

February 10, 2012

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

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION ACCEPTANCE OF TRUST
AGREEMENT BETWEEN SHIELDALLOY METALLURGICAL CORPORATION
AND RBS CITIZENS, N.A. PRIVATE BANK AND TRUST

Dear Mr. Baldauf:

As noted on the enclosed February 10, 2012, letter from the U.S. Nuclear Regulatory Commission (NRC) to Ms. Pamela J. Bradway at Shiedalloy Metallurgical Corporation (SMC), the NRC staff has reviewed and accepted the executed Trust Agreement between SMC and RBS Citizens, N.A., Private Bank and Trust (Citizen's Bank) dated December 5, 2011. The NRC staff has also confirmed that the entire account balance of \$2,213,420.22, formerly held by JP Morgan Chase, has been transferred to Citizens Bank.

By letter dated November 2, 2011, NRC staff notified the State that pursuant to memorandum and order (CLI-11-12) dated October 12, 2011; the NRC had reinstated the State of New Jersey's authority to regulate the SMC site in Newfield, NJ. The NRC staff also informed the State that the NRC was in the process of reviewing changes to SMC's Trust Agreement and, in order to ensure an efficient transfer of responsibility, expected to finalize that review in early 2012. The staff's acceptance of the Trust Agreement concludes its review. Since the State now has regulatory authority for decommissioning of the SMC site, NRC staff recommends that the State have SMC change the beneficiary listed in the Trust Agreement from NRC to the State of New Jersey.

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>.

P. Baldauf

2

If you have any questions concerning this letter, please contact me at (301) 415-7612, or by e-mail, at Paul.Michalak@nrc.gov.

Sincerely,

/RA/

Paul Michalak, 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 No.: 40-7102
License No.: SMB-743

Enclosure:
February 10, 2012 Letter from NRC to
SMC w/enclosures

cc: See next page

P. Baldauf

2

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Sincerely,

/RA/

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cc: See next page

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cc:

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

Jill Lipoti, Ph.D., Assistant Director
Radiation Protection and Release
Prevention Programs
New Jersey Department of
Environmental Protection
P. O. Box 415
Trenton, NJ 08625-0415

Donna Gaffigan, Case Manager
New Jersey Department of
Environmental Protection
Bureau of Case Management
P.O. Box 028
Trenton, NJ 08625-0028

Trevor Anderson
Emergency and Remedial Response
Division
New Jersey Remediation Branch
280 Broadway 19th Floor
New York, NY 10007-1866

Loretta Williams
P.O Box 311
Newfield, NJ 08344

Newfield Public Library
Attn: Tina Winstead
115 Catawba Avenue
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, New Jersey 08344

Gloucester County Board of Chosen
Freeholders
Attn: Director, Stephen M. Sweeny
P.O. Box 337 Court House
Woodbury, NJ 08096

Cumberland County Board of Chosen
Freeholders
Attn: Deputy Director
Robert M. Damminger
790 E. Commerce Street
Bridgeton, NJ 08302

Gloucester County Department of
Public Works
Attn: Director, Larry Haynes, Sr.
County Office Building
1200 North Delsea Drive
Clayton, NJ 08312

Kenneth C. Koschek
New Jersey Department of
Environmental Protection
P.O. Box 418
Trenton, NJ 08625-0418

Patricia Gardner
New Jersey department of
Environmental Protection
P.O. Box 413
Trenton, NJ 08625-0415