

March 18, 2014

MEMORANDUM TO: Patricia J. Pelke, Chief
Materials Licensing Branch
Division of Nuclear Materials Safety

FROM: Lydia N. Chang, Chief **R/A**
Special Projects Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: REVIEW OF TRUST AGREEMENT AND DECOMMISSIONING
FUNDING PLAN FOR AMERICAN RADIOLABELED
CHEMICALS, INC., (ARC)

On December 3, 2013, Region III requested that the Special Projects Branch (SPB) review American Radiolabeled Chemicals, Inc.'s (ARC) Trust Agreement and Decommissioning Funding Plan submissions. SPB staff has completed its review and our recommended Request for Additional Information is in this enclosure.

Docket No.: 030-20567
License No.: 24-21362-01

Enclosure:
Request for Additional Information

CONTACT: Reginald Augustus, FSME/DWMEP
(301) 415-0165

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**Request for Additional Information (RAI) for the
Trust Agreement and Decommissioning Funding Plan Review of
American Radiolabeled Chemicals, Inc.'s**

RAI (1)

Description of Deficiency

As currently presented, the decommissioning funding plan (DFP) does not include costs associated with third party contractor costs for all activities.

Basis for Request

10 CFR 30.35, "Financial assurance and recordkeeping for decommissioning" states that "[e]ach decommissioning funding plan ... must contain ... a detailed cost estimate for decommissioning, in an amount reflecting: [t]he cost of an independent contractor to perform all decommissioning activities." The submission does not include costs associated with a third party contractor to perform all activities. The submission states that "[i]t is ARC's intent to use outside contractors only for the final survey phase of the decommissioning."

Formulation of RAI

Staff recommends that the licensee revise the cost estimate to include costs associated with decommissioning based on a third party contractor.

RAI (2)

Description of Deficiency

As currently presented, the DFP does not include a basis for the shipping cost per mile.

Basis for Request

10 CFR 30.35(e)(1)(ii) states that a DFP must contain "[i]dentification of and justification for using the key assumptions contained in the DCE. In Section 2 "Assumptions Used" the licensee states that "[t]he shipping cost is taken to be \$2.25 per mile."

Formulation of RAI

Staff recommends that the licensee provide a basis or justification for the shipping cost estimate.

RAI (3)

Description of Deficiency

As currently presented, Schedule C of the trust agreement does not include the trustee's name, address, and phone number.

Enclosure

Basis for Request

NUREG-1757, Vol. 3, Rev. 1, Appendix A, provides guidance and model language for an acceptable trust agreement submission. Specifically, Appendix A.4.5, requests that the licensee include the name, address, and phone number of the Trustee in the Schedule C section of the submission.

Formulation of RAI

Staff recommends that the licensee revise the Schedule C in its trust agreement to include the trustee's name, address, and phone number.

Additional Remarks

The licensee has designated an "Investment Advisor" to perform some of the functions of the "Trustee." While this is not the usual procedure, it appears that using the advisor (Morgan Stanley), will not change or prohibit NRC from having authority over the directing of funds in the event that it is necessary.