



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, IL 60532-4352

November 1, 2012

Mr. Kelly Crooks
Radiation Safety Officer
Department of the Army
1 Rock Island Arsenal HQ
US Army Joint Munitions Command
ATTN: AMSJM-SF
Rock Island, IL 61299-6000

SUBJECT: IMPLEMENTATION OF FINANCIAL ASSURANCE REQUIREMENTS ISSUED
JUNE 17, 2011

Dear Mr. Crooks:

On June 17, 2011, the Commission issued amended rules for financial assurance for decommissioning applicable to NRC licenses issued pursuant to 10 CFR Parts 30, 40, and 70. The final rules become effective on December 17, 2012. Below are examples of some of the changes to the financial assurance regulations for materials licensees:

Mechanism Type	New Requirement(s)
Prepayment Instruments	The only prepayment financial assurance instruments that will be allowed under the amended regulations are trust funds. Escrow accounts, government funds, certificates of deposits, and deposit of government securities cannot be used under the amended regulations.
Surety Methods	The amended regulation eliminates the line of credit as a financial assurance instrument.
Parent Company Guarantees and Self Guarantees	Several changes have been made, including required annual submittals of the financial test, changes in the financial test, and the establishment of a standby trust fund.

In addition to the changes above, Decommissioning Funding Plans must be submitted to the NRC for review during license renewals and at intervals not to exceed three years. To ensure compliance with the regulations, please review the Federal Register Notice Volume 76, Number 117, pages 35512-35575 at <http://www.gpo.gov/fdsys/pkg/FR-2011-06-17/pdf/2011-14267.pdf>.

This letter is to bring to your attention the changes in the regulations so that you can assess the impacts to your financial assurance program. No response to this letter is required. However, if you have questions regarding implementation, please contact Jennifer L. Bishop of my staff at 630-829-9607.

K. Crooks

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In accordance with 10 Code of Federal Regulations 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia J. Pelke". The signature is fluid and cursive, with a large initial "P" and "J".

Patricia J. Pelke, Chief
Materials Licensing Branch

Docket No.: 040-08767
License No.: SUC-1380