

December 20, 2001

MEMORANDUM TO: John T. Greeves, Director  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards

FROM: Michael F. Weber, Director  
Division of Fuel Cycle Safety and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

SUBJECT: FORMAL TRANSFER OF SHIELDALLOY METALLURGICAL  
CORPORATION FROM THE DIVISION OF FUEL CYCLE  
SAFETY AND SAFEGUARDS TO THE DIVISION  
OF WASTE MANAGEMENT

The Shieldalloy Metallurgical Corporation) recently informed the U.S. Nuclear Regulatory Commission of their intent to begin the decommissioning process and prepare a Decommissioning Plan by September 2002. As Shieldalloy is a Source Material site with no criticality issues, it is appropriate to transfer Project Management of this facility to the Division of Waste Management. Attached is the briefing sheet from the December 15, 2001, meeting with your staff to discuss this transfer. The files for this facility will be transferred in conjunction with this memo. The Fuel Cycle Licensing Branch has no open TACs to transfer to the Division of Waste Management. The State of New Jersey's and the regional U.S. Environmental Protection Agency's offices have been notified of the transfer. The former project manager, Julie Olivier, will be available to assist the new project manager with the transition.

Docket 40-7102  
License SMB-743

Attachments 1. Briefing sheet on the Shieldalloy Facility  
2. FCLB reading files (1 box)

cc w/o Attachment 2:  
M. Virgilio, NMSS      M. Federline, NMSS  
R. Pierson, FCSS      J. Piccone, DWM  
R. Bellamy, RI

Contact: Julie Olivier, FCLB  
(301) 415-7292

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Distribution w/o Attachment 2: Accession No. ML020020209

FCLB r/f NMSS r/f SMOore, DWM CCraig, DWM DOrlando, DWM Public  
Mlamastra, FCSS MMiller, R1 TFredrichs, DWM FCostello, R1

OFC	FCLB		FCLB		FCLB		FCLB		FCSS
NAME	JOlivier*		PShea*		LRoché*		MLEach*		MWeber
DATE	12/14/01		12/12/01		12/14/01		12/19/01		12/20/01

\*See previous concurrence

**December 15, 2001, Meeting**  
**Re: Transfer of Shieldalloy Metallurgical Corporation to DWM**

1. Description of Materials License SMB-743
  - Former producer of specialty alloys, slag fluidizers, other metal products
  - Possession limits: any form of Th 303,050 kg, any form of U 45,000 kg
  - The facility has not operated since June 1998
  - The site is listed on the National Priorities List and is being remediated under CERCLA for chromium contamination in the groundwater
  - Shieldalloy had financial troubles in the early 90's
  
2. Open Licensing Issue - Decommissioning Funding Plan
  - First submittal (Oct. 19, 1999) denied by letter Feb. 11, 2000
  - Meeting held March 21, 2000 to discuss denial
  - Second submittal (April 20, 2000) resulted in RAI dated Dec. 7, 2000
  - Response to RAI received March 6, 2001
  - Conference call held on May 10
  - Third submittal Oct. 1, 2001- review indicates need for more information
  
3. Decommissioning Status
  - Notification of intent to decommission received August 27, 2001
  - Decommissioning Plan due by September 2002
  - The site possesses 18,000 m<sup>3</sup> of slag and 15,000 m<sup>3</sup> baghouse dust
  - They are authorized to sell slag and baghouse dust, but have never been able to find buyers
  - They are tentatively planning to apply for **unrestricted** release, **with** an on-site *in situ* cell
  
4. FCLB Contacts: Julie Olivier, FCLB Project Manager 415-7292  
Pam Shea, FCLB Licensing Assistant 415-8029