

February 21, 2002

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE -- PNO-IV-02-011

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by the Region IV staff on this date.

Facility

Kaiser Aluminum & Chemical Corp.
7311 East 41st Street
Tulsa, Oklahoma 74145
NRC License No. STB-472 (Terminated)
Docket No. 40-2377

Licensee Emergency Classification

☐ Notification of Unusual Event
☐ Alert
☐ Site Area Emergency
☐ General Emergency
☒ Not Applicable

SUBJECT: FILING OF BANKRUPTCY

DESCRIPTION:

Kaiser Aluminum Corporation and its wholly owned subsidiary Kaiser Aluminum & Chemical Corporation (Kaiser Aluminum) each filed bankruptcy petitions in a Delaware Federal court on February 12, 2002. Kaiser Aluminum is the owner of a contaminated NRC Site Decommissioning Plan Management site in Tulsa, Oklahoma. Kaiser Aluminum stated it filed for protection from creditors under Chapter 11 of the Federal bankruptcy laws as a result of a weakened economy, depressed aluminum prices, and asbestos litigation. By NRC letter dated February 14, 2002, the NRC acknowledged that Kaiser Aluminum had filed for bankruptcy. Although Kaiser Aluminum is not currently an NRC licensee, by letter dated February 15, 2002, Kaiser Aluminum formally notified Region IV of the bankruptcy filing pursuant to 10 CFR 40.41(f). The NRC recently created a Bankruptcy Review Team to provide oversight of the Kaiser Aluminum site. The Bankruptcy Review Team met for the first time on February 20, 2002.

From 1958 until 1971, Standard Magnesium Corporation, and later Kaiser Magnesium, possessed thorium for use in the manufacture of magnesium anodes. License STB-472, which authorized this activity, was terminated by the U.S. Atomic Energy Commission in March 1971. During November 1993, an NRC inspector toured the Kaiser facility and determined that the site was still contaminated with radioactive material, principally in the form of soil contamination. The site was subsequently added to the NRC's Site Decommissioning Management Plan during August 1994.

Remediation of the site was anticipated to occur in phases. Phase I involved remediation of offsite contamination, while Phase II will involve remediation of onsite contamination. Offsite remediation was conducted between October 2000 and May 2001. The Phase I final radiological status survey was recently submitted to the NRC but has not been approved by the NRC. The Phase II Remediation Plan was also submitted to the NRC and is currently under review. The licensee recently conducted core drilling and characterization surveys in the former operational area to further delineate contamination at the site property. Kaiser estimates that the cost of remediation is about \$20 million. NRC will evaluate this estimate during the review of the Phase II Remediation Plan.

Region IV received initial information concerning the bankruptcy filing through a press release on February 13, 2002. Formal notification was received on February 19, 2002. Region IV has informed NMSS, OSTP, RIV PAO, RIV SLO, and OEDO.

The State of Oklahoma has been informed.

This information has been discussed with Kaiser Aluminum and is current as of 11:30 a.m., February 21, 2002.

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