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United States Senate

COMMITTEE ON
LABOR AND PUBLIC WELFARE
WASHINGTON, D.C. 20510

October 4, 1976

Legislative Liaison
TO: Nuclear Regulatory Commission
Washington, DC

ENCLOSURE FROM:

Alfred C. Coleman
35 K Drive
Pennsville, New Jersey 08070

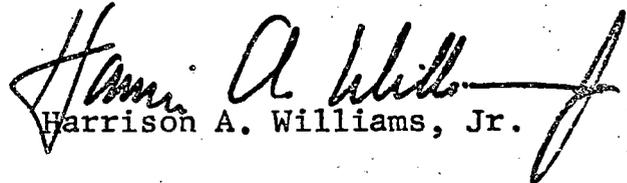
RE:

Nuclear fuel

I am forwarding the attached for your consideration. I would appreciate receiving any information you have available that will enable me to be responsive to my constituent's inquiry.

Please return the enclosed correspondence with your report.

Sincerely,


Harrison A. Williams, Jr.

Reply to:

SENATOR HARRISON A. WILLIAMS, JR.
352 Russell Senate Office Building
Washington, D. C. 20510

HAW:bsek

ENC
Date 10/8/76
Time 2:15

NYT
9-24-76

New York Times

Getty Oil Subsidiary Says It Won't Reopen Nuclear-Fuels Facility

By a WALL STREET JOURNAL Staff Reporter

ROCKVILLE, Md. —Getty Oil Co.'s 83%-owned Nuclear Fuel Services Inc. subsidiary announced that, as expected, it is withdrawing from the nuclear fuel reprocessing business.

The company has the only commercial nuclear fuel reprocessing facility ever to operate in the U.S. The plant, at West Valley in western New York State, processed about 600 metric tons (12,204.6 pounds each) between April 1966, and early 1972, when the facility was closed for modernization and expansion.

The company cited huge additional cost requirements and delays that would be necessary to bring the West Valley plant back into production. It blamed drastically changed regulatory requirements, especially a Nuclear Regulatory Commission ruling last April that imposes sharply more stringent design requirements to protect against earth tremors.

The company said that when the plant suspended operations in 1972, it was expected to be able to resume output two years later, after investing \$15 million to double capacity to 600 metric tons a year and making plant efficiency improvements.

However, in view of the big regulatory changes, delays and inflation, the Getty unit estimates it would take an additional investment of more than \$600 million and take a dozen years to return the plant to production. Indeed, said Nuclear Fuel Sources

president Ralph W. Deuster, the drastic seismic criteria change ordered by the Nuclear Regulatory Commission this year "created doubt over whether or not the plant could ever be licensed for commercial reprocessing."

Nuclear Fuel Services said it has "advised its reprocessing customers of its decision, advising them of the impracticability of reprocessing at West Valley and exercising Nuclear Fuel Service's rights of termination under the reprocessing contracts."

A spokesman said the company has "12 or 13" such customers. He said "there's a question about whether one of the contracts was actually in force." He declined to list the customers or give the total value of the contracts, which are believed to run into the hundreds of millions of dollars.

As previously reported, Nuclear Fuel Service told customers earlier this year that it was considering withdrawal from the West Valley operation and had promised a final decision later in the year.

One customer, Consumers Power Co. of Jackson, Mich., sued Nuclear Fuel Service in Federal District Court, Buffalo, demanding that it deliver reprocessed fuel under a 1970 contract. The previously reported court case still is pending.

Nuclear Fuel Service said yesterday that it will continue its activities at a specialty nuclear fuels facility it operates in Erwin, Tenn.