

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
WASHINGTON, D.C. 20555

July 9, 1997

NRC GENERIC LETTER 97-03: ANNUAL FINANCIAL SURETY UPDATE REQUIREMENTS FOR URANIUM RECOVERY LICENSEES

Addressees

Uranium Recovery Licensees and State Officials.

Purpose

The U.S. Nuclear Regulatory Commission (NRC) is issuing this generic letter to notify addressees about certain procedural requirements for surety submittals. It is expected that recipients will review the information for applicability to their facilities and consider actions, as appropriate, to avoid problems. However, no specific action nor written response is required at this time.

Description of Circumstances

During the November 1996 meeting with the uranium recovery industry, sponsored by the NRC and the National Mining Association, the staff clarified NRC general procedural requirements for surety submittals. This letter documents these requirements for licensees' reference in future surety submittals.

Discussion

Criterion 9 of 10 CFR Part 40, Appendix A, requires licensees to establish financial surety arrangements sufficient to carry out the decontamination, decommissioning of the mill and site, and reclamation of any tailings or waste disposal areas. In its annual review of sureties, the staff generally has considered only decommissioning, reclamation, and ground water corrective action plans, and revisions to those plans, that have been approved by NRC. Criterion 9 states that the annual surety adjustment should "...recognize any increases or decreases resulting from inflation, changes in plans, activities performed, and any other conditions affecting costs." Therefore, licensee-proposed revisions to approved decommissioning, reclamation, and ground water corrective action plans are factors to be considered in the annual surety adjustment. To comply with the rule, any proposed revisions to decommissioning or reclamation plans submitted for NRC review and approval will need to be accompanied by an analysis of the change in cost to the approved plan. Such cost will need to be accounted for in the surety at the next annual surety update.

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In addition, when considering the surety amount in an annual update, licensees should ensure that they are presenting the cost of remaining site reclamation and ground water corrective action plans, rather than simply subtracting the cost of completed work from the current surety. Future submittals that do not provide a cost basis showing the acceptability of the proposed surety amount will not be accepted for review. Failure to resubmit a revised surety with acceptable cost basis will be subject to appropriate enforcement action.

Finally, a recent review of financial assurance instruments for uranium recovery licensees has indicated that many amended surety instruments are not being transmitted to the appropriate NRC address or addressee. As a result, there have been delays in the receipt of surety instruments, and non-receipt, in some cases. All surety instruments should be transmitted by certified mail, under a cover letter, from the licensee to the Branch Chief, Uranium Recovery Branch, Division of Waste Management, U.S. Nuclear Regulatory Commission, Mail Stop T7J-9, Washington, D.C. 20555. The docket number should be clearly identified on the transmittal letter and the surety instrument. Surety instruments should not be transmitted directly from banks or insuring organizations without a letter of transmittal from the licensee that clearly states the Source Material License number for the facility and the name of the licensee. When required, information such as auditor reports, financial statements, or updated parent company documentation should be included.

It is expected that addressees will consider actions, as appropriate, to avoid problems, however, no specific action or written response is required.

If you have any questions about this matter, please contact the technical contact listed below or your NRC project manager.

(Original signed by)

John T. Greeves, Director
 Division of Waste Management
 Office of Nuclear Material Safety
 and Safeguards

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 301-415-7295
 E-mail: dmg2@nrc.gov

Attachment: List of Recently Issued NRC Generic Letters
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*See previous concurrence

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NAME	DGillen/dh		EKraus		JHolonich		RFonner		RJohnson	
DATE	3/06/97		3/05/97		3/06/97		3/06/97		3/06/97	
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NAME	KRamsey		JGreeves							
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NAME	KRamsey	JGreeves			
DATE	3/02/97	3/2/97			