

From: [Courtemanche, Steven](#)
To: [Haleem, Mahmoud S.](#)
Subject: RE: draft- THE CATHOLIC UNIVERSITY OF AMERICA
Date: Monday, October 22, 2012 3:29:00 PM

Dear Mr. Haleem:

I have reviewed the draft letter of credit attached to your October 16, 2012, email. The following revisions are requested:

- (1) Under beneficiary "Renaissance Park" is written as Rennisance Park." Please correct this typographical error.
- (2) The applicant description must bear the license number and docket number because the licensed activity may cover more than the licensee's mailing address, the licensee may sell off or change control of some areas covered under the license, or new licenses may be issued or retired. The license numbers and docket numbers are: 08-02075-03, 030-00638; SUD-157, 040-06329; and SNM-164, 070-00190.
- (3) The words "... bearing reference to this Letter of Credit No. XXXXXX," should follow the word "draft(s)" in your first paragraph. These words link the sight draft to a particular Letter of Credit. Some licensees have more than one financial assurance instrument in use.
- (4) The Letter of Credit is the financial instrument which the licensee uses to put aside funds or other collateral for future decommissioning activities. However, the Commission cannot receive funds directly which is why the licensee also sets up a Standby Trust Fund. When the licensee decides that decommissioning is to start and the Commission approves the licensee's plan, then the Letter of Credit is cashed, to the extent necessary to fund the Decommissioning Plan, and placed in the Standby Trust Fund. The words, " We draw in the amount of XXXX due to payment for decommissioning costs." Should be changed to "I certify that the amount of the draft is payable pursuant to regulations issued under authority of the U.S. Nuclear Regulatory Commission."
- (5) The paragraph detailing the regulatory basis for requiring the licensee to provide financial assurance was not used in the Draft Letter of Credit. This paragraph begins, "This letter of credit is issued in accordance with ...". Please include this paragraph and substitute "30, 40 and 70" wherever "[insert 30, 40, 70 or 72]" appear.
- (6) The Draft Letter of Credit has a clause allowing the financial institution to not honor the Letter of Credit if notification is made to the beneficiary by stated means prior to 60 days of the expiration date. The Commission requires that notification be made at least 90 days prior to the expiration date and that the beneficiary and the licensee be notified. Please make the appropriate change.
- (7) The Draft Letter of Credit does not include verbiage allowing the Commission to draw funds if the licensee cannot obtain financial assurance within 30 days of notification of the financial institution's intent to not extend the expiration date of the Letter of Credit. Also, verbiage requiring the financial institution to notify the Commission about insolvency, bankruptcy, suspension of the financial institution's charter or license, or inability to fulfill the obligations of the Letter of Credit was not included. Please use the verbiage in NUREG-1757, Volume 3, Revision 1, page A-69 as guidance in developing your response.

- (8) The Draft Letter of Credit omits the commitment of the financial institution by which it agrees to honor any draft upon the letter of credit within 30 days and to deposit the draft directly into a standby trust account. Please use the verbiage in NUREG-1757, Volume 3, Revision 1, page A-69 as guidance in developing your response.
- (9) The Draft Letter of Credit contains a clause to be included in each draft upon the letter of credit. Please amend the clause to include the following phrase at the end of the clause, "... , and the total of this draft and all other drafts previously drawn under this letter of credit does not exceed USD 450,000."
- (10) Please confirm that the title of International Standby Practices (ISP98), International Chamber of Commerce Publication 590
is otherwise known as Uniform Customs and Practice for Documentary Credits.

Please respond with originally signed documents within 20 days of the receipt of this email.

Steven R. Courtemanche
Health Physicist, NRC, RI
2100 Renaissance Boulevard
King of Prussia, PA 19406-2713
610-337-5075

From: Haleem, Mahmoud S. [mailto:HALEEM@cua.edu]
Sent: Tuesday, October 16, 2012 10:35 AM
To: Courtemanche, Steven
Subject: FW: draft- THE CATHOLIC UNIVERSITY OF AMERICA
Importance: High

Could you please kindly review the attached draft letter of credit. Your input and comments is appreciated. Thanks.

Mahmoud S. Haleem
Radiation Safety Officer (RSO), Environmental Health & Safety
The Catholic University of America
620 Michigan Ave, NE
Washington, DC 20064
202-319-5206

From: Hardison, Sheri L.
Sent: Tuesday, October 16, 2012 10:31 AM
To: Alar, Louis P.; Haleem, Mahmoud S.
Subject: FW: draft- THE CATHOLIC UNIVERSITY OF AMERICA
Importance: High

Hi Luke and Mahmoud –

After you come out from under the emergency drill, Bank of America has sent a draft of the letter

of credit. They say that it is standard for the beneficiary to review it before it is issued. Can you forward this to Mr. Courtemache?

Thanks,
Sheri

Sheri L. Hardison

Assoc. Vice President for Finance & Asst. Treasurer
The Catholic University of America
162 Leahy Hall
Cardinal Station
Washington DC 20064
(p) 202-319-5031

From: Conley, Patricia C [<mailto:pat.conley@baml.com>]
Sent: Monday, October 15, 2012 12:55 PM
To: Hardison, Sheri L.; Lewis, Renell D.
Cc: Williams, W Frank
Subject: FW: draft- THE CATHOLIC UNIVERSITY OF AMERICA
Importance: High

Good day to all!

Attached is a draft letter of credit for your review and approval. It is recommended that you share this with the beneficiary to ensure that the format and content is acceptable to them as well.

Should there be any revisions that need to be made, please mark them on the draft and email back to me. A revised draft will be prepared with the changes (if acceptable to the Bank), and sent to you for further review.

If the draft is acceptable, then an authorized officer would need to sign and date the form. You may email it to me, then send me the original.

Thanks,

Pat Conley
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