

From: Ullrich, Elizabeth
Sent: Thursday, January 12, 2012 2:34 PM
To: Frank Kolodziej; Crmidmr@aol.com; seguros@jorgeerivera.com
Cc: Joustra, Judith; McLaughlin, Marjorie
Subject: insurance as a financial assurance instrument; conversation today 1/12/12 with NRC
Attachments: FinancialAssurance.1757v3.pdf

International Cyclotron, Inc.
License No. 52-31352-02
Docket No. 030-37957
Control No. 144277
EA-11-086

Dr. Kolodziej,

This email is follow-up to our conversation this morning regarding the insurance policy you are intending to use as a financial assurance instrument for the above-listed NRC license.

We have not yet received any information from your insurance company, although your letter dated December 23, 2011, stated that this information would be sent to us directly by them. Based on today's conversation, we understand that your insurance company is Jorge E. Rivera, Inc. and we are copying the insurance company on this email.

Please note that use of an insurance policy as a financial assurance instrument, in accordance with guidance in NRC's NUREG-1757, "Consolidated NMSS Decommissioning Guidance," Volume 3, "Financial Assurance, Recordkeeping and Timeliness" (NUREG-1757, Volume 3), Appendix A.12 requires you to submit the following:

- a. An originally signed duplicate of the insurance policy;
- b. A standby trust agreement with all supporting documents as specified in NUREG-1757, Volume 3, Appendix A.17, including:
 - i. Originally signed duplicate standby trust agreement (Appendix A.17.4);
 - ii. Schedules A, B, and C (Appendix A.17.5);
 - iii. Specimen certificate of events (Appendix A.17.6);
 - iv. Specimen certificate of resolution (Appendix A.17.7);
 - v. Letter of acknowledgement (Appendix A.17.8); and
 - vi. Checklist 17-B if model standby trust wording is not used.
- c. Checklist 12-B, "Terms and Conditions Needed in Decommissioning Insurance Policies", found in NUREG-1757, Volume 3, Appendix A.12 that

verifies if your insurance policy meets the minimum requirements including:

- i. Name and address for International Cyclotron (the licensee)
 - ii. NRC License number (52-31352-02), name and address of the facility under the NRC license.
 - iii. Name and address of the insurer
 - iv. Amount of insurance policy
 - v. Premium
 - vi. Effective date of policy
 - vii. Expiration date of policy
 - viii. Statement of licensee's regulatory obligations as reason for policy
 - ix. Insurance policy must be open-ended or renewed automatically
 - x. Confirmation that the insurer must notify International Cyclotron and the NRC by certified mail at least 90 days prior to cancellation or non-renewal
 - xi. An automatic payment provision, in the event that International Cyclotron is unable to secure alternate financial assurance to replace the policy within 30 days of notification of cancellation, that the NRC may draw upon the policy prior to cancellation
 - xii. The insurance policy must be payable to a standby trust.
 - xiii. Signatures
 - xiv. Date
- d. Confirmation that the insurance company is licensed by State regulator authorities to transact business as an insurer in one or more US States.
 - e. Confirmation that the amount of the insurance policy equals or exceeds the required coverage level (\$493,086.54 based on 2011 information)

I am sending a hard copy letter containing the above information about the financial assurance instrument, and copies of Appendices A.12 and A.17. Because the entire NUREG-1757, Volume 3 document is a pdf, I cannot separate the appendices here but have attached the whole document. Alternately, you can view the document on the NRC's website at

<http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1757/v3/>

In accordance with the Order dated December 19, 2011, sent to you from the NRC, if the financial assurance instrument is not in place by February 17, 2012, you will have to cease operations under the NRC licenses.

As of December 2011, Jim Dwyer was transferred to another position and my current supervisor is Judy Joustra, Chief, Commercial and R&D Branch. She can be reached by telephone at (610) 337-5355 or by email to Judith.Joustra@nrc.gov. Judy Joustra should be contacted if I am not available or if you need a management contact.

Otherwise, please contact me if you have any questions; contact information for me is listed below.

Betsy

Betsy Ullrich, MS, CHP
Senior Health Physicist, RI
US NRC
475 Allendale Road
King of Prussia, PA 19406
(610) 337-5040
elizabeth.ullrich@nrc.gov