



State of New Jersey
DEPARTMENT OF ENVIRONMENTAL PROTECTION

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LISA P. JACKSON
Commissioner

November 13, 2006

Keith I. McConnell, Deputy Director
U.S. Nuclear Regulatory Commission
Decommissioning Directorate
Division of Waste Management and Environmental Protection
Office of Federal and State Materials and Environmental Management Programs
Washington D.C., 20555-0001

Dear Mr. McConnell:

We have received a copy of your letter dated October 18, 2006, accepting Shieldalloy Metallurgical Corporation's (SMC) Decommissioning Plan (DP) for technical review.

We have begun our review of the DP and have found certain administrative deficiencies. Revision 1a of the DP is not a cohesive package. We believe that the form of the DP will actually impede public review. It took our technical staff a considerable amount of time to piece together the new sections and fit them into the old DP. In addition, there are still portions that are out of order because of the way the new material was printed (double-sided non-consecutive sections). To expect the public to put this together and be able to assimilate it for discussion at the public meeting is unrealistic. The DP should be a comprehensive, stand-alone document that should not have to be pieced together by interested parties.

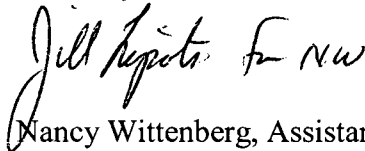
While we have started our technical review of the DP, we have not completed it. Our comments will be forthcoming both in writing and at the public meeting. However, at this early stage in our review process, we have found what appear to be major technical deficiencies. For example, in this case the licensee wishes to release a site (the portion of the site outside of the storage yard) for unrestricted use, but the Derived Concentration Guideline Levels (DCGLs) were based on an industrial scenario with restrictions in place. A resident or resident farmer scenario should be used to derive unrestricted use DCGLs. We look forward to receiving NRC's technical review and assume this will be addressed.

Also, we have learned that the price quote used in the DP for disposal may not be the least expensive quote that was received by SMC, or that may be available to SMC. This would make the As Low As Reasonably Achievable analysis suspect. Because the NRC has encouraged

SMC to seek the Long Term Control license, there is no incentive for SMC to seek less expensive disposal options, even though they may be available with proper exemptions in place.

Since the NRC has already decided that the DP is acceptable for technical review, we wish to request that the NRC require SMC to put the DP in order as a stand alone document and make it publicly available. This should be done in a timely manner considering that the NRC has scheduled a public meeting in Newfield on December 5, 2006 on the DP.

Sincerely,

A handwritten signature in cursive script that reads "Jill Lepore for NW". The signature is written in dark ink and is positioned above the printed name.

Nancy Wittenberg, Assistant Commissioner
Environmental Regulation