



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

FEB 3 1993

Docket No. 40-7102

Shieldalloy Metallurgical Corporation
ATTN: Mr. Craig R. Rieman
Radiological Safety Manager
West Boulevard
P.O. Box 768
Newfield, New Jersey 08344

Gentlemen:

Per your request, I am enclosing a revised summary of the meeting between Shieldalloy Metallurgical Corporation and U.S. Nuclear Regulatory Commission staff held in Rockville, Maryland, on November 18, 1992. This summary replaces the enclosure to the NRC letter dated December 15, 1992.

Sincerely,

A handwritten signature in black ink, appearing to read "Yawar H. Faraz".

Yawar H. Faraz, Project Manager
Advanced Fuel and Special
Facilities section
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Material Safety
and Safeguards

Enclosure:
As stated

cc: D. Gaffigan, NJDEPE
J. Silberg, Esq.
M. Finn, Metallurg, Inc.

Docket No. 40-7102

Shieldalloy Metallurgical Corporation
ATTN: Mr. Craig R. Rieman
Radiological Safety Manager
West Boulevard
P.O. Box 768
Newfield, New Jersey 08344

Gentlemen:

Per your request, I am enclosing a revised summary of the meeting between Shieldalloy Metallurgical Corporation and U.S. Nuclear Regulatory Commission staff held in Rockville, Maryland, on November 18, 1992. This summary replaces the enclosure to the NRC letter dated December 15, 1992.

Sincerely,

Original Signed By

Yawar H. Faraz, Project Manager
Advanced Fuel and Special
Facilities section
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Material Safety
and Safeguards

Enclosure:

As stated

cc: D. Gaffigan, NJDEPE
J. Silberg, Esq.
M. Finn, Metallurg, Inc.

DISTRIBUTION: w/o encl.

NRC File Center

IMAF R/F

IMSB R/F

YFaraz

JSwift

GComfort

Docket No. 40-7102

IMNS Central File

NMSS R/F

JHickey

FBrown

MBouwens, RI

PDR

JGreeves

JAustin, LLDR

MHarvey, LLDR

MWeber, LLDR

RFonner, OGC

OFC	IMAF	E	IMAF	E	IMAF		IMSB	
NAME	YFaraz	YHF	FBrown		JSwift		JHickey	
DATE	1/27/93		1/27/93		2/2/93		2/3/93	
OFC	IMAF							
NAME	RFonner							
DATE	2/2/93							

C = COVER

E = COVER & ENCLOSURE

N = NO COPY

OFFICIAL RECORD COPY

G:\SMCMEET2.YHF

Docket No. 40-7102

Shieldalloy Metallurgical Corporation
ATTN: Mr. Craig R. Rieman
Radiological Safety Manager
West Boulevard
P.O. Box 768
Newfield, New Jersey 08344

Gentlemen:

Per your request, I am enclosing a revised summary of the meeting between Shieldalloy Metallurgical Corporation and U.S. Nuclear Regulatory Commission staff held in Rockville, Maryland, on November 18, 1992. This summary replaces the enclosure to the NRC letter dated December 15, 1992.

Sincerely,

Original Signed

Yawar H. Faraz, Project Manager
Advanced Fuel and Special
Facilities section
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Material Safety
and Safeguards

Enclosure:

As stated

cc: D. Gaffigan, NJDEPE
J. Silberg, Esq.
M. Finn, Metallurg, Inc.

DISTRIBUTION: w/o encl.

NRC File Center

IMAF R/F

IMSB R/F

YFaraz

JSwift

GComfort

Docket No. 40-7102

IMNS Central File

NMSS R/F

JHickey

FBrown

JKinneman, RI

MBouwens, RI

PDR

JGreeves

JAustin, LLDR

MHarvey, LLDR

MWeber, LLDR

RFonner, OGC

OFC	IMAF	E	IMAF	E	IMAF		IMSB	
NAME	YFaraz	<i>YHF</i>	FBrown		JSwift		JHickey	
DATE	1/27/93		1/27/93		2/2/93		2/3/93	
OFC	IMAF							
NAME	RFonner							
DATE	2/2/93							

C = COVER

E = COVER & ENCLOSURE

N = NO COPY

050045

OFFICIAL RECORD COPY

G:\SMCMEET2.YHF

9302110005 930203
PDR ADOCK 04007102
C PDR

1/c



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

FEB 13 1993

Docket No. 40-7102

MEMORANDUM FOR: John W. N. Hickey, Branch Chief
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety, NMSS

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

FROM: Yawar H. Faraz, Project Manager
Advanced Fuel and Special
Facilities Section
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety, NMSS

SUBJECT: REVISED SUMMARY OF MEETING BETWEEN U.S. NUCLEAR REGULATORY
COMMISSION STAFF AND SHIELDALLOY METALLURGICAL CORPORATION
(SMC) HELD AT NRC HEADQUARTERS IN ROCKVILLE, MARYLAND, ON
NOVEMBER 18, 1992

By phone on January 13, 1993, and via fax on January 14, 1993, SMC requested the NRC to modify four sentences contained in the summary of the meeting between SMC and NRC held in Rockville, Maryland, on November 18, 1992. I have incorporated three of the four changes word-for-word, since SMC's proposal improves reflection of statements made during the meeting. I did not delete a sentence (first sentence in the second paragraph of the section entitled "Decommissioning Plan") as requested by SMC. However, I rephrased it to reflect more closely, statements made by NRC staff at the meeting.

Following is a revised summary of the meeting. Deletions have been struck out, while additions are underlined and enclosed in square brackets.

INTRODUCTION

On November 18, 1992, representatives from SMC, including their parent company, Metallurg, Inc., counsel and technical consultant met in Rockville, Maryland, with NRC staff members of the Fuel Cycle Safety Branch, Decommissioning and Regulatory Issues Branch, Office of the General Counsel and Region I. Attached is an agenda prepared by SMC and a list of attendees (Enclosures 1 and 2).

9302100098 930203
PDR ADDCK 04007102
C PDR

0040

NFC 1/14

SMC's president, Mr. Steven Rappaport described SMC's ferro-columbium operations which is licensed by the NRC, and is one of many processes that SMC engages in. He stated that SMC was the only remaining domestic producer of ferro-columbium in the United States. Ferro-columbium is used by the U.S. steel industry. One of its major application is in natural gas pipelines. The worldwide recession and foreign imports have adversely affected SMC. ~~Strict environmental regulations have made it more difficult for SMC to compete.~~ [SMC remains committed to meeting environmental rules. However, if competing products are permitted to enter the U.S. from countries which do not have comparable environmental regulations, it becomes very difficult to be cost-competitive in worldwide markets.]

Four main topics related to SMC's license renewal of its Newfield, New Jersey, facility were discussed at the meeting. These were as follows:

1. Content of SMC's license renewal application dated June 2, 1992;
2. Decommissioning plan requirements;
3. Source material possession limits; and
4. Cost controls of NRC's review budget for license renewal.

License Renewal Application Content

SMC stated that their license renewal application was in compliance with NRC's Regulatory Guide and that details of the radiation protection program will be included in SMC's Site Operation Procedures (SOPs) which will be shared with NRC staff. The SOPs would be subject to NRC review, but should not be considered as license conditions. This approach was taken to allow flexibility in modifying SOPs without a license amendment. An example situation was presented whereby less frequent reading of worker TLD's may result in more accurate annual doses, since the chance of exceeding a TLD's minimum detectable dose threshold would be greater with less frequent sampling (longer exposure times).

NRC stated that inspectable commitments should be contained in SMC's license application. These are typically contained in Part I of the two-part applications. SOPs could be considered as part of the application; however, SMC would have to identify inspectable license conditions within the SOPs. If SMC's concern is with rigidity of SOPs, then they should structure their license conditions such that flexibility is allowed in their SOPs, and insignificant changes to an SOP will not require a license amendment.

SMC stated that they have committed to comply with the new 10 CFR Part 20, and that they would be in non-compliance with NRC requirements if an NRC inspector detects something within operations that contradicts the new Part 20.

NRC stated that all SMC, Newfield, licensing work is done at headquarters. For the NRC's regional office to perform an inspection of a facility of the

size of SMC, Newfield, conditions clearly demonstrating compliance with 10 CFR Part 20 are needed. The model of 10 CFR 50.59 should be followed. SMC's concerns will be considered by the NRC in its letter requesting a revised application.

Decommissioning Plan

SMC stated that a conceptual decommissioning plan will be submitted to the NRC as part of the application. After its approval, they will develop a detailed decommissioning plan. SMC intends to propose insitu disposal of licensed material. SMC possesses, as part of their licensed material inventory, about 20,000 m³ (700,000 ft³) of slag and almost the same volume of bag-house dust. ~~SMC is financially incapable of even transporting this material off site, let alone disposing of it at an NRC licensed facility. [The cost of transporting this material off-site, let alone the cost of disposing of it at an NRC licensed facility, would be prohibitively expensive.]~~ SMC suggested that since a decommissioning ALARA analysis is being done for their Cambridge, Ohio, facility, NRC should postpone requiring such an analysis for its Newfield, New Jersey, facility, until the Cambridge issue is resolved.

~~NRC stated that apart from being a requirement, SMC's financial difficulties have placed an urgency for a decommissioning plan submittal for the Newfield facility. [NRC stated that apart from being a requirement, the high cost of cleanup anticipated for SMC has placed an urgency for a decommissioning funding plan submittal for the Newfield facility.]~~ It is clear that the decommissioning financial assurance of \$750,000 is not sufficient, and a significantly higher amount will be needed to adequately decommission the site, [regardless of the decommissioning method chosen.]

The decommissioning funding plan should be based on a decommissioning plan with sufficient details to allow the NRC to establish that the financial assurance funding is adequate. NRC will consider renewing SMC's license without a funding plan. However, one would have to be submitted shortly after the license is renewed. The submittal date, which will be within two years of the license renewal date, will be specified in the renewed license. For insitu disposal, decommissioning criteria contained in Options 3 and 4 of the Branch Technical Position that require deed restrictions are unacceptable to the NRC, and therefore should not be considered in the decommissioning plan. Decommissioning of soil and slag with thorium levels below Option 1 (5 pCi/g of Th-232 + 5 pCi/g of Th-228) will readily be accepted by the NRC. Thorium levels below Option 2 (25 pCi/g of Th-232 + 25 pCi/g of Th-228) will be accepted by the NRC under certain conditions. For thorium, the direct dose following complete erosion of cover material, tends to be the critical pathway. Therefore, alternatives under which future human intrusion is unlikely, should be considered. Other licensees with similar decommissioning problems are considering various alternatives under Option 2; such as insitu disposal with a 5-meter cover or disposal in an abandoned mine. NRC is also considering a proposal to dispose of material with concentration levels above Option 2, in a RCRA cell. The proposal includes extensive environmental monitoring and exemption from unrestricted release (i.e., the site will not be used in future). NRC suggested that SMC should get together with other

NRC stated that it does not have a good answer for SMC's legitimate concerns. However, NRC has to justify its budget to Office of Management and Budget and Congress. In addition, SMC's ER has not been reviewed by the NRC as yet, and therefore the NRC cannot state that the information it contains is adequate.

Original Signed By

Yawar H. Faraz, Project Manager
 Advanced Fuel and Special
 Facilities Section
 Fuel Cycle Safety Branch
 Division of Industrial and
 Medical Nuclear Safety, NMSS

Enclosures: As stated

Distribution:

Docket No. 40-7102	IMNS Central File	PDR
IMAF R/F	IMSB R/F	NMSS R/F
JGreeves	NMSS R/F	YFaraz
RFonner, OGC	JAustin, LLDR	MBouwens, RI
JHickey	FBrown	JKinneman, RI
JSwift	MWeber, LLDR	MHarvey, LLDR

OFC	IMAF	E	IMIF	E	IMAF	E	IMSB
NAME	YFaraz	JHF	FBrown	JHF	JSwift		JHickey
DATE	1/21/93		1/27/93		1/27/93		2/3/93
OFC	<i>no lead OGC Jonner</i>						
NAME	RFonner						
DATE	2/2/93						

C = COVER E = COVER & ENCLOSURE N = NO COPY

Agenda for Meeting between NRC and SMC
SMC's Newfield License Reapplication Submission

November 18, 1992 at 1:30 PM

NRC's Headquarters
1 White Flint North
Rockville Pike, MD

- I. Introduction and SMC's Purpose for requesting this Meeting**
- II. Content of license renewal/amendment application submitted by SMC, June 1992**
- III. Source Material Possession Limits**
- IV. Conceptual Decommissioning Plan**
- V. Content of Environmental Report submitted by SMC, October 1992**
- VI. Cost controls of NRC's review budget for license renewal**
- VII. Conclusion of Meeting - Review of Commitments and Agreements Reached between NRC and SMC**

Attendees of meeting between Shieldalloy and NRC at OWFN on Nov. 18, 1992

NAME	TITLE	ORGANIZATION	PHONE #
YAWAR FARAZ	NRC Project Manager	NRC/IMNS	(301) 504-2669
Robert Jenner		OFC/NRC	501 504-1643
JOHN AUSTIN	Chief Administrator, Regulatory Branch	NRC/UM S&LLWD	301-504-2560
Mark Bowers	NRC Regist NNSB Health Physicist	NRC Region I	301-337-6910
Craig Rieman	ZSO	Shieldalloy	609/692 4200
David Smith	Dir. of Environ. Services	Shieldalloy	609/692 4200
CAROL BERGER	Committee to SMC	IT Corporation	202-331-8510
JAY SILBERG	State Attorney Potts & Trowbridge		202-663 5563 212 636-4010
STEVEN KAPLAN	President	Shieldalloy	609/692-4200
MICHAEL A. FINN	Group Secretary	Metalling	212 686 4008
Jerry J. Swift	Section Leader, NRC Fuel Cycle Safety Br		301 504-2609
John Hickey	Chief, Fuel Cycle Branch, NRC		301-504-3328
MICHAEL WEBER	Section Leader, Regulatory Issues Section	NRC/LWM	301-504-1298