

MEMORANDUM TO: John Kinneman, Chief
 Nuclear Materials Safety Branch
 Division of Nuclear Materials Safety, Region I

November 3, 1995

FROM: Michael F. Weber, Chief
 Low-Level Waste and Decommissioning Projects Branch
 Division of Waste Management
 Office of Nuclear Material Safety and Safeguards

[ORIGINAL SIGNED BY]

SUBJECT: REVIEW OF NUCLEAR METALS, INC. REQUEST FOR EXEMPTION

As requested, we have reviewed the Region I technical assistance request dated October 5, 1995, (Charles Hehl memorandum to John Greeves) and the August 15, 1995, documents sent to John Kinneman by Nuclear Metals, Inc. (NMI), all of which relate to a partial exemption from financial assurance requirements request by NMI.

Because of cost information which will be forthcoming from the licensee at the end of the calendar year, it would seem premature to be granting any form of exemption now. The U.S. Nuclear Regulatory Commission must be provided with a revised estimate of the total decommissioning cost by the licensee. This cost estimate will presumably provide the dollar portions that the licensee and Army are individually responsible for. This cost estimate should also be accompanied by a written Statement of Intent from the Army covering the Army's portion of the total decommissioning costs.

Once the individual amounts have been determined, the NRC can then evaluate the reasonableness of the estimates and determine the status of the licensee with regard to compliance with the financial assurance requirements in 10 CFR 40.36.

We would also support writing a very carefully worded letter to the U.S. Army indicating our view of the importance of their ongoing negotiations with NMI to help resolve the financial assurance requirements facing NMI. We need to be especially careful that we do not insert ourselves between NMI and the U.S. Army in their business relationship.

CONTACT: Louis M. Bykoski, DWM/NMSS
 415-6754

TICKET: DWM-566

DISTRIBUTION:

Central File
 NMSS r/f
 DWM r/f
 DWM t/f
 MFederline
 JSurmeier
 MBell
 LBell
 BT
 JHofmanich
 RNelson
 RF
 JAustin
 CHehl
 Sch...
 A/k

DOCUMENT NAME: S:\DWM\LLDP\LMB\NMIEXM.REQ

* SEE PREVIOUS CONCURRENCE

OFC	LLDP*		LLDP*		LLDP*			
NAME	LBykoski		MHood		TCJohnson		MWeber ✓	
DATE	10/19/95		10/20/95		10/20/95		11/3/95	1/95

OFFICIAL RECORD COPY

ACNW: YES NO
 IG : YES NO
 LSS : YES NO

Delete file after distribution: Yes No
 (30 days)

9511070366 951103
 NMSS ADDCK 04000672

40-672
 40-8866
 NMI
 DATE: A

MEMORANDUM TO: John Kinneman, Chief
Nuclear Materials Safety Branch 2
Division of Nuclear Materials Safety, Region I

FROM: Michael F. Weber, Chief
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

SUBJECT: REVIEW OF NUCLEAR METALS, INC. REQUEST FOR EXEMPTION

As requested, we have reviewed the Region I technical assistance request dated October 5, 1995, (Charles Hehl memorandum to John Greeves) and the August 15, 1995, documents sent to John Kinneman by Nuclear Metals, Inc. (NMI), all of which relate to a partial exemption from financial assurance requirements request by NMI.

Because of cost information which will be forthcoming from the licensee at the end of the calendar year, it would seem premature to be granting any form of exemption now. The U.S. Nuclear Regulatory Commission must be provided with a revised estimate of the total decommissioning cost by the licensee. This cost estimate will presumably provide the dollar portions that the licensee and Army are individually responsible for. This cost estimate should also be accompanied by a written Statement of Intent from the Army covering the Army's portion of the total decommissioning costs.

Once the individual amounts have been determined, the NRC can then evaluate the reasonableness of the estimates and determine that status of the licensee with regard to compliance with the financial assurance requirements in 10 CFR 40.36.

CONTACT: Louis M. Bykoski, DWM/NMSS
415-6754

TICKET: D-566

DISTRIBUTION:

Central File DWM r/f MFederline MBell JHolonich JAustin
NMSS r/f DWM t/f JSurmeier LBell RNelson

DOCUMENT NAME: S:\DWM\LLDP\LMB\NMIEXM.REQ

OFC	LLDP		LLDP		LLDP	C	LLDP			
NAME	LB Koski/kv		M Hood <i>nick</i>		TC Johnson		M Weber			
DATE	10/19/95		10/20/95		10/20/95		/ /95			/ /95

OFFICIAL RECORD COPY

ACNW: YES NO
IG : YES NO Delete file after distribution: Yes No
LSS : YES NO