

January 28, 1997

Howard A. Pulsifer
Vice President, General
Counsel and Secretary
AAR Corporation
1111 Nicholas Boulevard
Elk Grove Village, IL 60007

Dear Mr. Pulsifer:

SUBJECT: INSPECTION OF FORMER ATOMIC ENERGY COMMISSION (AEC) LICENSED SITE,
(INSPECTION REPORT NO. 040-00235/96001(DNMS))

This refers to the routine periodic inspection/survey conducted on December 26, 1996, of your facilities located at 12631 Inkster Road, Livonia, Michigan. These facilities were previously owned by Brooks and Perkins, Inc., which conducted licensed activities involving radioactive thorium materials as authorized by Atomic Energy Commission (AEC) Source Material License No. STB-0362. This refers also to the discussion of our preliminary inspection/survey findings with you, AAR Senior Counsel Mr. Tim Skelly, and Messrs. B. Koh and T. Adams of B. Koh and Associates on January 2, 1997.

The enclosed copy of our inspection report describes the inspection/survey, which consisted of observations and independent measurements. As detailed in the enclosed report, we identified certain areas of the grounds which had not previously been surveyed, where thorium materials appear to be present in excess of NRC's criteria for release for unrestricted use. In addition, we identified one area where such materials may extend across AAR's property boundary and onto the adjacent property. The radiation levels found in these areas do not constitute an immediate health and safety problem for employees or visitors. However, we expect action to be taken to remediate conditions which do not meet criteria for free release. NRC is aware of your timely efforts to develop an appropriate characterization and remediation plan.

Pending final site remediation, it is important that the existing materials be adequately controlled. NRC is satisfied that the proposed AAR intercompany communication, submitted to NRC on January 17, 1997, will ensure adequate control of existing material. In addition, it is important to establish whether contaminated materials encroach onto neighboring properties. NRC expects AAR to conduct timely surveys to determine the extent of contamination. If neighboring properties are affected, further discussions on appropriate follow-up actions may be required.

H. Pulsifer

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In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter, and the enclosure will be placed in the NRC Public Document Room.

We will gladly discuss any questions you have concerning the inspection.

Sincerely,

Original Signed by

Cynthia D. Pederson, Director
Division of Nuclear Materials Safety

License No. STB-0362 (Terminated)
Docket No. 040-00235 (Terminated)

Enclosure: Inspection Report
No. 040-00235/96001(DNMS)

cc w/encl: David Minnaar, Michigan
Department of Health
Barry Koh, B. Koh & Associates

bcc w/encl: P. Goldberg, NMSS
J. Buckley, NMSS
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