

Irrevocable Letter of Credit - before accepting an irrevocable letter of credit tendered by an operator in lieu of a corporate surety bond and prior to approving an operator's proposed plan of operations, the Regional Director must verify that the instrument satisfies all of the following standards:

- ① The instrument is issued by a bank which is a member of the Federal Reserve System, or is issued by a bank which is insured by the Federal Deposit Insurance Corporation.
- The instrument includes one, and only one, letter-of-credit number.
- ② The instrument is issued by a bank carrying an "A" rating issued by Standard and Poor's.
- The instrument includes a clear statement that it is irrevocable.
- The instrument includes the name of the principal.
- The instrument states the maximum limit of credit extended.
- The dollar amount of the credit limit stated in the instrument equals or exceeds the "estimated cost of reclamation" plus the "liability amount" determined by the Superintendent. (See page 25, Bond Requirement.)
- The instrument includes an authorization to draw sight drafts upon the issuing institution in favor of the National Park Service.
- The instrument includes a clear statement that the letter-of-credit number appearing on a sight draft is sufficient identification for honoring that sight draft.
- If the instrument includes an expiration date for presentation of drafts for payment, such expiration date must be unqualified and must exceed the term necessary to determine if the operator has satisfactorily completed all required reclamation. NOTE: The Regional Director may accept an irrevocable letter of credit with an unqualified expiration date earlier than that specified above if it is determined that the operator will have adequate time to substitute another acceptable irrevocable letter of credit or other acceptable security prior to the expiration date. However, if an irrevocable letter of credit with an earlier expiration date is accepted, the Regional Director must ensure that an acceptable replacement security is filed by the operator prior to the instrument's expiration date.

There is no standard letter of credit form. Each letter of credit tendered by an operator must be carefully examined with special regard to printed or inserted qualifications or restrictions. Under no circumstances may an irrevocable letter of credit be accepted which does not meet all of the above requirements.

