March 5, 2007

Stanley D. Hampton, M.S./RSO
Eli Lilly & Company
Radiation Safety Office
Mail Drop 2123, MCC20
Lilly Corporate Center
Indianapolis, IN 46285

Dear Mr. Hampton:

On October 3, 2003, the Commission issued amended rules for financial assurance for decommissioning applicable to NRC licenses issued pursuant to 10 CFR Parts 30, 40, and 70 (68 FR 57327). The amended rules became effective on December 2, 2003; however, existing licensees were permitted to implement the rules over a period of time.

In accordance with the new rule, licensee's that are required to establish a Decommissioning Funding Plan (DFP) were required to submit a revised cost estimate and include in their Plan a means for adjusting the cost estimate and the associated funding level periodically over the life of the facility by December 4, 2006. Cost estimates must be adjusted at intervals not to exceed three years.

Currently, we hold a DFP dated December 18, 1996, for Eli Lilly & Company in the amount of $1,177,961.13, and have not received an adjustment to the cost estimate.

Therefore, in accordance with the regulations, please perform a review of the cost estimate associated with your DFP, and submit the results of that review including any adjustments to the estimate. Also, if your review resulted in a change to the cost estimate for decommissioning, you must submit a signed original of the financial instrument that reflects the change in the estimate.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). The NRC's document system is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html.

Please submit this information within 60 days of the date of this letter. If you have any questions, please contact Kevin Null of my staff at 630-829-9854.

Sincerely,

/RA/
Patricia Pelke, Chief
Materials Licensing Branch

License No.: 13-01133-02
Docket No.: 030-04330

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