whereas" clauses).
  - 1. Description
- ✓ • Grantor or grantors (introductory paragraph).
  - ✓ 1. Names
  - 2. Addresses (*No address called for in recommended wording*)
- ✓ • Trustee or trustees.
  - ✓ 1. Names and addresses
  - ✓ 2. Bank or corporate trustee (introductory paragraph)
- ✓ • Identification of facilities and cost estimates (Section 2).<sup>b</sup>

<sup>a</sup>Adapted from 17A Am Jur Legal Forms 2d (Rev) §251.94.

<sup>b</sup>References are to recommended wording for trust agreements provided in Section 4.

EXHIBIT 3-5 (continued)

- ✓ • Words of transfer, conveyance, and delivery in trust (Section 3).
- ✓ • Payments constituting the trust fund (Section 4).
- ✓ • Duration of trust. *Until terminated*
- ✓ • Description of trust property.
  - ✓ 1. Property described in attached schedule (Schedule B)
  - ✓ 2. Cash
  - ✓ 3. Stock and other securities
- ✓ • Additions to trust.
- ✓ • Distribution of trust principal (Section 5).
  - ✓ 1. Disbursement to licensee upon proper certification
  - ✓ 2. Payment for activities at NRC's direction in writing
  - ✓ 3. Refund to grantor at NRC's specification in writing after completion of decommissioning activities
  - ✓ 4. *Withdrawal provisions must not exceed 10 percent.*
- ✓ • Trust management (Sections 6-8).
  - ✓ 1. Discretionary powers
  - ✓ 2. Fiduciary duty
  - ✓ 3. Commingling and investment
  - ✓ 4. Sale or exchange of trust property
  - ✓ 5. Scope of investments
  - ✓ 6. Express powers of trustee
  - ✓ 7. Borrowing money and encumbering trust assets

*optional* • (Optional provisions)

EXHIBIT 3-5 (continued)

- optional*
- 8. Insurance
  - 9. Operation of business
  - 10. Compromise of claims

✓ • Taxes and expenses (Section 9).

✓ • Annual valuation (Section 10).

✓ • Advice of counsel (Section 11).

✓ • Authority, compensation, and tenure of trustees (Sections 12-14).

- ✓ 1. Trustee compensation
- ✓ 2. Successor trustee
- ✓ 3. Instructions to trustee

✓ • Amendment of agreement (Section 15).

✓ • Irrevocability and termination (Section 16).

✓ • Immunity and indemnification (Section 17).

✓ • Law to govern construction and operation of trust (Section 18).

✓ • Interpretation and severability (Section 19).

*page 1  
trust  
agreement*

✓ • Date (signature block).

✓ • Signatures (signature block).

*attest  
witnesses*

• Acknowledgements, seals or attestations, if necessary or desired (witness by notary public).

✓ • Acceptance of trust by trustee or trustees (acknowledgment).



CMD:

LICENSE SCREEN \* - DECOMMISSIONING FINANCIAL ASSURANCE INFORMATION

DOCKET: 030-13926 LIC: 34-20070-01 NAME: WIL Research Laboratories, Inc.

PARTY ISSUING MECHANISM:

NAME: Reliance Insurance Company  
ADDR1: 4 Penn Center Plaza  
ADDR2:  
CITY: Philadelphia  
STATE: PA ZIP: 19013

ASSUR TYPE: CERT DEF  
MECH TYPE: SB  
MECH AMOUNT: 0 \$99,700  
APPROVED? DATE: 0  
EXPIRES? DATE: 0  
ACTION (A=ADD C=CHG D=DELETE)

PARTY ISSUING MECHANISM:

NAME:  
ADDR1:  
ADDR2:  
CITY:  
STATE: ZIP:

ASSUR TYPE: ? CERT  
MECH TYPE:  
MECH AMOUNT:  
APPROVED? DATE: 0  
EXPIRES? DATE: 0  
ACTION (A=ADD C=CHG D=DELETE)

00 000 000 00

B NJ LIU10  
T for Attention. Home to Switch NUM A.6 R5 C9  
Capture Off

1 Numeric

CMD:

LTD - FINANCIAL ASSURANCE INFORMATION

VALID MECHANISM TYPE CODES AND THEIR MEANINGS:

MECH TYPE	DESCRIPTION
TR	TRUST FUND
ES	ESROW ACCOUNT
CD	CERTIFICATE OF DEPOSIT
GF	GOVERNMENT FUND
GD	DEPOSIT OF GOVERNMENT SECURITIES
SB	SURETY BOND
LT	LETTER OF CREDIT
LN	LINE OF CREDIT
PG	PARENT COMPANY GUARANTEE
SI	STATEMENT OF INTENT

PRESS RETURN KEY FOR FINANCIAL ASSURANCE SCREEN:

B NJ LIU10  
T for Attention. Home to Switch

A.6 R1 C1  
Capture Off

1 Numeric



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

94-39

April 18, 1995

MEMORANDUM TO: John R. Madera, Chief  
Materials Licensing Section  
Division of Radiation Safety  
and Safeguards, Region III

FROM: Louis M. Bykoski *Louis M. Bykoski*  
Materials Decommissioning Section  
Low-Level Waste and Decommissioning  
Projects Branch  
Division of Waste Management, NMSS

SUBJECT: THE OFFICE OF GENERAL COUNSEL AND CONTRACTOR COMMENTS ON  
STANDARD FINANCIAL ASSURANCE SUBMITTALS

Our contractor, ICF Incorporated, and the Office of General Counsel (OGC) have reviewed and provided comments on four Region III nonstandard financial assurance submittals sent to us for review.

1. M. Jonnell Douglas
2. Research
3. Minnesota Mining & Manufacturing and
4. Data Chem Laboratories

The ICF comments are presented in two parts. The first part deals with specific recommendations to current deficiencies. The second part (Other Issues) provides a discussion of changes to the standard wording that are acceptable and are not considered to be deficiencies. The OGC comments include additional deficiencies that need to be corrected by the licensee and comments for our internal use.

You should carefully review all the comments before preparing the deficiency letter. We have enclosed both the ICF and OGC comments to assist you in your review.

Should you have any further questions with regard to the comments, please call me on (301) 415-6754 or Bradley Jones of OGC on (301) 504-1628.

Enclosures: As stated



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

April 18, 1995

MEMORANDUM TO: John R. Madera, Chief  
Materials Licensing Section  
Division of Radiation Safety  
and Safeguards, Region III

FROM: Louis M. Bykoski *Louis M. Bykoski*  
Materials Decommissioning Section  
Low-Level Waste and Decommissioning  
Projects Branch  
Division of Waste Management, NMSS

SUBJECT: THE OFFICE OF GENERAL COUNSEL AND CONTRACTOR COMMENTS ON  
STANDARD FINANCIAL ASSURANCE SUBMITTALS

Our contractor, ICF Incorporated, and the Office of General Counsel (OGC) have reviewed and provided comments on four Region III nonstandard financial assurance submittal sent to us for review.

1. McDonnell Douglas
- ✓ 2. Wil Research
3. Minnesota Mining & Manufacturing and
4. Data Chem Laboratories

The ICF comments are presented in two parts. The first part deals with specific recommendations to current deficiencies. The second part (Other Issues) provides a discussion of changes to the standard wording that are acceptable and are not considered to be deficiencies. The OGC comments include additional deficiencies that need to be corrected by the licensee and comments for our internal use.

You should carefully review all the comments before preparing the deficiency letter. We have enclosed both the ICF and OGC comments to assist you in your review.

Should you have any further questions with regard to the comments, please call me on (301) 415-6754 or Bradley Jones of OGC on (301) 504-1628.

Enclosures: As stated



## LIST OF INSTRUCTIONS

### WIL Research

In reviewing the comments the reviewer will note that there will be some overlap between ICF and OGC comments. The following comments should be included in the basis for the deficiency letter:

1. ICF comments 1 through 3 plus last paragraph.
2. All OGC comments.

All other comments and discussions are for reviewer information.

MEMO TO: Louis M. Bykoski, NMSS  
FROM: OGC  
RE: REVIEW OF NONSTANDARD SUBMITTALS

Wil Research Laboratories, Inc.

We have no legal objection to ICF's comments on Wil Research Laboratories. In addition, in reviewing the "Other Issues" section of ICF's memorandum, we recommend that the suggestion in item "b" for reviewing a complete copy of the power of attorney be followed.



CONSULTING GROUP

ICF Incorporated  
9300 Lee Highway  
Fairfax, VA 22031-1207  
703/934-3000 Fax 703-934-9740

April 7, 1995

To: Dr. Lou Bykoski, NMSS/NRC

From: Bill Goldberg and John Collier, ICF Incorporated

Subject: Review of Decommissioning Funding Plan and Surety Bond Submitted by WIL Research Laboratories, Inc.

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WIL Research Laboratories, Inc., in Ashland, Ohio, submitted a decommissioning funding plan (DFP) and surety bond in the amount of \$99,700. The submission assures decommissioning costs for license 34-20070-01, issued under 10 CFR Part 30 and revises materials previously submitted to NRC.<sup>1</sup> The current submission does not include a cost estimate (see Other Issue a). Upon review of the surety bond, ICF recommends that NRC require the licensee to modify the submission in the following ways:

- (1) Revise the bond to clarify that the licensee is the principal of the surety bond (Regulatory Guide 3.66, page 4-30);
- (2) Submit evidence that the party signing the surety bond for the licensee is authorized to represent the licensee (Regulatory Guide 3.66, page 3-17); and
- (3) Submit a standby trust agreement (10 CFR 30.35(f)(2)(ii)).

These recommendations and other issues are discussed below.

- (1) Revise the Bond to Clarify that the Licensee is the Principal of the Surety Bond (Regulatory Guide 3.66, page 4-30)

It is not clear from the submission who is the principal of the surety bond. WIL Research Laboratories, Inc. is listed as the principal in line three of the bond. At the conclusion of the bond, however, Great Lakes Chemical Corporation is listed as the principal. (In a previous submission to NRC, the licensee demonstrated that Great Lakes Chemical Corporation was the parent company of the licensee.) The identity of the principal is an important provision because the surety becomes liable on the bond only upon the principal's failure to act in certain instances specified in the bond.

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<sup>1</sup> ICF reviewed two previous parent company guarantee submissions from the licensee and reported several recommendations to NRC in memoranda dated November 13, 1990, and February 10, 1992.



Moreover, the principal must be notified of the surety's intent to cancel the bond so that the principal obtains alternate assurance prior to the bond's cancellation.

To avoid confusion that could delay the release of funds should it become necessary to draw on the bond, or that could jeopardize the licensee's ability to obtain alternative assurance in the event of cancellation, ICF recommends that NRC require the licensee to revise the bond. The revised bond should state that the licensee, and not the parent company, is the principal of the bond, as recommended in *Regulatory Guide 3.66*, "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30, 40, 70, and 72" (June 1990), page 4-30 through 4-32.

- (2) Submit Evidence that the Party Signing the Surety Bond for the Licensee is Authorized to Represent the Licensee (*Regulatory Guide 3.66*, page 3-17)

The submission does not include evidence that the party signing the surety bond for the licensee is authorized to represent the licensee in the agreement, as recommended in *Regulatory Guide 3.66*, page 3-17. Evidence of authority to represent the licensee is necessary to ensure the validity and enforceability of the mechanism. ICF recommends that NRC require the licensee to submit a copy of the corporate by-laws or other evidence indicating that the party signing the surety bond for the licensee is authorized to do so.

- (3) Submit a Standby Trust Agreement (10 CFR 30.35(f)(2)(ii))

Under 10 CFR 30.35(f)(2)(ii), a surety method of assurance, such as a surety bond, "must be payable to a trust established for decommissioning costs." The submitted surety bond requires that funds paid under the bond must be deposited into a standby trust fund, but the licensee's submission does not include a standby trust agreement. Therefore, funds cannot be withdrawn under the payment surety bond until a standby trust has been established. This delay may prevent decommissioning from taking place in a timely manner. Moreover, if it is not possible to establish a trust fund at the time the bond is drawn upon (e.g., if the licensee no longer exists), funds drawn from the bond may be unavailable to pay for decommissioning activities. ICF recommends that NRC require the licensee to submit a standby trust agreement and related documents, as recommended in *Regulatory Guide 3.66*, pages 4-18 through 4-27.

#### Other Issues

Apart from editorial and non-substantive changes to the standard wording provided in *Regulatory Guide 3.66*, the following modifications are noteworthy:

- (a) The \$99,700 amount of financial assurance demonstrated for license 34-20070-01 is substantially greater than the amount of the last decommissioning cost estimate (dated November 7, 1991) that was

reviewed by ICF for this license.<sup>2</sup> Because NRC has not asked ICF to review an updated cost estimate for this facility, ICF cannot determine whether the cost estimate has been revised to fully comply with NRC regulations and guidance, or whether the amount of financial assurance remains at least as great as the current cost estimate.

- (b) *Regulatory Guide 3.66*, page 3-17, indicates that licensees using surety bonds should submit a copy of the broker or agent's power of attorney authorizing the broker or agent to issue bonds to NRC. Although the licensee included a copy of the power of attorney, part of the copy reviewed by ICF is obscured by a notarized acknowledgment. Consequently, ICF cannot evaluate the adequacy of the power of attorney. NRC may wish to confirm that the power of attorney is acceptable by reviewing a complete copy, including its full text and signatures.
- (c) The surety bond in the current submission, which was issued by the Reliance Insurance Company, is intended to replace another surety bond issued by Seaboard Insurance Company. NRC did not provide ICF with the Seaboard bond for review or indicate whether it met NRC requirements. ICF recommends, however, that NRC not allow the Seaboard bond to be terminated until the Reliance bond has been revised to address the recommendations discussed above.

Finally, NRC should ensure that documents submitted by the licensee are originally signed duplicates, as recommended in *Regulatory Guide 3.66*. Unless the documents have been properly signed, NRC cannot be certain that the financial assurance mechanism is enforceable. Because ICF does not possess the original submissions, we cannot verify compliance with these requirements.

attachments

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<sup>2</sup> ICF reviewed this cost estimate and reported recommendations to NRC in a memorandum dated February 10, 1992.

APPENDIX A  
CHECKLIST FOR DECOMMISSIONING FINANCIAL ASSURANCE

NAME OF LICENSEE OR APPLICANT WIL Research Laboratories

MAILING ADDRESS 1407 George Road  
Ashland, Ohio 44805

A. Licensee Part (check one of the following):

- ☒ Part 30 Licensee or Applicant      ☐ Part 70 Licensee or Applicant  
☐ Part 40 Licensee or Applicant      ☐ Part 72 Licensee or Applicant

B. Check appropriate item in each category (if applicable)

1. 12/19/94 Date of Financial Assurance Submission
2. ☐ Public Entity  
☒ Private Entity
3. ☒ Certification of Financial Assurance <sup>\*</sup>99,700.00  
☐ Decommissioning Funding Plan
4. (a) ☐ Prepayment Option (See Appendix B)  
☐ Trust Fund  
☐ Escrow Account  
☐ Certificate of Deposit  
☐ Government Fund  
☐ Deposit of Government Securities  
(b) ☒ Surety/Insurance/Other Guarantee (See Appendix C)  
☒ Surety bond  
☐ Letter of Credit  
☐ Line of Credit  
☐ Parent Company Guarantee/Financial Test <sup>\*</sup>  
(c) ☐ External Sinking Fund, Sinking Account and Surety/  
Insurance (See Appendix D)  
☐ Trust Fund  
☐ Escrow Account  
☐ Certificate of Deposit  
☐ Government Fund  
☐ Deposit of Government Securities  
☐ Surety Bond  
☐ Letter of Credit  
☐ Line of Credit  
(d) ☐ Statement of Intent (public entities only)

\*May not be used in combination with any other instrument.



APPENDIX C

CHECKLIST FOR SUBMISSION OF SURETY/INSURANCE/PARENT COMPANY GUARANTEE

A. Check Appropriate Form of Surety/Insurance/Guarantee

- ☒ Surety Bond
- ☐ Letter of Credit
- ☐ Line of Credit
- ☐ Parent Company Guarantee/Financial Test\*
- ☐ Insurance

B. Check Documents Submitted for Surety/Insurance/Guarantee

1. Surety Bond
  - ☒ Surety Bond
  - ☐ Standby Trust Agreement *missing*
  - ☐ Acknowledgement *missing*
2. Letter of Credit
  - ☐ Letter of Credit
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement
3. Line of Credit
  - ☐ Verification
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement
4. Parent Company Guarantee
  - ☐ Letter from Chief Executive Officer of Applicant or Licensee
  - ☐ Letter from Chief Financial Officer of Parent Company
  - ☐ Financial Test: Alternative [I or II]
  - ☐ Auditor's Special Report and Attached Schedule
  - ☐ Corporate Guarantee
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement
5. Insurance
  - ☐ Certificate of Insurance
  - ☐ Standby Trust Agreement
  - ☐ Acknowledgement

\*May not be used in combination with any other instrument.

EXHIBIT 3-6

CHECKLIST OF CRITERIA FOR REVIEW OF SURETY BONDS

• Copy of corporate by-laws or other evidence indicating that parties signing the financial instrument (for the applicant) are authorized to represent the organization in the transaction.

• Evidence that the financial instrument is an originally signed duplicate (e.g., an executed copy of the instrument).

• Copy of Circular 570 of the U.S. Department of Treasury.

• Copy of broker/agent's power of attorney authorizing the broker/agent to issue bonds.

• Signed statement from applicant indicating that they will notify NRC if the surety company intends to cancel or go bankrupt.

• Date of execution of bond and effective date.

• Name and address of licensee (principal).

• Type of business organization; State of incorporation, if appropriate.

• NRC license number, identification of licensed facility(ies), decommissioning costs.

• Identification of corporate or individual surety(ies).

1. Name;
2. State of incorporation;
3. Qualification in jurisdiction where facility covered by the surety bond is located.

• Designation of obligee (NRC or State regulatory agency).

• Recitation of consideration (fee paid for surety bond).

• Liability of surety.

1. Penal sum
2. Limitation of liability
3. Condition(s) of liability
4. Statement of joint and several liability

• Statement of licensee's or applicant's regulatory obligations as reason for bond.

• Scope and duration of bond.

1. Restricted to single obligation
2. Continuing
3. Provisions for renewal

EXHIBIT 3-6 (Continued)

*Standard Wording*

- Termination.
  1. By surety
  2. By principal
  3. Effective date of termination or revocation
- Adjustment of penal sum.
- Date.
- Signatures.
- Premium.



CMD: .....

LICENSE SCREEN # 4 - DECOMMISSIONING FINANCIAL ASSURANCE INFORMATION

DOCKET: 030-17426 LIC: 34-20070-01 NAME: WIL Research Laboratories

PARTY ISSUING MECHANISM:

NAME: Reliance Insurance Company  
ADDR1: 4 Penn Center Plaza  
ADDR2:  
CITY: Philadelphia  
STATE: PA ZIP: 19103

ASSUR TYPE: ? CERT  
MECH TYPE: SB  
MECH AMOUNT: 0 \$94,700  
APPROVED? DATE: 0  
EXPIRES ? DATE: 0  
ACTION (A=ADD C=CHG D=DELETE)

PARTY ISSUING MECHANISM:

NAME:  
ADDR1:  
ADDR2:  
CITY:  
STATE: ZIP:

ASSUR TYPE: ? CERT  
MECH TYPE: ?  
MECH AMOUNT: 0  
APPROVED? DATE: 0  
EXPIRES ? DATE: 0  
ACTION (A=ADD C=CHG D=DELETE)

00 000 000 00

B NJ LIU10

NUM

A.8

MS C9

T for Attention. Home to Switch

Casture Off

1 Numer:1

CMD: .....

LTS - FINANCIAL ASSURANCE INFORMATION

VALID MECHANISM TYPE CODES AND THEIR MEANINGS:

MECH TYPE	DESCRIPTION
TR	TRUST FUND
ES	ESCROW ACCOUNT
CD	CERTIFICATE OF DEPOSIT
GF	GOVERNMENT FUND
GS	DEPOSIT OF GOVERNMENT SECURITIES
SB	SURETY BOND
LT	LETTER OF CREDIT
LN	LINE OF CREDIT
PG	PARENT COMPANY GUARANTEE
SI	STATEMENT OF INTENT

PRESS RETURN KEY FOR FINANCIAL ASSURANCE SCREEN:

B NJ LIU10

A.8

R1 C1

T for Attention. Home to Switch

Casture Off

1 Numeric