



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

October 25, 2006

Docket No. 03006931
Control No. 138384

License No. 19-08330-03

COL Patricia K. Lillis-Hearne, M.D.
Director
Uniformed Services University of the Health Sciences
Armed Forces Radiobiology Research Institute
8901 Wisconsin Avenue
Bethesda, MD 20889-5603

SUBJECT: UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES,
REQUEST FOR ADDITIONAL INFORMATION CONCERNING FINANCIAL
ASSURANCE DOCUMENTS, CONTROL NO. 138384

Dear Colonel Lillis-Hearne:

This is in reference to your Statement of Intent dated January 1, 2006 (ADAMS Accession No. ML060550396) and Mr. Stephen Miller's letter dated April 5, 2006 regarding financial assurance for decommissioning for License No. 19-08330-03. In order to continue our review, we need the following additional information:

1. The Statement of Intent dated January 1, 2006 indicates that it will cost \$1.3M to decommission the panoramic irradiator located at the Armed Force Radiobiology Research Institute. Mr. Miller's letter dated April 5, 2006 included a copy of an email and provided some background as to how you arrived at that figure. A Statement of Intent must include a site-specific decommissioning cost estimate or a certification of financial assurance. The \$1.3M estimate was not in the form of a site-specific decommissioning cost estimate. Please follow the guidance in NUREG-1757, Volume 3, Appendix A in developing your site-specific decommissioning cost estimate.
2. When you re-calculate your decommissioning cost estimate, please note that you cannot take into account salvage value or re-sale of sources. When representatives from the irradiator industry met with the NRC on November 17, 2005 at our headquarters office, there was a discussion about salvage value. The meeting report (ADAMS Accession No. ML060130488), which is publicly available, documents the NRC's position that credit cannot be taken for the salvage value of sources. We have reviewed our policy in this area very carefully and NRC policy continues to be not to allow use of salvage value in preparing cost estimates for financial assurance. The primary reason for this policy is that the same forces, market or otherwise, which cause the licensee to be unable to pay for decommissioning of their facility may cause the sources to be of much lower or no value at that time. The basis for this position is discussed in the Statements of Consideration for the final rule (68FR57327 to 57337) on pages 57329 and 57330. Please revise your cost estimate to account for disposal of all licensed material.

P. Lillis-Hearne
Uniformed Services University of the Health Sciences

2

Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, Academic, and Industrial Uses of Nuclear Material**; then **Toolkit Index Page**. Or you may obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 8:00 p.m. EST, Monday through Friday (except Federal holidays).

We will continue our review upon receipt of this information. Please reply to my attention at the Region I Office and refer to Mail Control No. 138384. If you have any technical questions regarding this deficiency letter, please call Kathy Modes, of my staff at (610) 337-5251.

Sincerely,

Original signed by John D. Kinneman

John D. Kinneman, Chief
Materials Security and Industrial Branch
Division of Nuclear Materials Safety

cc:
SFC Regina L. Miller, Radiation Safety Officer

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SUNSI Review Complete: KModes

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