

August 20, 2013

Paul Baldauf, Director
State of New Jersey
Department of Environmental Protection
Division of Environmental Safety & Health
P.O. Box 424
Trenton, New Jersey 08625-0424

SUBJECT: AUGUST 5, 2013, REINSTATEMENT OF STATE OF NEW JERSEY'S
AUTHORITY TO REGULATE THE SHIELDALLOY METALLURGICAL
CORPORATION SITE IN NEWFIELD, NJ

Dear Mr. Baldauf:

Pursuant to the U.S. Nuclear Regulatory Commission (NRC) memorandum and order (CLI 13-06), dated August 5, 2013, the NRC reinstated the State of New Jersey's authority to regulate the Shieldalloy Metallurgical Corporation (SMC) site in Newfield, NJ. This order was served on the Office of the Attorney General of New Jersey on August 5, 2013.

On September 30, 2009, under Section 274 of the Atomic Energy Act, the NRC transferred regulatory authority for decommissioning of the SMC site to the State of New Jersey. In response to a suit filed by SMC, on November 9, 2010, the U.S. Court of Appeals for the District of Columbia Circuit (Court) issued an order vacating and remanding, for further proceedings, the NRC's transfer of the SMC site to the State of New Jersey. Accordingly, on January 6, 2011, authority for the SMC site reverted back to the NRC.

Upon further consideration, the Commission issued NRC memorandum and order (CLI-11-12), dated October 12, 2011, which reinstated the State of New Jersey's authority to regulate the SMC site. However, in response to another suit filed by SMC, on February 19, 2013, the Court vacated Commission order CLI-11-12 and remanded authority for the site back to the NRC. The NRC resumed regulatory authority for the SMC site on April 15, 2013.

During the time between April 15, 2013 and August 5, 2013, while the NRC maintained authority for the SMC site, the NRC staff issued License SMB-743 (Amendment 11) (ML13099A091), which incorporated administrative license conditions developed while the SMC site was under the State of New Jersey's regulatory authority. As a result, License Condition 9 was amended to tie down SMC's January 5, 2012, request for amendment regarding its Radiation Detection Program and License Condition 11 was amended to list Jennifer Gutierrez as the Radiation Safety Officer on this license. For your convenience, a copy of License Number SMB-743 (Amendment 11) is enclosed.

Also, by letter dated October 19, 2011 (ML112940348), JP Morgan Chase Bank notified the NRC of its intent to resign as trustee for Shieldalloy's Standby Trust Agreement no later than January 19, 2012. SMC terminated its Trust Agreement with JP Morgan Chase Bank; and on December 5, 2011, SMC entered into a Trust Agreement with RBS Citizens Bank. By letter dated February 10, 2012, the NRC accepted the SMC-RBS Citizens Bank Trust Agreement

P. Baldauf

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(ML120130295). A copy of this Trust Agreement (ML120130563) is enclosed. The NRC staff notes that the Trust Agreement names the NRC as the beneficiary of the trust, and that the State of New Jersey and SMC should work together to get the State of New Jersey named as the beneficiary of the trust.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions concerning this letter, please contact me at (301) 415-6830, or by e-mail, at Michael.Norato@nrc.gov.

Sincerely,

/RA/

Michael Norato, Chief
Materials Decommissioning Branch
Decommissioning and Uranium Recovery
Licensing Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket: 40-7102
License: SMB-743

Enclosures:

1. NRC License SMB-743
(Amendment 11)(ML13099A091)
2. December 5, 2011 Trust Agreement
(ML120130563)

cc: Shieldalloy Service List

dated February 10, 2012, the NRC accepted the SMC–RBS Citizens Bank Trust Agreement. (ML120130295). A copy of this Trust Agreement (ML120130563) is enclosed. The NRC staff notes that the Trust Agreement names the NRC as the beneficiary of the trust and that the State of New Jersey and SMC should work together to get the State of New Jersey named as the beneficiary of the trust.

In accordance with 10 CFR 2.390 of the NRC’s “Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders,” a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC’s Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

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Sincerely,
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Michael Norato, Chief
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Docket: 40-7102
License: SMB-743

Enclosures:

1. NRC License SMB-743
(Amendment 11)(ML13099A091)
2. December 5, 2011 Trust Agreement
(ML120130563)

cc: Shieldalloy Service List

Identical letter sent to:
Ms. Pamela J. Bradway
Corporate Controller
Shieldalloy Metallurgical Corporation
35 South West Boulevard
P.O. Box 768
Newfield, NJ 08344

ML13226A328

Office	DWMEP	DWMEP	OGC	DWMEP
Name	KKalman	SAchten	TStokes via email	MNorato
Date	8/14/13	8/19/13	08/16/13	8/20/13

Shieldalloy Metallurgical Corporation Service List

cc:

Eric Jackson, President
Shieldalloy Metallurgical Corporation
Aluminum Products & Powders Division
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P.O. Box 768
Newfield, NJ 08344-0768

Pam Bradway
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Loretta Williams
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Newfield, NJ 08344

Newfield Public Library
Attn: Tina Winstead
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New Field, NJ 08344

Terry Ragone
Newfield Residents Environmental Group
P.O. Box 605
Newfield, NJ 08344

The Honorable Joseph Curcio III
Mayor of the Burrough of Newfield
18 Catawba Avenue
Newfield, NJ 08344

Gloucester County Board of Chosen
Freeholders
ATTN: Robert M. Damminger, Director
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Woodbury, NJ 08096

Cumberland County Board of Chosen
Freeholders
Attn: Douglas M. Long, Deputy Director
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Bridgeton, NJ 08302

Gloucester County Department of
Public Works
Attn: Director, Larry Haynes, Sr.
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Congressman Robert E. Andrews
Woodbury Office
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