

July 5, 2000

Mr. David R. Smith
Radiation Safety Officer
Shieldalloy Metallurgical Corporation
12 West Boulevard
P.O. Box 768
Newfield, New Jersey 08344-0768

SUBJECT: AMENDMENT TO LICENSE SMB-743 (TAC NO. L31348)

Dear Mr. Smith:

In accordance with your application dated May 2, 2000, and pursuant to Part 40 to Title 10 of the Code of Federal Regulations, Materials License SMB-743 is hereby amended to grant your request to postpone initiation of the decommissioning process for one year.

The NRC staff has determined, in accordance with 10 CFR 40.42(f), that postponing the initiation of decommissioning for one year is not detrimental to the public health and safety and is otherwise in the public interest.

Accordingly, Condition 10 has been revised to include the date of May 2, 2000. In addition, Condition 18 has been added, and reads as follows:

Condition 18 If SMC does not resume principal activities at the entire site or in any separate building or outdoor area by July 1, 2001, SMC must provide notification to the NRC in writing, within 60 days, and provide a decommissioning plan, within twelve months, in accordance with NRC requirements, and commence decommissioning upon approval of that plan by the NRC.

Also, Condition 15 is deleted since the licensee has met this commitment with the submittal dated October 19, 1999. All other conditions of this license shall remain the same. Enclosed are copies of the revised Materials License SMB-743 and the Safety Evaluation Report, which includes the Categorical Exclusion determination.

If you have any questions regarding this matter, please contact Ms. Julie Olivier of my staff at (301) 415-7292 or by email at JAO@nrc.gov.

Sincerely,

/RA/

Philip Ting, Chief
Fuel Cycle Licensing Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

Docket 40-7102
License SMB-743
Amendment 6

Enclosures: 1. Materials License SMB-743
2. Safety Evaluation Report

If you have any questions regarding this matter, please contact Ms. Julie Olivier of my staff at (301) 415-7292 or by email at JAO@nrc.gov.

Sincerely,

/RA/

Philip Ting, Chief
 Fuel Cycle Licensing Branch
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Docket 40-7102
 License SMB-743
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OFC	FCLB		FCLB		OGC		FCLB		FCLB	
NAME	JOlivier*		PShea*		STreby*		LRoche		PTing	
DATE	6 /1 /00		6 /1 /00		6 /30 /00		7 /5 /00		7 /5 /00	

* See previous concurrence
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MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. Shieldalloy Metallurgical Corporation West Boulevard	3. License Number SMB-743, Amendment 6
2. Newfield, New Jersey	4. Expiration Date October 20, 20002
	5. Docket No. 40-7102 Reference No.

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|---|---|--|
| <p>6. Byproduct Source, and/or Special Nuclear Material</p> <p>A. Thorium</p> <p>B. Uranium</p> | <p>7. Chemical and/or Physical Form</p> <p>A. Any</p> <p>B. Any</p> | <p>8. Maximum amount that Licensee May Possess at Any One Time Under This License</p> <p>A. 303,050 kilograms</p> <p>B. 45,000 kilograms</p> |
|---|---|--|
9. Authorized place of use: Licensed material shall be used only at the licensee's existing facilities at West Boulevard, Newfield, New Jersey.
10. Authorized use: Research and development, processing, and storage of raw materials for the production of specialty alloys and slag fluidizers, and for distribution of raw materials, in accordance with statements, representations and procedures contained in application dated September 15, 1995 and supplements dated November 28, 1995, August 11, September 24, September 26, and November 25, 1997, March 25, 1998, January 28, March 10, March 18, June 1, September 9, September 23, 1999 and May 2, May 22, 2000.
11. Deleted by Amendment 2, August 1999.
12. Notwithstanding the Derived Air Concentration (DAC) and Annual Limit on Intake (ALI) listed in Appendix B to 10 CFR Part 20, the licensee may use adjusted DAC values for thorium of 1.9 E-11 microcuries (μCi) per milliliter and for uranium of 8.4 E-11 μCi per milliliter and adjusted ALI values for thorium of 0.047 μCi and for uranium of 0.2 μCi.
13. Deleted by Amendment 2, August 1999.

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

License Number

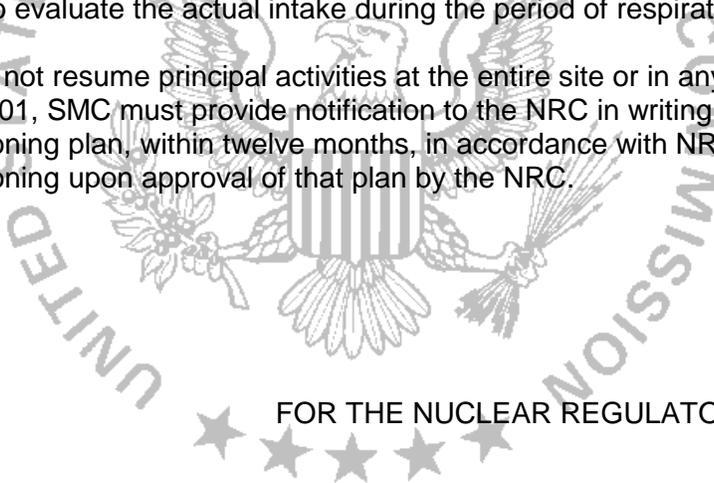
SNM-1513

Docket or Reference Number

70-1703

Amendment No. 1

14. Deleted by Amendment 2, August 1999.
15. Deleted by Amendment 6, July, 2000.
16. The licensee shall keep records of the working hours of the worker(s) working in the baghouse area performing baghouse activities such as removing or changing bags, or transferring baghouse dust to trucks for transport. The licensee shall perform dose calculations using the records of the working hours of the workers in the various work places. The licensee shall also sum up the total external and internal doses to determine if the workers' total exposure is less than 10% of the dose limits as specified in 10 CFR Part 20.1201(a). If 10% of the dose limit is exceeded or is expected to be exceeded, the licensee shall conduct worker's radiation monitoring as required by 10 CFR Part 20.1502.
17. If the licensee uses respiratory protection equipment to limit intakes pursuant to 10 CFR 20.1702 the licensee shall perform bioassays to evaluate actual intakes at intervals not to exceed twelve months. Whenever an individual will no longer use respiratory protection equipment, the licensee shall perform a bioassay to evaluate the actual intake during the period of respirator use.
18. If SMC does not resume principal activities at the entire site or in any separate building or outdoor area by July 1, 2001, SMC must provide notification to the NRC in writing, within 60 days, and provide a decommissioning plan, within twelve months, in accordance with NRC requirements, and commence decommissioning upon approval of that plan by the NRC.



FOR THE NUCLEAR REGULATORY COMMISSION

Dated: _____

By: Philip Ting, Branch Chief
Division of Fuel Cycle Safety
and Safeguards, NMSS
Washington, DC 20555

DOCKET: 40-7102

LICENSEE: Shieldalloy Metallurgical Corporation
Newfield, NJ

SUBJECT: SAFETY EVALUATION REPORT: APPLICATION DATED MAY 2, 2000

BACKGROUND

By letter dated May 2, 2000, Shieldalloy Metallurgical Corporation (SMC) has requested a one year postponement of the initiation of the decommissioning process, including notification and planning required by 10 CFR 40.42(d)(3). SMC has requested this postponement in order to explore business opportunities involving source material before planning for and proceeding with the decommissioning of areas that might be used for these activities.

DISCUSSION

Pursuant to 10 CFR 40.42(f), the staff has reviewed the licensee's request to extend the time periods established in 10 CFR 40.42(d), according to the Standard Review Plan (SRP) entitled, "Licensee Requests to Extend the Time Period Established for Initiation of Decommissioning Activities."

SMC ceased principal activities at the site in June, 1998. The NRC received a request to extend the time period established for initiation of decommissioning by one year, on May 2, 2000, in accordance with the requirements of Part 40.42(f). SMC has acknowledged that a decommissioning plan will be required to decommission the site before license termination.

The Health and Safety Plan submitted by SMC is adequate to ensure that public health and safety will be protected during the extension period. In addition, past inspections indicate that SMC has been successfully implementing its operational health and safety plan.

SMC has submitted a financial assurance plan which the NRC is currently reviewing.

The monitoring and maintenance plan submitted by SMC is adequate to ensure that worker and public health and safety, and the environment, will be protected during the extension period.

It is in the public's interest to allow SMC to extend the time period established for initiation of decommissioning for a period of time, not to exceed one year, for the following reasons:

1. SMC is exploring business opportunities which, if successful, will require the use of D111 to process licensed material. This will allow the facility to remain in operation and maintain their current workforce.
2. SMC is exploring business opportunities to sell the slag currently stored on the site to steel manufacturers or other industrial buyers. If SMC sells the slag, the

amount of material to be disposed at the time of license termination would be reduced.

3. Postponing decommissioning for one year will have minimal impact on the site with respect to closure, even if the ultimate disposal of the slag is to a licensed disposal facility.

ENVIRONMENTAL REVIEW

Postponement of decommissioning by one year is considered a change in process operations and meets the following requirements:

- i. there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite,
- ii. there is no significant increase in individual or cumulative occupational radiation exposure,
- iii. there is no significant construction impact, and
- iv. there is no significant increase in the potential for or consequences from radiological accidents.

Accordingly, NRC staff has determined that the criteria from 10 CFR 51.22(c)(11) for a categorical exclusion has been met. Therefore, neither an environmental assessment nor an environmental impact statement is warranted for this action.

CONCLUSION

Based on the discussion, the staff recommends approval of the amendment application. Safety License Condition 18 has been added to Materials License SMB-743 and reads as follows:

Condition 18 If SMC does not resume principal activities at the entire site or in any separate building or outdoor area by July 1, 2001, SMC must provide notification to the NRC in writing, within 60 days, and provide a decommissioning plan, within twelve months, in accordance with NRC requirements, and commence decommissioning upon approval of that plan by the NRC.

The Region I staff has no objection to this proposed action.

PRINCIPAL CONTRIBUTOR:

Julie Olivier