



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

'APR 19 1994

Docket 70-8  
License SNM-7

Mr. Gregory H. Fess  
NRC Licensing Coordinator  
Battelle Memorial Laboratories  
Columbus Operations  
505 King Avenue  
Columbus, Ohio 43201

Dear Mr. Fess:

The purpose of this correspondence is to communicate our assessment of the adequacy of the latest revision of Battelle's Decommissioning Funding Plan (DFA) and to respond to the Request for Exemption both of which were submitted with your license renewal application dated December 23, 1993. The following comments were generated by the Office of the General Counsel and the Fuel Cycle Licensing Branch staff:

1. The cost estimates provided appear to be reasonable but will need to be periodically updated in accordance with the provisions of Section 70.25 (e).
2. The irrevocable standby letter of credit number S93/92096 issued by Society National Bank in Cleveland, Ohio, is in accordance with Nuclear Regulatory Commission regulations (10 CFR Part 70) and associated guidance in Regulatory Guide 3.66 (RG 3.66). The additional paragraph, which is not included in the guidance, to allow the bank to cancel the letter if the NRC were to approve an alternate form of financial assurance for Battelle is legally unobjectionable.
3. The Industrial Trust created in 1980 differs in many important respects from trusts presently authorized under 10 CFR Part 70. Based on prior discussions, it is our understanding that Battelle would be willing to execute a new trust agreement. We recommend that this be done. RG 3.66 contains an example of an acceptable trust agreement.
4. The Standby Trust Agreement submitted in conjunction with the irrevocable standby letter of credit is acceptable. However, we note that Battelle has not submitted, or provided a justification for failure to submit, a specimen certificate of events and a certificate of resolution as recommended by RG 3.66. Further, Schedules A and B to the Trust Agreement do not provide the necessary information as described in RG 3.66. These documents, or similar documents, serve to implement the trust agreement if

9404250162 940419  
PDR ADCK 07000008  
C PDR

NRC FILE CENTER COPY

NFIS 1/0

NRC is required to draw upon the letter of credit. Schedule C to the Trust Agreement is acceptable. Battelle should submit the referenced documents when the new trust agreement is executed.

- 5. With respect to the Request for Exemption, the statement of intent by the Department of Energy (DOE) is acceptable. However, this statement of intent does not shift the ultimate responsibility for compliance with NRC requirements. Battelle bears the ultimate responsibility for satisfying NRC regulations prior to release of licensed facilities for unrestricted use and eventual termination of the license.

The concerns reflected above must be addressed and satisfied before a determination of full compliance with 10 CFR Part 70 DFA requirements can be rendered. Your response and any questions regarding these comments should be directed to Kevin Null in our Region III Office. He can be contacted at (708) 790-5711.

Sincerely,

ORIGINAL SIGNED BY

Robert C. Pierson

Robert C. Pierson, Chief  
Licensing Branch  
Division of Fuel Cycle Safety  
and Safeguards

Distribution:

Docket 70-8  
Region III  
EKeegan

PDR  
NMSS r/f

NRC File Center  
FCSS r/f

FCLS1 r/f  
FCLB r/f

*no legal objection*

OFC	FCLB <i>CB</i>	C	FCLB <i>CB</i>	E	OGC <i>ST</i>	E	REG <i>ST</i>	C	FCLB <i>CB</i>	C		
NAME	CWEmeigh:cw		DAHoadley		DFutoma <i>ST</i>		KNull <i>(Telecom)</i>		RCPierson			
DATE	04/17/94		04/17/94		04/18/94		04/19/94		03/19/94			03/ /94

C = COVER

E = COVER & ENCLOSURE

N = NO COPY

OFFICIAL RECORD COPY

G:\BATDFA