

DEC 09 1987

Docket No. 040-07102

License No. SMB-743

Dr. George T. Campbell
Vice President, Technology
Shieldalloy Corporation
Newfield, New Jersey 08344

Dear Dr. Campbell,

In response to your letter dated October 15, 1987, relative to the NRC survey effort initiated October 15, 1987, to characterize the radiological status of the Newfield facility, the following information is provided:

1. Please understand that the copy of the radiological survey plan that you received on October 9, 1987, was provided for information only; not to solicit your concurrence and approval of the survey method. Since the NRC has concerns relative to the current radiological status of the Newfield facility in connection with license renewal, it is necessary to independently derive information on which to make a determination. To this end, we have contracted with Oak Ridge Associated Universities (ORAU) to characterize the radiological aspects of facility operation in terms of effluent pathways, current status, and off-site impact. While we recognize and rely upon your knowledge of facility operations, in this matter it would not be proper to permit your organization to advise our contractor relative to the scope and depth of the survey effort.
2. Fees assessed to licensees relative to any NRC licensing and inspection activity are specified in 10 CFR 170.31 and 170.32. In the case of Shieldalloy, the fee category has been specified as 2.D, which, under the current regulation provides for a license renewal fee cap of \$22,000. This means that the cumulative billing of all NRC fee recoverable efforts relative to renewal activities can not exceed \$22,000. As of June 20, 1987, Shieldalloy has already been billed \$12,030 for NRC license renewal activities. In this regard, the licensee's liability is currently limited to no more than the remaining \$9,970. With respect to NRC inspection activities, the current annual flat fee for routine efforts is \$1,300. The current fee for each non-routine inspection effort is \$650.
3. The requirements for the expiration and termination of licensed activities (i.e., decontamination and decommissioning) with regard to Shieldalloy Corporation are specified in 10 CFR 40.42. The NRC has published guidelines to be used by licensees to determine the extent of

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decontamination necessary to release a site for unrestricted use. In the case of Shieldalloy's Newfield facility, it is expected that any information gained from the NRC survey effort will be used, as is appropriate, in matters affecting this specific site. The scope and depth of the NRC survey effort was selected to serve the NRC's purposes and does not necessarily represent the extensiveness of survey efforts that would be required by the licensee to characterize a site for release. In this matter, a decommissioning plan would be negotiated with the licensee based on the specific status and conditions of the site in question.

We hope this information is sufficient for your purposes. We appreciate your cooperation in facilitating the NRC's survey efforts pertaining to Shieldalloy's Newfield facility. Please contact this office if you have further questions in this regard.

Sincerely,

Original Signed By:
James H. Joyner

Thomas T. Martin, Director
Division of Radiation Safety and
Safeguards

cc:
Public Document Room
Nuclear Safety Information Center (NSIC)
State of New Jersey

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bcc:
Douglas Weiss, LFMB
James Holloway, LFMB
John White, RI
Douglas Sly, NMSS


RI:DRSS
White

10/30/87


RI:DRSS
Joyner

10/17/87


NMSS:ECSSB
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