



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 23, 1996

MEMORANDUM TO: Ronald R. Bellamy, Chief
Decommissioning and Laboratory Branch, DNMS
Region I

FROM: Michael F. Weber, Chief *M.F. Weber*
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management, NMSS

SUBJECT: ADDITIONAL INFORMATION APPLICABLE TO TAR REGARDING
DEPARTMENT OF THE ARMY STATEMENT OF INTENT RELATED TO
NUCLEAR METALS, INC.

This memorandum provides additional information in response to your Technical Assistance Request of September 30, 1996, regarding our review of an Army Contract Board decision related to remediation of the Nuclear Metals, Inc. (NMI) holding basin.

In a memorandum to you on August 8, 1996, we stated that based upon our review of the July 26, 1996, letter submittal that (a) the Army needed to document that the Director of Systems Life Cycle Readiness Office had the authority to sign the Statement of Intent (SOI), and (b) this SOI covered only a part of the total obligation, and that we assumed that the remaining \$6 million will be provided by the Army procurement action for remediating the holding basin.

In a memorandum to Marie Miller on September 24, 1996, we stated that based upon our review of the Army Contracts Board decision, the Decision did not serve as an SOI for the remaining obligation, namely the holding basin. The Board decision requires NMI to work out a contract with the Army. In addition, subsequent to the Board Decision, the Army withdrew its July 1996 SOI for decommissioning the remainder of the facility in a facsimile dated September 30, 1996, and received by Region I on October 7, 1996. As the Army clarified for us in the October 16, 1996, conference call, the Army has not currently provided any commitment for decommissioning anything other than the holding basin and government owned equipment. NMI continues to need to work out a contract with the Army and to have the Army execute an SOI acceptable to the NRC for the holding basin decommissioning costs. When this additional SOI is in place, NMI needs to demonstrate compliance with NRC's requirements for financial assurance for decommissioning for the remaining portions of the facility.

If it does not appear that NMI will resolve the decommissioning financial assurance issues by providing an acceptable SOI or alternate mechanism by early November 1996, enforcement action (e.g., order) should be considered and taken to compel compliance.

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