

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

KERR-McGEE CHEMICAL CORPORATION

)
) Docket No. 04002061
) License No. STA-583
)
)

RESPONSE TO DEMAND FOR INFORMATION

Kerr-McGee Chemical Corporation ("Kerr-McGee") hereby submits this statement, under oath, in response to the demand of the U.S. Nuclear Regulatory Commission ("NRC") on November 2, 1990, for information concerning Kerr-McGee's compliance with the financial assurance requirements of 10 C.F.R. § 40.36. As we demonstrate, Kerr-McGee is not subject to the requirements of that section.

Section 40.36 provides in pertinent part:

Except for licenses authorizing the receipt, possession, and use of source material for uranium or thorium milling, or byproduct material at sites formerly associated with such milling, for which financial assurance requirements are set forth in Appendix A of this part, criteria for providing financial assurance for decommissioning are as follows:

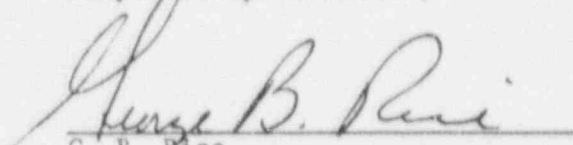
10 C.F.R. § 40.36 (emphasis added). The regulation by its terms thus excludes licenses authorizing receipt, possession and use of byproduct at sites formerly associated with the milling of thorium. Kerr-McGee possesses a license that falls squarely within the terms of the exemption. Kerr-McGee is the owner of a now-closed thorium mill, the West Chicago Rare Earths Facility ("facility"). Kerr-McGee's license provides for the decommissioning of the facility and

stabilization of the facility's waste in accordance with a disposal plan approved by the NRC. NRC Materials License No. STA-583, Amendment No. 1 (Oct. 15, 1990) see Kerr-McGee Chemical Corp. (West Chicago Rare Earths Facility), LBP-90-9, 31 NRC 150 (1990).

In light of the status of the facility, Kerr-McGee also has no obligation to provide financial surety arrangements pursuant to 10 C.F.R. Part 40, Appendix A. Criterion 9 of Appendix A by its terms provides that "[f]inancial surety arrangements must be established by each mill operator prior to the commencement of operations" Kerr-McGee has no intention of commencing milling operations at the site. The NRC staff has thus specifically determined that "Criterion 9 does not apply to the West Chicago site because it is not a new operation." NRC, Supplement to the Final Environmental Statement Related to the Decommissioning of the Rare Earths Facility, West Chicago, Illinois, 2-23 (Apr. 1989) (NUREG-0904, Supp. No. 1).

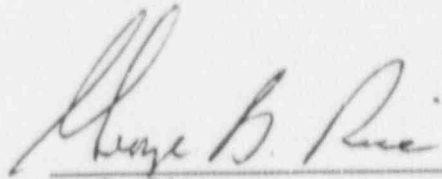
In light of the above information, Kerr-McGee submits that it is not subject to the financial assurance requirements set forth in section 40.36 of the regulations.

Respectfully submitted,



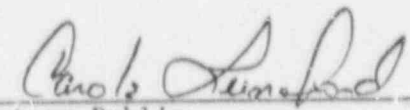
G. B. Rice
Sr. Vice President
Engineering and Environmental Systems
Kerr-McGee Chemical Corporation
Kerr-McGee Center
Oklahoma City, OK 73125

I, _____, being duly sworn, affirm that the above
is a true and accurate statement.



G. B. Rice

Subscribed and sworn before me on this 30th day of December, 1990.



Notary Public

My commission expires: 11-15-93