July 26, 1989

NOTE TO: John White John McGrath Ron Nimitz

FROM: Jay M. Gutierrez

SUBJECT: NEUTRON PRODUCTS LITIGATION

I was advised today by Maura McInerny, Assistant Attorney General of Maryland, that Neutron Products dropped their demand for a hearing on the State's Immediately Effective Shutdown Order. The basis for the withdrawal of the hearing request was that Neutron Products is now in substantial compliance with the conditions for restart imposed on it by License Amendment 33 and the State has agreed to permit them to operate. Neutron Products has further agreed to be bound by those conditions in the future and has waived any other hearing rights they may have stemming from the State's actions in issuing either the Order or the License Amendment.

I think each of you should be complimented on the thoroughness of your preparation for the hearing and your professional conduct in the course of the hearing.

cc: W. Russell T. Martin M. Knapp