

June 10, 2004

Roy S. Blickwedel, P.G.  
Remedial Project Manager  
General Electric Company  
640 Freedom Business Center  
King of Prussia, PA 19406

SUBJECT: UNC - CHURCH ROCK FINANCIAL SURETY, SOURCE MATERIALS  
LICENSE SUA-1475 - REQUEST FOR ADDITIONAL INFORMATION  
(TAC LU0036)

Dear Mr. Blickwedel:

The staff has reviewed your letter dated March 26, 2004, and has determined that it does not contain enough detailed information for the staff to make a determination if the surety is adequate. The proposed increase in the surety simply involves an adjustment for inflation from previously approved values. There is no documentation of an evaluation to determine if there have been any cost increases for the services that may be required to complete the reclamation by a third party. Criterion 9 of 10 CFR 40, Appendix A requires, in part, that "The amount of surety liability should be adjusted to recognize any increases or decreases resulting from inflation, changes in engineering plans, activities performed, and any other conditions affecting costs" (emphasis added). Because of the length of time since the last detailed cost estimate was developed, we have concluded that a rebaselined estimate should be provided.

Criterion 10 of 10 CFR 40, Appendix A, specifies a minimum charge of \$250,000 (1978 dollars), to cover the costs of long-term surveillance. The inflation rate to be used is that indicated by the change in the Consumer Price Index published by the U.S. Department of Labor, Bureau of Labor Statistics. The current value of \$250,000, using the February 2004 Bureau of Labor Statistics, Consumer Price Index (CPI) - All Urban Consumers, is \$690,652, which is somewhat higher than your estimate of \$637,927. The estimate should be revised to include and justify the appropriate inflation adjustment.

The staff requests that you resubmit your rebaselined estimate in a format similar to that indicated in Appendix C of NUREG-1620, Rev.1, "Standard Review Plan for the Review of a Reclamation Plan for Mill Tailings Sites Under Title II of the Uranium Mill Tailings Radiation Control Act," so that the requirements of 10 CFR 40, Appendix A, Criterion 9 & 10, can be more readily verified.

Please submit your revised estimate within 30 days of the date of this letter or provide an alternate schedule for doing so. We are closing the current tracking number TAC LU0036 and will open a new one when your revised surety estimate is received.

If you have any questions regarding this letter, please contact the undersigned by telephone to (301) 415-6251 or via e-mail to [RWV@nrc.gov](mailto:RWV@nrc.gov).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

**/RA/**

R. William von Till, Project Manager  
Uranium Processing Section  
Fuel Cycle Facilities Branch  
Division of Fuel Cycle Safety and Safeguards  
Office of Nuclear Material Safety and Safeguards

Docket No. 40-8907  
License No. SUA-1475

cc: Mark Purcell, EPA, Region 6  
Robyn Brown, NM  
Diana Malone, Navajo Nation

June 10, 2004

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**/RA/**

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**CLOSES TAC LU0036**

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\*see previous concurrence

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<b>NAME</b>	B. von Till		B. Garrett*		R. Nelson	
<b>DATE</b>	6/10/04		6/9/04		6/10/04	

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