

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
ATOMIC SAFETY AND LICENSING BOARD

Before Administrative Judges:

Paul S. Ryerson, Chairman
E. Roy Hawkens
Paul B. Abramson

In the Matter of

HONEYWELL INTERNATIONAL INC.

(Metropolis Works Uranium Conversion Facility)

Docket No. 40-3392-MLA

ASLBP No. 11-910-01-MLA-BD01

January 5, 2012

ORDER

(Requesting Clarification of Honeywell Response)

On January 4, 2012, Honeywell International Inc. (Honeywell) submitted its response (HNY000065) to the Board's inquiry as to whether the goodwill upon which it proposes to rely to satisfy the requirements of our regulations respecting net worth is encumbered. In its response, Honeywell's Treasurer, John Tus, addressed the indebtedness of Honeywell, stating that:

Except in the case of \$49 million of capital leases, no assets (including goodwill) were used to secure any of Honeywell's debt.

. . . While Honeywell's \$7,117 million of senior unsecured public debentures are governed by bond indentures that restrict Honeywell's ability to mortgage principal manufacturing properties located within the U.S. or to pledge the shares of the capital stock of any subsidiary owning such properties, Honeywell has not pledged the shares of any of its subsidiaries (including goodwill relating to the initial acquisition of any such purchased subsidiary) in connection with such debt.

The foregoing response, however, appears to address only indebtedness of the parent company, Honeywell. Footnotes to the financial statements set out in Honeywell's 2010 Annual Report indicate that some of Honeywell's subsidiaries have their own indebtedness.¹ The Board therefore directs that, on or before January 17, 2012, Honeywell shall clarify its initial response by answering two further questions:

¹ Exhibit HNY000020 (Honeywell International Inc. Form 10K, Annual Report for Fiscal Year Ended Dec.31, 2010).

(1) Does the indebtedness of any of Honeywell's subsidiaries encumber, or restrict in any manner the encumbrance of, the goodwill of that subsidiary?

(2) Did the indebtedness of any of Honeywell's subsidiaries existing at the time of the request for exemption whose denial(s) by NRC Staff is the subject of this proceeding encumber, or restrict the encumbrance of, the goodwill of that subsidiary at that time?

Honeywell should respond to these questions with respect to all indebtedness relating to, respecting an entity acquired in connection with, or presently encumbering in any manner, any business line representing more than 5% of the goodwill reported on any of Honeywell's three most recent annual balance sheets.

The NRC Staff may, if it wishes, submit a reply to Honeywell's response no later than January 23, 2012.

It is so ORDERED.

FOR THE ATOMIC SAFETY
AND LICENSING BOARD

/RA/

Paul S. Ryerson, Chairman
ADMINISTRATIVE JUDGE

Rockville, Maryland
January 5, 2012

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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)
HONEYWELL INTERNATIONAL INC.) DOCKET NO. 40-3392-MLA
(Metropolis Works Uranium Conversion Facility))
)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing LB ORDER (REQUESTING CLARIFICATION OF HONEYWELL RESPONSE) have been served upon the following persons by Electronic Information Exchange.

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HONEYWELL INTERNATIONAL INC. (Metropolis Works Uranium Conversion Facility) –
Docket No. 40-3392-MLA
LB ORDER (REQUESTING CLARIFICATION OF HONEYWELL RESPONSE)

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[Original signed by Christine M. Pierpoint]
Office of the Secretary of the Commission

Dated at Rockville, Maryland
this 5th day of January 2012