

MAY 20 1991

Docket No. 40-7102
License No. SMB-743

Shieldalloy Metallurgical Corporation
ATTN: Mr. Richard D. Way
Senior Vice-President, Manufacturing
West Boulevard
P.O. Box 768
Newfield, New Jersey 08344

Gentlemen:

By letter dated March 9, 1991, Shieldalloy Metallurgical Corporation (SMC) requested an exemption from the provisions of 10 CFR Part 40 in order to authorize receipt, possession, use, and transfer of a specific amount of source material contained in an imported batch of ferrosilicon zirconium (FeSiZr).

The regulation applicable to the transferee possessing a general Nuclear Regulatory Commission (NRC) license is 10 CFR 40.22(a) which limits the receipt of source material to 150 pounds in any one calendar year and its use to 15 pounds at a time. SMC should determine and inform the NRC if this condition was not met in the case of any transferee. If a transferee was located in an Agreement State at the time of transfer, then SMC should ensure that all requirements set by the State were met. If the transferee had a specific NRC source material license at the time of transfer, then SMC was only required to inform the transferee regarding the amount of source material transferred. SMC should ensure that these conditions are met when transferring the remaining FeSiZr off site.

Documentation is required to be generated and maintained in accordance with 10 CFR 40.61 for the batches of FeSiZr already transferred as well as those expected to be transferred in future.

If you have any questions concerning these matters, please contact Yawar Faraz of my staff at (301) 492-0669.

Sincerely,
Original Signed by
Jerry J. Swift

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

cc w/incoming: DGaffigan, NJDEP

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