



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

October 4, 2002

Docket No. 04007102

License No. SMB-743

Eric Jackson
President
Shieldalloy Metallurgical Corporation
West Boulevard
P .O. Box 768
Newfield, NJ 08344

SUBJECT: INSPECTION 04007102/2002001, SHIELDALLOY METALLURGICAL CORPORATION

Dear Mr. Jackson:

This letter forwards NRC Form 591X, "Safety Inspection Report and Compliance Inspection," indicating that no items of non-compliance were found during the above described inspection of your licensed activities. As discussed with David Smith of your staff, decontamination techniques for equipment and building surfaces need to ensure that alpha detection limits for release surveys are met.

Please retain the form in your files. No acknowledgment of this letter is required. However, should you have any questions, we will be pleased to discuss them with you. In accordance with 10 CFR 2.790, a copy of this NRC Form 591X will be placed in the NRC Public Document Room and will be accessible from the NRC Web site at <http://www.nrc.gov/reading-rm.html>.

Your cooperation with us is appreciated.

Sincerely,

Original signed by Marie Miller

Marie Miller
Senior Health Physicist
Decommissioning and Laboratory Branch
Division of Nuclear Materials Safety

Enclosure:
NRC Form 591X

cc:
David Smith, Radiation Safety Officer
Jill Lipoti, Ph.D., NJ Department of Environmental Protection

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DATE	10/4/02					

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Docket File Information
SAFETY INSPECTION REPORT
AND COMPLIANCE INSPECTION

1. LICENSEE/CERTIFICATE HOLDER Shieldalloy Metallurgical Corporation Newfield, NJ REPORT NUMBER(S) 2002-001	2. NRC/REGIONAL OFFICE Region I 475 Allendale Road King of Prussia, Pennsylvania 19406-1415
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3. DOCKET NUMBER(S) 040-07102	4. LICENSE/CERTIFICATE NUMBER(S) SMB-743	5. DATE(S) OF INSPECTION July 15 & September 18, 2002
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SUPPLEMENTAL INSPECTION INFORMATION

1. PROGRAM CODE(S) 11700	2. PRIORITY 5	3. LICENSEE CONTACT David Smith, Radiation Safety Officer	4. TELEPHONE NUMBER (856) 692-4200 ext. 226
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<input checked="checked" type="checkbox"/> Main Office Inspection	Next Inspection Date: <u>December 9, 2002</u>
<input type="checkbox"/> Field _____	
<input type="checkbox"/> Temporary Job Site _____	

PROGRAM SCOPE

The facility is licensed to develop, process, store and distribute uranium and thorium, but notified NRC of intent to decommission on August 27, 2001. The licensee's Decommissioning Plan was received September 11, 2002. The current license allows the licensee to decontaminate and disassemble two former production facilities and the associated Flex-Kleen Baghouse in accordance with the licensee's procedures and previously approved release criteria. This work includes: (1) decontamination of surface areas; (2) release of equipment and building materials in accordance with Reg Guide 1.86 surface contamination criteria, and segregation of contaminated materials to the onsite source material storage yard using the NRC derived concentration guideline levels screening values published in the Federal Register; and (3) demolition of the buildings. These activities are being performed by two contracted firms under licensee oversight.

During the inspection, the requirements of the work plan were discussed. This included a review of survey instrument detection limits and methods of surveying, airborne sampling for effluents, decontamination worker exposures, and licensee management oversight. Independent measurements for alpha activity were also conducted by the inspector. Materials with radioactive contamination above release criteria is be stored within the licensee's Source Material Storage Yard area. Materials with any volumetric contamination are not being released offsite pending NRC approval of the licensee's Decommissioning Plan. NRC guidance regarding institutional controls and environment report information for restricted release license termination was also discussed.

The subjects discussed in Temporary Instruction 2800/032 were reviewed during this inspection and no concerns were identified.

