

May 23, 2003

MEMORANDUM TO: John D. Kinneman
Chief, Nuclear Materials Safety Branch 2

FROM: Leanne M. Harrison, Health Physicist **/RA/**

SUBJECT: Review of Bristol-Myers Squibb Decommissioning Cost Estimate

REFERENCE: 29-00139-02 (030-05222); Control No. 131014

This memo provides the bases of my evaluation for accepting Bristol-Myers Squibb site-specific Decommissioning Cost Estimate (DCE), dated December, 2002. My review was performed using the guidance provided in NRC NUREG-1727, Appendix F, Revision 0, and considered the scope and completeness of the estimates, the level of detail presented, and the reasonableness of the estimated costs and of key assumptions. The DCE report was prepared by Philotechnics, Ltd. for four sites licensed under NRC broad scope license no. 29-00139-02 that include:

- One Squibb Drive, New Brunswick, NJ
- 311 Pennington-Rocky Hill Road, Pennington, NJ
- Route 206 and Provinceline Road, Lawrenceville, NJ
- Three Hamilton Health Place, Hamilton, NJ.

The total estimated decommissioning costs for all four sites (based on current licensed activities and including the required 25% contingency) is \$8,897,908. This revised cost is significantly less than the previously approved Decommissioning Funding Plan (DFP) amount of \$31,756,000 (approved on 10/23/97). This reduction is due to the recently completed decommissioning of the licensee's former Radiodiagnostic Manufacturing Operations and associated facilities that were permanently shutdown in June 2001. This decommissioning was completed for the licensee's former manufacturing and distribution facility in Building 124 and other nearby areas including outdoor storage tanks at their New Brunswick, New Jersey location. The licensee currently provides financial assurance for this license in an amount of \$ 31,756,000 via a Parent Company Guarantee to meet 10 CFR 30.35 and 30.36 requirements. We anticipate the licensee submitting a new Parent Company Guarantee with required supporting documentation in accordance with NUREG-1727, Appendix F, by Summer 2003.

Facility descriptions presented in the DCE were detailed and clearly inventoried equipment and supplies. Labor estimates, material costs, and waste generation determinations were properly evaluated against similar work Philotechnics has performed at other pharmaceutical research facilities. All phases of decommissioning were considered. Work was assumed to be performed by an independent third party. The level of effort estimated for final status surveys was reasonably based on licensed termination criteria of 25mrem per year and NUREG-1575 Multi-Agency Radiation Site Survey and Site Investigation Manual (MARSSIM) survey protocols.

Based on my review of the information supplied by the licensee, I found the DCE to be acceptable and consistent with NRC guidance. The DCE is available in ADAMS under accession no. ML030590420.