



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

October 16, 2006

Docket No. 03030941
Control No. 138391

License No. 37-28329-01

Andrew J. Armbrust
Senior Vice President
Philotechnics, Ltd.
DBA Afftrex, Ltd.
600 State Street
Clairton, PA 15025-1800

**SUBJECT: PHILOTECHNICS, LTD., REQUEST FOR ADDITIONAL INFORMATION
CONCERNING FINANCIAL ASSURANCE DOCUMENTS, CONTROL NO.
138391**

Dear Mr. Armbrust:

This is in reference to your letter dated September 12, 2006 providing a revised decommissioning cost estimate (DCE). This DCE, which increases your estimated facility decommissioning costs, is accepted without further comment.

In order to update your decommissioning funding plan to reflect the revised DCE, the following actions are required:

- 1) Please provide a description of the method and specify the frequency that will be used to adjust the site specific cost estimate and associated funding levels periodically over the life of the facility. This may be included in a revised decommissioning cost estimate or other licensee prepared document. NUREG 1757, Volume 3, Appendix A, Section A.3.2 provides guidance relative to updating site specific cost estimates. 10 CFR 30.35(e) requires that cost estimates be adjusted at intervals not to exceed three years.
- 2) Please prepare and submit a new certification of financial assurance. NUREG-1757, Volume 3, Appendix A, Section A.2.2 provides guidance relative to preparing this document.
- 3) Please obtain and submit a revised letter of credit (or other financial instrument). NUREG-1757, Volume 3, Appendix A, Section A.10 provides guidance relative to preparing a letter of credit. This information must be submitted to the NRC as an originally signed duplicate.
- 4) Please obtain and submit an amended standby trust fund. NUREG-1757, Volume 3, Appendix A, Section A.17 provides guidance relative to preparation of standby trust agreements and associated schedules. The amended standby trust agreement must be submitted to the NRC as an originally signed duplicate.

A. Armbrust
Philotechnics, Ltd.

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Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, Academic, and Industrial 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 8:00 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. 138391. If you have any technical questions regarding this deficiency letter, please call me at (610) 337-5252.

Sincerely,

Original signed by John D. Kinneman

John D. Kinneman
Deputy Director
Division of Nuclear Materials Safety

cc:
Glenn R. Marshall, C.H.P., Radiation Safety Officer

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SUNSI Review Complete: JSchmidt

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DATE	10/16/2006		10/16/2006					

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