

June 4, 2008

Paul Larson, RSO  
Dow Corning Corporation  
2200 West Salzburg Road  
Auburn, MI 48611

Dear Mr. Larson:

The staff reviewed Dow Corning Corporation's Irrevocable Standby Letter of Credit dated April 11, 2007, for conformance to the U.S. Nuclear Regulatory Commission's (NRC) regulations and NUREG-1757, Vol. 3, "Consolidated NMSS Decommissioning Guidance: Financial Assurance, Recordkeeping, and Timeliness."

NUREG-1757, Vol. 3, App. A.10 outlines the Requirements for Letters of Credit. There are a number of key elements missing from Dow Corning's Letter of Credit. These missing elements include:

- 1) A statement to describe the arrangement for the licensee to repay, with interest, any funds drawn from the letter or credit.
- 2) A standby trust fund must be established to receive funds from the letter of credit. NUREG-1757, Vol. 3, App. A.17 describes the required standby trust fund.
- 3) The letter of credit must be renewed automatically unless 90 days or more prior to the renewal date, the issuing bank notifies both NRC and the licensee of its intention not to renew (Dow Corning's Letter of Credit needs to be modified to reflect a 90-day or more period).
- 4) A statement to describe how the full amount of the letter of credit must be paid to the beneficiary automatically, without proof of forfeiture, if the licensee fails to provide an acceptable replacement 30 days after receipt of notification of cancellation.
- 5) The letter of credit is issued by JP Morgan Chase (JPMC). JPMC or the issuer of any subsequent letter of credit must notify us of insolvency or violation of banking requirements.
- 6) The Letter of Credit has an authorized signature as required, but needs to list this individual's title and the date in which the document was signed.

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

P. Larson

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In your response, please reference as additional information to Control Number 300397. Please contact me at 630-829-9854 if you have any questions.

Sincerely,

*/RA/*

Kevin G. Null  
Materials Licensing Branch

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