

Advanced Medical Systems, Inc.

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OPTIONAL FORM NO. 10 (7-83)

FAX TRANSMITTAL

of pages = 2

To: Cathy Hancy	From: John R. Madera
Unit/Agency: NRC-NMSS	Phone: (708) 829-9834
Fax: (312) 415-5369	Fax:
GENERAL SERVICES ADMINISTRATION	

July 1, 1996

Mr. Geoffrey Wright
U. S. Nuclear Regulatory Commission
Region III
801 Warrenville Road
Lisle, Illinois 60532-4351

RE: Advanced Medical Systems, Inc. Application to Amend
USNRC License No. 34-19089-01

Dear Mr. Wright:

The purpose of this letter is to request an amendment to the Advanced Medical Systems, Inc. (AMS) radioactive materials license in regard to decommissioning financial assurance. Specifically, AMS wishes to modify its standby letter of credit dated January 27, 1995, to reflect a reduction from its current amount of \$1,800,000 to \$940,000.¹ The released funds will be used to finance a portion of the Building Recovery Project that was described in our June 19, 1996, proposal. The following are the specific provisions associated with this amendment request.

(1) Upon receipt of the license amendment, AMS will request Bank One to reduce the collateral used to secure the letter of credit line of credit by \$860,000 and issue a new letter of credit for \$940,000.

(2) The \$860,000 released from the collateral will be used by AMS for the sole purpose of funding transportation/disposal of the sealed sources of ⁶⁰Co, the canisters of bulk ⁶⁰Co, and the low-level radioactive waste. Task 1 and Task 2 of the June 10, 1996, proposal for the Building Recovery Project contain a description of these materials and the general approach AMS intends to follow to effect their final disposition.

(3) Any funds remaining after the fees associated with Tasks 1 and 2 of the Building Recovery Project have been paid will be returned to Bank One for the sole purpose of increasing the value of the letter of credit. At that time, AMS will request Bank One to issue a new letter of credit to reflect the increased collateral amount.

¹ Irrevocable Standby Letter of Credit No. SB500980 in the amount of \$1,800,000, issued by Bank One, Cleveland on January 27, 1995, currently serves as the AMS decommissioning funding instrument. This Letter of Credit is secured with the following: A one year CD with Bank One (Certificate No. 086-006-0292518, matures 07/22/96, principal amount at inception was \$250,000); a 180-day CD with Bank One (Certificate No. 086-006-0292517, matures 07/16/96, balance at last maturity, \$256,595.89); a 30-day CD with Bank One (Certificate No. 086-006-202516, matures 05/17/96, balance at last maturity, \$265,171.86); and pledged assets of approximately \$1,000,000 in the form of negotiable securities and government bonds.

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REGION III

Mr. Geoffrey Wright, USNRC

Page 2

July 1, 1996

(4) By August 30, 1996, AMS will submit Revision 1 of the "Conceptual Decommissioning Plan for the London Road Facility" to reflect the abbreviated quantity of items to be decommissioned after the Building Recovery Project is complete.² Because the USNRC has not yet made a decision as to the appropriate decommissioning methodology for the London Road Facility (e.g., DECON versus SAFSTOR), all applicable technologies will be evaluated in Revision 1. Revision 1 will also contain a clear description of the preferred methodology and a detailed cost estimate for implementing that methodology.³

(5) By September 15, 1996, and in anticipation of USNRC approval of Revision 1 of the "Conceptual Decommissioning Plan for the London Road Facility", AMS will submit a revised Decommissioning Funding Plan wherein new decommissioning financial assurance instruments will be described. Within 15 days after USNRC approval of the Plan, AMS will request Bank One to issue a new letter of credit for the amount shown in Revision 1 of the "Conceptual Decommissioning Plan for the London Road Facility".

A license amendment fee, in the amount of \$880, is enclosed. If I can answer any questions or assist you in any way in expediting your review, please call me at 216/466-8005. We are asking for prompt USNRC action on this important issue.

Sincerely,



DAVID CESAR

Vice President and Treasurer

DC/cs

Enclosure

cc: R. Meschter

D. A. Miller, Esq. - Stavole & Miller

R. A. Duff - IEM

C. D. Berger - IEM

² Since the only items remaining will be the Hot Cell, the stabilized WHUI Room, the Hot Cell ventilation system, a small section of abandoned drain line, and the abandoned lateral connection from the building to the regional sewer system, the estimated decommissioning cost will be significantly reduced from those contained in Revision 0 of the Plan, dated October 20, 1995.

³ The cost estimated for the preferred alternative will be presented in the same format as Appendix F of USNRC Regulatory Guide 3.66, "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30, 40, 70, and 72" (June, 1990).

CHAPTER IV

Safety and Safeguards Evaluation Reports (SER)

BACKGROUND

Accompanying the licensing package will be a "Safety Evaluation Report" or a "Safeguards Evaluation Report." This report should discuss the methodology and logic for determining that the renewal/amendment can be issued without posing significant hazards to the public health and safety or the environment. If an Environmental Assessment or an Environmental Impact Statement is not warranted, then the report will contain a Categorical Exclusion determination.

FORMAT

- A. The first page of an SER should be printed on NRC letterhead paper.
- B. The report should contain the following sections: Background, Discussion, Environmental Review, and Conclusion.
- C. The *BACKGROUND* section of the report discusses the requested action and cites all incoming applications and pertinent correspondence (written or verbal requests for additional information, supplements, revised applications, etc.) that the staff utilized in reviewing the requested action.

(For Part 70.32 reviews for Fundamental Nuclear Material Control Plans and Physical Protection Plans a statement should be included indicating that the change does not decrease the effectiveness of the plan. This statement is added to reflect the non-fee status of the amendment action and to satisfy a License Fee and Debt Control Branch requirement.)

- D. As related to the requested action, the *DISCUSSION* section should include, but not be limited to, the present operations and processes and any changes thereto, criticality and chemical safety aspects, protection provided to the public and employees, organizational structure, health impacts, etc. Also discuss any new or revised license conditions.
- E. The *ENVIRONMENTAL REVIEW* section of the report should discuss the environmental findings that may be associated with the requested action. Describe the environmental documentation (CE, EA, EIS, FONSI) that supports the action. In accordance with 10 CFR 51.22(c), for a CE, add one of the CE options listed below. For an EA, include the EA date, the FONSI publication date, recommendations or imposed license conditions, and

the FONSI conclusions.

Environmental Reviews will be incorporated into the SERs in accordance with Robert Burnett's 4/14/93 Memorandum to Robert Barnett (copy shown as Appendix E).

Categorical Exclusion (CE) Options

The following options are examples of standardized CE paragraphs. In accordance with 10 CFR 51.22(c), add one of the following paragraphs to the SER:

- ◆ Option 1 (Changes in Process Operations or Equipment)

The staff has determined that the following conditions have been met:

- 1. There is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite,*
- 2. There is no significant increase in individual or cumulative occupational radiation exposure,*
- 3. There is no significant construction impact, and*
- 4. There is no significant increase in the potential for or consequences from radiological accidents.*

Accordingly, pursuant to 10 CFR 51.22(c)(11), neither an environmental assessment nor an environmental impact statement is warranted for this action.

- ◆ Option 2 (Administrative, Organizational, or Procedural)

These changes are considered (administrative, organizational, or procedural) in nature. The staff has determined that the proposed changes do not adversely affect the public health and safety or the environment. Therefore, in accordance with 10 CFR 51.22(c)(11), neither an environmental assessment nor an environmental impact statement is warranted for this action.

- ◆ Option 3 (Research and Development, Educational)

The staff has determined that the proposed changes do not adversely affect the public health and safety or the environment. Therefore, in accordance with 10 CFR 51.22(c)(14)(v), neither an environmental assessment nor an environmental impact statement is warranted for this action.

- ◆ Option 4 (Sealed Sources)

The staff has determined that the proposed changes do not adversely affect the public

health and safety or the environment. Therefore, in accordance with 10 CFR 51.22(c)(14)(viii), neither an environmental assessment nor an environmental impact statement is warranted for this action.

◆ Option 5 (Safeguards - MC&A/Physical Protection Plans)

The staff has determined that the proposed changes do not adversely affect the public health and safety, the common defense and security, or the environment and are otherwise in the public interest. The provisions in 10 CFR 51.22(c)(12) cite an exclusion for safeguards plans and material accountability. Therefore, neither an environmental assessment nor an environmental impact statement is warranted for this action.

- F. In the *CONCLUSION* section, state the staff's recommendations for approving the requested action. Since all licensing actions are to be coordinated with the inspection staff [regional or Headquarters/Operations Branch (FCOB)], include the statement:

The Region X or Operations Branch (FCOB) inspection staff has no objection to this proposed action.

- G. On the last page, at the end of the text, flush with the left margin, will be the heading, ***Principal Contributor(s):***. The names of all reviewers, who contributed to the evaluation report, should be listed. Evaluation reports should not contain signature or concurrence blocks. Concurrence will be reflected on the concurrence block of the transmittal letter.

REFERENCE: See Exhibit 11 for an example.

EXHIBIT H1

FORMAT FOR SAFETY/SAFEGUARDS EVALUATION REPORT

(Letterhead)

DOCKET: 70-0125

LICENSEE: Nuclear Products, Inc.
Spring Hills, VA

SUBJECT: (SAFETY OR SAFEGUARDS) EVALUATION REPORT: APPLICATION
DATED _____, (State Subject -- Should Match Subject on
Transmittal Letter)

BACKGROUND

Describe request, include any dates pertinent to the requested action (i.e., application, supplements, written requests for additional information).

(For Part 70.32 reviews for Fundamental Nuclear Material Control Plans and Physical Protection Plans a statement should be included indicating that the change does not decrease the effectiveness of the plan. This statement is added to reflect the non-fee status of the amendment action and to satisfy a License Fee and Debt Control Branch requirement.)

DISCUSSION

Describe new or changed licensing activities and new or revised license conditions.

ENVIRONMENTAL REVIEW

Describe the environmental findings associated with requested action and the documentation that supports the action.

CONCLUSION

Based on the discussion, the staff concludes that ...

The Region X or the Operations Branch (FCOB/NMSS) inspection staff has no objection to this proposed action.

Principal Contributors

Gerald Woodward
Sandra Lindsey