



# NRC NEWS

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## **NRC PROPOSES \$7,000 FINE, ISSUES ORDER TO PUERTO RICO FIRM FOR FAILING TO MEET DECOMMISSIONING FINANCIAL ASSURANCE REQUIREMENTS**

The Nuclear Regulatory Commission has proposed a \$7,000 civil penalty for a Puerto Rico firm for failing to validate its ability to fund future decommissioning work associated with an accelerator it uses to produce radioactive pharmaceuticals. In addition, the NRC is issuing an order to International Cyclotron, Inc., that will suspend its license in 60 days if the company does not provide an acceptable means of decommissioning financial assurance.

International Cyclotron, which is based in Hato Rey, Puerto Rico, was issued an NRC license on Aug. 20, 2009, authorizing the use of an accelerator, also referred to as a cyclotron, for the production of radioactive drugs and radiochemicals. The license also gives the firm permission to prepare and distribute the radioactive pharmaceuticals for medical and non-medical use.

Under NRC regulations, such license-holders are required to provide assurance that a suitable financial mechanism is in place to cover the costs of decommissioning in the event they are unable or unwilling to complete radiological clean-up activities. Despite multiple attempts by NRC staff between Dec. 7, 2009, and Oct. 12, 2011, to contact International Cyclotron regarding its non-compliance in this area, the company did not provide a sufficient response to establish that it was taking appropriate actions and making adequate progress towards meeting this requirement.

The company provided draft decommissioning cost estimates on Aug. 5 and 30, 2011. Also, during a predecisional enforcement conference with the NRC at the Region I Office on Aug. 30, the president of International Cyclotron committed to provide the necessary documents to come into compliance with the agency's requirements. A follow-up letter from the NRC requesting additional information within 30 days was issued on Sept. 2, 2011.

International Cyclotron did not respond until Oct. 14, 2011. That response included a signed cost estimate for decommissioning and a description of the method for assuring adequate

decommissioning funds and periodic estimate adjustments. However, the firm has failed to submit the required financial assurance instrument.

“In assessing the significance of this violation, the NRC considered that International Cyclotron’s failure to obtain and submit a financial assurance instrument has prevented the NRC from ensuring that funds will be available at the time of shutdown to provide for orderly and timely decommissioning to protect public health and the environment,” Roy P. Zimmerman, Director of the NRC’s Office of Enforcement, wrote to the company in a letter issued today regarding the enforcement action.

Under the order being issued by the NRC, International Cyclotron must submit an acceptable financial assurance instrument within 60 days or its license will be suspended. The suspension will remain in effect until an acceptable instrument is in place.

Meanwhile, the company will have 30 days to provide a written response to the Notice of Violation accompanying the issuance of the \$7,000 civil penalty for the failure to provide an acceptable financial assurance instrument.

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