



SHIELDALLOY METALLURGICAL CORPORATION

DAVID R. SMITH
ENVIRONMENTAL MANAGER

40-7102
L 31547 2805
WEST BOULEVARD
P.O. BOX 768
NEWFIELD, NJ 08344
TELEPHONE (609) 692-4200

August 27, 2001

Mr. Theodore S. Sherr, Chief
Licensing and International Safeguards Branch
Division of Fuel Cycle Safety and Safeguards, NMSS
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Re: Intent to Terminate Source Material License No. SMB-743

Dear Mr. Sherr:

Shieldalloy Metallurgical Corporation (SMC) has been issued License No. SMB-743 for the possession, use, storage, and disposal of source material at our Newfield, New Jersey facility. Condition 18 of that license states, in part, that if principle activities authorized by the license are not performed by July 1, 2001, SMC must notify the USNRC that it intends to begin the decommissioning process. Because principle activities have not been performed, and because SMC has been unable to identify viable alternative uses for the license, the purpose of this letter is to relay our intent to decontaminate and decommission all restricted areas, perform and document a final status survey demonstrating the release status of the site, and terminate License No. SMB-743 in compliance with License Condition 18.

As required in License Condition 18, as well as in Title 10, Code of Federal Regulations, Section 40.42(d), SMC will prepare and submit a site-wide decommissioning plan to the USNRC on or before September 1, 2002. Once USNRC concurrence with that plan is received, SMC will then limit all actions involving source material to those described therein. However, we will continue to control access to restricted areas until such time as License No. SMB-743 is terminated.

Prior to USNRC approval of the decommissioning plan, SMC will continue to implement all of the terms and conditions of License No. SMB-743. This includes the performance of routine surveillance and maintenance activities in restricted and unrestricted areas, as well as our on-going efforts to reduce the number and size of existing restricted areas. However, as required in 10 CFR §40.42(g)(4)(i), the pending decommissioning plan will include a description of the radiological conditions of the site that are current as of the date of submittal.

NMSSO1 Public

Mr. Theodore S. Sherr, Chief
U. S. Nuclear Regulatory Commission
August 27, 2001
Page 2

Please call me at (856) 692-4200, extension 226, if I can answer any questions, or provide you with additional information on this or other matters. We look forward to working with the USNRC and other stakeholders as we proceed toward a technically-sound, legally-defensible, timely and efficient end to our operations involving licensable radioactive materials.

Sincerely,

A handwritten signature in black ink, appearing to read "David R. Smith". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Smith".

David R. Smith
Radiation Safety Officer

cc: Nigel C. Morrison - SMC
Fran Gilmartin - SMC
Eric Jackson, Metallurg
Ellen Harmon, Esq. - Metallurg
Jay Silberg, Esq. - Shaw Pittman
Carol D. Berger - IEM
Julie Olivier - USNRC Licensing Section 2
Michael Raddatz - USNRC Licensing Section 2
Marie Miller - USNRC Region 1



SHIELDALLOY METALLURGICAL CORPORATION
WEST BOULEVARD · P.O. BOX 768
NEWFIELD, NJ 08344

Mr. Theodore S. Sherr, Chief
Licensing and International Safeguards Branch
Division of Fuel Cycle Safety and Safeguards, NMSS
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001