



Pennsylvania Department of Environmental Protection

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March 20, 2006

Bureau of Radiation Protection

717-787-2480

Fax: 717-783-8965

Mr. Adam Mukerji
Director of Community Development
City of Reading
815 Washington Street
Reading, PA 19602

Re: Cabot Reading Site Decommissioning Project

Dear Mr. Mukerji:

I am writing to you in my capacity as Chief of the Decommissioning and Environmental Surveillance Division for the Pennsylvania Department of Environmental Protection (DEP). As I am sure you are aware, DEP has been actively involved in the ongoing work to finalize the decommissioning and ultimate Nuclear Regulatory Commission (NRC) license termination at the Cabot Reading (Cabot) site. You may also be aware that the NRC license is to be terminated with no restrictions on future use of the property. DEP has documented concerns regarding the future uses of the site, the uncertainties in the characterization, and the assumption that the material will remain buried in place in perpetuity under Cabot's previous "no action required" decommissioning plan. These concerns were instrumental in Cabot's decision to incorporate an engineered barrier in a recently revised plan to decommission the site. Nevertheless, DEP continues to have concerns regarding future use of the site and potential liabilities for the City of Reading should the radioactive slag be uncovered.

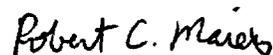
While DEP is working cooperatively with Cabot and the NRC toward a final resolution of the decommissioning issues, two concerns remain. First, we have not yet seen a copy of the "Declaration of Covenants and Restrictions" or the "Deed of Easement" referenced in Paragraph 5 of the "Agreement of Settlement Among Cabot Corporation, the City of Reading, and the Redevelopment Authority of the City of Reading." This is crucial to DEP because the Bureau of Radiation Protection has not changed its fundamental position that the site has not been fully characterized. DEP is willing to accept the proposed decommissioning plan and license termination with the current characterization provided that there will be no future development of the site that could uncover the buried waste. While the Agreement of Settlement (Agreement) appears to provide for restrictions on development, the details of the covenants and restrictions, which are to be recorded with the parcel, will determine the level of confidence DEP has in the future of the site.



Second, and related to the first issue, is our concern over what steps will be taken to prevent development during the first 80 years of the Agreement, and what mechanisms will be in place after the 80 year initial period, when site ownership can be transferred. Given that the primary contaminant of concern, thorium-232, has a half-life of over one billion years, this is obviously a significant issue.

We would appreciate receiving a copy of the covenants and restrictions as soon as possible. We would be happy to discuss these issues, or any issues surrounding the Cabot Reading site, at your convenience. Please do not hesitate to contact me by e-mail at rmaiers@state.pa.us or by telephone at 717-783-8979.

Sincerely,



Robert C. Maiers, PE
Chief, Decommissioning and Environmental
Surveillance Division

cc: David Allard, PA DEP, BRP
Rusty Diamond, PA DEP, SCRO
Tony Rathfon, PA DEP SCRO
John Maher, PA DEP, SCRO
Ted Smith, NRC, HQ
Marie Miller, NRC, RI
Wayne Reiber, Cabot