

**From:** Hill, Dan (NPS Q&R) [dan.hill01@cardinalhealth.com]  
**Sent:** Tuesday, February 14, 2012 3:40 PM  
**To:** Ullrich, Elizabeth; Null, Kevin  
**Cc:** Regits, Willie; Fields, Darren; Matthews, James R  
**Subject:** RE: February financial assurance progress report

**Importance:** High  
**Sensitivity:** Confidential

RE: Cardinal Health NRC license numbers 34-32780-02, East Hartford, CT and 34-32780-01, St. Louis Missouri

### **February 14, 2012 Decommissioning Financial Assurance (DFA) Progress Report**

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On January 26, 2012 we received confirmation from Kevin Null, NRC Region III that NRC acknowledges MSU East Lansing Michigan would be responsible for decommissioning according to our management agreement. Therefore, only Cardinal Health cyclotron facilities in Connecticut and Missouri need to be listed in Schedule A of the Standby Trust Agreement (STA).

NRC was provided with a copy of the STA in our letter dated October 5, 2011.

NRC requested changes to the STA in the agency letter dated November 2, 2011.

#### **Current Status**

**Cardinal Health financial and legal teams were informed that the financial institution has named NRC as the beneficiary in the first STA, and will need the original agreement returned in order to issue a revised agreement. Two agreements in force at the same time would create a conflict.**

**Cardinal Health General Counsel Brian Pero plans to contact Betsy Ullrich directly to discuss the best way to handle the return and replacement or amendment of the existing STA documents.**

Dan

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#### **Review**

**September 7, 2011** – DFP cost estimate approved by NRC for G.E. PETTrace cyclotron (vault design) decommissioning

**September 12, 2011** – Receipt of request from NRC Region I for monthly updates for progress of financial assurance.

**October 5, 2011** – Certification of financial assurance with standby trust agreement for cyclotron locations, letter sent to both Region I and Region III for cyclotrons in Missouri and Connecticut. (1<sup>st</sup> DFA monthly progress report)

**October 21, 2011** – Received corrected amendment 1 of 34-32780-02 dated 10/17/2011

**November 7, 2011** – Received letter dated November 2, 2011 from NRC Region I indicating no further questions regarding DFA; however, request made for revision of sections 8, 14 and 17 of the standby trust agreement to revise and remove certain statements or representations.

**November 7, 2011** – Email response sent to reference surety bond and standby trust for East Hartford CT. (DFA monthly progress report)

**December 19, 2011** – Reply to email 12/19/2011 from NRC Region I for progress (DFA monthly progress report) review of Nov. 7, 2011 email reply to indicate that NUREG 1757 Vol. 3 Appendix A provides guidance for using Checklist 17-B with other wording in the standby trust other than using Checklist 17-A.

**January 12, 2012** Receipt of NRC license 34-32780-01, (St. Louis Missouri) with condition for monthly reporting of status for financial assurance. The decommissioning cost estimate (DCE), surety bond for \$500,000, standby trust agreement, power of attorney and certification of financial assurance were included in our correspondence dated December 5, 2011 sent to NRC Region III which is a condition (21.B.) of this license.

**January 12, 2012** – Request for information in telephone message left for Kevin Null, and via email.

**January 13, 2012 DFA monthly progress report**

Cardinal Health legal and financial teams continue to review guidance and options for revisions to standby trust agreement covering multiple locations, negotiating with qualified financial institution as trustee, per request for changes from NRC Region I dated November 2, 2011.

If you have any questions, please contact myself or Willie Regits (614) 757-3147.

Dan

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