



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

March 21, 2006

Docket No. 03034862
Control No. 138302

License No. 29-30483-01

Heidi Tomanchok
Radiation Safety Officer
Merial Limited
631 Route One South, NB-500
North Brunswick, NJ 08902

SUBJECT: Merial Limited, Request for Additional Information
Concerning Financial Assurance Documents, Control No.
138302

Dear Ms. Tomanchok:

This is in reference to your letter dated January 19, 2006 providing financial assurance for decommissioning for Nuclear Regulatory Commission License No. 29-30483-01. In order to continue our review, we need the following additional information:

1. We have received your letter of credit dated January 19, 2006. The letter of credit is missing the license and docket number as required by the guidance in NUREG-1757, Volume 3, "Financial Assurance, Recordkeeping, and Timeliness." Please see checklist on page A-97. It is recommended to closely follow the model letter of credit on page A.10.4.
2. The letter of credit was written for the amount of \$150,000. If using a prescribed value for your license, the required amount per 10 CFR 30.35(b) is \$225,000. Alternatively, you may submit a Decommissioning Funding Plan to determine the required amount.
3. Your letter did not include a Certification of Financial Assurance nor a standby trust agreement along with supporting documents. These documents would normally accompany a letter of credit type of financial instrument. Section A.2 discusses Certification of Financial Assurance. Section A.17 discusses Standby Trust Agreements.

Alternatively, there are other options available for financial assurance. 10 CFR 30.35 requires that licensees authorized to possess and use unsealed licensed material with a half-life greater than 120 days in quantities greater than those described in 10 CFR 30.35(d) must submit certification for financial assurance or a decommissioning funding plan (DFP) in any new or renewal application. This plan must include an actual estimate of the costs for decommissioning your facility and a mechanism to fund the Plan. The appropriate level of detail for the cost estimate is discussed in Appendix A.3 to Volume 3 of NUREG-1757, "Consolidated NMSS Decommissioning Guidance." Submit certification for financial assurance in the prescribed amount using one or more of the

approved financial assurance mechanisms provided in Chapter 4 to Volume 3 of NUREG-1757. Please follow closely the recommended wording for financial assurance mechanisms found in Appendix A to Volume 3 of NUREG-1757. You may request a license amendment which will limit the possession of unsealed licensed material of half-life greater than 120 days and thereby reduce or eliminate the required financial assurance.

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. 138302. If you have any technical questions regarding this deficiency letter, please call me at (610) 337-5366.

Sincerely,

Original signed by Dennis R. Lawyer

Dennis R. Lawyer
Health Physicist
Commercial and R&D Branch
Division of Nuclear Materials Safety

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SISP Review Complete: DLawyer

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