

February 7, 1997

Deutsche Bank AG  
New York Branch  
P. O. Box 890  
New York, NY 10101-0890  
Attn: James Roces

VIA CERTIFIED MAIL

RE: STANDBY LETTER OF CREDIT NO. 839-51288

Dear Mr. Roces:

The above-identified Letter of Credit was issued for the benefit of the U.S. Nuclear Regulatory Commission at the request of Shieldalloy Metallurgical Corporation. On January 29, 1997, we notified you that we were drawing upon the full value of the Letter of Credit issued by Deutsche Bank and provided information for your bank to transfer the funds to our Standby Trust, Mellon Bank.

On January 31, 1997, you requested in a telephone message that we provide the original letter of credit from Deutsche Bank and a sight draft. Both are enclosed. Thank you for your prompt attention to this request.

If you have any questions on this matter, please contact  
Stephen Lewis of the NRC's Office of the General Counsel at  
(301) 415-1684.

Sincerely,  
John W.N. Hickey, Chief [Original signed by]  
Low-Level Waste and Decommissioning  
Projects Branch  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards

Attachments: As stated  
Docket No.: 040-08948  
License No.: SMB-1507

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DATE	2/10/97	2/10/97	1/10/97	2/17/97	2/17/97			

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**NRC FILE CENTER COPY**

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IG: YES \_\_\_ NO \_\_\_ Delete file after distribution: Yes \_\_\_ No \_\_\_  
LSS: YES \_\_\_ NO \_\_\_

SIGHT DRAFT - LETTER OF CREDIT

DRAWN UNDER: Deutsche Bank AG STANDBY LETTER OF CREDIT NO. 839-51288 DATED July 18, 1990, for the Account of Shieldalloy Metallurgical Corporation

DATE: February 7, 1997

At sight, Pay to the Order of: U.S. Nuclear Regulatory Commission, as beneficiary under Standby Trust No. 900-9010 at Mellon Bank NA

By wire transfer of immediately available funds:

TO: Mellon Bank NA  
ABA 04

To credit account number: 900-9010, ABA #043000261  
Ref. Account 1024-2A

U.S. \$1,500,000.00

One Million Five Hundred Thousand and No/100 U.S. Dollars

TO: Deutsche Bank AG  
New York Branch  
31 West 52nd Street  
New York, NY 10019

U.S. Nuclear Regulatory Commission

Drawn under Standby Letter of Credit No. 839-51288, dated July 18, 1990, and the total of this draft and all other drafts previously drawn under this Standby Letter of Credit does not exceed U.S. \$1,500,000.00. I certify that the amount of the draft is payable pursuant to regulations issued under authority of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974.

By: Carl J. Paperiello

Carl J. Paperiello, Director  
Office of Nuclear Material  
Safety and Safeguards

# Deutsche Bank

Aktiengesellschaft



IRREVOCABLE STANDBY LETTER OF CREDIT NO. 839-51288

This Standby Letter of Credit expires on 07/18/91

Issued to: U.S. Nuclear Regulatory Commission  
Washington, DC 20555

Dear Sir or Madam:

We hereby establish our irrevocable Standby Letter of Credit No. 839-51288 in your favor, at the request and for the account of Shieldalloy Metallurgical Corporation, 25 East 39th Street, New York, New York 10016, up to the aggregate amount of One Million Five Hundred Thousand U.S. Dollars \$1,500,000.00, available upon presentation of:

- 1) your sight draft, bearing reference to this Standby Letter of Credit No 839-51288, and
- 2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974."

This Standby Letter of Credit is issued in accordance with regulations issued under the authority of the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. The NRC has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 40, which required that a holder of, or an applicant for, a license issued under 10 CFR part 40 provide assurance that funds will be available when needed for decommissioning.

This Standby Letter of Credit is effective as of July 18, 1990 and shall expire on July 18, 1991, but such expiration date shall be automatically extended for a period of 1 year on July 18, 1991 and on each successive expiration date, unless; at least 90 days before the current expiration date, we notify both you and Shieldalloy Metallurgical Corporation, as shown on the signed return receipts, If Shieldalloy Metallurgical Corporation is unable to secure alternative financial assurance to replace this Standby Letter of Credit

Address: 31 West 52nd Street - New York, N.Y. 10019 - Postal Address: P.O. Box 890 - New York, N.Y. 10101-0890 - Telephone: (212) 474-8000  
Fax: (212) 355-5655 - Telex: WUJ 668683 (International) - TRT 177747 (International) - WU 126109 (Domestic) - S.W.I.F.T.: DEUT US 33 - Cable: deutbank New York

Honorary President: Hermann J. Abs - Chairman of the Supervisory Board: Wilfried Guth  
Board of Managing Directors: Rolf-E. Breuer, Horst Burgard, Ulrich Cartellieri, Alfred Herrhausen,  
Eckart van Hooven, Hilmar Kopper, Georg Krupp, Ulrich Weiss, Herbert Zapp,  
Deputy Members: Michael Endres, Jürgen Krumnow, Eilen R. Schneider-Lenne

Stock corporation domiciled in  
Frankfurt am Main - HRB No. 6700  
District Court of Frankfurt am Main

# Deutsche Bank

Aktien-gesellschaft



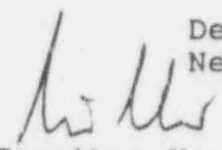
within 30 days of notification of cancellation, the NRC may draw upon the full value of this Standby Letter of Credit prior to cancellation. The bank shall give immediate notice to Shieldalloy Metallurgical Corporation and the NRC of any notice received or action filed alleging (1) the insolvency or bankruptcy of the bank or (2) any violations of regulatory requirement that could result in suspension or revocation of the bank's charter or license to do business. The bank also shall give immediate notice if it, for any reason, becomes unable to fulfill its obligation under the Standby Letter of Credit.

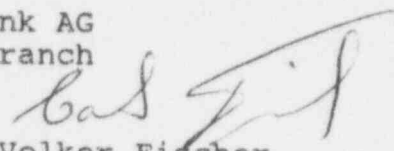
Whenever this Standby Letter of Credit is drawn on under and in compliance with the terms of this Standby Letter of Credit, we shall duly honor such draft upon its presentation to us within 30 days, and we shall deposit the amount of the draft directly into the standby trust fund of Shieldalloy Metallurgical Corporation in accordance with your instructions.

Each draft must bear on its face the clause: "Drawn under Standby Letter of Credit No. 839-51288, dated July 18, 1990, and the total of this draft and all other drafts previously drawn under this Standby Letter of Credit does not exceed \$ 1,500,000.00.

This Standby Letter of Credit is subject to the most recent edition of the Uniform Customs and Practice for Documentary Credits, published by the International Chamber of Commerce.

Deutsche Bank AG  
New York Branch

  
Guenther Koelker  
Vice President

  
Volker Fischer  
Assistant Vice President

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