

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA STREET, N.W.
ATLANTA, GEORGIA 30323

JAN 15 1991



MEMORANDUM FOR: Robert M. Bernero, Director
Office of Nuclear Materials Safety
and Safeguards

FROM: Stewart D. Ebnetter, Regional Administrator

SUBJECT: STATUS OF REVIEW OF SUBMITTALS OF FINANCIAL
MECHANISM REQUIRED BY THE DECOMMISSIONING RULE

In your memorandum to Mr. Hugh Thompson, Jr. dated September 17, 1990, you requested that the regions complete their review of submittals of financial mechanisms required by the decommissioning rule and identify the nonstandard submittals by January 15, 1991.

Region II has completed a review of 47 financial assurance mechanisms received in response to the decommissioning rule and has determined that 34 submittals were either letters of intent from government entities or provided financial mechanisms which were identical to our recommended wording. Of the remaining 13 submittals, ten have been submitted to headquarters for contractor review. The status of the remaining submittals is as follows:

Interstate Nuclear Services - submitted a decommissioning funding plan dated July 24, 1990, which indicated that their parent corporation, UniFirst Corporation, was seeking a letter of credit and standby trust agreement from the Bank of New England. On January 11, 1991, INS informed Region II that the trust department of the Bank of New England was sold and it was necessary for UniFirst to obtain a letter of credit from another source. UniFirst is currently seeking a new letter of credit.

Becton Dickinson and Company - submitted copies of the financial mechanism on November 9, 1990, in response to a Demand for Information letter issued on September 12, 1990. However the documents had not been properly executed (unsigned). The licensee indicated that the corporation's board of directors would approve the mechanisms on November 27, 1990. In a letter dated January 11, 1991, the licensee informed Region II that the licensee's board of directors had carried over approval of the mechanism until a January 29, 1991 meeting. It is expected that the mechanism will be received immediately thereafter.

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Medical College of Hampton Roads - submitted a decommissioning funding plan dated July 26, 1990. However, they did not submit any financial mechanisms with the plan, but rather indicated that they would obtain the mechanisms after the NRC approved the funding plan. The funding plan called for the expenditure of significantly less funds than would be estimated based on the guidance in the decommissioning rule. Region II is currently reviewing the decommissioning funding plan and will advise the licensee of the appropriate level of financial assurance which will be required.

If you have any questions, please contact C. M. Hosey (841-5614) or W. E. Cline (841-3346).

J.L. Milhoan
Stewart D. Ebnetter

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