

December 6, 2006

TO: Stakeholders Interested In Regulation of Subsurface Contamination and Decommissioning Financial Assurance

SUBJECT: PUBLIC MEETING ON CONSIDERATION OF RULEMAKING TO REDUCE THE LIKELIHOOD OF FUNDING SHORTFALLS FOR DECOMMISSIONING UNDER THE LICENSE TERMINATION RULE

On January 10, 2007, the NRC will host a public meeting using a "roundtable" format. The purpose of the meeting is to allow stakeholders an opportunity to discuss concerns and interact with other interested parties on the regulatory issues summarized below. The meeting will take place from 9:00 AM to 4:00 PM EST at the Residence Inn Bethesda Downtown, 7335 Wisconsin Avenue, Bethesda, MD (301-718-0200). The NRC is asking those planning to attend the meeting to pre-register by contacting Jayne McCausland, (301) 415-6219, fax (301) 415-5369, or e-mail jmm2@nrc.gov. You may also register the day of the meeting beginning at 8:30 AM.

In 2003, the U.S. Nuclear Regulatory Commission (NRC) decided to proceed with a proposed rulemaking to reduce the likelihood of sites that fail to complete decommissioning actions. Such sites are called "legacy sites," which are sites that are in decommissioning but whose operators cannot complete the work and terminate the license in accordance with NRC regulations because of technical or financial reasons. To date, the legacy sites have been materials facilities, primarily those that processed uranium and thorium, all of which had subsurface contamination. A risk-informed approach for NRC regulation of subsurface contamination to prevent legacy sites would affect several hundred facilities, including those with materials licenses and operators of nuclear power reactors. NRC is soliciting public input by holding a roundtable meeting as part of its work on a proposed rule which has as its objective the prevention of future legacy sites.

Regulatory amendments are under consideration that will affect both facility operations and licensee financial assurance for decommissioning. One proposed change would require each NRC licensee to conduct operations, to the extent practicable, so as to minimize the presence of contamination in the subsurface environment. A second would require certain licensees, based on their capability for causing long-lasting subsurface contamination, to check for the presence of such contamination. NRC experience with legacy sites demonstrates that soil or groundwater contamination, if not addressed during the operating life of the facility, can increase decommissioning costs to levels much higher than initially funded and may contribute to off-site radionuclide migration, causing additional expense and delay in returning the site to other productive uses.

Another regulatory amendment under consideration is to eliminate the escrow account as an approved financial assurance mechanism due to its ineffectiveness in bankruptcy actions. Two other financial assurance mechanisms that pose similar financial risk during bankruptcy are the unsecured Parent Company Guarantee and unsecured Self-

Guarantee. Reliance on these financial assurance mechanisms may increase the likelihood of future legacy sites.

As stated above, the format for this public meeting will be a "roundtable" format. Participants at the roundtable will be the invited stakeholders representing the broad spectrum of interests who may be affected by this rulemaking. The roundtable format is being used for this meeting to promote a dialogue among the representatives at the table on the issues of concern. Opportunities will be provided for comments and questions from the audience. Questions on the meeting format, including participation in the roundtable, should be directed to the meeting facilitator, Lance Rakovan. Mr. Rakovan can be reached at (301) 415-2589 or via e-mail LRC2@nrc.gov. If an attendee will require special services, such as services for the hearing impaired, please notify Ms. McCausland of these requirements when pre-registering. Individuals unable to attend the meeting will be able to listen via teleconference. For teleconference information, please contact Ms. McCausland.

The NRC staff is in the process of developing a notice of this public meeting which will be published soon in the Federal Register. The meeting notice and a meeting agenda will be posted on the NRC web site at: <http://www.nrc.gov/public-involve/public-meetings/index.cfm>.

Sincerely,

/RA/

Dennis Rathbun, Director
Division of Intergovernmental Liaison
and Rulemaking
Office of Federal and State Materials and
Environmental Management Programs

List of Stakeholders that were sent the stakeholder letter

Adler, Bruce	General Electric Company
Allen, Rich	Illinois Emergency Management Agency
Anderson, Ralph	Nuclear Energy Institute
Boeldt, Eric	Pennsylvania State University
Boyd, Michele	Public Citizen
Charbeneau, Randall	University of Texas
Cloud, Paul	US Army
Conley, Tom	Kansas Dept of Health & Environment
Couture, Gerard	Westinghouse Electric Company
Culberson, Dave	Fuel Cycle Facilities Forum
Domotor, Stephen	US Dept of Energy
Ernst, John	University of Missouri
Folkers, Cindy	Nuclear Information and Resource Services
Ford, Robert	US Environmental Protection Agency
Holman, Charlie	Areva NP, Inc.
Hostetter, Dwight	Southern Nuclear
Karakantas, Susan	Temple University
Langhorst, Susan	Washington University
Lochbaum, David	Union of Concerned Scientists
Maiers, Robert	Pennsylvania Dept of Environmental Protection
McNulty, Paul	Entergy Nuclear Pilgrim Station
Miller, John	Merck & Co
Moore, B. Marie	Nuclear Fuel Services, Inc.
Nimitz, Ronald	NRC R-I
O'Neill, Thomas	Exelon Corporation
Orth, Steve	NRC R-III
Pilmer, David	Southern California Edison
Quattrocchi, John	American Nuclear Insurers
Rice, Tim	New York State Dept of Environmental Conservation
Riley, Jack	Honeywell International, Inc.
Schrader, John	Gamma Industry Processing Alliance
Sullivan, Terrence	Bayer MaterialScience
van Noordennen, Gerry	Connecticut Yankee Atomic Power Company
Warren, Jim	North Carolina Waste Reduction & Awareness Network