



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

October 30, 2018

Terry Grimm, Ph.D.
President
Niowave, Inc.
1012 N. Walnut Street
Lansing, MI 48906-5061

Dear Dr. Grimm:

The U.S. Nuclear Regulatory Commission (NRC) staff has reviewed the cost estimate dated January 20, 2017, and additional information dated December 6, 2017, for NRC License Number 21-35144-02 in accordance with NUREG-1757, Volume 3, Revision 1, "Financial Assurance, Recordkeeping, and Timeliness." Based on this review, the NRC staff has determined that the decommissioning cost estimate, \$155,346.58, is acceptable. Your next three year cost estimate will be due January 31, 2020.

In addition, the staff has completed its review of the Standby Trust Agreement dated March 5, 2015, and Standby Trust Amendment No. 1 dated June 27, 2016, in accordance with NUREG-1757, Volume 3, Revision 1, "Financial Assurance, Recordkeeping, and Timeliness." Based on this review, the NRC staff has determined that the financial assurance mechanism and supporting documentation conforms to NRC guidance.

Based on the approval of the Standby Trust Agreement Amendment No. 1 dated June 27, 2016, which funded the trust, we are returning previously submitted Letter of Credit No. 999271 dated February 12, 2015, and Amendment No. 1 to Letter of Credit No. 999271. In addition, we are also returning two unsigned copies of Amendment 1 to Standby Trust Agreement dated March 5, 2015. The documents returned were discussed with your former Radiation Safety Officer, Valeriia Starovoirova, Ph.D., on July 23, 2018 by Ms. Jennifer Dalzell.

The NRC staff also reviewed the revised cost estimate dated March 2, 2018, and identified the following deficiencies that you will need to address before we can approve any changes to your program:

1. In a recent amendment to your license which we received on March 11, 2018, you propose to use dispersible radium-226 in solution; however, your cost estimate did not include any estimated costs for decommissioning this material. Please revise your cost estimate to include disposal costs and surveys of the areas where the material will be used, as well as costs associated with potential need to perform remediation due to spills.
2. There is a difference in the assumed labor costs from the last cost estimate provided in January, 2017, and the one provided in March, 2018. For example, the per diem rate used was lower in the cost estimate from March 2018, and the number of hours needed to complete the tasks were different, with no explanation or justification for the changes. Please provide either updated cost estimating tables or a justification for the costs provided.

Please respond to these deficiencies within 45 days of the date of this letter and reference Control No. 586280 in your response. Be advised that further delays and failure to address significant deficiencies related to the financial assurance provided for licensed activities covered under NRC License Number 21-35144-02 may impact any expansion of activities covered under this license. If you have any questions, please contact Jennifer L. Dalzell at jennifer.dalzell@nrc.gov and 630-829-9607.

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

Sincerely,

/RA/

Patricia J. Pelke, Chief
Materials Licensing Branch
Division of Nuclear Materials Safety

License No. 21-35144-02
Docket No. 030-38770

Enclosures:

1. Letter of Credit No. 999271 dated February 12, 2015
2. Amendment No. 1 to Letter of Credit No. 999271
3. Amendment No. 1 to Standby Trust Agreement dated March 5, 2015 (two unsigned copies)

Letter to Dr. Terry Grimm from Patricia J. Pelke dated October 30, 2018

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OFFICE	RIII-DNMS	C	RIII-DNMS	C				
NAME	JDalzell:cl/ps		PJPelke					
DATE	7/30/2018		10/30/2018					

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