

FEB 14 1992

MEMORANDUM FOR: Dr. Louis Bykoski, Project Officer Regulatory Branch
Division of Low Level Waste Management & Decommissioning
Office of Nuclear Material Safety and Safeguards

FROM: George M. McCann, Section Chief
Materials Licensing Section
Nuclear Materials Safety and Safeguards Branch
Division of Radiation Safety and Safeguards, Region III

SUBJECT: REQUEST FOR ASSISTANCE IN PROCESSING AND REVIEW OF A
NONSTANDARD FINANCIAL ASSURANCE SUBMITTAL RELATED TO THE
DECOMMISSIONING RULE

Enclosed for your review is a financial assurance submittal from a Region III licensee. The letter of credit appears to be nonstandard due to the use of unidentical wording and/or omissions of wording in the financial assurance mechanism. Also enclosed is a copy of their standby trust agreement.

Note that this letter of credit replaces the licensee's original letter of credit which was submitted November 8, 1990. ICF, Inc. had reviewed the November 8, 1990 submittal and drafted a response to you dated May 31, 1991.

George M. McCann, Chief
Materials Licensing Section
Nuclear Materials Safety and
Safeguards Branch, DRSS

Enclosure: Letter of credit and
Standby Trust Agreement submitted
by Radiation Sterilizers, Inc.

RIII

Null/da

RIII

McCann

9301060072 921229
PDR ADOCK 03019025
C PDR

9301060072

Union Bank
NORTHWESTERN BANK
INTERNATIONAL OPERATIONS, CTA
440 HEDENBERGER ROAD, 4TH FL.
OAKLAND, CALIF. 94621

REFERENCE NUMBER (PLEASE ALWAYS QUOTE) CREDIT TO	DATE OF ISSUE 17 JAN 1992
DATE OF EXPIRY	DOCUMENTS TO BE PRESENTED WITHIN DAYS AFTER THE DATE OF ISSUANCE OF THE SHIPPING DOCUMENTS, BUT WITHIN THE VALIDITY OF THE CREDIT

APPLICANT RADIATION STERILIZER, INC. WESTERVILLE FACILITY 305 ENTERPRISE DRIVE WESTERVILLE, OHIO 43081-8227	BENEFICIARY UNITED STATES NUCLEAR REGULATORY COMMISSION - OFFICE OF NUCLEAR SAFETY AND HEALTH WASHINGTON, D.C. 20545
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ADVISING BANK	AMOUNT
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PARTIAL SHIPMENTS	TRANSHIPMENT	CREDIT AVAILABLE WITH
SHIPMENT/DSPATCH/TAKING IN CHARGE FROM/AT		BY DOCUMENTS DETAILED HEREIN AND ON YOUR SHIPMENT AT DRAWN ON

THE FOLLOWING TEXT IS AN AMENDMENT TO OUR LETTER OF
CREDIT NUMBER 111111111111 AND IS AN INTEGRAL PART OF
THE AFROKMENTIONED CREDIT. TO WHICH THIS ADVISE MUST BE
ATTACHED. ALL OTHER TERMS & CONDITIONS REMAIN UNCHANGED.

ISSUE DATE 11 NOV 1991

UNDER "CONDITIONS" THE FOLLOWING CLAUSE IS NOW
ADDED:

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT
IT SHALL BE RENEWED AUTOMATICALLY EXTENDED WITHOUT
AMENDMENT FOR ONE YEAR FROM THE PRESENT OR ANY
FUTURE EXPIRATION DATE HEREON, UNLESS AT LEAST
90 DAYS PRIOR TO ANY SUCH EXPIRATION DATE WE SHALL
NOTIFY YOU BY COURIER MAIL, REGISTERED MAIL OR
CERTIFIED MAIL AT OUR DISCRETION, THAT WE ELIGI
NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR
SUCH ADDITIONAL PERIOD.

THIS IS AMENDMENT NO 1

*****END OF DOCUMENT*****

REC'D

JAN 22 1992

WE HEREBY ISSUE THIS NEGOTIABLE CREDIT IN YOUR FAVOR WHICH IS EXCEPT AS SO FAR AS OTHERWISE EXPRESSLY STATED, SUBJECT TO UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS 1993 REVISIONS INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO 400 AND ENGAGES US IN ACCORDANCE WITH THE TERMS THEREOF AND ESPECIALLY IN ACCORDANCE WITH THE TERMS OF ARTICLE 10 THEREOF. EACH PRESENTATION MUST BE NOTED ON THE REVERSE OF THIS ADVISE BY THE BANK WHERE THE CREDIT IS AVAILABLE	for Union Bank <i>Alan Enomoto</i> AUTHORIZED SIGNATURE ALAN ENOMOTO ASSISTANT VICE PRESIDENT <i>Grace J.W. Huxing</i> AUTHORIZED SIGNATURE GRACE J.W. HUXING	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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Union Bank
NORTHERN CALIFORNIA
INTERNATIONAL OPERATIONS CTL.
460 HESSENBERGER ROAD, 6TH FL.
OAKLAND, CALIF. 94621

OUR REFERENCE NUMBER
(PLEASE ALWAYS QUOTE)
15/71058

DATE OF ISSUE
12 NOV 1991

DATE OF EXPIRY
31 DEC 1992
AT OUR COUNTERS

DOCUMENTS TO BE PRESENTED WITHIN
R/A DAYS AFTER THE DATE OF
ISSUANCE OF THE SHIPPING DOCUMENTS
BUT WITHIN THE VALIDITY OF THE CREDIT

APPLICANT
RADIATION STERILIZERS, INC.
WESTERVILLE FACILITY
305 ENTERPRISE DRIVE
WESTERVILLE, OHIO 43081-00271

BENEFICIARY
UNITED STATES NUCLEAR REGULATORY
COMMISSION - OFFICE OF NUCLEAR
MATERIAL SAFETY AND SAFEGUARDS
WASHINGTON, D.C. 20555

ADVISING BANK

AMOUNT USD*****75,000.00
SEVENTY FIVE THOUSAND UNITED STATES
DOLLARS

PARTIAL SHIPMENTS
N/A

TRANSHIPMENT
N/A

CREDIT AVAILABLE WITH OURSELVES

SHIPMENT/DESPATCH/TAKING IN CHARGE FROM/AT

BY PAYMENT AGAINST PRESENTATION OF THE
DOCUMENTS DETAILED HEREIN AND OF YOUR DRAFT(S)
AT SIGHT

TO DRAWN ON OURSELVES

DOCUMENTS

YOUR SIGNED AND DATED STATEMENT READING AS FOLLOWS
"WE HEREBY CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE
PURSUANT TO REGULATIONS ISSUED UNDER THE AUTHORITY OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION".

INSTRUCTIONS:

DRAFTS UNDER THIS CREDIT MUST BE MARKED DRAWN UNDER UNION BANK
SAN FRANCISCO, CALIFORNIA CREDIT NO. 715/71058 DATED NOVEMBER 12,
1991 AND PRESENTED AT OUR OFFICE NOT LATER THAN 3:00 P.M. ON OR
BEFORE THE DATE OF EXPIRY.
THIS ORIGINAL LETTER OF CREDIT MUST BE PRESENTED TO US WITH ALL
DRAWINGS FOR OUR ENDORSEMENT OF PAYMENTS TO YOU.
WE HEREBY UNDERTAKE THAT DRAFTS DRAWN IN COMPLIANCE WITH THE
TERMS OF THE CREDIT WILL BE DULY HONORED BY US.

***** END OF DOCUMENT *****

WE HEREBY ISSUE THIS IRREVOCABLE CREDIT IN YOUR FAVOR
WHICH IS EXCEPT AS NO FAR AS OTHERWISE EXPRESSLY STATED, SUBJECT
TO UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS
U.P.D.C. REVISION INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION
NO. 400 AND ENGAGES US IN ACCORDANCE WITH THE TERMS
THEREOF AND ESPECIALLY IN ACCORDANCE WITH THE TERMS OF
ARTICLE 10 THEREOF. EACH PRESENTATION MUST BE NOTED ON THE
REVERSE OF THIS ADVICE BY THE BANK WHERE THE CREDIT IS AVAILABLE.

FOR Union Bank

Jason P. Pinto
AUTHORIZED SIGNATURE
JASON P. PINTO
ASSISTANT VICE PRESIDENT
Joseph H. ...
AUTHORIZED SIGNATURE
JOSEPH H. ...

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CEVELYN

ADVICE FOR THE BENEFICIARY

ST-415 (2-89) (REV. 1-89)

CONVERSATION RECORD

TIME DATE
11:00 A.M. 1/8/92☐ VISIT ☐ CONFERENCE ☒ TELEPHONE☐ INCOMING
☒ OUTGOINGNAME OF PERSON(S) CONTACTED OR IN CONTACT
Dee Dee HuffmanORGANIZATION (OFFICE, DEPT. ETC.)
RSI, Inc.TELEPHONE NO.
510-770-9000 X122SUBJECT
Licensee's letter of credit from Union Bank

SUMMARY

I explained to Ms. Huffman that their letter of credit issued by the Union bank is not in accordance with the recommended wording of Regulatory Guide 3.66. It also appears that the letter of credit does not meet certain requirements of 30.35 relevant to surety methods for financial assurance, which are possible violations.

In order to avoid potential violations against 30.35, it will be necessary for RSI to resubmit a letter of credit with exact wording as recommended in Reg Guide 3.66.

Ms. Huffman stated that she will contact the bank and ask if they can rewrite the letter of credit per the Reg. Guide.

I told her that if the bank agrees to rewrite, I will give her until 1/17/92 to resubmit the document. She agreed.

She will call if RSI chooses to go with the current letter of credit from Union Bank. She is well aware that this could result in the issuance of an NOV.

ACTION REQUIRED

As Above.

NAME OF PERSON DOCUMENTING CONVERSATION
Kevin G. Null

SIGNATURE

DATE

ACTION TAKEN

SIGNATURE

TITLE

DATE