



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

October 28, 1999

Docket No. 040-07102
EA No. 99-247

License No. SMB-743

Nigel Morrison
Vice President and General Manager
Shieldalloy Metallurgical Corporation
West Boulevard
P.O. Box 768
Newfield, NJ 08344

SUBJECT: INSPECTION NO. 040-07102/99-01 AND NOTICE OF VIOLATION

Dear Mr. Morrison:

On August 19 and September 9, 1999, Marie Miller of this office conducted a safety inspection at Newfield, New Jersey of activities authorized by the above listed NRC license. The inspection was an examination of your licensed activities as they relate to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selected examination of representative records. The findings of the inspection were discussed with David Smith of your organization at the conclusion of the inspection. The enclosed report presents the results of this inspection.

Based on the results of this inspection, it appears that one of your activities was not conducted in full compliance with NRC requirements. A Notice of Violation is enclosed that categorizes the violation by severity level in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions, "(Enforcement Policy), NUREG 1600, Revision 1. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with Section 2.790 of NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and your reply will be placed in the Public Document Room (PDR).

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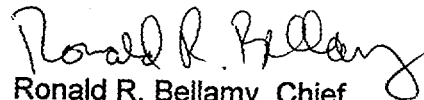
N. Morrison
Shieldalloy Metallurgical Corporation

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We noted that pyrochlore had not been processed at your facility since February 1998, and that the emphasis of your facility with respect to radiation safety has shifted to remediation of portions of your facility. We encourage you to maintain communications with our office regarding the status of your licensed activities and site restoration actions.

Your cooperation with us is appreciated.

Sincerely,



Ronald R. Bellamy, Chief
Decommissioning and Laboratory Branch
Division of Nuclear Materials Safety

Enclosures:

1. Inspection Report No. 040-07102/99-01
2. Notice of Violation

cc:

David Smith, Radiation Safety Officer
Jill Lipoti, Ph.D., Assistant Director, Radiation Protection Programs
State of New Jersey

N. Morrison
Shieldalloy Metallurgical Corporation

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