



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

April 5, 2016

Mr. John Albritton, Plant Manager
Honeywell Metropolis Works
Honeywell International, Inc.
P.O. Box 430
2768 North US 45 Road
Metropolis, IL 62960

SUBJECT: RECEIPT OF NOTICE OF INTENT FOR OBTAINING ALTERNATE
DECOMMISSIONING FINANCIAL ASSURANCE, HONEYWELL METROPOLIS
WORKS, COST ACTIVITY CODE NUMBER L34356

Dear Mr. Albritton:

This letter acknowledges receipt of your letter dated February 5, 2016 (Agencywide Documents Access and Management System [ADAMS] Accession No.: ML16040A280), in which you notified U.S. Nuclear Regulatory Commission (NRC) of Honeywell's intent to establish alternate financial assurance within 120 days from date of the letter.

Title 10 of the *Code of Federal Regulations* (10 CFR), Part 30, Appendix C, provides the relevant regulatory criteria relating to the use of financial tests and self-guarantee for providing reasonable assurance of funds for decommissioning. Specifically, 10 CFR Part 30, Appendix C, II.B. (3), states:

After the initial financial test, the company must annually pass the test and provide documentation of its continued eligibility to use the self-guarantee to the Commission within 90 days after the close of each succeeding fiscal year.

By letter dated March 27, 2015 (ADAMS Accession No.: ML15090A165), Honeywell Inc. (Honeywell) provided a letter in support of its use of the self-guarantee financial test to demonstrate financial assurance for NRC review and verification for its Metropolis Works facility located in Metropolis, Illinois. Based on that review, the NRC staff found that Honeywell satisfactorily met the requirements for its annual self-guarantee financial test for the fiscal year ending on December 31, 2014, and therefore, concluded that Honeywell met the regulatory requirements to provide financial assurance for decommissioning, as discussed in NRC letter dated June 30, 2015 (ADAMS Accession No.: ML15176A750).

10 CFR Part 30, Appendix C, II.C, states:

If the licensee no longer meets the requirements of Section II.A of this appendix, the licensee must send immediate notice to the Commission of its intent to establish alternate financial assurance as specified in the Commission's regulations within 120 days of such notice.

The NRC staff notes that, on January 29, 2016, Honeywell published its annual report for the year ending December 31, 2015. Based on its letter dated February 5, 2016, Honeywell no longer meets the minimum tangible net worth requirement for a self-guarantee in 10 CFR Part 30, Appendix C, as a result of a significant acquisition that it completed at the end of calendar year 2015, and that it intends to establish an alternate financial assurance mechanism within 120 days from the date of the letter. In addition, Honeywell stated that it intended to provide the NRC with draft alternate financial assurance documents within 90 days of date of the letter, followed by submittal of the executed financial assurance documentation to the NRC within 120 days of the date of the letter.

The NRC staff looks forward to receiving the aforementioned documents for detailed review.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's ADAMS. ADAMS is accessible from the NRC Web site at: <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions, please contact Ms. Tilda Liu of my staff at (404) 997-4730, or via e-mail at: Tilda.Liu@nrc.gov.

Sincerely,

/RA/

Thomas A. Grice, Chief
Enrichment and Conversion Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-3392
License No.: SUB-526

cc: Mark Wolf, Nuclear Compliance Director
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