



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

July 3, 2007

Docket No. 03034165
Control No. 139255

License No. 37-02226-02

John Cihiy
Radiation Safety Officer
Cerexagri, Inc.
900 First Avenue
P.O. Box 61536
King of Prussia, PA 19406-0936

SUBJECT: CEREXAGRI, INC., REQUEST FOR ADDITIONAL INFORMATION
CONCERNING FINANCIAL ASSURANCE DOCUMENTS, CONTROL NO.
139255

Dear Mr. Cihiy:

This is in reference to your letter dated June 29, 2007 providing financial assurance for decommissioning for Nuclear Regulatory Commission License No. 37-02226-02. The Self-Guarantee was entitled Model Self-Guarantee Agreement. However, it was noted that the document submitted was a Parent Company Guarantee. In order to continue our review, we need the following additional information:

1. Your letter contained a letter from your parent company, United Phosphorus Ltd. which stated that the parent company guarantee was issued for a period of one year. The signed guarantee contains many clauses on when the parent company guarantee must be terminated and the methods the company may terminate the guarantee. The time limitation of one year allowed by the board is not one of these methods. Please submit documentation that the parent company guarantee is accepted as written and will not expire in one year.
2. The parent company guarantee did not contain a letter from the chief executive officer of Cerexagri, Inc. as listed in our guidance, NUREG-1757, Volume 3, "Consolidated NMSS Decommissioning Guidance, Financial Assurance, Recordkeeping, and Timeliness." A model of the recommended letter may be found on page A-115 of NUREG-1757. Please complete and submit a Chief Executive Officer letter in support of your parent company guarantee.
3. As written in our letter, dated August 25, 2006, a new Certification of Financial Assurance needs to be submitted. Please follow closely the model provided on page A-23 of NUREG-1757, Volume 3.
4. The NRC has been notified that the current financial instrument, an irrevocable standby letter of credit, will expire on August 9, 2007. A replacement financial assurance instrument needs to be in place by this date to preclude being in non-compliance with 10 CFR 30.35.

J. Cihiy
Cerexagri, Inc.

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Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, Academic, and Industrial Uses of Nuclear Material**; then **Regulations, Guidance, and Communications**. You may also obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 8:00 p.m. EST, Monday through Friday (except Federal holidays).

We will continue our review upon receipt of this information. Please reply to my attention at the Region I Office and refer to Mail Control No. 139255. If you have any technical questions regarding this deficiency letter, please call me at (610) 337-5366.

Sincerely,

Original signed by Dennis R. Lawyer

Dennis R. Lawyer
Health Physicist
Commercial and R&D Branch
Division of Nuclear Materials Safety

J. Cihiy
Cerexagri, Inc.

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SUNSI Review Complete: DLawyer

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DATE	7/3/2007							

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