September 20, 2002

Ms. Kelli Sobel
Deputy Director of Administration
Michigan Department of Natural Resources
530 West Allegan Street
Lansing, MI 48933

SUBJECT: AMENDMENT NO. 2 TO SOURCE MATERIALS LICENSE NO. SUC-1581 TO EXTEND THE DUE DATE OF THE DECOMMISSIONING PLAN (TAC #L60509)

Dear Ms. Sobel:

We have reviewed your letter dated August 26, 2002, requesting a six-month time extension to submit the decommissioning plan (DP) by March 1, 2003, under the U.S. Nuclear Regulatory Commission (NRC) License SUC-1581 for the Tobico Marsh State Game Area Site Decommissioning Management Plan (SDMP) site. In accordance with Condition 11A of your NRC License SUC-1581, the DP was due to be submitted to the NRC no later than August 31, 2002. Your August 26, 2002, letter indicates that a time extension is required due to the ongoing discussions with the NRC regarding an unrestricted release request that employs some governmental restrictions. Other questions may arise from these exchanges between the NRC and the Michigan Department of Natural Resources. Therefore, your letter indicates that an alternate schedule is necessary to the effective conduct of decommissioning operations, presents no undue risk from radiation to the public health and safety, and is otherwise in the public interest [10 CFR Part 40.42(g)(2)].

Based on the information provided in your August 26, 2002, letter and pursuant to 10 CFR 40.42(g)(2), NRC approves an extension of time to submit the DP no later than March 1, 2003.

The NRC staff has concluded that this license amendment concerns administrative changes and meets the requirements, for a categorical exclusion in accordance with 10 CFR 51.22(c)(11), because: (i) there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite; (ii) there is no significant increase in individual or cumulative occupational radiation exposure; (iii) there is no significant construction impact; and (iv) there is no significant increase in the potential for, or consequences from radiological accidents. Therefore, neither an environmental assessment nor an environmental impact statement is required.

License Condition 11A dated April 25, 2001, is revised as follows:

11. Conditions:

    A. MDNR shall submit, by license amendment request, no later than March 1, 2003, a Decommissioning Plan (DP) for the MDNR Tobico Marsh State Game Area site, meeting the requirements of 10 CFR 40.42(g)(4). The DP will include site characterization information necessary to support the DP and a revised decommissioning funding plan, that includes a revised cost estimate and financial assurance mechanism in accordance with 10 CFR 40.36, for the preferred decommissioning approach.

All other conditions of this license shall remain the same. Please review the enclosed revised License SUB-1581. If you have any questions concerning this amendment, please contact Sam Nalluswami, of my staff, at (301) 415-6694.

Sincerely,

/RA/

Larry W. Camper, Chief
Decommissioning Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-9015
License No.: SUC-1581

Enclosure: NRC License SUC-1581

cc: w/o encl: MDNR Distribution List

License Condition 11A dated April 25, 2001, is revised as follows:

11. Conditions:

A. MDNR shall submit, by license amendment request, no later than March 1, 2003, a Decommissioning Plan (DP) for the MDNR Tobico Marsh State Game Area site, meeting the requirements of 10 CFR 40.42(g)(4). The DP will include site characterization information necessary to support the DP and a revised decommissioning funding plan, that includes a revised cost estimate and financial assurance mechanism in accordance with 10 CFR 40.36, for the preferred decommissioning approach.

All other conditions of this license shall remain the same. Please review the enclosed revised License SUB-1581. If you have any questions concerning this amendment, please contact Sam Nalluswami, of my staff, at (301) 415-6694.

Sincerely,
/RA/

Larry W. Camper, Chief
Decommissioning Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-9015
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cc: w/o encl: MDNR Distribution List

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DATE	9/ 17 /02	9/ 17 /02	9/18 /02	9/ 19 /02	9/20/02	

OFFICIAL RECORD COPY

MATERIALS LICENSE

Amendment No. 2

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and the applicable parts of Title 10, Code of Federal Regulations, Chapter I, Parts 19, 20, 30, 31, 32, 33, 34, 35, 36, 39, 40, 51, 70, and 71, and in reliance on statements and representations heretofore made by the licensee, a licensee is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. Michigan Department of Natural Resources	3. License Number SUC-1581
2. 530 W. Allegan Street Lansing, MI 48933	4. Expiration Date August 31, 2009
	5. Docket or Reference 040-09015

6. Byproduct, Source, and/or Special Nuclear Material	7. Chemical and/or Physical Form	8. Maximum Amount that Licensee May Possess at Any One Time Under This License
A. Thorium	A. Contaminated soil, sludge sediment, trash, building rubble, structures, and any other material contaminated in excess of background levels	A. 2.6 Ci
B. Uranium	B. Contaminated soil, sludge sediment, trash, building rubble, structures, and any other material contaminated in excess of background levels	B. 0.26Ci
C. Thorium-230	C. Sealed sources.	C. 10µCi
D. Americium-241	D. Sealed sources.	D. 0.5µCi

9. Authorized use: Licensed material shall be possessed during site activities leading to the decommissioning of the MDNR Tobico Marsh site.

10. Authorized Place of use: The existing MDNR Tobico Marsh site, 2301 Two Mile and Beaver Roads, Bay County, MI 48631.

MATERIALS LICENSE
SUPPLEMENTARY SHEET

License Number	SUC-1581
Docket or Reference Number	040-09015
	Amendment No. 2

11. Conditions:

A. MDNR shall submit, by license amendment request, no later than March 1, 2003, a Decommissioning Plan (DP) for the MDNR Tobico Marsh State Game Area site, meeting the requirements of 10 CFR40.42(g)(4). The DP will include site characterization information necessary to support the DP and a revised decommissioning funding plan, that includes a revised cost estimate and financial assurance mechanism in accordance with 10 CFR 40.36, for the preferred decommissioning approach.

B. If the Leachate Collection and Treatment System is ever operated, MDNR shall request approval, by license amendment request, prior to operation.

C. The Radiation Safety Officer for this license is Denise Gruben.

D. For equipment and materials release, MDNR shall use decontamination limits in "Guidelines for Decommission of Facalities and Equipment Prior to Release for Unrestricted Use or Termination of Licenses for Byproduct, Source, or Special Nuclear Material," Policy and Guidance Directive 83-23, August 1987.

E. Except as specifically provided otherwise in this license, MDNR shall conduct its program in accordance with the statements, representations, and procedures contained in the application dated September 5, 1997, as supplemented on July 27, 1998, and March 8, 1999; the Radiation Safety Program, dated August 15, 1997; the ALARA Program, dated August 15, 1997; and the Training Program, dated August 15, 1997. NRC's regulations shall govern unless the statements, representations and procedures in the licensee's application are more restrictive than the regulations.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Dated: 9/ 20 /02 By: **/RA/**
Larry W. Camper, Chief
Decommissioning Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards