

January 17, 2007

The Honorable Frank R. Lautenberg
United States Senate
Washington, D.C. 20510

Dear Senator Lautenberg:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your and Senator Menendez's letter of December 5, 2006, which expressed opposition to Shieldalloy Metallurgical Corporation's (SMC's) proposed decommissioning plan for its Newfield, New Jersey site. Your letter identified several concerns regarding the plan, including restrictions on use of the SMC site and long-term economic and ecological impacts to the nearby townships. To date, the only finding reached by the NRC is that SMC's decommissioning plan contains sufficient information for the NRC staff to begin its detailed technical review. The detailed review will determine if SMC's plan meets NRC's decommissioning requirements, and no decisions have been made in this regard. As part of its review, NRC will prepare an Environmental Impact Statement that will address the economic and ecological issues raised in your letter.

Although unrestricted release of licensed sites remains the preferred option, NRC's decommissioning regulations allow a restricted use option with materials left on site, if stringent requirements are met demonstrating protection of the public health and safety and the environment. Under the restricted use option, a long-term control license, as proposed by SMC, is an approach that could satisfy the required safety demonstration in that it would provide for long-term institutional controls over the site. If NRC were to approve SMC's proposal, SMC's license would be amended to a long-term control license following the successful completion of decommissioning activities.

In addition to conducting two recent public meetings in Newfield, New Jersey concerning the decommissioning of the SMC site, the NRC staff has met with your staff and explained our decommissioning process and discussed specific concerns related to the SMC site.

The Commission understands the importance of this issue and appreciates your comments on the SMC decommissioning plan. Please contact me if I can be of additional assistance.

Sincerely,

/RA/

Dale E. Klein

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