



SHIELDALLOY METALLURGICAL CORPORATION

C. SCOTT EVES  
VICE PRESIDENT - ENVIRONMENTAL SERVICES

WEST BOULEVARD  
P.O. BOX 768  
NEWFIELD, NJ 08344  
TELEPHONE (609) 692-4200  
TWX (510) 687-8918  
FAX (609) 697-9025

Certified Mail: P 284 355 091  
Return Receipt Requested

March 18, 1994

Mr. Gary L. Shear, Chief  
Fuel Cycle and Decommissioning Branch  
U.S. Nuclear Regulatory Commission  
Region III  
801 Warrenville Road  
Lisle, Illinois 60532-5351

RE: Addendum to Reply to Notice of Violation  
License No. SMB-1507  
Docket No. 040-08948

Dear Mr. Shear:

By letter dated March 3, 1994, Shieldalloy Metallurgical Corporation (SMC) submitted its written reply to the Notice of Violation dated February 2, 1994. The NRC staff has discussed this reply with SMC and has asked three questions concerning SMC's reply. This letter sets forth our answers to the questions, consistent with SMC's verbal responses. Also set forth below is a modification to our March 3, 1994 reply.

The first question was whether or not SMC accepts or contests Violation #2 concerning adequate security against unauthorized removal of source material from the West Pile. After due consideration and subsequent telephone conversations with individuals at the NRC, SMC accepts the violation but is modifying the response to the violation that was contained in our letter dated March 2, 1994 as follows:

The modification to our response to Violation #2 is to delete the reference to construction of a ditch. Instead, we will implement bi-monthly inspections of the West Pile to ensure that the licensed materials remain secured against unauthorized removal. This modification is consistent with SMC's re-evaluation of the details of the site, the level of

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protection afforded by the existing cover and guidance provided in subsequent conversations with NRC personnel.

The second question was whether the term "bi-monthly" as it was used in our reply means every other month or if it means two times per month. In our response bi-monthly means two times per month.

The third question was what actions SMC would take if it was discovered during the bi-monthly inspection that the sand cover on the West Pile had deteriorated and exposed the geotextile membrane. SMC's intent is to repair the sand cover prior to the next bi-monthly inspection.

This letter should answer the NRC's remaining questions as they pertain to SMC's response to the Inspection Report No. 040-08948. If you need additional information, please do not hesitate to contact me.

Sincerely,



C. Scott Eves  
V.P., Environmental Services

CSE:lms

CC: Michael A. Finn  
Robert L. Swenson  
James P. Valenti  
Thomas A. Matthews  
Carol D. Berger, CHP, IT Corp.  
Jay E. Silberg, Esq., SPPT