



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

Susan M. Langhorst, Ph.D.
Radiation Safety Officer
Washington University in St. Louis
Campus Box 8053
660 S. Euclid Avenue
St. Louis, MO 63110-1093

SEP 22 2014

Dear Dr. Langhorst:

On December 14, 2010, Washington University in St. Louis submitted to the U.S. Nuclear Regulatory Commission (NRC) a revised decommissioning funding plan (DFP) including an updated self-guarantee to fulfill its requirements under 10 CFR Part 30. On September 27, 2011, Washington University in St. Louis submitted to the NRC revised financial information in accordance with the terms of the self-guarantee. The financial instrument and DFP will require additional information to be acceptable.

A review of the DFP, self-guarantee, and related documents was conducted using the guidance included in NUREG-1757, Volume 3, Appendix A, which applies to licenses granted under 10 CFR Part 30.

A summary of the staff's evaluation of the DFP is outlined below, which includes more specific details on the deficiencies. In order to complete the financial assurance requirements for a self-guarantee, the University will need to modify the documents to include the information outlined below:

(1) Submit a certification of financial assurance (NUREG-1757, Appendix A)

NUREG-1757, Appendix A calls for the submission of a certification of financial assurance from all licensees required to demonstrate financial assurance under 10 CFR Part 30, including those submitting a DFP (NUREG-1757, Appendix A, Sections A.1.3 and A.2). In the certification of financial assurance, the licensee certifies that it has obtained financial assurance in the appropriate amount and provides the details needed to verify that the amount is accurate under NRC regulations (NUREG-1757, Appendix A, Section A.2.2). The model wording for a certification of financial assurance is presented in NUREG-1757, Appendix A, Section A.2.4.

In the January 10, 2013 submission, a CFO letter in support of the self guarantee, which is labeled as the certification of financial assurance was included. The substantive terms recommended by NUREG-1757 for inclusion in a certification of financial assurance are not

equivalent to the substantive terms recommended by NUREG-1757 for inclusion in a CFO letter in support of the self-guarantee. Specifically, the CFO letter does not include details needed to verify that the amount of financial assurance being demonstrated is accurate under NRC regulations. For example, the CFO letter does not include the materials possessed by the licensee or certify that financial assurance has been obtained for the amount specified.

Please provide a separate certification of financial assurance as recommended by NUREG-1757, Appendix A which includes model wording for a certification of financial assurance.

(2) Submit revised financial test data demonstrating the licensee's ability to qualify as a self-guarantor or submit an alternate financial mechanism (10 CFR Part 30, Appendix E and NUREG-1757, Volume 3, Appendix A, Section A.14.1)

NUREG-1757, Volume 3, Appendix A, Section A.14.1 states that "a licensee cannot rely on ratings of revenue bonds to satisfy the requirements of the financial test. Additionally, NUREG-1757," Volume 3, Appendix A, Section A.14.1 explains that "revenue bonds frequently require that the pledged revenue be used to repay the bonded debt before paying other operating expenses and, therefore, do not meet NRC's regulatory requirement that the bonds be 'uninsured, uncollateralized, and unencumbered'" (as required by 10 CFR Part 30, Appendix E).

The letter from the University's CFO specifies that the University is satisfying the self-guarantee financial test through reliance on Moody's and Standard and Poor's ratings of bonds issued by Washington University in St. Louis on August 9, 2012, with maturity dates of February 15, 2023, 2027, 2033, and 2047. Moody's and Standard and Poor's rating reports of these bonds, included in the submission, both describe the bonds issued by Washington University in St. Louis as revenue bonds. Ratings on revenue bonds do not reflect the overall financial condition of the issuer (i.e., licensee); and therefore, do not satisfy the intentions of NRC's self guarantee regulations.

Therefore, please either submit revised financial test data demonstrating the licensee's ability to qualify as a self-guarantor consistent with the requirements of 10 CFR Part 30, Appendix E or submit an alternate financial mechanism.

(6) Submit a revised standby trust agreement (NUREG 1757, Volume 3, Appendix A, Section A.12)

NUREG 1757, Volume 3, Appendix A, Section A.12 provides the model language for a licensee's standby trust fund agreement. The standby trust fund agreement submitted does not include several items necessary for the NRC to accept this agreement. The following items need to be addressed:

- Please include the Specimen Certificate of Events (NUREG 1757, Volume 3, Appendix A, Sections A.12.6)

- Please include the Specimen Certificate of Resolution (NUREG 1757, Volume 3, Appendix A, Sections A.12.7); and
- Please include the Letter of Acknowledgment (NUREG 1757, Volume 3, Appendix A, Sections A.12.8)

Please submit the originally signed Standby Trust Fund Agreement and the additional information outlined above.

Please reference your response as additional information to Control Number 577710.

If you have any questions, please contact me at (630) 829-9607.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer L. Bishop". The signature is fluid and cursive, written in a professional style.

Jennifer L. Bishop
Materials Licensing Branch

Docket Nos. 030-02271/030-38167
License Nos. 24-00167-11/24-00167-14