

DEC 03 1991

Dr. Robert Stern, Chief
Bureau of Environmental Radiation
New Jersey Department of Environmental
Protection and Energy, CN 402
Trenton, New Jersey 08625-0402

Dear Dr. Stern:

This is a response to your letter of November 25, 1991, regarding the ferrovanadium slag at Shieldalloy Metallurgical Company's (SMC) Newfield, New Jersey site, and in confirmation of our telephone discussion of November 25, 1991, concerning SMC's proposal to sell the slag as an additive to steel production slag.

The ferrovanadium slag is expected to normally contain small concentrations of uranium and thorium, even though it might be "non-radioactive" in the language of the man in the street.

This would be the case even without any cross contamination from the baghouse dust or the ferrocolumbium slag. Our concern with the proposed use of the ferrovanadium slag as an additive in the steel industry is that the slag shipped out by SMC should not be appreciably contaminated with the other materials having higher concentrations of radioactivity. This is illustrated by our letter to SMC (copy enclosed). We do not regard the productive use of the slag in this manner to be a "disposal" in the sense of a waste disposal.

Your understanding of NRC jurisdiction, as expressed in the last paragraph of your letter, is quite accurate. The NRC regulates the source material and also any other material contaminated by it in the course of licensed operations.

I trust this correspondence satisfactorily treats the jurisdictional matters discussed in our telephone conversation.

Sincerely,

Original Signed by

A. Thomas Clark for

Jerry J. Swift, Section Leader
Advanced Fuel and Special
Facilities Section
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Material Safety
and Safeguards

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