



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

March 1, 2001

Mr. Richard A. Ratliff, PE, LMP, Chief
Bureau of Radiation Control
Texas Department of Health
1100 West 49th Street
Austin, TX 78756-3189

Dear Mr. Ratliff:

This letter responds to Mr. Phil Shaver's question concerning financial assurance which was transmitted to Mr. Paul Lohaus via e-mail on August 8, 2000. Mr. Shaver requested clarification on whether the Nuclear Regulatory Commission requires that the cost estimate provided under a decommissioning funding plan (DFP) be based on the radionuclides (and amount) routinely possessed by the licensee, or on the radionuclides and the amount of each authorized on the license.

In accordance with 10 CFR 30.35 (implemented on June 27, 1988), the determination of whether financial assurance is required is based on the quantities and types of materials authorized under a license, regardless of the quantities and types of materials a licensee currently, or usually, possesses or uses. If financial assurance is required, the licensee must use a certification of financial assurance or a DFP, the only two options for demonstrating financial assurance.

A certification of financial assurance is a financial assurance demonstration that is based on one or more of the three amounts prescribed by regulation (\$75,000, \$150,000, and \$750,000) as specified in 10 CFR 30.35(d). This determination is based on the quantities of materials authorized (not routinely possessed or used) under a license.

A decommissioning funding plan is a financial assurance demonstration that is based on a site-specific cost estimate for decommissioning the licensed facility. The amount of the cost estimate is not prescribed by regulation, but is based on site-specific factors which may include the radionuclides and the amount of each authorized on the license or on reasonable assumptions (e.g., assuming that the quantity of materials at the time of decommissioning will be in amounts that are consistent with routine facility conditions over time). If a licensee's DFP includes a site-specific factor that the quantity or type of radioactive material it possesses during routine conditions is less than the limits of its license, to meet the requirement of 10 CFR 30.35(e), the licensee must include "a description of the method ... for adjusting cost estimates and funding levels periodically ..." to account for the actual amount or type of material if it exceeds the levels presented in the DFP. Further guidance on these issues is provided in Appendix F of NUREG-1727, "NMSS Decommissioning Standard Review Plan," published in September 2000 and available at: <http://www.nrc.gov/NRC/NUREGS/SR1727/index.html>.

Richard A. Ratliff

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March 1, 2001

If you have any further questions, please contact me or the individual below.

POINT OF CONTACT: Thomas Fredrichs
TELEPHONE: 301-415-5971

INTERNET: TLF@NRC.GOV

Sincerely,

A handwritten signature in black ink, appearing to read "Paul H. Lohaus", written over the word "Sincerely,".

Paul H. Lohaus, Director
Office of State and Tribal Programs

March 1, 2001

If you have any further questions, please contact me or the individual below.

POINT OF CONTACT: Thomas Fredrichs INTERNET: TLF@NRC.GOV
TELEPHONE: 301-415-5971

Sincerely,

/RA/

Paul H. Lohaus, Director
Office of State and Tribal Programs

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