

Norman, Yolande

From: Young, Dorina [DMYOUNG@mactec.com]
Sent: Tuesday, March 29, 2011 2:07 PM
To: Norman, Yolande
Subject: NECR Surety Update
Attachments: image001.jpg; NRC Letter.pdf

Hi Yolande,

Roy Blickwedel asked me to pass this along to you. If you have problems opening the attachment or need anything else please let me know.

Thank you,

Dorina Young, Records Administrator
MACTEC/GENERAL ELECTRIC Churchrock Office
1051 St. Hwy 566
Gallup, NM 87305
Office: 505 905-6651 Fax: 505 905-6654
Email: dmyoung@mactec.com Web: www.mactec.com

Norman, Yolande

From: Young, Dorina [DMYOUNG@mactec.com]
Sent: Tuesday, March 29, 2011 3:23 PM
To: Norman, Yolande
Cc: roy.blickwedel@ge.com
Subject: RE: NECR Surety Update
Attachments: NECR Letter Revised.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Yolande and Roy,

We made a correction to the address on the letter. I am sending you a new copy reflecting the change please disregard the previous letter.

Thank you,

From: Norman, Yolande [mailto:Yolande.Norman@nrc.gov]
Sent: Tuesday, March 29, 2011 12:15 PM
To: Young, Dorina
Subject: RE: NECR Surety Update

Great. Thanks a bunch.

From: Young, Dorina [mailto:DMYOUNG@mactec.com]
Sent: Tuesday, March 29, 2011 2:14 PM
To: Norman, Yolande
Cc: roy.blickwedel@ge.com
Subject: RE: NECR Surety Update

Yes,

I am sending it FedEx today. It will be there tomorrow.

From: Norman, Yolande [mailto:Yolande.Norman@nrc.gov]
Sent: Tuesday, March 29, 2011 12:10 PM
To: Young, Dorina
Subject: RE: NECR Surety Update

Thanks.

I am presuming that the hard copy will follow in the mail.

Yolande J.C. Norman,
Project Manager
Division of Waste Management and Environmental Protection

Office of Federal and State Materials and Environmental Management Programs
U.S. Nuclear Regulatory Commission
Mail Stop T-8F5
11545 Rockville Pike
Rockville, Maryland 20852
Phone: (301) 415-7741
Fax: (301) 415-5369
yolande.norman@nrc.gov

From: Young, Dorina [<mailto:DMYOUNG@mactec.com>]
Sent: Tuesday, March 29, 2011 2:07 PM
To: Norman, Yolande
Subject: NECR Surety Update

Hi Yolande,

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Thank you,

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Gallup, NM 87305
Office: 505 905-6651 Fax: 505 905-6654
Email: dmyoung@mactec.com Web: www.mactec.com

Mr. Keith I. McConnell, Deputy Director
Decommissioning and Uranium Recovery Licensing Directorate
Division of Waste Management and Environmental Protection
Office of Federal and State Materials and Environmental Management Programs
U.S. Nuclear Regulatory Commission
Mail Stop T-8F5
11545 Rockville Pike
Rockville, Maryland 20852

Subject: Church Rock Financial Surety Update - Source Material License No. SUA-1475

Dear Mr. McConnell:

Source Materials License No. SUA-1475. License Condition 25, requires that United Nuclear Corporation (UNC) provide an annual update of the surety amount and maintain a Nuclear Regulatory Commission (NRC) approved surety arrangement, consistent with 10 CFR 40, Appendix A, Criteria 9 and 10. This letter transmits the annual surety update.

UNC completed a comprehensive re-baseline of the surety requirement that was submitted in September 2004. The conditions used in the re-baselined surety calculation have not changed from the re-baselined adjustment. Additionally, a Site-Wide Supplemental Feasibility Study (SWSFS), directed by U.S. Environmental Protection Agency (EPA) in 2005, is in progress at the site. In September 2010, the EPA issued interagency comments to UNC on the SWSFS. Completion of the SWSFS is expected to occur in late-summer 2011. Once the SWSFS is complete, a review of the study results will be conducted and where applicable, compared against the conditions used in the initial re-baseline calculation.

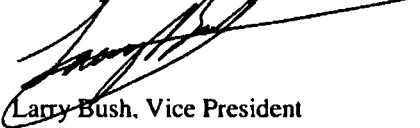
As a result of continued steady-state conditions at the site and the ongoing SWSFS, the only proposed change to the annual surety amount takes into account the 1.9% increase in the consumer price index for all urban consumers from March 2010 through February 2011. It is recommended that the surety amount be increased from \$3,055,040 to \$3,113,086 and the license be amended to reflect the change.

I will forward a copy of the bond to you as soon as I receive the reissued certificate rider.

During the annual financial surety review, UNC identified a correction that needs to be made to License Condition 25 with respect to the financial assurance that is maintained in favor of the USEPA. The USEPA financial assurance is a static \$2,000,000 requirement. Apparently, when license amendment 38 was issued on November 30, 2006, the NRC inadvertently assigned the new NRC surety requirement (in the amount of \$2,803,663) to both the NRC surety bond and the USEPA surety. This error has carried through in all subsequent license revisions. The next amendment to License Condition 25 should return the USEPA amount to \$2,000,000.

As of September 1997, UNC became a wholly-owned, indirect subsidiary of the General Electric (GE) Company. GE Corporate Environmental Programs have been retained through a separate administrative services agreement to assist UNC both technically and administratively with environmental issues at the Church Rock site. Please contact me or Roy Blickwedel at GE if you have any questions.

Sincerely,



Larry Bush, Vice President

cc: Roy Blickwedel, GE (via E-mail)
Yolande Norman, NRC (via E-mail)
NRC Region IV