



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION IV
1600 E. LAMAR BLVD
ARLINGTON TX 76011-4511

May 27, 2021

Mr. James D. Hammonds
Radiation Safety Officer
U.S. Army, McAlester Army Ammunition Plant
1 C Tree Road
McAlester, OK, 74501

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION

Dear Mr. Hammonds:

The U.S. Nuclear Regulatory Commission (NRC) has received a new license application dated March 31, 2021, from the U.S. Army, McAlester Army Ammunition Plant. Before we can take further action, we will need the following additional information.

1. Provide new license application fee in the total amount of \$9,600 for NRC inspection program codes 03234 (fee code 4.B. - \$6,900), and 11300 (fee code 2.F. - \$2,700).
2. Page 4 of the license application (section 3) states that "MCAAP will also maintain radioactive material storage areas at various locations on the site...", and Attachment 7 of the license application identifies three waste storage locations with numerical designations. Provide facility description, diagrams and physical addresses of these three storage sites.
3. Provide the following statement: "Pursuant to 10 CFR 30.35(g), 10 CFR 40.36(f), 10 CFR 70.25(g), and 10 CFR 70.51(b)(3), as appropriate, we will maintain drawings and records important to decommissioning and will transfer these records to an NRC or Agreement State licensee before licensed activities are transferred. Furthermore, pursuant to 10 CFR 30.51(f), 10 CFR 10 CFR 40.61(f), and 10 CFR 70.51(a), as appropriate, prior to license termination, we will forward the records required by 10 CFR 30.35(g), 10 CFR 40.36(f), and 10 CFR 70.25(g), as appropriate, to the appropriate NRC regional office or to assign the records to the appropriate NRC regional office before the license is terminated."
4. Provide evidence of decommissioning financial assurance following the guidance in NUREG-1757, Volume 3, revision 1. This document can be found at: www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1757/v3/index.html. For your convenience an excerpt of the applicable guidance from this NUREG related to Statement of Intent letters is enclosed. Follow the instructions in the checklists and provide a Statement of Intent letter in the amount of \$225,000 and supporting documentation for the individual signing the Statement of Intent letter.
5. Provide copies of procedures MCAAP-RSP-001 through MCAAP-RSP-014.

6. There is an incorrect reference to “0.05 rem in a year” in Section 6.1 – Types of Surveys, Radiation Surveys in the Radiation Safety Manual (RSM). The correct reference is “0.5 rem in a year”. Commit to correct this error. There is no need to re-submit the RSM.
7. Appendix 2 – Air Sampling Report, Executive Summary, has conclusion 2.b. that states: “The airborne concentrations, if representative of the general operating conditions, would not require a bioassay program. However, the potential exists for airborne DU concentrations or intakes to exceed values for which confirmatory bioassay and air sampling are recommended.” In relation to conclusion 2.b., the executive summary has recommendation b(2) that states: “Twenty-four hour urine specimens should be collected on a monthly (30-day) basis and have them analyzed for U-238 and the U-235/U-238 ratio under actual operating conditions.” Provide a technical basis explaining why recommendation b(2) was not adopted and was not incorporated in the Radiation Safety Manual nor in the license application.
8. Appendix 3 – Stack Emissions Testing Reports, has conclusion a. stating that the average depleted uranium (DU) stack gas concentrations were reduced from 2.28 to 0.53 micrograms per dry standard cubic meters corrected to 7 percent oxygen during testing. Provide Federal or State regulatory limit applicable to this measurement to allow comparison.

To continue review of your application, we request that you submit your response to this letter within 30 calendar days from the date of this letter. In your response, please refer to the docket and control number specified below. We will assume that you do not wish to further pursue this licensing action if we do not receive a reply within the specified timeframe noted above. If you have questions, require additional time to respond, or require clarification on any of the information stated above, you can contact me at 817-200-1189.

In accordance with Title 10 of the Code of Federal Regulations (10 CFR) 2.390 of the NRC’s “Rules of Practice,” a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the NRC’s Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at www.nrc.gov/reading-rm/adams.html.

Sincerely,

Roberto J. Torres, M.S., Senior Health Physicist
Materials Licensing and Decommissioning Branch

Docket: 040-38411
Control: 625696

Enclosure: As stated

source of revenues for its external sinking fund that is a “non-bypassable charge,” the total amount of which will provide funds estimated to be needed for decommissioning, may use an external sinking fund without having to couple it with a surety method or insurance. For qualified licensees, a sinking fund that is not coupled with another financial assurance mechanism is acceptable if the amount accumulated in the fund, plus the amount authorized for recovery through rates or as a “non-bypassable charge,” plus earnings consistent with 10 CFR 50.75(e)(1)(ii), covers the total estimated cost of decommissioning.

4.3.2.8 STATEMENTS OF INTENT

In addition to the general criteria outlined in Section 4.3.1, a statement of intent submission that meets the following *additional* criteria will be acceptable to the NRC:

- The following items have been included in the submission:
 - statement of intent; and
 - documentation verifying that the signatory is authorized to represent the licensee in providing the statement of intent.
- The licensee is a Federal, State, or local government entity.
- The individuals signing the statement of intent on behalf of the licensee have the authority to request funds from the appropriate funding body.
- The statement of intent is in an amount that is at least as great as the licensee’s cost estimate or prescribed amount—unless the statement of intent is being used in combination with another financial assurance mechanism(s), in which case the amount of the statement of intent must at least equal the difference between the cost estimate or prescribed amount and the sum of the coverages being provided by the other mechanism(s).
- No credit is taken for earnings on any financial assurance mechanism (e.g., a statement of intent) that does not set aside actual funds as prepayment for site control and maintenance activities.

4.3.2.9 SPECIAL ARRANGEMENTS WITH A GOVERNMENT ENTITY THAT ASSUMES CUSTODY AND OWNERSHIP OF THE SITE

In addition to the general criteria outlined in Section 4.3.1, a special arrangement submission that meets the following *additional* criteria will be acceptable to the NRC:

- The following item has been included in the submission:
 - documentation of the special arrangement.
- The government entity has the authority to receive and hold funds for specified purposes (e.g., site control and maintenance).
- The arrangement provides financial assurance in an amount at least as great as the licensee’s cost estimate.

Checklist 1 Master Checklist for Decommissioning Financial Assurance

Name of Licensee/Applicant_____

Mailing Address_____

Facility Address_____

License Number(s)_____

Date of Submission_____

Applicable Parts of 10 CFR (check all that apply):

<input type="checkbox"/> Part 30	<input checked="" type="checkbox"/> Part 40
<input type="checkbox"/> Part 70	<input type="checkbox"/> Part 72

Type of Submission:

- ☒ Certification of Financial Assurance → attach Checklist 2
- ☐ Decommissioning Funding Plan → attach Checklist 3
- ☐ Decommissioning Plan → attach Checklist 13-A

Type of Mechanism:

- ☐ Prepayment
 - ☐ Trust → attach Checklist 4-A
- ☐ Surety, Insurance, or Other Guarantee Method
 - ☐ Surety Bond → attach Checklist 5-A
 - ☐ Letter of Credit → attach Checklist 6-A
 - ☐ Insurance → attach Checklist 7-A
 - ☐ Parent Company Guarantee → attach Checklist 8-A
 - ☐ Self-Guarantee → attach Checklist 9-A
- ☐ External Sinking Fund → attach Checklist 10
- ☒ Statement of Intent → attach Checklist 11-A
- ☐ Special Arrangement with a Government Entity → attach Checklist 13-B

To help licensees and applicants make the initial decisions called for in Checklist 1, this section discusses each of the three major decision points:

- Confirmation that financial assurance is required (see Section A.1.2)
- Use of a Certification of Financial Assurance or a Decommissioning Funding Plan (see Section A.1.3)

A.11 Statements of Intent

A *statement of intent* is a commitment by a Federal, State, or local government licensee to request and obtain decommissioning funds from its funding body when necessary. The purpose of a statement of intent is to ensure that, early in the life of their facilities, government licensees make their funding bodies aware of (1) decommissioning requirements and costs and (2) the eventual need for funding. A statement of intent should demonstrate that a government licensee can request special funding from its funding body when necessary. This is different from a guarantee or commitment of a licensee's own funds. Therefore, it is not satisfactory for a licensee to demonstrate that it is authorized to enter into contracts and guarantees committing its own funds or to promise to allocate funds from its operating budget, from other general appropriations (either current or future), or from other internal resources. A statement of intent must include a site-specific decommissioning cost estimate or a certification of financial assurance.

Under the financial assurance regulations (10 CFR 30.35(f)(4), 10 CFR 40.36(e)(4), 10 CFR 70.25(f)(4), and 10 CFR 72.30(e)(4)), a statement of intent may only be used by a Federal, State, or local government *licensee*.

The remainder of this section discusses the primary criteria that determine whether a particular statement-of-intent submission will be acceptable to NRC.

- Section A.11.1 describes qualifications required of the issuer.
- Section A.11.2 addresses the adequacy of coverage.
- Section A.11.3 discusses the documentation that supports a statement of intent.
- Section A.11.4 presents a model statement of intent acceptable to the NRC.

This section also contains two checklists designed to assist licensees in preparing acceptable statements of intent. Checklist 11-A summarizes the primary criteria the NRC uses to evaluate statements of intent. Checklist 11-B (which should be used only by licensees who revise or do not use the wording in the model statements of intent) presents terms and conditions that are recommended for statements of intent.

Checklist 11-A Statements of Intent

- ☐ Documentation is complete when the following are included:
 - ☐ 1. statement of intent (originally signed duplicate);
 - ☐ 2. documentation verifying that the signatory is authorized to represent the licensee in providing the statement of intent (signatory should be head of agency or designee); and
 - ☐ 3. Checklist 11-B (if model statement of intent wording is modified or not used).
- ☐ The amount of the statement of intent equals or exceeds the required coverage level.

Checklist 11-B Terms and Conditions Needed in Decommissioning Statements of Intent

Use this checklist only if deviating from the wording recommended in Section A.11.4.

- ☐ Description of authority of government entity to make the statement of intent.
- ☐ Identification of Federal, State, or local government licensee.
- ☐ Description of facility(ies) (name, address, and license number) for which statement of intent provides financial assurance and corresponding costs of required activities.
- ☐ Specification of the amount of funds being assured.
- ☐ Statement that funds for required activities will be requested and obtained from the appropriate funding body when necessary.
- ☐ Recitation of authority for signatory to sign the statement of intent.
- ☐ Signatures.
- ☐ Names and titles of signatories.
- ☐ Date.

A.11.1 Qualifications of the Issuer

Under the NRC's decommissioning financial assurance regulations (10 CFR 30.35(f)(4), 10 CFR 40.36(e)(4), 10 CFR 70.25(f)(4), and 10 CFR 72.30(e)(4)), only Federal, State, or local government licensees may issue statements of intent to provide financial assurance for decommissioning. The signatory should be the head of the agency or designee.

In addition, the signatory of the statement of intent must have the authority to request funding for decommissioning from the governmental body that provides funding to the licensee. The signatory must be the head of the agency, department, or institution holding the license or another person designated by the agency head to exercise the authority to commit the agency to requesting funds for decommissioning.

A.11.2 Level of Coverage

A statement of intent must be in an amount that is at least equal to the licensee's prescribed amount or estimated cost of decommissioning. The exception to this rule is a statement of intent that is being combined with another financial mechanism. For a combination of mechanisms, the *sum* of the coverage provided by the mechanisms must be at least equal to the required coverage level. If the licensee's certification amount or estimated decommissioning cost increases to a level above the amount assured by the statement of intent, the licensee must either (1) revise the statement of intent to assure the higher amount or (2) obtain another financial assurance mechanism to make up the difference between the new coverage level and the amount of the statement of intent.

A.11.3 Recommended Documentation

Licensees who use statements of intent to provide financial assurance for decommissioning must submit a copy of the statement of intent and other documentation as discussed below and summarized in Checklist 11-A. Supporting documentation may differ for licensees who submit statements of intent that differ from the recommended model.

- The *statement of intent* signed by an authorized representative of the licensee. The wording of a statement of intent may vary, but Section A.11.4 of this appendix is a model statement of intent that is acceptable to and recommended by NRC. Licensees who use other wording should use Checklist 11-B to be sure that their wording contains all the necessary terms and conditions.
- Documentation verifying that the person signing the statement of intent is authorized to represent the licensee in the transaction (i.e., has the authority to request and obtain decommissioning funds from the appropriate funding body when necessary). The authority should originate in a statute authorizing the head of the agency, department, or institution to request funds. The statement of intent should contain a complete citation of the statute or designation of authority for the signatory to sign the statement of intent. If the agency head designates another person within the agency to exercise that authority, the delegation of authority should be controlled by appropriate procedures issued by the agency and

documented in written form. Documentation to be submitted with the statement of intent should include a copy of the relevant portion of the statute granting authority. When the agency head designates another person to exercise the authority, documentation should include a copy of the agency procedure used to make the designation and a copy of the document used to record the designation of authority.

A.11.4 Model Statement of Intent

TO: U.S. Nuclear Regulatory Commission
Washington, DC 20555
[or appropriate Regional address]

STATEMENT OF INTENT

As [insert title of signatory] of [insert name of licensee], I exercise express authority and responsibility to request from [insert name of appropriate governmental funding body] funds for decommissioning activities associated with operations authorized by U.S. Nuclear Regulatory Commission Material License No. [insert license number]. This authority is established by [insert name of documents governing control of funds]. Within this authority, I intend to request that funds be made available when necessary in the amount of [insert dollar amount] to decommission [insert facility names, addresses, and estimated costs of required activities or applicable prescribed amounts]. I intend to request and obtain these funds sufficiently in advance of decommissioning to prevent delay of required activities.

A copy of [insert name of documents] is attached as evidence that I am authorized to represent [insert name of licensee] in this transaction.

[Signature]
[Name]
[Title]
[Date]

Attachment: As stated