

June 6, 2013

Dr. Yassin Hassan  
Department Head- Nuclear Engineering  
Texas A&M University  
337 Zachry Engineering Center  
College Station, TX 77843-3133

SUBJECT: TEXAS A&M UNIVERSITY – FINANCIAL UPDATE REQUEST FOR  
ADDITIONAL INFORMATION REGARDING THE REVIEW OF THE TEXAS A&M  
UNIVERSITY AGN-201M RESEARCH REACTOR LICENSE RENEWAL (TAC  
NO. ME1588)

Dear Dr. Hassan:

The U. S. Nuclear Regulatory Commission (NRC) is continuing its review of your application for the renewal of Facility Operating License No. R-23 for the Texas A&M University AGN-201M reactor dated July 22, 1997, and supplemented, in part, by your letter dated June 30, 2011. During the course of the NRC staff review, some of the information provided by your letter dated June 30, 2011, has become outdated and needs to reflect the current financial status of your facility.

Please provide responses to the enclosed request for additional information within 30 days of the date of this letter. In accordance with Title 10 of the *Code of Federal Regulations*, your response must be executed in a signed original under oath or affirmation. Information included in your response that is considered security, sensitive, or proprietary, that you seek to have withheld from the public, must be marked in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding." Following receipt of the additional information, we will continue our evaluation of your renewal request.

If you have any questions regarding this review, please contact me at (301) 415-3936 or by electronic mail at Patrick.Boyle@nrc.gov.

Sincerely,

**/RA/**

Patrick G. Boyle, Project Manager  
Research and Test Reactors Licensing Branch  
Division of Policy and Rulemaking  
Office of Nuclear Reactor Regulation

Docket No. 50-59  
Enclosure:  
As stated

cc see next page

Texas A&M University

Docket No. 50-059

cc:

Mayor, City of College Station  
P.O. Box Drawer 9960  
College Station, TX 77840-3575

Governor's Budget and  
Planning Office  
P.O. Box 13561  
Austin, TX 78711

Christopher Crouch,  
AGN-201M Reactor Supervisor  
Texas A&M University Nuclear Engineering  
129 Zachry Engineering Center  
3133 TAMU  
College Station, TX 77843-3133

Radiation Program Officer  
Bureau of Radiation Control  
Dept. Of State Health Services  
Division for Regulatory Services  
1100 West 49<sup>th</sup> Street, MC 2828  
Austin, TX 78756-3189

Technical Advisor  
Office of Permitting, Remediation & Registration  
Texas Commission on Environmental Quality  
P.O. Box 13087, MS 122  
Austin, TX 78711-3087

Test, Research, and Training  
Reactor Newsletter  
University of Florida  
202 Nuclear Sciences Center  
Gainesville, FL 32611

June 6, 2013

Dr. Yassin Hassan  
Department Head- Nuclear Engineering  
Texas A&M University  
337 Zachry Engineering Center  
College Station, TX 77843-3133

SUBJECT: TEXAS A&M UNIVERSITY – FINANCIAL UPDATE REQUEST FOR  
ADDITIONAL INFORMATION REGARDING THE REVIEW OF THE TEXAS A&M  
UNIVERSITY AGN-201M RESEARCH REACTOR LICENSE RENEWAL (TAC  
NO. ME1588)

Dear Dr. Hassan:

The U. S. Nuclear Regulatory Commission (NRC) is continuing its review of your application for the renewal of Facility Operating License No. R-23 for the Texas A&M University AGN-201M reactor dated July 22, 1997, and supplemented, in part, by your letter dated June 30, 2011. During the course of the NRC staff review, some of the information provided by your letter dated June 30, 2011, has become outdated and needs to reflect the current financial status of your facility.

Please provide responses to the enclosed request for additional information within 30 days of the date of this letter. In accordance with Title 10 of the *Code of Federal Regulations*, your response must be executed in a signed original under oath or affirmation. Information included in your response that is considered security, sensitive, or proprietary, that you seek to have withheld from the public, must be marked in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding." Following receipt of the additional information, we will continue our evaluation of your renewal request.

If you have any questions regarding this review, please contact me at (301) 415-3936 or by electronic mail at Patrick.Boyle@nrc.gov.

Sincerely,

Patrick G. Boyle, Project Manager  
Research and Test Reactors Licensing Branch  
Division of Policy and Rulemaking  
Office of Nuclear Reactor Regulation

Docket No. 50-59  
Enclosure:  
As stated

cc see next page

DISTRIBUTION:

PUBLIC RidsNrrDprPrta JASimpson  
RTR r/f RidsNrrDprPrtb AAdams  
RidsNrrDpr CRegan

ADAMS Accession No: ML13137A338

OFFICE	PRLB:LR PM	PRLB:LA	DIRS/PRLB:BC	PRLB: LR PM
NAME	PBoyle	GLappert	AAdams	PBoyle
DATE	5/20/2013	05/29/2013	6/6/2013	6/6/2013

OFFICIAL RECORD COPY

OFFICE OF NUCLEAR REACTOR REGULATION  
REQUEST FOR ADDITIONAL INFORMATION  
REGARDING FINANCIAL QUALIFICATIONS FOR THE RENEWED LICENSE FOR  
THE TEXAS A&M UNIVERSITY AGN-201 M REACTOR  
DOCKET NO. 50-59

As required by Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.33(f)(2), “[a]pplicants to renew or extend the term of an operating license for a nonpower reactor shall include the financial information that is required in an application for an initial license.” To comply with this requirement, please provide an update to the supplemental information provided by your letter dated June 30, 2011, for the Texas A&M University (TAMU, the applicant) application (the application) for a renewed facility operating license for the Texas A&M University AGN-201M reactor (TAMU AGN-201M). In some cases, the responses provided in the June 30, 2011, letter may not have changed (e.g., RAIs 4.(b) and 4.(c)). In that case, please indicate in your response “no change,” no additional information is necessary, and the NRC staff will consider your response provided in the June 30, 2011, submittal to remain current.

1. The U.S. Nuclear Regulatory Commission (NRC) staff will analyze the financial statements for the current year, which are required by 10 CFR 50.71(b), to determine if the applicant is financially qualified to operate the TAMU AGN-201M. Since TAMU’s financial statements included with the application are out of date, please provide a copy of the latest financial statements for the NRC staff’s review.
2. Pursuant to 10 CFR 50.33(f) (2), “[t]he applicant shall submit estimates for total annual operating costs for each of the first five years of operations of the facility.” Since the information included in the application is now out of date, please provide the following additional information:
  - (a) Projected operating costs of the TAMU AGN-201M for each of the fiscal years (FY) 2015 thru FY 2019 (the first five year period after the projected license renewal).
  - (b) TAMU’s source(s) of funding to cover the operating costs for the above FYs.
3. The application references a decommissioning cost estimate for the TAMU AGN-201M that was based on discussions with the University’s Safety and Risk Services Departmental personnel using estimates based on experiences in dealing with mixed, hazardous and radioactive wastes. The application states that the decommissioning cost estimate was \$97,850 in 2011 dollars. The NRC staff needs the following additional information to complete its review of the TAMU AGN-201M decommissioning cost estimate:

- (a) A current decommissioning cost estimate in 2014 dollars for the TAMU AGN-201M to meet the NRC's radiological release criteria for decommissioning the facility for unrestricted use, pursuant to 10 CFR 50.75(d)(2). Accordingly, describe the basis for how the cost estimate was developed; show costs specifically broken down into the categories of labor; waste disposal, other items (such as energy, equipment, and supplies); and include a contingency factor of at least 25 percent.
  - (b) State the decommissioning method to be used (e.g., DECON or other method).
  - (c) Provide a description of the means of adjusting the cost estimate and associated funding level periodically over the life of the facility, pursuant to 10 CFR 50.75(d)(2)(iii).
  - (d) Provide a numerical example showing how the 2014 cost estimate will be updated periodically in the future.
4. The application includes a statement of intent (SOI) as the chosen method to provide decommissioning funding assurance for the TAMU AGN-201M. If the applicant intends to use a SOI as the method to provide decommissioning funding assurance, as provided for by 10 CFR 50.75(e)(1)(iv), the NRC staff must find that the applicant "[. . .] is a Federal, State, or local government licensee[. . .]" To make this finding, the applicant must state that it is a State government organization and that the decommissioning funding obligations of the applicant are backed by the State government, and also provide corroborating documentation. Further, the applicant must provide documentation verifying that the signator of the SOI is authorized to execute said document that binds the University. This document may be a governing body resolution, management directives, or other form that provides an equivalent level of assurance. As the application does not include all of the above information, please submit the following:
- (a) An updated SOI which includes the current (2014 dollars) cost estimate for decommissioning, a statement that funds for decommissioning will be obtained when necessary, types name and title of signatory, and the signatory's oath or affirmation attesting to the information.
  - (b) Documentation that corroborates the statement in the application that TAMU is a State agency and a State of Texas government licensee under 10 CFR 50.75(e) (2) (iv).
  - (c) A statement as to whether the decommissioning funding obligations for the TAMU AGN-201M are backed by the State of Texas government. The application must also present documentation that corroborates this statement. For example, the documentation may be a copy of or complete citation to a state statute that expressly provides that the obligations, or at least the decommissioning funding obligations, of the applicant are backed or supported by the full faith and credit of the State of Texas, or an opinion of the applicant's General Counsel with citations to statutes, regulations, and/or case law that the obligations, or at least those with respect to the decommissioning funding of the applicant are obligations backed or supported by the full faith and credit of the State of Texas.

- (d) Documentation verifying that the signatory of the SOI is authorized to execute such a document that binds the applicant financially. For example, provide a copy of TAMU's governing board or equivalent resolution that shows that the signatory of the SOI has been authorized by TAMU to bind TAMU financially, at least with respect to funding the decommissioning of the TAMU AGN-201M, or provide a copy of an official TAMU delegation of authority showing that the signatory of the SOI is authorized to bind TAMU financially, at least with respect to funding the decommissioning of the TAMU AGN-201M.