

December 27, 1999

Mr. James Webb
Ohio Department of Health
246 N. High Street
P.O. Box 118
Columbus, Ohio, 43266

SUBJECT: STANDBY TRUST AGREEMENT AND ACCOUNT FOR SHIELDALLOY
CAMBRIDGE OHIO FACILITY

Dear Mr. Webb:

On September 10, 1999, Mr. David Berz, an attorney representing Shieldalloy Metallurgical Corporation, requested the U.S. Nuclear Regulatory Commission (NRC) to reduce the funding in our Standby Trust Agreement by \$750,000 and release the funds for their use. I have enclosed a copy of his letter, which we previously faxed to you. Our Standby Trust includes funding for decommissioning of Shieldalloy's Cambridge, Ohio, and New field, New Jersey, facilities, in the amount of \$750,000 for each facility, as required by our regulations.

Mr. Berg notes that the licensing responsibility for the Cambridge facility has been recently transferred to the State of Ohio. He also notes that the State has signed a Consent Order with Shieldalloy and Cyprus Foote Mineral Company (a former owner and operator of the facility) that provides in excess of \$9,000,000 financial assurance funds. More than half of that amount is for decommissioning the East and West slag piles at the Cambridge facility.

Before we take any action, we would appreciate your views on the disposition of these funds for the Cambridge facility. We note that Mr. Berg copied Mr. Robert Karl of the Ohio Attorney General's Office with his letter to NRC, and we understand that State officials have been discussing this matter with Shieldalloy. Please call James Kennedy at 301-415-6668 if you have any questions.

Sincerely, (Original Signed By)
Larry W. Camper, Chief
Decommissioning Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosure: September 10, 1999 letter from
David Berz to C. Paperiello, NRC

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NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

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