



July 2, 2001

Ms. Cynthia D. Pederson
Director, Division of Nuclear Materials Safety
United States Nuclear Regulatory Commission
Region III
801 Warrenville Road
Lisle, Illinois 60532-4351

RE: Breckenridge, Michigan Disposal Site

Dear Ms. Pederson:

This correspondence is submitted on behalf of NWI Land Management Corporation (NWI) in response to your letter, dated May 31, 2001, regarding the former Michigan Chemical Company low level radioactive disposal site (Site or Breckenridge Disposal Site) in Breckenridge, Michigan. The May 31, 2001 letter requested 1) information regarding the availability of funding to accomplish safe, permanent decommissioning of the Breckenridge Disposal Site and 2) an updated proposal and plan for final characterization of the site, and proposed closure action, if remediation of the site is determined to be necessary.

NWI shares your goal of identifying if remediation will be necessary at this Site. The voluntary efforts over the past four years have been focused on site investigation and assessment to address that goal. The efforts included site sampling and analysis, a historical review, a radiological evaluation and a preliminary risk assessment. The NRC has been informed of the progress throughout these activities, however, the progress has been affected by the changing criteria used to evaluate this and other sites over time. It is significant that the NRC has now determined that 10 CFR Part 20, Subpart E, *Radiological Criteria for License Termination*, s20.1402 "Radiological criteria for unrestricted use" apply to this site.

As you may know, this 0.7 acre Site is located in a rural area and has not been used for disposal of solid wastes since 1970. The Oak Ridge Associated Universities performed a radiological assessment of the Site under contract to the NRC in 1981. Their report indicated that the average level of radionuclides was below the NRC guideline for areas accessible to the public and that no migration of materials was occurring. There was no further action until October 1996, when the NRC was contacted by the MDEQ to investigate the site. The NRC concluded that there was no significant risk at the site, but that levels were in excess of the current NRC guidelines for unrestricted use. The parties have continued to investigate and assess site conditions while the NRC has developed criteria and guidelines for sites of this type.

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While we are interested in the timely quantification of potential remediation costs for the site, we believe that additional site characterization is needed to determine the appropriate course of action. Once the site is fully characterized, the appropriate criteria can be evaluated and a remediation action selected if necessary. After a remediation option is selected, then the potential remediation costs can be quantified. NWI's bankruptcy should not force an inappropriate or accelerated response that is not supported by the existing site conditions or site history. To that end, NWI submitted a Characterization/Remediation Work Plan in July 2000 (Work Plan) to perform additional site investigation to further the site assessment. NWI will review the Work Plan in conjunction with the NRC's recent determination and respond with any proposed revisions within 45 days of this letter. Upon review and finalization of the revised Work Plan, additional site characterization activities could proceed.

Finally, please note that neither Velsicol Chemical Corporation nor the Memphis Environmental Center are subsidiaries of Fruit of the Loom or NWI.

If you have any questions, please feel free to contact me at (630) 963-6026.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Hock', is written over the typed name.

John E. Hock, P.E.
Senior Project Manager

Cc: Mike McCann
Mike McGee
Mike Prattke