

December 10, 2012

Ms. Pamela Phillips, Acting Director
Superfund Division
EPA Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

SUBJECT: PROPOSED ADMINISTRATIVE CHANGES TO MEMORANDA OF UNDERSTANDING FOR THE HOMESTAKE URANIUM MILL SITE NEAR MILAN, NEW MEXICO AND CHURCH ROCK SITE IN MCKINLEY COUNTY, NEW MEXICO

Dear Ms. Phillips:

In calendar year 2011, the U.S. Nuclear Regulatory Commission (NRC), Office of the Inspector General (OIG) conducted an audit of NRC's Oversight of Decommissioned Uranium Recovery Sites and Sites Undergoing Decommissioning. The OIG's final audit report was published on December 13, 2011 (OIG-12-A-06). In its audit of the Uranium Recovery Program, the OIG evaluated the NRC staff's implementation of the Memorandums of Understanding (MOUs) between NRC and the U.S. Environmental Protection Agency (EPA) concerning remedial activities at the Homestake Mining Company (HMC) and Church Rock Uranium Mill sites in New Mexico. In its final report, the OIG criticized the staff for not meeting the following terms of the MOUs:

1. Provide EPA site remediation progress reports on a quarterly basis for Church Rock and on a semiannual basis for Homestake.
2. Conduct an annual review of the MOUs.

The staff is taking corrective action to address the OIG audit findings. The NRC has reviewed the MOUs for HMC and Church Rock and determined that the MOUs have not been revised in almost 20 years and are out of date. The MOUs do not reflect NRC's current organizational structure nor the Agency's electronic records management practices. In order to update the MOUs, NRC is proposing the administrative changes incorporated into the enclosed amendments.

A number of significant changes have occurred since the MOUs for HMC and Church Rock were implemented. First, all publicly releasable documents associated with licensing activities at the HMC and Church Rock sites are available in NRC's Agency-Wide Document Access and Management System (ADAMS). Second, EPA has become significantly more involved in the reclamation activities at the HMC and Church Rock sites. Although these changes have made the need for NRC submittal of formal progress to EPA obsolete, NRC will send progress reports until the requirement is removed from the MOUs. Progress reports for the HMC and Church Rock sites will be submitted under separate cover.

P. Phillips

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The NRC recognizes that timely and effective remediation of the HMC and Church Rock sites are the goals of the NRC and EPA. We believe the proposed administrative revisions to the MOUs will serve to improve coordination of the regulatory process. Please review the enclosed amendments and provide suggested revisions, or concurrence. If you have comments or questions regarding this letter, please contact me at 301-415-7319.

Sincerely,

/RA/

Larry W. Camper, Director
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket Nos.: 40-8903, 40-8907
License Nos.: SUA-1471, SUA-1475

Enclosures: As Stated

cc: Homestake Service List
Church Rock Service List

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Church Rock Service List

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