



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

PUBLIC

October 9, 1996

34-19087-01
030-16055

MEMORANDUM TO: John R. Madera, Chief
Materials Licensing Section
Division of Radiation Safety
and Safeguards, Region III

FROM: Louis M. Bykoski
Materials Decommissioning Section
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management, NMSS

SUBJECT: THE OFFICE OF THE GENERAL COUNSEL AND HEADQUARTERS STAFF
COMMENTS ON THE AMENDED LETTER OF CREDIT - ADVANCED
MEDICAL SYSTEMS

The staff and the Office of the General Counsel (OGC) have reviewed your August 29, 1996, facsimile documents request to review the amended irrevocable standby letter of credit (LOC) documents, and find that the amended LOC is accepted. The acceptance response to the Licensee should be accompanied by remarks provided in the attached OGC comments. OGC is requesting to review your letter to the Licensee prior to its transmittal.

Attachment: As stated

CONTACT: Louis M. Bykoski, NMSS/DWM
415-6754
Stephen Lewis, OGC
415-1684

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MEMO TO: Louis M. Bykoski, NMSS
FROM: OGC
RE: REVIEW OF NONSTANDARD SUBMITTALS

SUBJECT: AMENDED LETTER OF CREDIT - ADVANCED MEDICAL
SYSTEMS

By memorandum dated September 19, 1996, you requested OGC's review of the August 20, 1996, Amendment to the existing Letter of Credit (LOC) submitted by AMS with respect to its obligations to assure funds for decommissioning of its facility at London Road in Cleveland, Ohio. The NRC has already reviewed the existing LOC (with the assistance of its contractor, ICF) and accepted it, but has not indicated that it finds that the amount of the LOC will necessarily be adequate to assure the full costs of decommissioning the London Road facility. To the contrary, the adequacy of AMS' decommissioning funding plan (DFP) and financial instrument submitted in support of that DFP is still under review in connection with the pending license renewal application under section 30.35(c)(2) and 30.35(e).

OGC's review of the Amendment has not identified any legal problems. OGC recommends that RIII reply to AMS' submittal, indicating that we accept the amended LOC, but that this acceptance does not indicate that the NRC may not later require AMS under section 30.35 to provide decommissioning financial assurance in an amount greater than \$940,000. Please provide that letter to Stuart Treby, OGC, for review prior to its transmittal.

We also understand from the August 26, 1996, letter from Bank One to Kevin Null, RIII, that the Region has in its possession an original signed copy of the Amendment, as required by section 30.35.

ATTACHMENT