



NRC NEWS

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Office of Public Affairs

Telephone: 301/415-8200

Washington, DC 20555-001

E-mail: opa@nrc.gov

Web Site: <http://www.nrc.gov/OPA>

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NRC CHANGES REGULATIONS ON DECOMMISSIONING FUNDING

The Nuclear Regulatory Commission is amending its regulations to require certain licensees using substantial quantities of nuclear materials to increase funding for financial assurance to cover decommissioning costs. The changes bring the amount of financial assurance required more in line with current decommissioning costs and provide adequate assurance that timely decommissioning can be carried out.

The amendments affect nuclear materials licensees, but not nuclear power plants which are covered by separate regulations.

The amount of financial assurance that nuclear materials licensees must provide can be based on either a facility-specific decommissioning cost estimate provided by the licensee in a decommissioning funding plan or on dollar amounts specified in the regulations. The amounts previously specified in the regulations were based on decommissioning cost studies that were about 15 years old. Recent studies done for the NRC show that decommissioning costs have increased substantially. The agency is therefore raising all specified amounts by 50 percent and estimates that this additional financial assurance for decommissioning will provide approximately \$80 million in total additional funds that would be available to cover decommissioning expenses.

Other changes in the rule include:

- All nuclear waste processor and waste collector licensees will have to provide financial assurance. These licensees collect, consolidate, repack and otherwise process waste generated by others prior to eventual transfer to a licensed low-level radioactive waste disposal facility. Previously, only about half of the NRC waste processor and waste collector licensees were required to have financial assurance. The others had possession limits below the threshold for requiring financial assurance.
- Large irradiator licensees (who primarily use nuclear materials for the sterilization of medical equipment and food products) and nuclear waste processors and waste collectors will not be allowed to use the specific amounts in the regulations as a basis for financial assurance for decommissioning, and will have to base their funding on site-specific decommissioning cost estimates.

-- Decommissioning cost estimates will have to be updated at least every three years.

The revisions do not change the approved methods of providing the financial assurance. These are prepayment; a surety (in the form of a bond, letter of credit or line of credit), insurance or other guarantee method such as a parent company guarantee if that company meets certain financial tests; or an external sinking fund in which deposits are made at least annually, coupled with a surety method or insurance. For federal, state or local government licensees, a statement of intent may be used, indicating that funds will be obtained when necessary.

A proposed rule on this subject was published in the Federal Register for comment on October 7, 2002. Changes made as a result of the comments received are described in a Federal Register notice, to be published shortly. The revised regulation will be effective 60 days after publication of the notice. Affected licensees will then have from 12 to 24 months to provide the increased financial assurance, depending on the type of licensee.

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