

**SteriGenics**

Your Partner in Quality Certification

November 23, 1992

U.S. Nuclear Regulatory Commission
Region III
Attention: John A. Grobe
Nuclear Materials Safety Branch
799 Roosevelt Road
Glen Ellyn, IL 60137

Re: NRC Material License No. 04-19644-01

Dear Mr. Grobe:

As indicated in our October 9, 1992 letter to you, SteriGenics International has been attempting to obtain a Bank Letter of Credit for its Westerville, Ohio facility that was acceptable to the NRC. Since that time we have received information from the Region identifying banks that have issued acceptable Letters of Credit for other licensees. These banks have been unwilling, absent an ongoing banking relationship with SteriGenics, to issue the requested Letters of Credit.

In order to comply with applicable NRC requirements, we are directly funding the standby trust in the amount of seventy-five thousand dollars (\$75,000.00). We would note a concern that, to the extent NRC regulations require Letters of Credit that are not in the form normally issued by commercial banks, companies such as SteriGenics are placed in the position of having to commit cash to standby trusts for, potentially, very lengthy periods of time. We suggest this issue be considered as a possible basis for future modification to the NRC regulations in the future.

We want to emphasize that SteriGenics is most appreciative of the Region's providing information to assist us in locating a bank that would issue a Letter of Credit acceptable to the NRC. The difficulty arises from the underlying regulatory requirements, which appear to have letter of credit requirements that are not acceptable to many U.S. financial institutions. The difficulties are not the result of the Region's application of those requirements. We are awaiting verification documentation from the financial institution holding the standby trust relating to the funding of that trust. SteriGenics will forward those documents to you upon our receipt of the verification documentation.

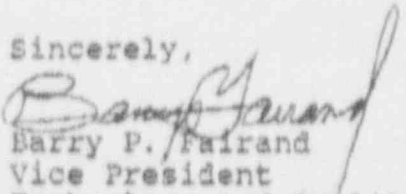
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The funding of the standby trust fund completes corrective actions in response to the NRC Notice of Violation dated September 10, 1992. SteriGenics is now in compliance with the decommissioning funding requirements applicable to its Westerville, Ohio facility. If you have any questions on the above information, please call me at (510) 770-9000 extension 124.

Sincerely,


Barry P. Fairand
Vice President
Technology and Quality

cc: Roy P. Lessy, Jr.
Bradley W. Jones
Akin, Gump, Hauer and Feld