



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064**

November 12, 2002

MEMORANDUM TO: Ellis W. Merschoff
Regional Administrator

THRU: Ken E. Brockman, Director */RA/*
Division of Nuclear Materials Safety

FROM: Charles L. Cain */RA/*
Financial Assurance Instrument Custodian Manager
Nuclear Materials Licensing Branch

SUBJECT: ANNUAL EVALUATION OF THE DECOMMISSIONING FINANCIAL
ASSURANCE INSTRUMENT SECURITY PROGRAM AND
INVENTORY

In accordance with Management Directive 8.12, please find attached a report of the annual evaluation of the Region IV Decommissioning Financial Assurance Instrument Security Program and Decommissioning Financial Assurance Inventory.

Attachment: as stated

Distribution:

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 T.P. Gwynn
 K.E. Brockman
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 RIV Financial Assurance File

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RIV:NMLB	NMLB	AC:NMIB/FAICM	D:DNMS
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11/01/02	11/04/02	11/04/02	11/05/02

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ATTACHMENT

U.S.N.R.C. Region IV Financial Assurance Instrument Evaluation

Evaluators: Christi Maier and Anthony D. Gaines

October 21, 2002 - November 1, 2002

1. SECURITY OF INSTRUMENTS

Decommissioning Financial Assurance Instruments for Region IV materials licenses are maintained in a five-drawer Mosler security file cabinet located in Room 550. The cabinet is a General Administration Services approved security container. Only the Financial Assurance Instrument Custodian Manager (FAICM), the Financial Assurance Instrument Custodian (FAIC), and the Alternate Financial Assurance Instrument Custodian (AFAIC) have the combination to the cabinet.

A memorandum dated December 8, 1998, signed by Ellis W. Merschoff, Regional Administrator, designates Charles L. Cain as FAICM, Christi Hernandez (Maier) as FAIC, and Anthony Gaines as AFAIC. The December 8, 1998, memorandum is maintained in the cabinet.

Standard Form 702, Security Container Check Sheet, is used to document opening and closing of the cabinet.

2. DOCUMENT INVENTORY

A systematic review of each financial instrument in the cabinet was performed as described in Section E(2) of Handbook 8.12. The following actions were carried out as a result of the review:

- The financial instrument submitted by the Department of Veterans Affairs Medical Center, Sepulveda, CA., NRC License 04-00916-04, was removed from the cabinet to be returned to the licensee. The appropriate entry was removed from the current inventory record. The reason for this action: the license was terminated in May of 2002.
- The financial instrument submitted by the State of Montana, Department of Environmental Quality, NRC License 25-15963-01, was removed from the cabinet to be returned to the licensee. The appropriate entry was removed from the current inventory record. The reason for this action: the license was terminated in March of 2002.
- The entry for the financial instrument submitted by Texas A & M University, NRC License SNM-1518, was removed from the current inventory record. The instrument was not removed from the cabinet because it includes financial assurance for another license held by Texas A & M University, NRC License 42-09082-09. The reason for this action: the license was terminated in February of 2002.

The following licenses were transferred to the State of Oklahoma in September of 2001. However, as requested by the State of Oklahoma, Region IV continues to hold the financial assurance instruments for these licenses. These financial instruments are segregated within the cabinet from other Region IV financial instruments. The instruments will be returned to the appropriate licensees when the Oklahoma Department of Environmental Quality verifies that the required decommissioning financial assurance has been provided to the State of Oklahoma.

35-07402-11 Conoco, Inc.
35-07466-05 University of Oklahoma
35-19956-01 Chicago Miniature Lamp, Inc. (exemption)
35-21035-01 HCA Health Services of Oklahoma, Inc.

A sanitized copy of the current financial assurance instrument inventory-controlled list is enclosed.

3. DOCUMENT TRACKING LOG

An inventory log of the financial instruments is maintained. "Exhibit 2, Financial Assurance Inventory Log" from Handbook 8.12 has been adopted for this purpose. The log is used when documents are added, removed, and/or returned to the cabinet. The log is kept within the cabinet.

4. LTS REVIEW

The LTS data was obtained and reviewed. Data corrections were made as follows:

- a. The entry for Defense Microelectronics Activity, NRC License 04-29107-01, was revised to reflect the correct financial assurance type (a decommissioning funding plan).
- b. The entry for Enviro-Test Laboratories, NRC License 49-21194-01, was revised to reflect the correct mechanism type (an insurance bond) and the correct issuing party.
- c. The entry for International Isotopes of Idaho, Inc., NRC License 11-27680-01, was revised to reflect the correct mechanism amount.

5. CONCLUSION

As of the date of this report, November 4, 2002, the Region IV Decommissioning Financial Assurance Security Program appears to be in full compliance with Management Directive 8.12. No further action is required.

Enclosure: As stated

ENCLOSURE

Decommissioning Financial Assurance Inventory
Region IV - Controlled list

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
02-06186-01 030-01208 Department of Veterans Affairs Medical Center, Tucson, AZ	SOI	Department of Veterans Affairs	07/13/90	N/A	\$750,000	6/98	transferred from Walnut Creek June 1998
03-01082-01 030-01212 Department of Veterans Affairs Medical Center, Little Rock, AR	SOI	Department of Veterans Affairs	07/25/90	N/A	\$750,000	04/10/91*	
03-15093-01 030-08559 Department of Health & Human Services	SOI Certification	Department of Health & Human Services Food & Drug Administration	07/18/90 04/27/92	N/A	\$750,000	07/31/92*	
04-00181-04 030-01213 Department of Veterans Affairs Medical Center, Los Angeles, CA	SOI	Department of Veterans Affairs	07/20/90	N/A	\$750,000	6/98	transferred from Walnut Creek June 1998
04-00421-05 030-01214 Department of Veterans Affairs Medical Center, San Francisco, CA	SOI	Department of Veterans Affairs	07/06/90	N/A	\$750,000	6/98	transferred from Walnut Creek June 1998
04-00689-07 030-01215 Department of Veterans Affairs Medical Center, Long Beach, CA	SOI	Department of Veterans Affairs	11/07/95	N/A	\$750,000	6/98	transferred from Walnut Creek June 1998 Original SOI 07/10/90
04-02956-02 030-01223 Department of Veterans Affairs Medical Center, Martinez, CA	SOI	Department of Veterans Affairs	07/20/90	N/A	\$150,000	6/98	transferred from Walnut Creek June 1998

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
04-06674-07 030-13620 Department of the Interior, Geological Survey, Menlo Park, CA	SOI	U.S. Department of the Interior	05/21/92	N/A	\$1.5 M	6/98	transferred from Walnut Creek June 1998 Original SOI 02/23/90 Covers Parts 30 & 70
04-07845-04 030-20435 NASA, Moffett Field, CA	SOI	NASA	01/11/96	N/A	\$750,000	6/98	transferred from Walnut Creek June 1998 Original SOI 12/12/90
04-15030-01 030-08456 Department of Veterans Affairs Medical Center, San Diego, CA	SOI	Department of Veterans Affairs	06/27/90	N/A	\$750,000	6/98	transferred from Walnut Creek June 1998
04-17862-01 030-13550 Department of Veterans Affairs Medical Center, Loma Linda, CA	SOI	Department of Veterans Affairs	11/07/95	N/A	\$750,000	6/98	transferred from Walnut Creek June 1998 Original SOI 07/18/90
04-23242-01 030-20404 Department of Veterans Affairs Medical Center, Palo Alto, CA	SOI	Department of Veterans Affairs	08/14/90	N/A	\$750,000	6/98	transferred from Walnut Creek June 1998
04-29107-01 030-34408 Defense Microelectronics Activity, McClellan AFB, CA	SOI Cost Estimate	Department of Defense (Def. Microelectroncis Activity)	09/29/97 09/25/97	N/A	\$100,000	6/98	transferred from Walnut Creek June 1998
05-01399-08 030-03728 Department of the Interior - USGS	SOI	Department of the Interior	06/05/95	N/A	\$750,000	4/24/96*	
SNM-111 070-00121 Department of the Interior - USGS	SOI	Department of the Interior	06/05/95	N/A	\$750,000	4/24/96*	
05-01401-02 030-01234 Department of Veterans Affairs Medical Center, Denver, CO	SOI	Department of Veterans Affairs	07/10/90	N/A	\$750,000	4/9/91*	

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
11-18311-01 030-14825 Department of Veterans Affairs Medical Center, Boise, ID	SOI	Department of Veterans Affairs	07/11/90	N/A	\$750,000	4/9/91*	
11-27380-01 030-32322 Idaho State University	SOI	Idaho State University	12/10/92	N/A	\$750,000	9/23/93*	License renewed 10/99 no changes to DFA.
11-27382-01 (IDA-04-16) 030-32323 University of Idaho	SOI Certification	University of Idaho	04/26/94 04/26/96	N/A	\$750,000	05/07/96	
11-27680-01 030-35486 International Isotopes of Idaho, Inc.	LOC #XXXX-X	Texas State Bank, McAllen, TX	01/12/01	01/13/02	\$130,000	01/30/01	New licensee - new authorization limits requiring DFA
	LOC #XXXX-X(X)	Texas State Bank	01/12/01	N/A	\$130,000	06/12/01	Amended Trust and LOC approved.
	LOC #XXXX-X(X)	Texas State Bank	06/06/02		\$140,000		Amended LOC
	Standby Trust Agreement	Texas State Bank	01/24/01	N/A		10/22/01	Superseded documents returned to licensee.
17-01322-07 030-15040 Department of Veterans Affairs Medical Center, New Orleans, LA	SOI	Department of Veterans Affairs	12/17/96	N/A	\$750,000	12/27/96	Approved 12/27/96
17-12273-01 030-01757 Department of Veterans Affairs Medical Center, Shreveport, LA	SOI	Department of Veterans Affairs	07/11/90	N/A	\$150,000	4/10/91*	

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
22-08799-02 030-05004 Northern States Power Company (Pathfinder)	LOC #XX XXXX STANDBY TRUST	Norwest Bank Minnesota	07/23/90 07/20/90	N/A - renews annually on July 1	\$750,000	11/10/92*	
25-00326-06 030-00871 Montana State University	SOI DFP	Montana State University	06/08/00 11/08/95 w/updates 06/13/00	N/A	\$7,450,000	08/01/00	Approved during CY 2000 renewal by Jim Montgomery
25-01706-03 030-00872 University of Montana	SOI	University of Montana	07/18/90	N/A	\$150,000	2/24/93*	License renewed 8/95 - no changes to DFA requirements
26-00138-10 030-02409 Department of Veterans Affairs Medical Center, Omaha, NE	SOI	Department of Veterans Affairs	07/20/90	N/A	\$750,000	4/9/91*	
27-05861-02 030-06981 Environmental Protection Agency Las Vegas, NV	SOI	Environmental Protection Agency	10/17/96	N/A	\$1.5 M	6/98	transferred from Walnut Creek June 1998 Original SOI 05/8/91 for \$750K
30-01747-02 030-02583 Department of Veterans Affairs Medical Center, Albuquerque, NM	SOI	Department of Veterans Affairs	06/04/90	N/A	\$150,000	4/10/91*	
30-02405-10 030-09345 Department of the Army - White Sands Missile Range	SOI	Department of the Army	05/24/95	N/A	\$75,000	4/10/91*	
30-12350-01 030-05505 Department of the Army - White Sands Missile Range	SOI	Department of the Army	05/24/95	N/A	\$750,000	4/10/91*	SOI in 30-02405-10 file

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
35-00526-04 030-02873 Department of Veterans Affairs Medical Center, Oklahoma City, OK	SOI	Department of Veterans Affairs	07/02/90	N/A	\$750,000	8/10/95*	
36-01395-01 030-02935 Department of Veterans Affairs Medical Center, Portland, OR	SOI	Department of Veterans Affairs	07/10/90	N/A	\$750,000	6/98	transferred from Walnut Creek June 1998
36-12343-02 030-05976 Environmental Protection Agency Corvallis, OR	SOI DFP	Environmental Protection Agency	06/28/95	N/A	\$25,000	6/98	transferred from Walnut Creek June 1998 Original SOI 02/08/90 for \$12K
40-02194-17 030-13079 South Dakota State University	SOI DFP	South Dakota Board of Regents	10/06/95	N/A	\$59,213	11/3/95*	
40-02331-19 030-15186 University of South Dakota	SOI	University of South Dakota	06/25/90	N/A	\$150,000	4/9/91*	
42-00084-06 030-03255 Department of Veterans Affairs Medical Center, Houston, TX	SOI	Department of Veterans Affairs	05/26/90	N/A	\$750,000	7/30/93*	
42-00090-03 030-06388 Schlumberger Technology	LOC #XXXXX STANDBY TRUST	Societe Generale, New York, NY	11/25/98 11/25/98	N/A renewed annually on 11/25	\$1M	12/15/98	One instrument that also covers one Region I license 06-00807-01 030-03766.
42-00220-06 030-03256 Department of Veterans Affairs Medical Center, Dallas, TX	SOI	Department of Veterans Affairs	07/31/90	N/A	\$750,000	4/9/91*	

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
42-00220-08 Department of Veterans Affairs Medical Center, Dallas, TX	030-00503 SOI	Department of Veterans Affairs	07/31/90	N/A	\$75,000	4/9/91*	Original in 42-00220-06 file
42-01068-07 Halliburton Company	030-06392 SB #XX-XXX-XXX STANDBY TRUST	Liberty Mutual Insurance Company Citibank, N.A., New York, NY	07/09/98 09/15/98	N/A	\$75,000	09/24/98	
42-01368-01 Department of the Army - Brooke Army Medical Center	030-03258 SOI	Department of the Army	11/05/90	N/A	\$750,000	4/9/91*	
42-02964-01 Baker Hughes Oilfield Operations (formerly Western Atlas International, Inc.)	030-06402 LOC #X-XXXXXX STANDBY TRUST	Texas Commerce Bank	07/22/94 07/26/94	N/A renewed annually on July 26	\$75,000	8/15/96*	
42-05255-07 Department of the Army - William Beaumont Army Medical Center	030-03260 SOI	Department of the Army	04/27/98	N/A	\$750,000	05/07/98	Approved by Region I with renewal package 05/08/98
42-09082-09 Texas A & M University	030-01066 SOI DFP	Texas A & M University	09/15/97	N/A	\$37,115.38	09/29/97	
42-15881-01 Department of Veterans Affairs, Audie L. Murphy Hospital, San Antonio, TX	030-09959 SOI	Department of Veterans Affairs	04/11/90	N/A	\$750,000	4/10/91*	
42-23539-01AF Department of the Air Force	030-28641 SOI DFP	Department of the Air Force	11/26/97 12/15/97 Revised 02/05/98	N/A	\$128 million	12/16/97 02/13/98	Master materials license

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
43-03299-01 030-03273 Department of Veterans Affairs Medical Center, Salt Lake City, UT	SOI	Department of Veterans Affairs	07/06/90	N/A	\$750,000	7/29/92*	
46-00990-01 030-03367 Department of Veterans Affairs Medical Center, Seattle, WA	SOI	Department of Veterans Affairs	11/21/90	N/A	\$150,000	6/98	transferred from Walnut Creek June 1998
49-09955-10 030-01176 University of Wyoming	SOI	University of Wyoming	04/07/93	N/A	\$150,000	9/23/93*	
49-21194-01 030-19913 Enviro-Test Laboratories, LLC (formerly Core Laboratories, Inc.)	DFP Surety Bond #XXXXXX Standby Trust	Core Laboratories, Inc. ACSTAR Insurance Company American National Bank, Cheyenne, WY	09/10/97 01/08/01 01/12/00	N/A N/A N/A	 \$80,000 N/A	09/16/97 02/15/01 05/01/01	accepted May 1, 2001
50-02430-07 030-01179 University of Alaska, Fairbanks, AK	SOI SOI	University of Alaska University of Alaska	07/20/90 03/13/00	N/A N/A	\$150,000 \$150,000	6/98 03/21/00	transferred from Walnut Creek June 1998 New instrument for Renewal and new signature of Chancellor.
53-00017-23 030-07517 University of Hawaii, Honolulu, HI	SOI DFP	University of Hawaii	04/19/93 04/07/92	N/A	\$218,790	6/98	transferred from Walnut Creek June 1998 Original SOI 04/07/92

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
53-00458-04 Department of the Army Tripler Army Medical Center 030-03537	SOI	Department of the Army Tripler Army Medical Center	09/06/01	N/A	\$750,000	09/17/01	New DFA instrument Reviewer - Jim Montgomery Control No 468634 Renewal
53-13668-01 UniTech Services Group, Inc. (formerly Interstate Nuclear Services Corporation dba INS Corporation 030-06869	LOC X-XXX-XXXX-XXXXXXX STANDBY TRUST LOC - Amendment X-XXX-XXXX-XXXXXXX LOC - Amendment XXXXXXX (Credit #X-XXX-XXXX-XXXXXXX) DFP w/Cost Est LOC - Amendment XXXXXXXXXX	First National Bank of Boston First National Bank of Boston First National Bank of Boston BankBoston, N.A. Licensee Fleet National Bank	03/09/94 03/09/94 09/08/97 04/10/00 10/31/00 03/05/01	N/A Renewal annually on 03/09 N/A N/A	approx \$1.16M \$1,211,318 \$1,211,318 \$1,014,966 \$1,014,966 (RIV \$263,465) (RI \$751,501)	6/98 04/24/00 11/15/00 03/08/01	transferred from Walnut Creek June 1998 (includes two RI licenses) New balance Name change only Termination of VA site - revising cost estimate Amend removing VA site & adjusting amount - Approved 04/09/01 Instrument still covers 37-23341-01 (RI)
SMB-1411 Department of the Army U.S. Army Yuma Proving Ground Yuma, AZ 040-08814	SOI DFP	Department of the Army	10/03/91 04/01/91	N/A	\$153M	6/98	transferred from Walnut Creek June 1998

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
SUB-986 Kerr-McGee Corporation	040-08006						
	INSURANCE - Policy #XXXXXXXXXX-XX	K-M Insurance Company	07/01/90 (effective 07/01/89)	N/A	\$750,000	10/27/92*	
	STANDBY TRUST DFP	Liberty National Bank & Trust	07/18/90 12/90		\$54,731		

* Date placed in safe not known. This date is taken from RIV's DFA acknowledgment letter to the licensee.

Instruments Held for State of Oklahoma

Licensee Name and License Number	Instrument Type and Number	Provider	Issuance Date	Expiration Date	Amount	Date Placed in Safe	Notes
35-07402-11 Conoco, Inc.	LOC #XXXXXXXX STANDBY TRUST LOC amendment 1 #XXXXXXXXXX	The Chase Manhattan Bank, N.A.	01/25/93 05/02/96	N/A renewed annually on January 25	\$1,000,000	05/13/96	Part of OK transition
35-07466-05 University of Oklahoma	SOI	University of Oklahoma	01/27/98	N/A	\$150,000	02/18/98	Part of OK transition Approved w/renewal 06/08/98
35-19956-01 Chicago Miniature Lamp, Inc.	N/A - Exempted	DFP	06/21/95 & 07/17/95				Exemption from DFA requirements granted July 20, 1995
35-21035-01 HCA Health Services of Oklahoma, Inc. formerly The University Hospitals	SOI	State of Oklahoma, Dept. Human Services	05/22/92	N/A	\$150,000		Part of OK transition

DFP Decommissioning Funding Plan
 LOC Letter of Credit
 SB Surety Bond
 SOI Statement of Intent