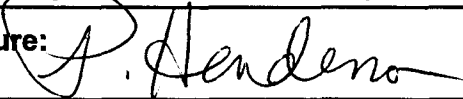


TELEPHONE CONVERSATION RECORD		Conversation Date: May 1, 1998	
Mail Control No.: NA		License No.: SMB-743	Docket No.: 040-07102
Persons Called: David Smith, RSO and James Valenti Assistant RSO		Organization: Shieldalloy	Telephone Number: (609) 692-4200 X226
Person Calling: Pam Henderson, Marie Miller, Penny Lanzisera			
Subject: Negotiate C.A.L. for Shieldalloy			
<p>Summary: Shieldalloy sent a letter dated April 20, 1998 (attached) to Mike Weber in HQ regarding condition 14 of their license which requires them to submit to NRC a list of customers they have identified who will receive their slag. The letter also stated that three truckloads of CANAL <i>Lite</i> (slag fluidizer) were shipped to one of the customers identified in the letter, Nucor - Hickman in Arkansas on April 20, 1998 (the same date the letter was written). HQ did not receive the letter until April 23, 1998. Heather Astwood (HQ) contacted the licensee's RSO and gathered information (see attached) about the shipment which was subsequently returned to the licensee by the customer.</p> <p>Region I was notified by HQ via voicemail and e-mail but due to vacation schedules of the recipients did not become aware of the shipment until April 30, 1998. Region I contacted Shieldalloy's RSO, David Smith on May 1, 1998 and discussed the Region's concerns regarding the shipment and the issuance of a C.A.L. Region I reviewed the commitments in the C.A.L. to the RSO. The RSO stated that he believed that Shieldalloy had already met all of the commitments and would provide the requested information to the NRC. Region I requested that he coordinate a meeting with Shieldalloy Management (Nigel C. Morrison) to formally negotiate the C.A.L. The RSO stated that a conference call with Mr. Morrison could not be scheduled until Monday, May 4 because Mr. Morrison was not available until very late on Friday, May 1. He stated that Shieldalloy would not to ship any material to non-licensees in the interim.</p>			
Action Required/Taken: File telephone conversation record.			
Signature: 		Date: May 6, 1998	