



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

July 25, 1995

The Honorable Bill Bradley  
United States Senate  
Washington, DC 20510

Dear Senator Bradley:

I am responding to your June 6, 1995, letter to Mr. Richard L. Bangart of the U.S. Nuclear Regulatory Commission. Your letter requests that NRC consider comments, presented to you by letter dated May 8, 1995, from your constituents, regarding disposal of nuclear waste at the Shieldalloy Metallurgical Corporation (SMC) facility located in Newfield, New Jersey.

As part of SMC's activities at its Newfield site, SMC produces ferro-columbium metals from natural ore (pyrochlore). The pyrochlore contains uranium and thorium at levels that NRC regulates through Title 10 of the U.S. Code of Federal Regulations, Chapter 40 (10 CFR Part 40). As part of the process, the ferro-columbium is separated from the pyrochlore, leaving the radioactive components in a stone-like slag form and a residual process dust, referred to as baghouse dust. The slag and baghouse dust are then stored in a storage yard on the property. As part of NRC's licensing process, the license is periodically reviewed and environmental assessments of the operations are completed. A license review is currently ongoing and an updated environmental assessment (EA) of the operating practices should be available later this summer.

In September 1993, SMC notified NRC that it was seeking financial protection under Chapter 11 of the U.S. Bankruptcy Code. One of the financial liabilities before the Bankruptcy Court is the environmental cost for final disposal of the slag and baghouse dust licensed by NRC. As part of its notification, SMC requested that NRC permit on-site disposal of the licensed material because SMC could not afford off-site disposal at a licensed radioactive disposal facility. In November 1993 and in response to SMC's request, NRC published a Notice of Intent to Prepare an Environmental Impact Statement (EIS) in the Federal Register, and in December 1993, NRC held a public scoping meeting near Newfield. Since that time, the EIS has been postponed as SMC has been actively pursuing alternative disposal methods other than on-site disposal. The major alternative disposal method under consideration by SMC is the export of licensed slag.

In December 1994, SMC submitted an application to NRC to export a test shipment of licensed slag to Trinidad for use in steel production. According to SMC, the slag has characteristics that allow the slag to act as a fluxing material and removes impurities from the steel. At the same time, the radioactive components of the slag are expected to be significantly diluted and disposed of by the steel mill as part of its aggregate. If the test is successful, SMC plans to submit applications to NRC to export the bulk of the slag for use in steel mills in numerous countries. NRC has discussed with Trinidad government officials the export issues and is currently awaiting Trinidad's permission for SMC to export the material.

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The Honorable Bill Bradley

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Once the exportation issue is decided, and the amount of residual licensed material requiring disposal is known, NRC will revise the scope of the EIS (if necessary) and complete the EIS before making a decision on permitting permanent, on-site disposal of any licensed material. When the EIS is published, the public will be provided a comment period of 90 days to review the document. On publication, copies of the draft EIS, as well as all other documents relating to the SMC site, may be viewed by the public at the two Local Public Document Rooms near Newfield, New Jersey.

I trust this reply responds to your concerns.

Sincerely,

Original signed by  
James M. Taylor  
James M. Taylor  
Executive Director  
for Operations

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Docket 40-7102

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