



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

December 26, 2001

Ralph T. McElvenny, Jr.
President
USR Industries, Inc.
USR Metals, Inc.
USR Lighting, Inc.
550 Post Oak Boulevard
Suite 525
Houston, TX 77027

**SUBJECT: DECOMMISSIONING FINANCIAL ASSURANCE-BLOOMSBURG, PA SITE-
LICENSE NOS. 37-00030-02 and 37-00030-08**

Dear Mr. McElvenny:

I am writing to you to state a claim by the U.S. Nuclear Regulatory Commission (NRC) against USR Industries ("Industries") and two of its subsidiaries, USR Lighting, Inc. ("Lighting") and USR Metals ("Metals"). This claim is being made in Bankruptcy Case Nos. 01-39055-H4-11, 01-39054-H5-11, and 01-39055-H4-1 pending before the U.S. Bankruptcy Court for the Southern District of Texas (Houston). The legal bases for the NRC's claim were set forth in pleadings filed by the NRC staff in the 1990's in proceedings before the Atomic Safety and Licensing Board to which the USR Companies were a party. (Cases ASLBP Nos. 89-590-01-OM; 90-598-01-OM-2; 92-659-01-ML; 92-664-02-ML-2; and 93-675-04-EA.) Pursuant to the facts and legal positions set forth therein by the NRC, we consider Industries, Lighting, and Metals to be "*de jure*" licensees of the NRC with respect to NRC-regulated activities at the Bloomsburg, Pennsylvania facility, covered by NRC License Number 37-0030-02 and 37-0030-08.

NRC regulations (10 CFR 30.35 and 30.36) impose upon Industries, Lighting, and Metals stated obligations for the decommissioning of the Bloomsburg facility and site, including obligations to provide financial assurance for the decommissioning of that facility and site. NRC recently had a contractor develop independent cost estimates for decommissioning the Bloomsburg site for unrestricted and restricted release. Based on this enclosed analysis, the most realistic cost for unrestricted release of the site by the licensee is estimated to be between \$94 million and \$120 million, and \$50 million and \$78 million for restricted release. The radiological contamination at the site is composed of radioisotopes regulated by the NRC and radium-226 regulated by the Commonwealth of Pennsylvania. However, as the waste at the site is intermingled it is not feasible to break down the above cost estimates into parts attributable to NRC- and Pennsylvania-regulated contamination.

Accordingly, we are filing with this letter a proof of claim stating the amount of the claim to be between \$50 and \$120 million. If you have any questions regarding this letter, please direct

R. McElvenny
USR Industries, Inc.

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them to Stephen Lewis, (301) 415-1684, or Charles Mullins, (301) 415-1618 of our Office of the General Counsel. Please also include in any such contact, Judith Robbins of the U.S. Attorney's Office in Houston, (713) 567-9510, counsel for the NRC in these bankruptcy proceedings.

Sincerely,

/RA/

George Pangburn, Director
Division of Nuclear Materials Safety

Enclosure:
Decommissioning Cost Estimate for Safety Light Corporation,
Bloomsburg, PA, dated October 29, 2001

cc w/encl:
Judith Robbins, Esq.
Craig Harwyn Cavalier, ESQ.

DOCUMENT NAME: C:\ORPCheckout\FileNET\ML031280449.WPD

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