

August 18, 2005

MEMORANDUM TO: Robert A. Nelson, Chief
Uranium Processing Section
Fuel Cycle Facilities Branch, NMSS/FCSS

FROM: Andrew Persinko, Chief **/RA/**
Special Projects Section
Decommissioning Directorate, NMSS/DWMEP

SUBJECT: REVIEW OF INTERNATIONAL ISOTOPES, INC. 2005
DECOMMISSIONING FUNDING PLAN

International Isotopes, Inc. submitted a decommissioning funding plan (DFP) dated April 19, 2005 for its proposed facility in Idaho Falls, Idaho as part of its application for a Part 40 license. The DFP included a cost estimate of \$117,169. It described the method to be used to adjust the cost estimate and funding level and a description of the financial assurance method to be used. However, it did not include a certificate of financial assurance, a signed original of the financial instrument, nor a standby trust as required by 10 CFR 40.36.

The staff reviewed the DFP for compliance with 10 CFR 40.36 and conformance to the guidance of NUREG-1757, Vol. 3, "Consolidated NMSS Decommissioning Guidance: Financial Assurance, Recordkeeping and Timeliness." The cost estimate and descriptions of methods to adjust the estimate and associated funding levels are acceptable. To complete the DFP, the applicant must submit the certificate of financial assurance, the original financial instrument, and the standby trust.

The staff recommends that either (1) the applicant complete its DFP before the license is issued, or (2) if the DFP is not complete at the time the license is issued, then the license should include a condition prohibiting receipt or possession of radioactive material under the license until the DFP is completed. Attached is input for the safety evaluation report for the license application.

Docket No.: 04009058
License No.: N/A

Attachment: SER Input

Contact: Thomas L. Fredrichs, NMSS/DWMEP/DECD/SPS
(301) 415-5971

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Ticket No.: DECD-0051

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*See Previous Concurrence

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Safety Evaluation Report Input
International Isotopes, Inc. Financial Assurance for Decommissioning

7.0 Decommissioning Funding Plan

The applicant's Decommissioning Funding Plan was developed pursuant to 10 CFR 40.36 and included with the application. The applicant included a decommissioning cost estimate of \$117,169. The applicant has committed to obtain financial assurance to cover the cost estimate after the application has been approved and the license issued but before the receipt of licensed material in quantities requiring financial assurance. The licensee has committed to provide a certificate of financial assurance, a signed original of the financial instrument, and a signed original standby trust to the U.S. Nuclear Regulatory Commission (NRC) prior to receipt of licensed material in quantities requiring financial assurance.

7.1 Findings

The licensee's scope of decommissioning activities addresses known and likely contamination under routine facility conditions. Activities include planning and preparation (mobilization); decontamination and dismantling; packaging, shipping, and disposal of wastes; final radiation survey; and site restoration. The unit cost factors are reasonable, and the level of detail, accuracy, and magnitude of estimated costs are adequate.

License Condition ___, imposes three requirements for financial assurance to be submitted by the licensee after the application has been approved and the license issued but before the receipt of licensed material in quantities requiring financial assurance:

1. Submit a letter of credit in favor of the NRC, conforming to the guidance of NUREG-1757, Vol. 3, "Consolidated NMSS Decommissioning Guidance," in an amount no less than \$117,169, to meet the requirement of § 40.36(d);
2. Submit a certificate of financial assurance in conformance with NUREG-1757, Vol. 3, to meet the requirement of § 40.36(d); and
3. Submit a standby trust in conformance with NUREG-1757, Vol. 3, to meet the requirement of § 40.36(e)(2)(ii), and which will be maintained as long as the licensee uses a financial assurance method that requires a standby trust.

In addition, the license condition requires the licensee to submit an updated cost estimate to the NRC no less than every three years to meet the requirement of § 40.36(d).

7.2 Conclusion

Upon satisfaction of License Condition ___, the licensee will provide adequate financial assurance of decommissioning costs.