

Radiation Center



Corvallis, Oregon 97331 (503) 754-2341

December 4, 1984

Director of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Attention: Mr. Cecil O. Thomas, Chief
Standardization and Special Projects Branch

Reference: Oregon State University TRIGA Reactor (OSTR),
License No. R-106, Docket No. 50-243

Gentlemen:

We are writing to you regarding the NRC's financial protection requirements for the OSTR. At the present time, the OSTR maintains financial protection, as defined in 10 CFR 140.3(d), in the form of private nuclear liability insurance purchased through American Nuclear Insurers (ANI). In addition, as a Commission licensee, we have also entered into an indemnification agreement with the NRC under the provisions of 10 CFR 140, Subpart D, section 140.72.

Following a recent review of Subpart D of 10 CFR 140, we developed a question associated with the "note" following section 140.71, which indicates that financial protection such as we now purchase from ANI is not required for non-profit educational institutions. Our initial inquiry on this point was by telephone to Mr. Robert Carter, our NRC project manager, who in turn directed us to Mr. Jerome Saltzman, also of the NRC staff. As a result of our conversation with Mr. Saltzman, and our review of the NRC regulations cited above, our current understanding of the requirements is that (1) the financial protection which we now obtain through ANI is not required by the NRC, but at our option may be purchased; and (2) that continuation of the indemnification agreement now in effect with the NRC is required by the NRC for us to maintain the operating license for the OSTR.

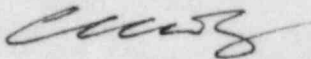
Since we wish to be absolutely sure that we have a correct understanding of the NRC's financial protection and indemnification requirements for licensees in our category before taking any action, we would like to request your opinion of the accuracy of our understanding of the requirements, based on our summary of the requirements as given in statements (1) and (2) in the preceding paragraph. Any other comments you may wish to include would also be welcome.

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We would like to thank Mr. Carter and Mr. Saltzman for their help up to this point, and likewise wish to extend our appreciation for your further attention to this request.

Yours sincerely,



C. H. Wang
Reactor Administrator
Director, Radiation Center

CHW/pc

cc: Director, Oregon Department of Energy
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