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August 14, 2006

Docket No. 03003296
Control No. 138764

License No. 45-00034-26

Betsy Ullrich
Senior Health Physicist
US Nuclear Regulatory Commission
Commercial and R & D Branch
Division of Nuclear Materials Safety
Region I
475 Allendale Road
King of Prussia, PA 19406

Re: University of Virginia, Request for Additional Information Concerning Financial Assurance Documents, Control No. 138764

Dear Betsy:

After reviewing the financial assurance requirements in your letter dated July 10, 2006, and our current license, we have determined that we do not possess "special nuclear materials in unsealed form in quantities greater than 1 E4 the applicable quantities of Appendix B to Part 30 in unsealed form". In order to reflect the quantities of special nuclear material in unsealed form that we could possess, Line W - Plutonium-239 in ANY form, should be changed to 10 uCi and the reference to unsealed special nuclear materials in Condition 13 should be removed.

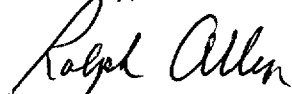
With the lower possession limit, the total amount of financial assurance required for our license would be \$1,350,000. The Statement of Intent currently on file for our license in the amount of \$1,750,000 exceeds this amount (see attached).

As requested in your letter, we have attached a Certification of Financial Assurance and documentation verifying that the person signing the Statement of Intent is authorized to request and obtain decommissioning funds when necessary.

Thank you for your attention to this item.

Please contact me or Debby Steva at (434) 982-4911 if you have any questions.

Sincerely,



Ralph O. Allen
Radiation Safety Officer

138764
NMSS/RONI MATERIALS-002

CERTIFICATION OF FINANCIAL ASSURANCE

Principal: *[Legal names and business address of licensee]*

Leonard W. Sandridge, Jr., Executive Vice President, and Chief Operating Officer
University of Virginia
PO Box 400228, Madison Hall, Room 107
Charlottesville, Virginia 22901

NRC license number, name and address of the facility

License number 45-00034-26
University of Virginia
Office of Environmental Health & Safety
515 Edgemont Road or PO Box 400322
Charlottesville, Virginia 22904-4322

Issued to: University of Virginia

I certify that the University of Virginia is licensed to possess the following types of *sealed sources or plated foils with a half-life greater than 120 days licensed under 10 CFR Part 30, unsealed byproduct material with a half-life greater than 120 days licensed under 10 CFR Part 30, source material in a readily dispersible form licensed under 10 CFR Part 40, and unsealed special nuclear material licensed under 10 CFR Part 70* in the following amounts:

Type of Material

Amount of Material


Materials and quantities as authorized on Materials License number 45-00034-26,
Amendment No. 116.

I also certify that financial assurance in the amount of \$1,750,000 will be requested as an appropriation from the Virginia General Assembly for purposes of decommissioning as prescribed by 10 CFR Part 30, 40, and 70.

[Signatures and titles of officials of institution]

[Corporate seal]

[Date]


Leonard W. Sandridge
Executive Vice President and
Chief Operating Officer

UNIVERSITY POLICY ON SIGNATORY AUTHORITY

1. Authority of President, Executive Vice President and Chief Operating Officer, Vice President for Finance and Assistant Vice President for Finance to Execute Certain Documents and Contracts

The President, Executive Vice President and Chief Operating Officer (who is an Officer of the Board) and Vice President for Finance of the University are hereby authorized, jointly and separately, subject to the limitations in Paragraph 3 hereof, to execute in the name of and on behalf of the University any or all documents in whatever form and for whatever purpose, including, but not limited to, the following:

Deeds, leases, contracts, certificates, receipts including gift receipts, deeds of trust, promissory notes, bonds, checks, tax returns and reports, claims for refund, releases, waivers, bills of sale, stock certificates, proxies, security agreements, financing statements, affidavits, pleadings and responses to interrogatories.

Such employees are authorized to execute any or all of such documents which they, jointly or separately, determine in their sole discretion should be executed in the best interest of the University, and such discretion may be exercised without any necessity of prior approval, or ratification, by the Board of Visitors or any Committee thereof, except that such employees may only execute the documents specified in Paragraph 3 with the prior approval of the Board of Visitors, or the Executive Committee thereof, and shall execute such documents as directed by such Board or Committee.

2. Delegation

The President, the Executive Vice President and Chief Operating Officer and the Vice President for Finance of the University are hereby authorized, jointly and separately, to delegate to other University employees any or all of the authority to execute any documents described in Paragraph 1, above, subject to the following:

- (a) Each delegation shall be in writing and shall be to a named individual; and

- (b) Each delegation shall specify the types of documents that may be executed, including any applicable dollar limitation.

Delegations by the Assistant Vice President for Finance prior to the effective date of this policy are hereby ratified and continue in effect until amended or rescinded by the President, Executive Vice President and Chief Operating Officer or the Vice President for Finance.

3. Authority to Execute Certain Documents and Contracts With the Prior Approval of the Board of Visitors

With the prior approval of the Board of Visitors, or the Executive Committee thereof, The President, Executive Vice President and Chief Operating Officer and Vice President for Finance are authorized to execute in the name of and on behalf of the University, the following documents:

- (a) Deeds, contracts and any other documents by which the University conveys, or contracts to convey, any of its real estate or interest in real estate, excluding leasehold interests;
- (b) Contracts and any other documents by which the University acquires, or contracts to acquire, any real estate, or real estate interest, excluding leasehold interests;
- (c) Contracts and any other documents by which the University acquires, or contracts to acquire, goods or services for which more than \$5,000,000 will be paid by the University in any one year.

4. Approval and Reporting to the Board of Visitors

The President, the Executive Vice President and Chief Operating Officer and the Vice President for Finance are authorized to approve the following types of transactions and report them to the Board of Visitors at its next meeting following the action:

- (a) The write-off of bad debts and free service for the Medical Center, and the write-off of bad debts for the Academic Division and University of Virginia at Wise;

- (b) The allocation of funds for debt service, capital outlay and other purposes from unrestricted quasi-endowment income;
- (c) Acceptance of the financial report pertaining to expenditure of funds from the Pratt Estate; and
- (d) Establishment of summer conference rates for housing facilities and for meals, overnight accommodation rates for the Birdwood Pavilion, and room rates for the International Center.

5. Authority to sign contracts with the Virginia College Building Authority for Leased Equipment

The Executive Vice President and Chief Operating Officer and the Vice President for Finance are authorized to execute and deliver, on behalf of the Board of Visitors, such future leases in substantially the form of the 1994 Lease with such changes, insertions or omissions as may be approved by the Executive Vice President and Chief Operating Officer or the Vice President for Finance.

Approval shall be evidenced exclusively by the execution and delivery of such future leases and any and all other documents, instruments or certificates as may be deemed necessary in the future to consummate the University's participation in the Equipment Financing Program as may be authorized by the General Assembly of Virginia and to further carry out the purposes and intent of this policy in the future, it being the intent of the Board of Visitors that no further action on behalf of the Board of Visitors shall be necessary to empower the Executive Vice President and Chief Operating Officer and the Vice President for Finance to execute and deliver such future leases and other documents as may be deemed necessary in order for the Institution to further participate in the Equipment Financing Program.

6. Authority of the Secretary and Assistant Secretary of the Board of Visitors

The Secretary and the Assistant Secretary of the Board of Visitors are authorized, jointly and separately, to affix the corporate seal of the University to any or all of the documents described in this Signatory Policy, to attest such seal and to execute certificates concerning the continued effectiveness of this or any other resolution of the Board, or any amendment

thereto, and such authority may be exercised, jointly or separately, in their sole discretion without any necessity of prior approval, or ratification, by the Board of Visitors or any committee thereof.

7. Rescission of Prior Signatory Policies

The above policy supercedes the following Board resolutions on signatory authority:

- Signatory Authority Resolution dated January 30, 1982.
- Signatory Authority for Lease of Real Estate dated November 15, 1996.
- Amendment to University Policy on Signatory dated September 20, 1996.
- Authorization to sign contracts with the Virginia College Building Authority for Leased Equipment Not Exceeding \$4.38 Million, dated November 11, 1993.
- Delegation of Authority to Approve Certain Transactions to the Executive Vice President and Chief Financial Officer dated February 6, 1993.

University Policy on Signatory Authority adopted by the Board of Visitors on June 15, 2001.

Signed:



John T. Casteen III, President

5.2 FINANCIAL ASSURANCE AND RECORDKEEPING FOR DECOMMISSIONING

**DECOMMISSIONING FUNDING STATEMENT OF INTENT
FOR THE UNIVERSITY OF VIRGINIA
BROAD SCOPE MATERIALS LICENSE # 45-00034-26**

The University of Virginia is a state corporation under the control of the General Assembly of the Commonwealth of Virginia, Section 23-114, Code of Virginia, as amended. Accordingly, the University of Virginia is a state government licensee as defined in Title 10, Code of Federal Regulations, Part 30.35(f)(4).

I, Leonard W. Sandridge, Jr., acting in my capacity as Executive Vice President and Chief Operating Officer, am authorized by the Board of Visitors of the University of Virginia to issue this Statement of Intent on behalf of the University of Virginia.

The University of Virginia currently holds NRC License Number 45-00034-26, a Broad Scope byproduct materials license. The referenced license describes the facilities and activities for which this Statement of Intent is provided. The University of Virginia has no present plans to decommission its facilities.

Should the University of Virginia terminate its license, it is estimated that the decommissioning costs would be \$1,750,000. This figure is based on the disposal and clean up costs estimated based upon the possession limits of the license. This figure will be reviewed every three (3) years. The University of Virginia reserves the right to reassess this funding estimate at the time of license termination. As a state agency, the University of Virginia is subject to a bi-annual appropriation from the General Assembly. In the event that the University of Virginia decides to relinquish its NRC license, it agrees to request an appropriation from the General Assembly to cover the decommissioning costs sufficiently in advance to prevent any delays in required decommissioning activities.

This statement is signed in duplicate.

NONNEGOTIABLE



Leonard W. Sandridge, Jr.
Executive Vice President, and
Chief Operating Officer

04/27/05
Date

letter
report

moving ?
irradiator ?
can we do ?

Unsealed 10 cur line
10-239 is ≤ 1
Line w
change w to sealed
or change cond. 13

restrict posses of unsealed to
quantities $\leq 10^3$ (≤ 10 cur)

- **The highest level *prescribed amount of \$750,000*** applies to a Part 70 licensee who is authorized to possess or use unsealed special nuclear material in amounts exceeding the limit applicable to the \$150,000 prescribed amount, as stated above, but
 - in amounts greater than 10^4 but less than or equal to 10^5 times the applicable quantities of Appendix B to 10 CFR Part 30, or
 - for a *combination* of isotopes, if R divided by 10^4 is greater than 1 but if R divided by 10^5 is less than or equal to 1 (when R is defined as the sum of the ratios of the quantity of each isotope to the applicable value in Appendix B to 10 CFR Part 30).
- ***A prescribed amount may not be used*** for a Part 70 license authorizing the possession or use of unsealed special nuclear material in amounts exceeding the limit applicable to the highest level prescribed amount (\$750,000), as stated above. These licensees must prepare DFPs, as discussed in Section A.3.
- ***No financial assurance is required*** for a Part 70 license authorizing the possession or use of unsealed special nuclear material in amounts less than or equal to 10^3 times the applicable quantities of Appendix B to 10 CFR Part 30 or, for a combination of isotopes, if R divided by 10^3 is less than or equal to 1 when R is defined as the sum of the ratios of the quantity of each isotope to the applicable value in Appendix B to 10 CFR Part 30. No financial assurance is required for licensees possessing only special nuclear material in sealed form.

A.2.2 Preparing the Certification of Financial Assurance

All licensees who are required to provide financial assurance must prepare a certification of financial assurance. In the certification of financial assurance, the licensee certifies that it has obtained financial assurance in the appropriate amount and provides the details needed to verify that the amount is accurate under NRC regulations. As discussed above, these details include the license type and the types and amounts of materials authorized by the license.

The model wording for certifications of financial assurance presented in Section A.2.4 is acceptable to NRC staff. Although other wording may also be satisfactory, all certifications of financial assurance should clearly identify the licensee, the license number, the type of license (e.g., Part 30), the types and amounts of materials authorized by the license (including specific isotopes where applicable), the appropriate amount of financial assurance, and a certification that the information presented in the statement is accurate.

APPENDIX A

A.2.3 Submitting the Required Documentation

Under NRC's financial assurance regulations, 10 CFR 30.35(b)(2), 40.36(b)(2), and 70.25(b)(2), licensees who use prescribed amounts of financial assurance must submit the following to NRC:

- The certification of financial assurance (regulatory guidance is provided in Section A.2.2); and
- An *originally signed duplicate* of the financial instruments obtained to provide financial assurance for decommissioning. This appendix describes the allowable financial instruments first in general terms, in Section A.1, and then in detail beginning in Section A.4. Licensees should refer to these other sections to ensure that their financial assurance instruments and supporting documentation will be acceptable to NRC.

In addition to submitting these materials, licensees must maintain records of the amount of financial assurance certified for decommissioning and the funding methods used for assuring funds (e.g., a copy of the financial instruments and all supporting documentation).