



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

December 3, 2007

Henry D. Baier
Associate Vice President for
Facilities and Operations
The University of Michigan
3040 Fleming Administration
503 Thompson Street
Ann Arbor, MI 48109-1340

Dear Mr. Baier:

We have completed our review of the decommissioning financial assurance in the form of a Statement of Intent (SOI) dated April 25, 2007, for NRC License Numbers 21-00215-04, 21-00215-06, and SNM-179. Within the scope of our review, no deficiencies were identified and the new SOI is approved.

Enclosed you will find the SOI dated February 7, 1996, which we have canceled and returned for your records.

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>.

If you have any questions, please contact Kevin Null of my staff at (630) 829-9854.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia J. Pelke".

Patricia J. Pelke, Chief
Materials Licensing Branch

License Nos.: 21-00215-04, 21-00215-06, and SNM-179
Docket Nos.: 030-01988, 030-06958, and 070-00192

Enclosure:
Statement of Intent dated February 7, 1996

THE UNIVERSITY OF MICHIGAN

ANN ARBOR 48109-1340

(313) 764-3402

PAUL A. SPRADLIN
INTERIM
ASSOCIATE VICE PRESIDENT
FOR BUSINESS OPERATIONS

February 7, 1996

Ms. Cassandra Frazier
Materials Licensing Section
U.S. Nuclear Regulatory Commission
Region III
801 Warreville Road
Lisle, Illinois 60532-4351

Handwritten signature: Paul Spradlin 12/3/2007

RE: Follow Up to Decommissioning Financial Assurance - Statement of Intent

Dear Ms. Frazier:

The intent of this correspondence is to serve as a follow up to your request for additional information regarding the University of Michigan's statement of intent assuring financial responsibility for decommissioning efforts. As requested, please note that this statement of intent contains a cost estimate for decommissioning four of the University of Michigan's eight NRC-issued licenses. Note that five of the eight licenses are exempt from the financial assurance and decommissioning funding plan because they represent sealed/plated special nuclear material (10 CFR 70.25).

The statement of intent noted in this correspondence represents the financial assurance for decommissioning the following University of Michigan licenses:

<u>License Number</u> <u>Assurance</u>	<u>Docket</u> <u>Number</u>	<u>Description</u>	<u>Financial</u>
21-00215-04	00081	Broadscope/Byproduct Material License	\$ 750,000
21-00215-05	00082	Cobalt-60 Teletherapy Source (10,800 Ci)	75,000
21-00215-06	00083	Cobalt-60 Water Shielded Irradiator (12,000 Ci)	75,000
SNM-179	00084	Np-237 (powdered oxide)	<u>150,000</u>
TOTAL			\$ 1,050,000

The statement of intent also notes that adequate funds for decommissioning activities will be obtained when required and that the parties signing the financial instrument for the University of Michigan are authorized to represent the organization. Note that funds for decommissioning costs will be requested and obtained sufficiently in advance of decommissioning to prevent delay of required activities.

As noted in a correspondence to the Nuclear Regulatory Commission (NRC) dated July 27, 1990, the University of Michigan Byproduct Material License and specific licenses are supported by the general fund of the University, which is a state supported institution. Funds for decommissioning the various University of Michigan campuses will be obtained from funds provided by the Regents of the University of Michigan should decommissioning be necessary.

In addition to the correspondence addressing the University of Michigan's financial assurance responsibilities noted above, a decommissioning funding plan for the UM Byproduct Material License (21-00215-04) dated August 10, 1990, was sent to the NRC.

The total estimated cost for decommissioning the four applicable radioactive material licenses is \$1,050,000. The NRC-issued licenses are listed below. Note that the UM Ford Nuclear Reactor License (Docket 50-2-R-28) is not included in this correspondence.

<u>License Number</u>	<u>Description</u>	<u>Financial</u>
21-00215-04	Broadscope Byproduct Material License	\$ 750,000
21-00215-05	Cobalt-60 Teletherapy Source (10,800 Ci)	75,000
21-00215-06	Cobalt-60 Water Shielded Irradiator (12,000 Ci)	75,000
SNM-179	$^{239}\text{PuBe}$ [(80 g)x(5)]; $^{238}\text{PuBe}$ [(6 g)x(2)]; Plated Foils: [U-235 (17 mg), Pu-239 (10 mg), U-233 (30 mg), Np-237 (20 mg), Np-237 (powdered oxide), Am-241 (20 uCi/plated)]	150,000
SNM-1377	Pu-238; nuclear-powered cardiac pacemakers	N/A
SNM-1529	Pu-239 & Pu-241 as PuBe [(16 gram) - 15 gram Pu-239 + 1 gram Pu-241]	N/A
SNM-1835	Pu-239 as PuBe source (80 grams)	N/A
SUD-1398	U-238 slugs/2500 kg [DOE/Savannah River Leased]	N/A

Please note that the goal in decommissioning the University of Michigan campuses (Ann Arbor, Dearborn, and Flint) and facilities (Beck Road, Pellston Biological Station, and Botanical Gardens) is to remove from service those laboratories and facilities in which radioactive material was used or stored and to reduce residual radioactivity to levels that permit the release of the property for unrestricted use. The University of Michigan will make every effort to eliminate residual radioactive contamination from all decommissioned laboratories and facilities.

Recitation of Authorization to Sign Statement of Intent

I have been delegated authority from the Regents of the University of Michigan, a Michigan Constitutional Corporation, to commit University funds for decommissioning activities detailed in this letter pursuant to the attached Regental Bylaw, Section 3.01, and the delegation of authority from the Executive Vice President and Chief Financial Officer of the University.

Board of Regents Authorization

My authorization to sign for decommissioning funds is pursuant to the attached Regental Bylaw, Section 3.01, and the delegation of authority from the Executive Vice President and Chief Financial Officer of the University.

Thank you for your time, effort, and consideration in this matter. Please contact me should you have any questions, comments, or concerns regarding the University of Michigan Financial Assurance for Decommissioning Plan.

Sincerely,



Paul A. Spradlin

PAS:sra
attachments
cc: H. D. Baier
J. E. Carey
M. L. Driscoll

CANCELLED
OK
BKF
Patricia Stone 12/3/2007

THE UNIVERSITY OF MICHIGAN
3014 FLEMING ADMINISTRATION BUILDING
ANN ARBOR 48109-1340
(313) 764-7272
FAX (313) 936-8730

FARRIS W. WOMACK
EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER

February 7, 1996

Paul A. Spradlin
Interim Associate Vice President
for Business Operations
University of Michigan
503 Thompson Street
Ann Arbor, Michigan 48109

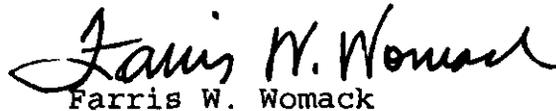
RE: Delegation of Authority to Commit University Funds

Dear Mr. Spradlin:

Pursuant to the authority given to me by Section 3.01(1) of the Regents Bylaws, I hereby delegate authority to you as Interim Associate Vice President for Business Operations to commit University of Michigan funds within the Business Operations budget for decommissioning activities for the NRC-issued licensed University facilities as requested by the U.S. Nuclear Regulatory Commission.

This delegation shall remain in full force and effect until revoked by me or my successor in writing, by action of the Board of Regents, or by termination of your University of Michigan employment.

Sincerely,


Farris W. Womack

FWW:sra

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JFK

CHAPTER III

BUSINESS MANAGEMENT, FINANCE, AND PROPERTY

Sec. 3.01. The Executive Vice President and Chief Financial Officer *(revised November 1993)*

The executive vice president and chief financial officer shall, except as otherwise specifically provided, have general supervision of and responsibility for the finances, property, and business of the University. The executive vice president and chief financial officer shall advise the president on the business and financial activities of the University.

The powers and duties of the executive vice president and chief financial officer shall be as follows:

1. **Supervision of Finances.** The executive vice president and chief financial officer shall have general supervision of and be responsible for the collection and custody of and accounting for all money belonging to the University, and it shall be the executive vice president and chief financial officer's duty to demand and receive all such money when due from the state treasurer or any other person or persons.

The executive vice president and chief financial officer shall have general supervision of and responsibility for proper management of all operating funds containing working capital for the conduct of the University, of all gift funds made to the trusts created for the benefit of the University or any of its units, and of all investments of University funds. The executive vice president and chief financial officer may institute such legal proceedings as may be necessary for the proper conservation of the assets of the University; and select appropriate legal counsel.

The executive vice president and chief financial officer shall pay all demands upon the University after such payment has been duly authorized by the Board, or other proper authority or authorities.

2. **Accounting.** The executive vice president and chief financial officer shall keep or cause to be kept full and accurate books of account covering all transactions of the executive vice president's office. The executive vice president and chief financial officer shall cause periodic audits of all University units to be made for the information of the Board and shall file these audits at intervals during the fiscal year.
3. **Properties.** The executive vice president and chief financial officer shall have general supervision of and be responsible for the physical properties of the University. The executive vice president and chief financial officer shall cause to be prepared and shall keep in convenient form an inventory of all property, both real and personal, committed to the executive vice

president's charge. The executive vice president and chief financial officer shall have custody of all deeds and other documents relating to the property of the University.

The executive vice president and chief financial officer shall have authority to formulate and publish rules for the safe-keeping, care, and use of the buildings, grounds, and equipment.

The executive vice president and chief financial officer shall approve the conditions of sales of any outworn or outmoded equipment or supplies.

All property lost or abandoned on the campus or in the buildings of the University and unclaimed by owners or finders shall be turned over to the executive vice president and chief financial officer for disposal.

4. **Reports-Financial, Business, and Property.** The executive vice president and chief financial officer shall:
 - a. Prepare and deliver periodically to the Board a brief statement showing under general heads the receipts and disbursements during the preceding period or since the last report was made;
 - b. Report not less than quarterly concerning the investment and reinvestment of University funds;
 - c. Prepare for the Board an annual financial report showing in required detail the receipts and disbursements of University funds for the fiscal year, and such other matters as experience or common practice of educational institutions shall require; and
 - d. Make such special reports and furnish such information as may be requested from time to time by the Board concerning University finances, investments, student loan funds, business, or property.
5. **Purchases.** The executive vice president and chief financial officer shall have general supervision of and be responsible for all purchases for the University.
6. **Nonacademic Personnel Administration.** The executive vice president and chief financial officer shall have responsibility for the administration of personnel and employee relations, policies, and procedures related to nonacademic and nonadministrative personnel, defined to include such categories as technicians, clinicians, chemists, pharmacists, nurses, social workers, dietitians, therapists, engineers, skilled and unskilled workers, clerical and fiscal personnel, and such other nonacademic classifications as may be included from time to time by agreement of the proper administrative authorities.
7. **Department Heads.** The executive vice president and chief financial officer shall appoint, with the approval of the president, such department heads as are warranted and deemed desirable within the business organization to carry out the executive vice president and chief financial officer's duties.