



## SHIELDALLOY METALLURGICAL CORPORATION

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May 6, 1998

Mr. John Kinneman  
Division of Nuclear Material Safety  
U.S. Nuclear Regulatory Commission  
Region I  
475 Allendale Road  
King of Prussia, PA 19406

Re: CANAL- *Lite* Slag Fluidizer  
Source Material License No. SMB-743  
Shieldalloy Metallurgical Corporation, Newfield, NJ

Dear Mr. Kinneman:

The purpose of this letter is to assure you and your staff that Shieldalloy Metallurgical Corporation (SMC) will not ship any of the CANAL- *Lite* Slag fluidizer which had been blended and prepared for shipment to Nucor Hickman on April 20, 1998 nor any material containing uranium and/or thorium which originates from our licensed operations here at Newfield to a non-licensee until:

- (1) SMC has provided the information which Ms. Pam Henderson, USNRC Region I, requested the during the telephone call of May 5, 1998 (see attached telcon record). The information requested dealt specifically with the CANAL-*Lite* Slag fluidizer which had been prepared for shipment on April 20, 1998 to Nucor Hickman, and which also was mentioned in my letter of April 20, 1998 to Mr. Michael Weber, USNRC. [It should be noted that Mr. James Valenti, SMC, and the writer were on the telephone call of May 5, 1998 with Ms. Henderson]; and
- (2) US NRC Region I has reviewed this information and determined that CANAL - *Lite* prepared for the April 20, 1998 shipment can be released to one of the potential customers (steel mills) which were identified in our April 20, 1998 letter to Mr. Michael Weber, USNRC.

SMC also agrees not to ship any future material containing uranium and/or thorium, including but not limited to CANAL and CANAL-*Lite* Slag fluidizers, which originates from our licensed operations in Newfield to a non-licensee until:

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- (3) The additional information requested from SMC by Ms. Henderson during this same May 5, 1998 telephone conversation has been provided and NRC has reviewed it and determined that it is acceptable. The additional information requested deals with the routine preparation, blending, packaging, shipment, and use of CANAL-Lite, estimated schedule for the development routine procedures, and a forecast or estimate of the rate of production and sale of CANAL-Lite Slag fluidizer.

SMC plans to submit the information requested regarding the April 20, 1998 CANAL-Lite production by no later than Wednesday, May 13, 1998. We will provide as much of the additional information requested at the same time. We will also estimate when SMC expects to have the procedures for the routine production, blending, screening/analysis, and packaging of the future CANAL-Lite shipment developed.

If there are any questions about the subject matter or clarifications that should be made please do not hesitate to contact me at (609) 692-4200 ext. 226.

Sincerely,



David R. Smith  
Radiation Safety Officer

cc:

Michael Weber	USNRC-DFCSS, NMSS
Heather Astwood	USNRC Licensing Section 2
Pamela Henderson	USNRC Region I
Penny Lanzisera	USNRC Region I
Nigel C. Morrison	SMC
Mary B. Higgins	SMC
James P. Valenti	SMC
Eric L. Schondorf	MI
Carol D. Berger	IEM
SMC Radiation Safety Committee Members	

# TELCON RECORD

**Caller:** Pamela Henderson, USNRC Region I

**Person Called:** David Smith & James Valenti

**Date / Time of Call:** May 5, 1998 / approx. 2:45 PM  
These are my notes from the subject call with Pam Henderson.

**Subject/Purpose of Call:** CANAL-Lite

Ms. Henderson called to inform SMC that her management has agreed there will not be a Confirmatory Action Letter (CAL) needed at this time, provided SMC sends a letter to NRC providing all of the requested information and commitments as follows:

1. SMC will not ship to non licensees, any material containing uranium and thorium, including the material shipped on 4/20/98 and subsequently returned to SMC, that originates from licensed processes until NRC has received the following information regarding the 4/20/98 shipment and the NRC has notified SMC to proceed with further shipments.

(A) A description of materials to be shipped, including the process for selection of slag and all other materials blended into the slag fluidizer CANAL-Lite, preparation (blending) of slag to create CANAL-Lite and packaging of CANAL-Lite for transportation.

(B) A description of the methods used to determine that the material is less than one twentieth of one percent (0.05%) by weight uranium and thorium including:

- \* A description of the sampling techniques and procedures to ensure appropriate and representative samples of material including precautions to prevent sampling bias;

- \* A description of sample preparations and analytical procedures for determining the uranium and thorium concentrations with MDA and analytical errors associated with sample measurements and statistical confidence levels for measurements;

- \* Actual analytical results for material shipped 4/20/98 (Ms. Henderson indicated that they did not need all of the actual analytical runs; we could provide a summary of the test results, depending on the amount of analysis which SMC had conducted)

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C) A radiological dose assessment for members of the public from the expected use of CANAL-Lite by the recipient, including that from the product production and the disposal of all waste products, including a description of the methods used to ensure that the doses to members of the public will be ALARA in accordance with 10 CFR 20.1101 (b).

2. SMC will not ship additional material to non licensees until information is provided to NRC regarding the preparation and surveying of future shipments.

(A) SMC shall provide an estimated schedule for CANAL-Lite preparation and shipment.

(B) SMC shall provide an estimated quantity of material to be shipped (forecast) so that NRC has some concept for the magnitude of this program.

This letter should be addressed to Mr. John Kinneman at Region I...he is the Chief of Branch 2 at the Division of Nuclear Material Safety.

DRS indicated that SMC should be able to get a letter out to Mr. Kinneman by tomorrow, if not even possibly by today.