



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

August 3, 2005

Docket No. 04006394
Control No. 137075

License No. SMB-141

David W. Ore
Experimental Support Manager
Department of the Army
U. S. Army Research Laboratory
Aberdeen Proving Ground, MD 21005-5066

**SUBJECT: DEPARTMENT OF THE ARMY, REQUEST FOR ADDITIONAL INFORMATION
CONCERNING FINANCIAL ASSURANCE DOCUMENTS, CONTROL NO.
137075**

Dear Mr. Ore:

This is in reference to your letter dated May 16, 2005 providing financial assurance for decommissioning for Nuclear Regulatory Commission License No. SMB-141. In order to continue our review, we need the following additional information:

1. 10 CFR 40.36 requires that licensees authorized to possess and use greater than 100 millicuries of source material in a dispersible form must submit decommissioning funding plan (DFP) in any new or renewal application submitted after July 27, 1990. The DFP should have been submitted at the time of your most recent renewal in 2001. We request that you submit a DFP now.

Part II, "Financial Assurance", of NUREG-1757, "Consolidated NMSS Decommissioning Guidance", Volume 3, (NUREG-1757, Vol. 3) contains an acceptable method for developing a DFP. This plan must include an actual estimate of the costs (cost estimate) for decommissioning your facility and a description of the methods of assuring funds in accordance with 10 CFR 40.36(e). The appropriate level of detail for the cost estimate is discussed in Section 4.1 of NUREG-1757, Vol. 3. If the DFP cost estimate is greater than your current certification of financial assurance, you must submit a revised financial assurance instrument in the prescribed amount of the cost estimate. Please note also that the October 3, 2003, revision of the regulations require that the cost estimate for the DFP be reviewed, and revised if necessary, every 3 years, and a new financial assurance instrument be submitted if the cost estimate increases.

2. As stated in Section A.2, "Certification of Financial Assurance", of NUREG-1757, Vol. 3, all licensees who are required to provide financial assurance must submit a "Certification of Financial Assurance". The Certification of Financial Assurance is required whether a prescribed amount is used as the basis for financial assurance, or if a amount of the cost estimate for the DFP is used. Section A.2.4 contains the "Model Certification of Financial Assurance" that must be submitted. Please submit a Certification of Financial Assurance with your cost estimate and DFP.

D. Ore
Department of the Army

2

3. Section A.16 of NUREG-1757, Vol. 3, provides current guidance for use of a "Statement of Intent" as a financial assurance instrument.
 - a. You may be required to provide a new Statement of Intent if the cost estimate for your DFP exceeds the prescribed amount of \$1,125,000 currently listed in your Statement of Intent dated May 16, 2005. Section A.16.4 of NUREG-1757, Vol. 3, contains a model Statement of Intent.
 - b. Provide documentation as described in Section A.16.3 of NUREG-1757, Vol. 3, verifying that you are authorized to represent the licensee in providing the Statement of Intent. This documentation should include the relevant portion of the statute granting authority, and if appropriate, the agency procedure that delegates such authority to you.

Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, industrial, and academic uses of nuclear material**; then **toolkit index page**. Or you may obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 9:00 p.m. EST, Monday through Friday (except Federal holidays).

We will continue our review upon receipt of this information. Please reply to my attention at the Region I Office and refer to Mail Control No. 137075. If you have any technical questions regarding this deficiency letter, please call me at (610) 337-5040.

Sincerely,

Original signed by Elizabeth Ullrich

Betsy Ullrich
Senior Health Physicist
Commercial and R&D Branch
Division of Nuclear Materials Safety

cc:
Richard A. Markland, Radiation Safety Officer

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SISP Review Complete: (exu)

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