December 5, 2008

Mr. David R. Smith
Environmental Manager
Shieldalloy Metallurgical Corporation
Aluminum Products & Powders Division
14 West Boulevard, P.O. Box 768
Newfield, NJ 08344-0768

SUBJECT: SUPPLEMENTAL REQUEST FOR ADDITIONAL INFORMATION FOR ENVIRONMENTAL REVIEW OF PROPOSED DECOMMISSIONING PLAN FOR SHIELDALLOY METALLURGICAL CORPORATION, NEWFIELD, NEW JERSEY

Dear Mr. Smith:

The U.S. Nuclear Regulatory Commission (NRC) staff is conducting its environmental review of Shieldalloy Metallurgical Corporation's (SMC) proposed Decommissioning Plan (DP) and alternatives for the Newfield, New Jersey site in support of preparing an Environmental Impact Statement as required under the National Environmental Policy Act. Based on its review of SMC's updated Environmental Report, submitted by letter dated June 30, 2006, and of other submitted site-specific information, the NRC staff is requesting additional information to support its evaluation of the potential environmental impacts of SMC's proposed DP and alternatives. The requested information is identified in the enclosure to this letter.

The NRC staff requests that SMC provide this additional information within 30 days of the date of this letter. If SMC is not able to provide the information by that date, please contact me using the contact information below. The NRC staff requests that SMC provide a revised submittal date at that time.

If you have any questions concerning this matter or the requested information, please contact me either by phone at (301) 415-8556, or by e-mail at allen.fetter@nrc.gov.

Sincerely,

/RA/

Allen H. Fetter, Project Manager
Environmental Review and Performance
Assessment Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 40-7102
License No.: SMB-743

Enclosure: Requested Information
cc: Shieldalloy Distribution List, (without enclosures)

Mr. David R. Smith
Environmental Manager
Shieldalloy Metallurgical Corporation
Aluminum Products & Powders Division
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Allen H. Fetter, Project Manager
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Docket No.: 40-7102
License No.: SMB-743
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EPPAD r/f JHayes

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OFFICE	DWMEP	DWMEP	DWMEP	DWMEP
NAME	AFetter	AWalker-Smith	GSuber	AFetter
DATE	11/25/08	11/26/08	12/05/08	12/05/08

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Supplemental Request for Additional Information
Shieldalloy Metallurgical Corporation
Docket No. 04007102

The U.S. Nuclear Regulatory Commission (NRC) staff is conducting its environmental review of Shieldalloy Metallurgical Corporation's (SMC's) proposed plan for decommissioning its Newfield, New Jersey site in support of preparing the Environmental Impact Statement (EIS). In October 2005, SMC submitted a Decommissioning Plan (DP) (Rev 1) and a draft Environmental Report (ER). On June 30, 2006, a supplemental DP (Rev 1a) was submitted. SMC also intends to submit an additional supplemental DP (Rev 1b) in May or June 2009. Based on NRC staff review of these reports, previously submitted information and anticipated information to be provided in DP (Rev 1b), the NRC staff has developed a supplemental request for additional information (RAI) to support its evaluation of the potential environmental impacts of SMC's proposed DP and alternatives.

Cost Estimate Request for Additional Information Based on Shieldalloy Cost Estimates Provided in Decommissioning Plan, Rev 1a and Rev 1b Interim

Action needed to complete the staff's review: Shieldalloy needs to update the cost estimates and provide the detailed cost bases and applicable references for their cost estimates in Tables 17.14, 17.15, 17.16 in the DP, Rev 1a, and specifically address the comments/questions in the comment tables.

Basis or bases why the information is needed: The major costs and benefits of each alternative must be considered in the EIS in accordance with 10 CFR 51.71. The cost benefit analysis provides input to determine the relative merits of various alternatives. The comments on the Long Term Control (LTC), License Termination (LT), and License Continuation alternative cost estimates need to be provided in order to fully and objectively evaluate the costing portion of these alternatives. An evaluation of the cost estimates is critical as they directly impact the cost-benefit analysis.

Requirement/criteria for the information: Shieldalloy needs to provide supporting documentation and references where applicable.

Comments on Table 17.14 – Cost Estimate for the Long Term Control Alternative

1. Please provide references for all line item costs.

2. It is our understanding that Area/Piles number 10 and 11 would be included in this alternative. However, the quantity estimates do not include these piles. Area/Pile number 11 is located outside of the Storage Yard on Figure 1-6 of the ER (SMC 2005), however, it is not listed on Table 1-1 of the same report. Based on review of DP Rev 1b, the Design Drawings do not discuss either Area/Piles number 10 or 11. Please clarify how you plan to rectify these omissions.

3. The quantity (28,000 SY) of dust suppression on haul roads seems large if just haul roads are being considered. A) Explain how the area for dust suppression was quantified. B) Does the dust suppression line item apply to material within the restricted area as well; not just haul roads?

This is alluded to in the DP Rev 1, p. 97, 2nd paragraph. C) Additionally, describe the equipment/materials that are proposed to suppress the dust. (ER p. 1-8).

4. Are the haul roads being referred to above the same as those referred to on page 1-8, of the ER and shown on Figure 1-5 of the same report (highlighted in green and perpendicular to Weymouth Road)? Does this road still exist after portions of the road were excavated prior to 1998 (ER, p. 1-8)? If the haul roads don't exist, please add construction of the haul roads to the estimate. Suggest identifying the haul roads on the LTC alternative figure.

5. Please explain why radiological and air monitoring are proposed for only 13 weeks if construction is to occur over 7 months.

6. The unit cost component for labor allows for one person for 3 hrs/day at $100/hr or 2 hrs/day at $150/hr – are the remaining hours per day for this person included in another line item (a line item for health and safety is not included)? Do the labor hours include the on-site analysis of air filter samples and has the counting equipment been included in the cost estimate, or will the samples be sent to an off-site lab and have analytical costs been included? Please provide the cost basis for the Radiological and Air Monitoring line item. Include the number of monitors and their unit rate.

7. Please provide the cost basis for the Adjacent Soil Characterization line item.

8. The unit costs listed for types of grading are as follows: 1) Rough Grading of Coarse Slag at $6.74/SY; 2) Grading of Sub grade Cap Materials at $0.26/SY; 3) Grading at $0.36/SY (in Table 17.15). Please explain the rationale for the three different unit costs for grading and why number 1 is so much higher than the others

9. The ER states that an FSS will be performed for the entire plant, which would include building and soil surveys. Were the analytical costs included in this estimate? Explain why the FSS is the same cost for the LTC alternative and the LT alternative since the footprint of the consolidated materials pile would not be included in the FSS for the LTC alternative. Please provide the basis for the materials, labor, and equipment costs for the Final Status Survey (FSS).

10. Although the text indicates fencing is included, it is not included as a line item. Please add the cost of fencing as a line item. [DP Rev 1, p. 150, last bullet]

11. Please provide a line item for preparation of a final topo survey once the engineered barrier is complete (to be used for as-builts).

12. The 5 percent markup for Admin Costs ($88,755) is assumed to include a secretary in the field or in the office. Assumed costs for a secretary of loaded $40/hr at 8 hr/day at 5 days/wk at 4wk/mo at 7mo = $45,000 (vs $88,755 in Table 17.14). Is it anticipated that the remaining approximate $44,000 will be enough to support additional subcontracting, invoicing, timekeeping, expense reporting, etc., services necessary for this project?

13. The 10 percent markup for Project Management During Construction (PMDC) ($177,510) appears to be low. For this project it would be expected that a field

project manager and a field engineer would be needed, plus corporate project management. Please provide backup to support a 10 piece markup on PMDC (sufficient to allow an independent third-party to carry out the decommissioning [NUREG 1757, Vol 3, Section A.3.1.2]).

14. For permits and legal documentation, explain what is included in the estimated cost of $177,510.

15. Explain what is included in the Engineering Design Costs of $177,510. If it includes Work Plans, H&S Plans, O&M Plans, Soil Management Plans, continuous scheduling updates, etc., the cost appears to be low.

16. Section 9.3.2.1 of the DP, Rev 1, indicates that radiological, industrial hygiene, and industrial safety support will be provided, but there are no line item costs for health and safety. Please provide these costs.

17. Provide rationale for not including groundwater monitoring in this alternative.

18. Explain how overhead and profit (O&P) was applied to each line item. Most items have ~25 percent O&P added to the base costs. In other cases, it is 17 percent (DP Rev 1a, Table 17.14, Sediment and Erosion Controls) or 31 percent (DP Rev 1a, Table 17.14, Drainage Improvements) or other. The text states a universal 25 percent O&P factor applied to most unit costs, with certain activities requiring higher health and safety precautions thus labor and equipment productivity were reduced by 45 percent, and 25 percent respectively (DP Rev1, p150, 4th bullet). Explain how the reduced productivity rates were incorporated into the unit costs. O&P factors >25 percent are reasonable; O&P factors <25 percent are not typical.

19. Explain the rationale for the markup percentage chosen for each estimate, as they vary between estimates. For example, Engineering Design costs are 10 percent of the construction costs in Table 17.14 (LTC alternative); whereas it is 2 percent in Table 17.15 (LT alternative). A similar situation exists for other markups.

20. Clarify cubic yards line items, to be loose cubic yards, or bank cubic yards as this would add a level of accuracy to the estimate.

21. Indicate if and where non-labor costs (e.g. PPE, shipping, taxes, insurance [NUREG 1757, Vol 3, Appendix A, p. A-28]) and field support items such as field trailers/portable toilets/computers/electricity/water etc. have been included in the estimate. If they have not been included, add line items for these costs.

Comments on Table 17.15 – Cost Estimate for the LT (License Termination) Alternative

1. Please provide references for all line item costs.

2. It is our understanding that Area/Piles number 10 and 11 would be included in this alternative. However, the quantity estimates do not include these piles. Please clarify whether these piles will be addressed in this alternative.

3. Explain why the mobe cost is the same in this alternative as in the LTC alternative. Explain why demobe is more expensive than mobe in this alternative.

4. Explain the logistics of loading the rail cars and transporting off site. For example, is there enough track to hold the number of railcars to be loaded at any given time or should costs for additional track be added? Since the track dead ends at the site and there is one way in and one way out for the cars, how does SMC/EnergySolutions plan to logistically load the railcars and transport off-site? Is there enough room for the 10 railcars? Is a car puller to be utilized or will the switcher be used to maneuver railcars?

5. For railway transport, indicate if and where the costs for loading scales have been included in the cost.

6. Based on the quantities given, there are 3,000 crossties proposed for 2,400LF of track. Therefore, each crosstie is to be placed every ~9 inches. Based on RS Means (2008, Assembly R347216-10), timber crossties are typically placed every 22 inches on center. Please explain.

7. Clarify what is included in the Railcar Switcher unit cost (i.e. labor, equipment, and/or materials).

8. For the Radiological and Air Monitoring item, explain why the costs are different for LT and LTC alternatives and explain the basis for the cost. Include the number of monitors and their unit rate. The unit cost component for labor allows for one person for 3 hrs/day at $100/hr or 2 hrs/day at $150/hr – are the remaining hours per day for this person included in another line item (a line item for health and safety has not been included in the estimate)? Do the labor hours include the on-site analysis of air filter samples and has the counting equipment been included in the cost estimate, or will the samples be sent to an off-site lab and have analytical costs been included?

9. Provide the costs to be added to construct the staging area as it is currently proposed in a grassy area, e.g., include poly, concrete pad, gravel base, gravel entrance/exit, etc. as necessary to protect human health and the environment. If the paved areas immediately adjacent (to the west) will be used as well, include costs for preparation of that area (there are cracks in the existing pavement). Also, describe the plan and costs for secondary containment and storm water management measures in the staging area.

10. Explain why mulch is not included in site restoration as was done for the LTC alternative.

11. Please include costs for a survey crew for railroad installation.

12. Drainage improvements for the LT alternative are included in Table 17.15 at the same cost as presented in Table 17.14, however, drainage improvements are not described in the text for the LT alternative. Please clarify.

13. For permits and legal documentation, explain what is included in the estimated cost of $474,449.

14. Explain what is included in the Engineering Design Costs of $948,899.

15. Section 9.3.2.1 of the DP, Rev 1, indicates that radiological, industrial hygiene, and industrial safety support will be provided, but there are no line item costs for health and safety. Please provide these costs.

16. Explain how overhead and profit (O&P) was applied to each line item. Most items have ~25 percent O&P added to the base costs. In other cases, it is 17 percent (DP Rev 1a, Table 17.14, Sediment and Erosion Controls) or 31percent (DP Rev 1a, Table 17.14, Drainage Improvements) or other. The text states a universal 25 percent O&P factor applied to most unit costs, with certain activities requiring higher health and safety precautions thus labor and equipment productivity were reduced by 45 percent and 25 percent respectively (DP Rev1, pg.150, 4th bullet). Explain how the reduced productivity rates were incorporated into the unit costs. O&P factors >25 percent are reasonable; O&P factors <25 percent are not typical.

17. Explain the rationale for the markup percentage chosen for each estimate, as they vary between estimates. For example, Engineering Design costs are 10 percent of the construction costs in Table 17.14 (LTC alternative); whereas they are 2 percent in Table 17.15 (LT alternative). A similar situation exists for other markups.

18. Clarify cubic yards line items to be loose cubic yards or bank cubic yards as this would add a level of accuracy to the estimate.

19. Indicate if and where non-labor costs (e.g., PPE, shipping, taxes, insurance [NUREG 1757, Vol 3, Appendix A, p. A-28]) and field support items such as field trailers/portable toilets/computers/electricity/water etc., have been included in the estimate. If they have not been included, add line items for these costs.