

SEP 27 1996

Stephen J. Haddock
Radiation Safety Officer
Advanced Medical Systems, Inc.
1020 London Road
Cleveland, OH 44110

Dear Mr. Haddock:

On August 2, 1996, we issued Amendment No. 44 to your license to authorize the release of funds from the collateral supporting AMS' letter of credit. The amendment was issued based upon our review of Tasks 1 and 2 of AMS' Building Recovery Project (BRP).

Subsequent to issuance of Amendment No. 44, the NRC reviewed Tasks 3 through 12 of the BRP. NRC comments on the ten remaining tasks are addressed individually below. Most of the tasks will require further information for completion.

- Task 3, Radiological Stabilization of the Basement. The issue described in this task is the decontamination of the basement area for unrestricted release of the basement, outside of the Waste Hold Up Tank (WHUT) room, and the stabilization of the radioactive material in the WHUT room, to ensure that liquids do not enter or exit the room for the duration of the safe storage period. It is recommended that this task be pursued (decontamination of basement and stabilizing material in WHUT room); however, the evaluation of the feasibility of decontaminating and decommissioning the WHUT room should be made by AMS.
- Task 4, Hydrological Stabilization of the Basement. This task addresses the issue of water collecting in the underground drains and flowing to the new manhole which is presently isolated from the area sewer system. AMS presently collects this water in hold-up tanks, analyses the water for cobalt-60, then discharges it to a catch basin if the analysis shows no cobalt-60 content. There is presently a separate request from AMS, dated June 25, 1996, requesting authorization to discharge directly from the manhole to the catch basin with no hold-up for analysis, and sampling the water once a week from the manhole instead, to verify that the water from the underground drain is not contaminated from the soil surrounding the underground drain. This issue is being addressed in separate correspondence from NRC which is expected to be completed by late September.

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- Task 5, Modifying Conceptual Decommissioning Plan (CDP) and Decommissioning Funding Plan (DFP). This task discusses the re-submittal of the Conceptual Decommissioning Plan and a subsequent Decommissioning Funding Plan in light of the decrease in inventory and the release of parts of the London Road facility for unrestricted use. Pursuant to the completion of disposal of approximately 40,000 curies of bulk and sealed cobalt-60 sources, and of the low-level waste generated from decontamination of the facility, the cost estimate to decommission the facility should be revisited. However, in all its correspondences to date, AMS has emphasized and requested approval for SAFSTOR methodology for its cost estimates; all correspondence from NRC Headquarters addressing this issue have indicated that SAFSTOR would not be an option, and that the Generic Environmental Impact Statement (GEIS), NUREG-0586, intends SAFSTOR to be an allowed use of a safety storage for a few days to a few months for material licensees. We have received AMS' revised CDP dated August 30, 1996 which essentially proposed a cost estimate for decommissioning based on SAFSTOR. The NRC is still evaluating the applicability of SAFSTOR for material licensees. We will notify you of our final decision in a separate correspondence. Regardless of the outcome of the Commission's view on SAFSTOR, NRC expects AMS to re-characterize the site and submit a new cost estimate for decommissioning following disposition of material as described in Tasks 1 and 2 of the BRP. Subsequent to the submission of the revised cost estimate, AMS must submit a new Decommissioning Funding Plan with a new financial instrument for NRC review.
- Task 6, Free Release Remainder of Building. This task discusses the characterization and remediation of the London Road facility, similar to Task 3 but referring to decommissioning the areas outside of the basement. After decontamination, surveys pursuant to NUREG-5849, "Manual for Conducting Radiological Surveys in Support of License Termination," will be performed by AMS and submitted to the NRC with a request for confirmatory surveys for all but the WHUT room, Hot Cell, and the ventilation room. This task is approved.
- Task 7, Request Exemption from Physical Inventory. This task discusses AMS' intention to request an exemption from the inventory license condition and discusses the reasons for this request. Because the plug to the storage well is lodged, physical inventory of the sources in the well is not possible. A license condition (14.c.) requires that an inventory be performed by June 1, 1993, and every 60 months thereafter. At present, the licensee is in violation of that condition, as noted in a letter to AMS dated August 13, 1993, although attempts have been made to remove the plug. NRC will review this issue with the information that is provided when the exemption request is submitted. In the meantime, the determination of what should be in the well should be established from past inventories. There is a large variation in the quantity of material

that AMS has estimated to be present in the well, depending on which piece of correspondence one reviews (June 10, 1996 BRP letter indicates approximately 3000 curies of cobalt-60, while July 10, 1996, Revision 3 of Strategic Plan estimates 4000 curies of cobalt-60).

- Task 8, Request Exemption from Emergency Plan requirements. This task discusses the requirement for an Emergency Plan in accordance with 10 CFR 30.32 in light of the large possession limit authorized in the license. After completion of Tasks 1 and 2 of the BRP, license quantity limits should be significantly reduced. AMS also indicates that the cobalt-60 will be sealed, non-dispersible material. After disposition of all disposable material, AMS should first submit an amendment to modify the possession limit on the license (see Task 10), and, after receiving a lower possession limit, submit either an Emergency Plan in accordance with 10 CFR 30.32, using Regulatory Guide 3.67, "Standard Format and Content for Emergency Plans of Fuel Cycle and Material Facilities," and NUREG-1140, "A Regulatory Analysis on Emergency Preparedness for Fuel Cycle and Other Radioactive Material Licensees," as guidance, or, in accordance with Title 10 CFR 30.32(i)(1), an evaluation that indicates that a dose of 1 rem effective dose equivalent or 5 rem to the thyroid could not be delivered to a member off-site.
- Task 9, Request Extension of Safe Storage Period for WHUT Room. This task describes the desire of the licensee to continue the WHUT room in a storage capacity based on personnel exposure and waste volume considerations. Revisiting the WHUT room evaluation of whether to continue existing storage of the room, or decontaminate, should be performed at least as often as a license renewal, taking into consideration As Low As Reasonably Achievable analyses.

AMS should be reminded that the longer the storage of the WHUT room, the longer its remediation will need to be considered in the estimation of decommissioning costs, and the higher the cost of the decommissioning funding instrument, coupled with the rising cost of waste disposal and inflation. Consideration of continued storage will be based on the information provided in AMS' request for storage extension.

- Task 10, Request Reduction in License Limit. This task will request a reduction in the licensed maximum possession limit of radioactive material. As indicated in the Task 8 discussion, this should be accomplished by AMS as soon as possible after Tasks 1 and 2 are completed. The decommissioning funding plan is based on the quantity of material the licensee is authorized to possess, and therefore, the funding plan complexity and liability coverage might be reduced by a reduction of the possession limit.

- Task 11, Submit Long-Range Strategic Plan. This task discusses AMS' on-going plan to issue subsequent revisions to its Strategic Plan. AMS submitted its latest revision dated July 10, 1996. AMS should continue to submit the plan since it provides information on progress made by AMS to resolve identified issues.
- Task 12, Perform Routine Operations and Meet Regulatory Commitments. This task discusses AMS' intention to track outstanding regulatory and compliance issues along with the above eleven tasks. Although this task does not generate a deliverable item, except the task list of the BRP, the NRC can review this present list in the future to monitor progress of activities at AMS.

When submitting information related to Tasks 3 through 12, or the comments provided above, please reference as additional information to Control Number 01827.

If you have any questions or require clarification on any of the information stated above, you may contact us at (630) 829-9887.

Sincerely,

Original Signed By
Kevin G. Null
Nuclear Materials Licensing Branch

License No. 34-19089-01
Docket No. 030-16055

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