

**From:** [Lawyer, Dennis](#)  
**To:** [Scott.G.goodison.civ@mail.mil](mailto:Scott.G.goodison.civ@mail.mil)  
**Subject:** Department of the Army, U.S. Army Public Health Command, Request for Additional Information Concerning Financial Assurance, Control No.'s 582684, 582685, and 582686  
**Date:** Thursday, February 13, 2014 12:31:00 PM

---

Dear Goodison,

This is in reference to Mr. Resta's letters dated November 20, 2013, and February 7, 2014, submitting financial assurance for Nuclear Regulatory Commission License No.'s 19-09880-01, SMB-707, and SNM-860 (Docket No.'s 03004550, 4007008, and 07000867). In order to continue our review, we need the following additional information:

1. 10 CFR 40.36(d)(1) states, in part, that the decommissioning funding estimate must meet the 10 CFR 20.1402 criteria for unrestricted use, provided that, if the applicant or licensee can demonstrate its ability to meet the provisions of 10 CFR 20.1403, the cost estimate may be based on meeting the 10 CFR 20.1403 criteria. It appears based on the November 20, 2013, letter that you might be using USAPHC Regulation 11-9 standards for a release criteria. Generally, this standard meets 10 CFR 20.1402 criteria for beta gamma emitting isotopes, but may not for alpha emitting isotopes. For example, thorium screening value for is 7 dpm/100cm<sup>2</sup>. Please state that your estimate will enable release criteria of 10 CFR 20.1402 or make adjustments in your cost estimate to support this criteria.
2. Your letters appear to state that financial assurance is not required for your SNM-860 license but was included in your decommissioning cost estimate because the material is comingled. This observation is based on paragraph 1 of the letter dated February 7, 2014, and the reference heading on the decommissioning cost estimate. 10 CFR 70.25(a)(2) is the regulation which requires SNM-860 to have financial assurance. No response is required for this item.
3. You recently requested a Building in North Aberdeen Proving Ground to be added to your licenses. You need to include this building in your decommissioning cost estimate. If another command is held responsible, it should be listed in the assumption of the cost estimate.
4. 10 CFR 70.25(e) states, in part, that decommissioning funding plan must including means for adjusting cost estimates and associated funding levels periodically over the life of the facility. It letter dated February 7, 2014, you stated that it would be adjusted for the average rate of inflation over the life of the license. 10 CFR 70.25(e) also states, in part, at the time of license renewal and at intervals not to exceed three years, the decommissioning funding plan must be resubmitted with adjustments as necessary to account for changes in costs and the extent of contamination. Please state that you will perform a decommissioning funding plan at least every three years, and at renewals. Also please clarify how you will adjust for the average rate of inflation over the life of the license.
5. The Certification of Financial Assurance Item Letter B of License 19-09880-01 possession limit, is not accurate. Please correct this item and resubmit.

6. There appears to be no Statement of Intent was submitted with the letter dated February 7, 2014. The Statement of Intent submitted in the letter dated November 20, 2013, is missing the following elements:
  - a. documentation verifying that the signatory is authorized to represent the licensee in providing the Statement of Intent.
  - b. Description of facilities (name and address) for which Statement of Intent provides financial assurance.
  - c. Recitation of authority for signatory to sign the Statement of Intent.

It is highly recommended that the Statement of Intent be reworded similar to the model Statement of Intent in Appendix A.11 of NUREG-1757, Volume 3, Rev. 1, "Consolidated Decommissioning Guidance Financial Assurance, Recordkeeping, and Timeliness." URL <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1757/v3/> The Statement of Intent should not contain other information that should be included with the decommissioning cost estimate or certification.

We will continue our review upon receipt of this information. Please reply to my attention at the Region 1 Office (Address below) and refer to Mail Control No.'s 582684, 582685, and 582686. If you have technical questions regarding this letter, please call me at (610) 337-5366.

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

*Please note that you may not reply to this letter by return e-mail. Your reply must be in writing by letter. We appreciate a response within 30 calendar days from the date of this e-mail.*

Region 1 Office Mailing Address: Licensing Assistance Team, US Nuclear Regulatory Commission Region I, 2100 Renaissance Boulevard, Suite 100, King of Prussia, PA 19406-2713.

Dennis Lawyer  
Health Physicist  
U.S. Nuclear Regulatory Commission  
Division of Nuclear Material Safety  
610-337-5366  
610-337-5269 (F)