



State of New Jersey
DEPARTMENT OF ENVIRONMENTAL PROTECTION
PO Box 402

TRENTON, NJ 08625-0402

TEL. # (609) 292-2885

FAX # (609) 292-7695

JON S. CORZINE
Governor

LISA P. JACKSON
Commissioner

October 1, 2007

David J. White, Ph.D.
HSE Director
Shieldalloy Metallurgical Corporation
545 Beckett Rd, Suite 201
Swedesboro, New Jersey 08085-1548

Dear Dr. White:

I am writing in response to your August 27, 2007 letter in which Shieldalloy Metallurgical Corporation (SMC) again denies the Department's request for financial information about the company. We maintain that the requested financial information is relevant to our decisions regarding the site.

In your letter you state that SMC's Decommissioning Plan supports the Long Term Control (LTC) option rather than the off-site disposal of the radioactive materials on the basis of a cost-benefit analysis, not on the basis of insufficient funds for disposal. However, as evidenced by the lengthy written comments and contentions prepared by the Department upon review of SMC's Decommissioning Plan (DP), the Department does not agree that the DP supports the LTC option, either legally or technically. The Department does not believe that the LTC option can achieve the protectiveness required in Title 10 CFR Part 20 or New Jersey regulations, therefore, the likelihood for off-site disposal of the material cannot be dismissed and the request for SMC to provide documentation as to the sufficiency of funds remains reasonable.

Please be advised that this will be the last correspondence you will receive from the Department regarding the State's position as to whether it "reject[s] responsibility for ownership, control, or independent third party oversight" of the site as requested in SMC's letter of May 24, 2006 unless SMC provides the originally requested financial information.

If you have questions, please contact Nancy Wittenberg, Assistant Commissioner of the Environmental Regulation Program, at (609) 292-2795.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Lisa P. Jackson', with a long horizontal flourish extending to the right.

Lisa P. Jackson
Commissioner

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