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NRC AMENDS REGULATIONS ON DECOMMISSIONING FUNDING
FOR NUCLEAR MATERIALS LICENSEES

The Nuclear Regulatory Commission is amending its regulations to ensure the availability of adequate funds for cleaning up remaining radioactivity at non-reactor nuclear sites after active operations cease permanently. The revisions clarify the requirement that funding mechanisms must be in place during operations and updated when the licensee decides to cease operations and begin decommissioning.

Current NRC regulations require licensees to decommission their facilities within a certain time frame after the facility shuts down permanently. Decommissioning consists of removing a nuclear facility safely from service and reducing residual radioactivity to a level that meets NRC requirements for termination of the license.

Licensees are currently required to establish a funding mechanism to be sure that adequate financial resources will be available to pay for the decommissioning. This financial assurance may be provided through prepayment, a surety bond guaranteeing payment, insurance, or other guarantees, or by an external sinking fund outside the licensee's control into which funds are deposited periodically so that they will be sufficient to pay decommissioning costs at the expected time of termination of operation, with a backup surety method or insurance whose amount may decrease as the amount in the sinking fund increases.

Recent experience has indicated that some licensees subject to the NRC's decommissioning rules have not put in place adequate decommissioning funding because either:

(1) They had applied for license renewal before the NRC's decommissioning funding rule was issued in 1988, but they have since decided to terminate licensed activities without complying with the decommissioning funding requirements or

(2) They set aside the minimum amounts of funding permitted under NRC regulations and later decided to terminate licensed

activities without updating their decommissioning funding amounts.

In both situations, insufficient funding was in place after the licensee ceased operations and began decommissioning. The amendments are intended to ensure that adequate funding will be available in the event a licensee is no longer financially viable.

The revisions will be effective on November 22 (120 days after publication of a Federal Register notice on this subject on July 26).

The new regulations do not apply to nuclear reactor licensees, which are covered under other sections of the Commission's regulations.

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