



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

May 16, 2008

Docket No. 04000341  
Control No. 141653

License No. STC-133

Michael Pecullan  
Radiation Safety Officer  
Defense Logistics Agency  
Defense National Stockpile Center  
8725 John J. Kingman Road, Suite 3229  
Ft. Belvoir, VA 22060-6223

**SUBJECT: DEFENSE LOGISTICS AGENCY, REQUEST FOR ADDITIONAL  
INFORMATION CONCERNING FINANCIAL ASSURANCE DOCUMENTS,  
CONTROL NO. 141653**

Dear Mr. Pecullan:

This is in reference to your letter dated May 1, 2008 providing financial assurance for decommissioning for Nuclear Regulatory Commission License No. STC-133. In order to continue our review, we need the following additional information:

1. As stated in our guidance, NUREG-1757, Volume 3, because of the uncertainty in contamination levels, waste disposal costs, and other costs associated with decommissioning, the cost estimate should apply a contingency factor of 25 percent to the sum of all estimated decommissioning costs. The 25 percent contingency factor provides reasonable assurance for unforeseen circumstances that could increase decommissioning costs, and should not be reduced or eliminated simply because foreseeable costs are low. NRC's recommendation for the use of a 25 percent contingency factor is consistent with the analysis and guidance contained in NUREG/CR-6477, which applies a 25 percent contingency factor to all estimated costs associated with decommissioning various reference facilities. Please include a 25 percent contingency factor on your cost estimate.

Alternately, you may request for a license amendment to reduce or eliminate the requirement for financial assurance.

2. 10 CFR 36(d) requires, in part, the decommissioning funding plan must also contain a certification by the licensee that financial assurance for decommissioning has been provided in the amount of the cost estimate for decommissioning. This guidance in NUREG-1757, Volume 3, to fulfill this requirement is through the use of a Certification of Financial Assurance. A certification of Financial Assurance was requested in my February 27, 2008 and April 15, 2008 letters. Please closely follow the model on page A-23 found in Appendix A to Volume 3 of NUREG-1757. If you can not locate NUREG-1757, Volume 3, please call me.

M. Pecullan  
Defense Logistics Agency

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3. The Statement of Intent dated March 20, 2003 is not acceptable as all the facilities listed on your current license must be listed on the Statement of Intent. As stated in my letter dated April 15, 2008, you may elect to use your previous Statement of Intent which was written in 1993. If however, you elect to write a new Statement of Intent, please enclose a copy of the document authorizing Mr. Holder, to sign the Statement of Intent (i.e. 50 U.S.C. § 98h (b)(2)(j)).

Current NRC regulations and guidance are included on the NRC's website at [www.nrc.gov](http://www.nrc.gov); select **Nuclear Materials; Medical, Academic, and Industrial Uses of Nuclear Material**; then **Regulations, Guidance, and Communications**. You may also obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-866-512-1800. 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. 141653. If you have any technical questions regarding this deficiency letter, please call me at (610) 337-5366.

Sincerely,

***Original signed by Dennis R. Lawyer***

Dennis R. Lawyer  
Health Physicist  
Commercial and R&D Branch  
Division of Nuclear Materials Safety

cc:  
Cornel A. Holder, Administrator

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**SUNSI Review Complete: DLawyer**

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NAME	DLawyer/DRL							
DATE	5/16/2008							

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