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March 10, 1998

Mr. James Shafer
Remedial Project Manager
Northern Division, NAVFACENCOM
10 Industrial Highway, Mail Stop 82
Lester, PA 19113

Re: Contract No. 2472-90-D1298, Navy (CLEAN)

Dear Mr. Shafer:

Thank you for your letter of March 3, 1998 responding to my letter to you. MMI appreciates the fact that the Navy is "determined to bring closure to the Melville North Landfill site." However, we continue to believe that the Navy should not insist that alternatives other than removal be considered. Unlike many sites, where the Navy's principal concern might be the state or federal regulatory agency with jurisdiction, in this case the Navy assured the property owner in writing that the contamination on this site would remain the Navy's sole responsibility. By letter dated April 6, 1983, the Navy stated that "The Government will remain responsible for any possible hazards associated with the site, due to past disposals of hazardous materials." It was in reliance on this assurance that MMI purchased the site from the State in the first place and then spent about \$2 million on obtaining all permits for the marina and associated development. In 1989, MMI was so concerned over the lack of progress that it enlisted the aid of Senator John F. Chafee. In an undated letter responding to a September 21, 1989 letter from Senator Chafee, the Navy stated "Let me assure you that the Navy is diligently pursuing complete cleanup of the property..." In 1994 and 1995, the Navy seemed committed to removal of the soils, until it was found that they were more extensive than expected, and work stopped. Now the Navy seems to be pushing a lesser (and probably cheaper) solution that does not involve removal of all contaminated soils. However, it has now become painfully clear to MMI that any solution that inhibits the placing of building foundations on the site, or involves monitoring or other restrictions of any kind severely impacts the ability to develop the site, and that full removal is essential.

MMI is now completely stalled on developing this site solely because of the contamination at the Melville North Landfill. Developers with whom MMI is working insist that there be no restrictions of any kind on the property. We strongly believe that it is a waste of time and money for the DEM to have to respond in detail to the Brown & Root study, especially the human health assessment sections, since the only need for such a response is if the contaminated soil is not removed, but left in place with some sort of *in situ* remediation. Even a cursory review of the study shows that some key assumptions are incorrect. For example, the study assumes, in Section 6, that the only residential development might be for guests whose only exposure is use of the marina, which is assumed, in Section 6.4.2, to be only 22 days per year. In fact, it may well be that time share or condominium units might be built, which would involve users whose

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use may not be restricted to the boating season. They may have a significantly greater exposure to the contaminated soil. Also, there is no discussion of the exposure of employees of retail establishments, such as restaurants or marine supply stores, that almost certainly would be built on the site. Many such establishments would be open all year, as at neighboring marinas, and thus the assumptions about seasonal exposures of marina users would not apply to year-round employees at the site.

The CRMC and Army Corps of Engineers permits that MMI has obtained require phased development of the project, but have a finite time frame to complete the project, expiring in 2003. Because of the presence of the landfill, several years of the permit have run with no construction possible. It is my understanding that the DEM will need months to respond to the SI Report, because of the complications of the human health risk assessment. That is not acceptable to MMI. Further delay is impeding job development and an economic return on MMI investment in the property.

In short, based on the letter of assurance given to MMI by the Navy, and because of the immediate necessity for economic development of the site, MMI requests strongly that the Navy simply move immediately to a discussion of the details of the remediation methods identified by Brown & Root utilizing removal of the contaminated soil, and remediation of such soil elsewhere, such as the Navy's own property at one of the tank farms. A delay of months or even years to respond in detail to the SI Report is not acceptable.

Very truly yours,


Steven M. McInnis

cc: Honorable John H. Chafee, United States Senator
James R. Forrelli, P.E., Brown & Root
K. Coyle, NETC-Newport
Richard Hood, MMI
Everett A. Pearson, MMI
Paul Kulpa, RIDEM