

January 31, 2012

EA-11-086

Frank S. Kolodziej Castro, M.D.
President and Owner
International Cyclotron, Inc.
Calle José Martí #56
Floral Park
Hato Rey, PR 00918

**SUBJECT: REMINDER TO SUBMIT ADEQUATE FINANCIAL ASSURANCE INSTRUMENT
BY FEBRUARY 17, 2012 OR SUSPEND LICENSED ACTIVITIES**

Dear Dr. Kolodziej Castro:

This letter refers to the Notice of Violation and Proposed Imposition of Civil Penalty (Notice) and Order Suspending Licensed Activities (Order) issued to International Cyclotron, Inc. (International Cyclotron) by the U.S. Nuclear Regulatory Commission (NRC) on December 19, 2011 (ML11347A234)¹. The Notice and Order were issued to International Cyclotron due to its continuing failure to provide a financial assurance instrument to serve as the means for covering future decommissioning costs, as required by Title 10 of the Code of Federal Regulations (10 CFR) Section 30.35(f).

In your December 23, 2011, response (ML12010A115), you stated that International Cyclotron has obtained an insurance policy to serve as the financial assurance instrument. However, you did not provide a signed original of the instrument (as required by 10 CFR 30.35(e)). Accordingly, International Cyclotron remains in violation of NRC requirements. We remind you that, consistent with the NRC Order issued on December 19, 2011, if the NRC does not receive a signed original of an acceptable financial assurance instrument by February 17, 2012, International Cyclotron must cease all activities authorized under License Nos. 52-31352-02 and 52-31352-01MD (excluding possession and storage of the radioactive sources currently authorized by the licenses), until notified by the NRC in writing that a financial assurance instrument has been accepted. As stated in the NRC's December 19, 2011, letter, if you do not provide the NRC the required information, and you do not cease licensed activities, as directed by the Order, you may be subject to criminal prosecution.

Note that in accordance with NUREG-1757, "Consolidated NMSS Decommissioning Guidance," Volume 3, "Financial Assurance, Recordkeeping, and Timeliness" use of an insurance policy also requires you to establish a Standby Trust Agreement (STA) for funds from the insurance policy. However, in your December 23, 2011, response, you did not provide a signed original of

¹ Designation in parentheses refers to an Agency-wide Documents Access and Management System (ADAMS) accession number. Documents referenced in this letter are publicly-available using the accession number in ADAMS.

the STA or even indicate that International Cyclotron has obtained such an STA. You are required to do so when using an insurance policy as the financial assurance instrument. Details regarding the criteria for an acceptable insurance policy and STA for decommissioning financial assurance were discussed with you during a telephone conversation on January 13, 2012, and are provided in NUREG-1757, Vol. 3, which may be accessed via the following web link: <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1757/v3/>. Please contact Elizabeth Ullrich of the NRC's Region I office at 800-432-1156 for questions and assistance regarding this matter.

This letter also acknowledges receipt of International Cyclotron's payment of the \$7,000 civil penalty.

In accordance with 10 CFR 2.390 of the NRC "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room and from ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

/RA/

Roy P. Zimmerman, Director
Office of Enforcement

Docket Nos. 03037882 & 03037957
License Nos. 52-31352-01MD & 52-31352-02

cc: Commonwealth of Puerto Rico

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/RA/

Roy P. Zimmerman, Director
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