



State of New Jersey
DEPARTMENT OF ENVIRONMENTAL PROTECTION
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JON S. CORZINE
Governor

LISA P. JACKSON
Commissioner

April 5, 2007

Dr. David J. White, HSE Director
Shieldalloy Metallurgical Corporation
545 Beckett Rd, Suite 201
Swedesboro, NJ 08085-1548

Dear Dr. White:

I am writing in response to your February 27, 2007 letter regarding long-term control and maintenance of the restricted release portion of the Shieldalloy Metallurgical Corporation's (SMC) Newfield Borough site.

SMC did not provide the financial information as requested in my letters of January 25, 2006 and August 3, 2006. Since we have not received this information, we still cannot make a decision regarding the request for the state to take ownership, control, or third party oversight.

According to NUREG 1757, the Long Term Control license option cannot be approved unless the licensee can demonstrate to the satisfaction of the United States Nuclear Regulatory Commission (NRC) that it was unable to establish other types of acceptable institutional controls and independent third party arrangements (i.e., a letter from the State rejecting responsibility for ownership, control, or independent third party oversight). To date SMC does not meet this initial eligibility requirement.

If you have questions, please contact Irene Kropp, Assistant Commissioner of the Site Remediation & Waste Management Program, at (609) 292-1250.

Sincerely yours,

Lisa P. Jackson
Commissioner

- c: Eric Jackson, President, Metallurg Inc.
Hoy Frakes, Jr., VP and General Manager, SMC
David R. Smith, Radiation Safety Officer, SMC
Larry Camper, Director, NRC/Div. of Waste Management & Environmental Protection