



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA STREET, N.W.
ATLANTA, GEORGIA 30323

SEP 12 1990

Docket No. 030-06552
License No. 45-03302-01

Merck & Co., Inc.
Merck Chemical Manufacturing Division
ATTN: Mr. Dennis Toomey
Plant Manager
P. O. Box 7
Elkton, VA 22827-0007

Gentlemen:

SUBJECT: DEMAND FOR INFORMATION

As of July 27, 1990, you were required to comply with 10 CFR 30.35 of the Commission's regulations which requires licensees with quantities of licensed material that you are authorized to possess to submit a decommissioning funding plan or a certificate that financial assurance for decommissioning has been provided. NRC has not yet received your response to this requirement. Therefore, you appear to be in violation of this requirement.

The Commission considers noncompliance with this requirement in 10 CFR 30.35 to be a significant regulatory concern because of the importance of assuring that decommissioning of licensed facilities be funded by licensees and not by the public. Therefore, to determine whether your license should be modified to require a reduction of possession limits, cleanup of existing contamination, suspension of the authority to conduct licensed activity, or such other enforcement action as appropriate, you are required to respond in writing, under oath or affirmation, within 30 days to the Administrator, Region II with the following information:

1. If this requirement is not applicable to your facility, please explain the basis for your position. You do not need to respond to the remainder of the items. However, following receipt of your response, NRC staff will contact and inform you whether at that time you need to complete this information.
2. If you have already submitted this surety instrument to the NRC, please provide the date submitted and the address that the instrument was sent to. You may disregard the remainder of this letter.
3. What is the status of your efforts to obtain the necessary financial instrument? Specifically, do you have a commitment from a financial institution to provide the instrument? If so, when do you expect to provide it to NRC? If the required assurance cannot be provided in 30 days, please explain why not.

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4. If you do not have a commitment from a financial institution at this time, please address why you have not met the requirement to have provided a financial instrument by July 27, 1990, and also address the following:
 - a) Whom have you contacted with respect to obtaining the financial instrument of your choice? Provide name, address, and telephone number of persons contacted and date of principal contacts.
 - b) If you have been unable to obtain the necessary financial assurance instrument because of a lack of financial qualification, explain why your financial condition is insufficient to obtain the instrument and provide copies of annual financial statements, including balance sheets showing all assets and liabilities, profit and loss statements, and annual federal tax returns for the past three years. Additionally, provide copies of correspondence or applications for financial assurance instruments and denials from financial institutions.
5. If you do not expect to provide a financial instrument within 30 days, please provide the following information:
 - a) Describe all disposals of radioactive material that have been made onsite under 20.302 or 20.304 of the Commission's regulations. Provide records of those disposals by indicating their location, number, isotope description, quantities, and dates of disposal.
 - b) Describe the nature of any contamination in buildings, equipment, soil, or ground water (i.e., area or volume contaminated, isotope and concentrations per unit area or volume).
 - c) Describe the nature of any radioactive material in storage either as inventory, in production, or waste.
 - d) Does continued operation create or increase any radioactive waste or contamination of buildings, equipment, soil or groundwater? If so, please describe the amount of increased waste and contamination and the rate of increase per month.
 - e) What are your current plans to (i) remove stored waste, including when, to where, and source of funding to achieve the removal of material and (ii) remove all existing contamination including when, to where, and source of funds to achieve the decontamination.
6. If you do not plan to submit the required instrument within 30 days, please provide a statement as to why NRC should have confidence that you will be able to fully decontaminate your facility by the expiration date of your current license.

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If you have any questions concerning this request, please contact Mr. Charles M. Hosey at 404/331-5614.

Sincerely,

Original Signed By:
Stewart D. Ebnetter

Stewart D. Ebnetter
Regional Administrator

cc: Commonwealth of Virginia

bcc: Document Control Desk
R. Bangart, NMSS/LLWM

RII:DRSS
CHosey
9/7/90

RII:DRSS
Caine
9/15/90

RII:DRSS
JStohr
9/17/90

RII:EIES
GJeff
9/17/90

RII:ORA
JMaInoan
9/17/90