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June 8, 2001

Mr. Bruce L. Jorgensen Decommissioning Branch Chief U.S. Nuclear Regulatory Commission Region III 801 Warrensville Road Lisle, IL 60532-4351

Subject: Impact of Proposed DOE Budget on BCLDP Decommissioning Schedule

Dear Mr. Jorgensen:

The purpose of this letter is to inform you of the Department of Energy's (DOE's) proposed funding strategy for the Battelle Columbus Laboratories Decommissioning Project (BCLDP). Battelle believes that the NRC should be aware of this because, as you know, most (90 percent) of the approved financial assurance for the BCLDP license (SNM-7) is guaranteed by a government letter of intent from DOE. The current level of funding by DOE for BCLDP is nominally \$16 million per year. The BCLDP budget for fiscal year 2002 and beyond is proposed to be \$10.1 million per year, a 37 percent decrease. This decrease would have a significant impact on the decommissioning schedule. Current estimates show the end date of decommissioning, given the proposed budget level, to be at least 2015. Battelle also continues to work with both the DOE Ohio Field Office and the DOE Columbus Office to restore funding. If you so desire, Battelle would be willing to make a presentation at the Region III office to explain, in detail, the budget strategy and its impact on timely completion of the BCLDP and on Battelle's efforts to secure additional funding from DOE.

If you have any questions, please do not hesitate to call at (614) 424-5170.

Sincerely,

Craig E. Jensen, CHP Battelle Radiation Safety Officer

cc: C. Pederson, USNRC Region III