

JUL 30 1993

License No. 29-08636-02  
Docket No. 030-11318  
Control No. 113388

EMR Photoelectric  
ATTN: Robert R. Davis  
General Manager  
P.O. Box 44  
Princeton, New Jersey 08542

Dear Mr. Davis:

Subject: Financial Assurance

This is in reference to your letter dated July 16, 1991 to provide financial assurance for License No. 29-08636-02. We have reviewed your submittal and request you to modify it to address the specific matters listed below:

1. You adapted the cost estimating tables in Appendix F of the *Regulatory Guide 3.66*, "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30, 40, 70, and 72," June 1990, (copy enclosed) to derive the cost estimate. However, you did not provide enough detail in the decommissioning funding plan to justify the estimate. You did not specify the dimensions of the laboratory buildings and the dimensions of the individual facility components (i.e., fume, hoods, glove boxes, ductwork, floors) that need to be decontaminated, or the volumes of waste generated from cleaning each component (see Table 2 of the cost estimating tables in Appendix F of *Regulatory Guide 3.66*). In addition, you did not provide a worker unit cost schedule or a table of the hours and personnel involved in each task.

Please submit additional detail, including the dimensions of the laboratory buildings, the dimensions of the individual facility components, and waste volume that will be generated, so that the cost estimate can be verified. Please use tables found in Appendices A and E of NUREG/CR-1754, Addendum 1 (copy enclosed) to help calculate the decommissioning costs. The tables estimate the number of person-days required, the cost of equipment and supplies, and the quantity of waste generated in decontaminating individual facility components (e.g., individual time, cost, and waste

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generation estimates for decontaminating floors, ceilings, walls, fume hoods, glove boxes, ductwork, etc.). Submit a worker unit cost schedule and table of worker hours for each task.

2. Section 5.9 of your Decommissioning Cost Estimate states management oversight costs are not included in the cost estimate. To ensure that adequate funds are available to complete decommissioning of the licensed facilities, you should include all decommissioning costs in the cost estimate, including costs of management oversight. Include management oversight costs, such as for supervisory personnel, in the worker unit cost schedule and table of hours worked for each task (see item 1), as recommended in Appendix F of *Regulatory Guide 3.66*.
3. In Appendix 1, page 8 of the cost estimate, you estimate that it will require 12 person-days for planning and preparation of the facility prior to decommissioning and 3 person-days to perform a final radiation survey following completion of the decommissioning. In contrast, NUREG/CR-1754 estimates that it would require an average of more than 60 person-days for planning and preparation and 20 person-days to perform the final radiation survey at each of six reference laboratories. Since your facility is of comparable size to the reference facilities, please revise your estimate or provide further detail to support that estimate.
4. The submission does not provide evidence that the party signing the surety bond for you is authorized to represent the company in the transaction. The submitted bond cites the title of the signatory as General Counsel and Assistant Secretary. Please submit evidence that the signatory is authorized to represent the company in the transaction, as recommended in *Regulatory Guide 3.66*, page 3-17.
5. 10 CFR 30.35(f)(2)(ii) requires that a surety method of assurance, such as a payment surety bond, "must be payable to a trust established for decommissioning costs." In addition, the submitted payment surety bond requires that funds withdrawn under the bond be deposited into a standby trust fund. In the event the licensee defaults in its decommissioning obligations, the surety must either (1) carry out required decommissioning activities or (2) make funds available to NRC to pay for these activities. If the second option is implemented, the licensee must establish a trust fund because funds paid directly to NRC must be deposited in the U.S. Treasury and are not available for decommissioning costs. To avoid this possibility we request that you submit a standby trust agreement and related documents, as recommended in *Regulatory Guide 3.66*, page 4-18 through 4-27.

Satisfactory financial assurance is required for your license. Therefore, we request that you respond within 30 calendar days of the date of this letter.

If you have any questions regarding this deficiency letter, please contact Anthony Dimitriadis of my staff at (215) 337-6953.

Sincerely,

**Original Signed By:**  
**John D. Kinneman**

John D. Kinneman, Chief  
Research, Development and  
Decommissioning Section  
Division of Radiation Safety  
and Safeguards

Enclosures:

1. Regulatory Guide 3.66
2. NUREG/CR-1754, Addendum 1