

March 15, 1999

MEMORANDUM TO: William D. Travers  
Executive Director for Operations

Jesse L. Funches  
Chief Financial Officer

Karen D. Cyr  
General Counsel

FROM: Annette Vietti-Cook, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-98-273 - POTENTIAL  
FUNDING ASSISTANCE FOR AGREEMENT STATES FOR  
CLOSURE OF FORMERLY TERMINATED NRC LICENSES

The Commission has approved the staff recommendation to implement Program Option 1 to continue Agreement State jurisdiction over formerly licensed sites and develop a grant program to make funds available to Agreement States for file review and remediation in certain cases. The staff should reevaluate the remediation cost estimates for the Agreement State sites in view of the much higher known costs for cleaning up Site Decommissioning Management Plan sites. In further communication with Agreement States on this matter, it should be clear that a lack of responsiveness could limit NRC's ability to obtain the necessary funds to carry out further remediation of these sites. The revised cost estimates should include funding for the file reviews and site remediation, if necessary, of sites located in non-Agreement States.

The Commission also has approved the staff's recommendation to pursue a separate appropriation from the General Fund to establish a fund for use by Agreement States through grants to assist in the remediation of formerly NRC-licensed sites when the original owner or successor cannot be found or does not have sufficient funds. The staff should first seek stakeholder views (i.e., the States, industry, NEI, and citizens groups) before pursuing a General Fund appropriation. In submitting a General Fund Appropriation request to Congress for FY2001 and FY2002, the staff should provide the Commission with a clear basis for the request and a decision framework that describes how NRC will allocate the appropriated funds to individual Agreement States.

The staff should develop a decision framework for providing funds to individual Agreement States to ensure a relatively fair and equitable allocation of available funds. One option would be for NRC to provide funding to an individual Agreement State based on the estimated cost for each site to comply with a 25 millirem/year public dose standard. In these cases, any additional cleanup costs for compliance with more conservative criteria, as determined by the Agreement State, would be funded by the State. In addition, it may be necessary to conduct further risk-ranking of the sites to ensure that funds are available for the "higher risk" sites in the event that

appropriated funds are less than requested or prove to be insufficient to fully remediate all sites identified to date. Such a plan is instrumental for NRC to fine-tune its funding request which, based on the Site Decommissioning Management Program experience, could result in a higher estimate and could play a critical role in receiving Congressional approval of the requested funds.

The staff should provide the Commission with its revised cost estimates and a basis for the estimates, the decision framework, and a draft letter requesting appropriation from the General Fund.

(EDO/CFO)

(SECY Suspense:

7/23/99)

Should a request for an appropriation from the General Fund become unviable, the NRC should be prepared to notify the Governors of Agreement States concerning their responsibilities under the Agreements to ensure that the appropriate legislative and financial support are provided to the respective Agreement State Programs to address these sites.

The staff should seek to resolve NRC/Agreement State jurisdictional issues over regulatory responsibility and evaluate possible approaches for returning identified sites to NRC jurisdiction, if desired by the State. The staff should evaluate the different possible approaches that would allow Agreement States to return jurisdiction of these sites to the NRC and should forward its findings to the Commission in a Commission paper that contains options and a staff recommendation. The staff evaluation should consider whether these sites constitute a class or category of sites that could be included or excluded from an Agreement without amending the Atomic Energy Act.

(EDO/OGC)

(SECY Suspense:

9/30/99)

cc: Chairman Jackson  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
Commissioner Merrifield  
CIO  
OCA  
OIG  
OPA  
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)  
PDR  
DCS