

June 14, 2006

Ms. Pat Duft
Tyco Healthcare Mallinckrodt
675 McDonnell Boulevard
St. Louis, MO 63147

SUBJECT: REVIEW OF MALLINCKRODT INC. PHASE II DECOMMISSIONING FUNDING
PLAN (DFP)

Dear Ms. Duft:

The staff has completed its review of the Phase II - DFP submitted by the Mallinckrodt, Inc. In the May 15, 2003 DFP submittal, Mallinckrodt estimated the Phase II costs to be \$13,688,144.00, without the contingency factor (with Contingency, the estimate was \$17,085,180.00). The May 15, 2003 figure was \$3,989,136.00 higher than the Phase II cost estimate, without contingency, submitted on January 15, 2002.

Due to the large increase in estimated cost during the 16 month period between the earlier estimates, Mallinckrodt must adjust its cost estimate to account for cost changes for the three year period since it submitted the 2003 estimate. The revised cost estimate must include adequate allowance for contractor overhead and profit. The May 15, 2003 submittal did not identify whether or not those costs were included. Note also that 10 CFR 40.36(d) requires the licensee to revise its cost estimate at intervals not to exceed every three years.

In accordance with 10 CFR 2.390 of NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in NRC's Public Document Room or from the Publicly Available Records component of NRC's Agencywide Document Access & Management System (ADAMS). ADAMS is accessible from NRC's website at: <http://www.nrc.gov/reading-rm/adams/html> (the Public Electronic Reading Room). This information is also available on NRC's website at: <http://www.nrc.gov/materials/decommissioning/public-involve.html>.

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If you have any question or comments regarding this, please call me at (301) 415-0023, or by email; aak@nrc.gov.

Sincerely,

/RA/

Amir Kouhestani
Project Manager
Decommissioning Directorate
Division of Waste Management
and Environmental Protection
Office of Nuclear Material Safety
and Safeguards

P. Duft

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Sincerely,

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Project Manager
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