



UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of )  
 )  
NUCLEAR ENGINEERING COMPANY, INC. ) Docket No. 27-39  
 )  
(Sheffield, Illinois Low-Level )  
Radioactive Waste Disposal Site) )

ANSWER OF NUCLEAR ENGINEERING COMPANY, INC. TO THE  
COMMISSION'S NOTICE OF HEARING OF JUNE 6, 1979

Pursuant to the Notice of Hearing dated June 6, 1979 by the Commission in the captioned matter, Respondent Nuclear Engineering Company, Inc. ("NECO") answers as follows:

1. NECO denies the factual allegations of the Notice of Hearing and the accompanying Memorandum and Order, except to admit that:

(a) NECO was a Commission Licensee under License No. 13-10042-01.

(b) On March 8, 1979, NECO notified the NRC that, effective 10:01 a.m. that date, it was terminating its license for activities at the Sheffield site.

(c) By letter dated March 9, 1979, the Director of the Office of Nuclear Material Safety and Safeguards responded that, in his view, the license could not be unilaterally terminated by NECO.

(d) In 1966 and 1967, NECO was licensed to receive, possess and dispose of source, byproduct, and special nuclear materials at the Sheffield site, a commercial low-level radio-

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active waste disposal facility. NECO filed a timely application to renew its materials license in 1968. Under the terms of 5 U.S.C. §558 and 10 C.F.R. §2.109, the 1966 license continued in effect pending final NRC action on NECO's application for renewal until March 8, 1979.

(e) Inspectors from the NRC Office of Inspection and Enforcement (Region III) conducted an inspection of the Sheffield facility on March 9 and 16, 1979, and reported no condition posing an immediate threat to public health and safety.

2. NECO expressly denies the commission of any willful or wrongful act in violation of the Atomic Energy Act of 1954, as amended, or applicable NRC rules and regulations.

3. NECO further expressly denies the existence of any hazardous or potentially hazardous condition that constitutes a threat to public health and safety at the Sheffield site.

4. NECO hereby incorporates by reference each of its specific answers and affirmative defenses in its Answer to Order to Show Cause and Demand for Hearing.

5. NECO further incorporates by reference each factual statement and legal defense or argument contained in its Motion for Emergency Action by the Commission and to Stay the Immediate Effectiveness of the Order to Show Cause by the Director, Office of Nuclear Material Safety and Safeguards; Licensee's Post-Hearing Brief on Issues Arising During Oral Argument Before the Licensing Board on March 27, 1979; and

Motion for Reconsideration and Clarification of the Commission's Notice of Hearing and Memorandum and Order of May 6, 1979.

Wherefore, having answered fully the Notice of Hearing, NECO hereby requests that the Order to Show Cause be dismissed on each and every aforementioned ground. To the extent not dismissed, NECO demands an evidentiary hearing on all matters pursuant to 10 C.F.R. §2.202(b) and will appear and present evidence.

Respectfully submitted,

CONNER, MOORE & CORBER

*Troy B. Conner, Jr. /nmr*

Troy B. Conner, Jr.

*Robert M. Rader*

Robert M. Rader  
Counsel for the Licensee

July 2, 1979

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CERTIFICATE OF SERVICE

I hereby certify that copies of "Answer of Nuclear Engineering Company, Inc. to the Commission's Notice of Hearing of June 6, 1979," dated July 2, 1979, in the captioned matter, have been served upon the following by deposit in the United States mail, this 2nd day of July, 1979:

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