

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of
NUCLEAR ENGINEERING COMPANY, INC.
(Sheffield, Illinois Low-Level
Radioactive Waste Disposal Site)

License No. 13-10042-01

NOTICE OF HEARING

The Nuclear Engineering Company, Inc. (NECO), has operated the Sheffield, Illinois low-level radioactive waste disposal site under License No. 13-10042-01 issued by the Nuclear Regulatory Commission. NECO filed a timely application for license renewal in August, 1968, and its license continued in effect pending final Commission action. 10 CFR 2.109. On March 8, 1979, NECO informed the Director, Nuclear Material Safety and Safeguards (NMSS), that it was unilaterally terminating its license for all activities at the Sheffield site.

On March 20, 1979, the Director, NMSS, pursuant to 10 CFR 2.202 of the Commission's regulations, served on NECO an immediately effective Order to Show Cause why it should not resume its obligations and liabilities under the license. The Director based his Order on NECO's obligation to act in a safe and responsible manner with respect to its license for receipt and possession of nuclear materials at the Sheffield site. These obligations include maintenance of site security and trenches in which low-level radioactive material is buried. NECO's abandonment of

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the site and consequent general failure to hold in force terms and conditions of its license were confirmed by two on-site visits on March 9 and 16 by inspectors from the Commission's Office of Inspection and Enforcement (Region III).

On March 23, 1979, NECO filed Answer of Nuclear Engineering Company, Inc. to Order to Show Cause and Demand for Hearing pursuant to 10 CFR 2.202(b). NECO, the NRC Staff, and the State of Illinois agree that resolution of the issues raised by the Order to Show Cause would be most expeditiously and efficiently handled by consolidating consideration of these issues with the Licensing Board proceeding now considering NECO's application to renew its license and its subsequent motion to withdraw that application.

10 CFR 2.202(c) provides that if the answer demands a hearing the Commission will issue an order designating the time and place of hearing. Accordingly, pursuant to the Atomic Energy Act of 1954, as amended, and 10 CFR Part 2 of the Commission's regulations, notice is hereby given that a hearing will be held before an Atomic Safety and Licensing Board composed of Andrew C. Goodhope, Esq., Chairman, Dr. Linda W. Little, and Dr. Forest J. Remick.

In addition to the issues now pending before the Atomic Safety and Licensing Board it shall consider and decide:

whether NECO can unilaterally terminate License No. 13-10042-01 for activities at Sheffield without affirmative action by the Commission.

A prehearing conference shall be held by the Atomic Safety and Licensing Board at a date and place to be set by the Board to consider pertinent matters in accordance with the Commission's Rules of Practice. The date and place of the hearing will be set at or after the prehearing conference and will be noticed in the Federal Register.

Pursuant to CFR 2.705, an answer to this Notice may be filed by the Licensee not later than twenty (20) days from the date of publication of this Notice in the Federal Register.

The Commission authorizes an Atomic Safety and Licensing Appeal Board pursuant to 10 CFR 2.785 to exercise the authority to perform the review functions which would otherwise be exercised and performed by the Commission, subject to Commission review, as appropriate, under 10 CFR 2.786. The Appeal Board will be designated pursuant to 10 CFR 2.787 and notice as to membership will be published in the Federal Register.

For the Commission

SAMUEL J. CHILK
Secretary of the Commission

Dated at Washington, D.C.

this day of April, 1979.

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