



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

May 23, 1979

CHAIRMAN

DOCKET # 50-201  
FROM



The Honorable Dale M. Volker  
New York Senate  
Albany, New York 12247

Dear Mr. Volker:

Thank you for your letter of March 28, 1979 regarding the license responsibilities of Nuclear Fuel Services, Inc. (NFS) and the New York State Energy Research and Development Authority (NYSERDA), as co-licenses of the West Valley nuclear fuel reprocessing facility. Inasmuch as your letter raises concerns in the context of Nuclear Engineering Company's (NECO) Sheffield, Illinois plant which involves a proceeding, aspects of which are presently before the Commission, it would be inappropriate for me to comment on the merits of your questions. In this regard, I have referred your letter to Mr. William Dircks, Director of the Office of Nuclear Material Safety and Safeguards, for further reply.

The question of the ability of a licensee to unilaterally terminate a license is currently before the Commission for resolution on the basis of an Order to Show Cause issued by the Staff to NECO on March 20, 1979. NECO, in response to that Order, filed an emergency motion with us requesting that the Order be rescinded.

Although we had requested that the U.S. Department of Justice bring suit on behalf of the Commission seeking preliminary injunctive relief, on April 23, 1979, the matter was settled prior to filing of the action. A copy of the settlement agreement between the Commission and NECO is enclosed.

If I can be of any further assistance, please feel free to call upon me.

Sincerely,

*Joseph M. Hendrie*  
Joseph M. Hendrie

Enclosure: Settlement Agreement

cc w/o encl: NFS service list

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