AAR Corporation ATTN: Howard A. Pulsifer Vice President, General Counsel and Secretary 1111 Nicholas Blvd.

Elk Grove Village, IL 60007

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

Dear Mr. Pulsifer:

SUBJECT: INSPECTION OF FORMER ATOMIC ENERGY COMMISSION (AEC) LICENSED SITE, (NRC REPORT NO. 999-90003/94012(DRSS))

This refers to the special inspection conducted by Mr. D. G. Wiedeman of this office on February 23, 1994, of your facilities located at 12633 Inkster Road, Livonia, Michigan. This inspection was in response to a NRC contractors review of terminated AEC license files. The above referenced facilities were previously owned by Brooks and Perkins, Inc. Licensed activities were previously authorized by Atomic Energy Commission (AEC) Source Material License No. STB-0362. The results of our preliminary survey findings were discussed with you and Mr. E. Swain at the conclusion of the inspection on February 23, 1994. This also refers to the telephone conversation between Tim Skelly of your office and Mr. D. G. Wiedeman on March 11, 1994, regarding the results of our laboratory analysis of samples collected at the time of our inspection. In addition, this references our March 24, 1994, conference call regarding access control to the contaminated areas of the drainage ditch south of the visitors parking lot.

The enclosed copy of our inspection report identifies areas examined during the inspection. The inspection consisted of a selective examination of representative records from the former license file, observations, independent measurements, and interviews with current employees of AAR Corporation.

Based upon this inspection, we have concluded that thorium was improperly disposed of at the site and certain areas of the building and grounds were in excess of the NRC release criteria for release of the facility for unrestricted use. The radiation levels found in these areas do not constitute an immediate health and safety problem for your employees or visitors; however, we do expect remediation of the contaminated areas. Therefore, within 10 days from the date of this letter, provide this office with your plan to restrict access to the contaminated areas of the drainage ditch, south of the visitors parking lot. Also, within 60 days from the date of this letter, please provide this office with your schedule and plan to characterize the extent of the contamination and to decontaminate the area to current NRC release criteria.

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

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The response directed by this letter is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL96-511.

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

Sincerely,

Original Signed by Gary L. Chaar

Gary L. Shear, Chief Fuel Cycle and Decommissioning Branch

Enclosure: Inspection Report No. 999-90003/94012(DRSS)

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

bcc w/enclosure: P. Goldberg, NMSS PUBLIC (IE 07)

RIII QLS for Wiedeman/sd 3/27/94 RIII OLS Son McCann 8/20/94 RIII GUS Shear 3/24/94