

Haverkamp, Trisha

From: Lawyer, Dennis
Sent: Friday, February 14, 2014 6:46 AM
To: 'anna.teachout@usuhs.edu'
Subject: Department of the Army, Request for Additional Information Concerning Financial Assurance, Control 582847

Dear Ms. Teachout,

This is in reference to COL Huff's letter dated December 26, 2011¹³, submitting financial assurance information for Nuclear Regulatory Commission License No. 19-08330-02, Docket 03004545. In order to continue our review, we need the following additional information:

1. 10 CR 75.25(e)(2) states, "At the time of license renewal and at intervals not to exceed 3 years, the decommissioning funding plan must be resubmitted with adjustments as necessary to account for changes in costs and the extent of contamination...The decommissioning funding plan must update the information submitted with the original or prior approved plan, and must specifically consider the effect of the following events on decommissioning costs.." It further states to include the cost of spills of radioactive material producing additional residual radioactivity in onsite subsurface material; waste inventory increasing above the amount previously estimated; waste disposal costs increasing above the amount previously estimated; facility modifications; changes in authorized possession limits; actual remediation costs that exceed the previous cost estimate; onsite disposal; and use of a settling pond as applicable. You did not submit a revised decommissioning cost estimate. Please submit a decommissioning cost estimate with the updates. It is recommended that you review the guidance in NUREG-1757, Volume 3, Revision 1, "Consolidated NMSS Decommissioning Guidance - Financial Assurance, Recordkeeping, and Timeliness." <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1757/v3/> It is also recommended that you review the section in 10 CFR 70.25 and 10 CFR 30.35 since they have been revised in the past year.
2. You stated that the cost estimate is essentially unchanged from your November 30, 2010, cost estimate. Upon review that estimate stated it was the same as your October 2, 2006, cost estimate, which is over 7 years old. The cost estimate in 2006 seemed to have the following errors:
 - a. The cost estimate based the hourly wage on the salary of employees. The cost estimate is to support an independent contractor to perform decommissioning. The hourly wage does not include overhead expenses that would be incurred by an independent contractor.
 - b. The cost estimate appears to have not included the \$10,000 procurement of equipment fee into its calculation.
 - c. It appears to be a math error in addition. In total, the 2006 estimate appears to be \$79,888 and with a 25% contingency fee it would be \$99,860.
 - d. The means and frequency when to update the decommissioning cost estimate needs to be updated.

Please address these specific items for your submitted decommissioning cost estimate.

3. The Statement of Intent submitted does not include the facilities covered by the Statement of Intent. It also does not state that you will obtain funds sufficiently in advanced to prevent delay of decommissioning activities. It is recommended that the Statement of Intent be a document that is independent of other information as it is a financial document and not included in a cover letter. Please use the model Statement of Intent in section A.11 of NUREG-1757, Volume 3, Revision 1, "Consolidated NMSS Decommissioning Guidance - Financial Assurance, Recordkeeping, and Timeliness." It appears that you use this method for your other license, License No. 19-08330-03.

4. The Certification of Financial Assurance's last paragraph referred to a Statement of Intent that was performed on November 30, 2010. The values written in the paragraph are not supported by that Statement of Intent but the one you currently submitted. Please correct the dates and values to the recalculated values. It is also recommended that you refer to using the prescribed value of \$1,125,000 for your unsealed byproduct material somewhere in your documentation, to make it clear how you determined your financial assurance amount.

We will continue our review upon receipt of this information. Please reply to my attention at the Region 1 Office (Address below) and refer to Mail Control No. 582847. If you have technical questions regarding this letter, please call me at (610) 337-5366.

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

Please note that you may not reply to this letter by return e-mail. Your reply must be in writing Please respond within 30 calendar days from the date of this e-mail..

Region 1 Office Mailing Address: Licensing Assistance Team, US Nuclear Regulatory Commission Region I, 2100 Renaissance Boulevard, Suite 100, King of Prussia, PA 19406-2713.