

May 31, 2001

Mr. Michael McGee, Vice President
Finance/Environmental
NWI Land Management
3041 Woodcreek Drive, Suite 210
Downers Grove, IL 60515

SUBJECT: BRECKENRIDGE, MICHIGAN DISPOSAL SITE

Dear Mr. McGee:

This will acknowledge receipt of your letter dated January 22, 2001, which informed us of a change in the contact person designated by NWI Land Management for matters related to the former Michigan Chemical Company low level radioactive waste burial site at Breckenridge, MI. Members of my staff have been in contact with the designated individual.

NRC learned in late 1996 that there was residual radiological contamination at this site. Some of it is surface contamination. Sampling showed source material was present in some locations in concentrations too high to be classified as "unimportant quantities" under NRC's Title 10 of the Code of Federal Regulations (10 CFR), Section 40.13. These conditions are not acceptable on a long term basis.

Little progress has been made in determining what must be done to achieve final resolution regarding the residual radioactive materials at this site. If NRC concludes that formerly licensed material may not be in a safely and permanently decommissioned condition, and that there is no plan and schedule to achieve such a condition, we have the option to compel the responsible party to action. This may be accomplished either by re-licensing or by issuance of an Order. One issue which has been a factor in the limited progress on this site has been determination of the criteria NRC will apply in assessing site suitability for unrestricted use. We have now determined that the criteria to be applied to this site to ensure permanent satisfactory resolution are those contained in 10 CFR Part 20, Subpart E, *Radiological Criteria for License Termination*, §20.1402 "Radiological criteria for unrestricted use."

My staff worked for two years on this project with the Velsicol Chemical - Memphis Environmental Center and for two more years with NWI Land Management. We understand both are subsidiaries of Fruit-of-the-Loom, which we recently learned is engaged in bankruptcy protection proceedings. We believe you share our objective of achieving a final resolution on this site, but we are concerned about the availability of funding to develop and implement an acceptable plan for the Breckenridge site.

Within 30 days of the date of this letter, please inform this office of the availability of funding to accomplish safe, permanent decommissioning of the Breckenridge site. The criteria contained in 10 CFR 40.36, "Financial assurance and record keeping for decommissioning" should be used as a reference.

In addition, please provide an updated proposal and plan for final characterization of the site, and proposed closure action, if remediation of the site is determined to be necessary.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and your response will be available **electronically** for public inspection in the NRC Public Document Room **or** from the *Publicly Available Records (PARS) component of NRC's document system (ADAMS)*. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Should you have any questions, please contact Mr. Bruce Jorgensen or Mr. Mike McCann, of my staff, at (630) 829-9615, or (630) 829-9856, respectively.

Sincerely,

/RA by M. Dapas acting for/

Cynthia D. Pederson, Director
Division of Nuclear Materials Safety

Enclosure: 10 CFR 40.36

cc: L. Camper, NMSS
B. Berson, RIII

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