



DOCKET NO. 27-39

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

PDR

June 25, '79

Mr. James N. Neel
President and Chief Executive
Officer
Nuclear Engineering Company, Inc.
9200 Shelbyville Road
Suite 526
P.O. Box 7246
Louisville, Kentucky 40207

Dear Mr. Neel:

Your letter to Chairman Hendrie dated May 31, 1979 has been referred to me for response since it potentially involves matters under litigation which may come before the Commission for review.

As you are aware, our regulations do not presently require financial statements from low-level waste (LLW) burial ground operators and Nuclear Engineering Company (NECO) has not provided the staff any details on the company's financial status. I understand that John B. Martin's letter to Sheldon Meyers dated April 5, 1979 (copy is enclosed) was based on three factors. First, in the Sheffield, Illinois LLW site licensing proceeding, you and your staff stressed the financial burden of the regulatory process and that responding to questions was taxing the Company's resources. Second, NECO attempted to abandon the Sheffield site before assuring that the site had been properly stabilized. Third, the staff was concerned about the impact of a pending law suit since tens of millions of dollars in damages are being sought by the State of Illinois. In view of these factors, the Waste Management staff felt obligated to inform U.S. Department of Energy (DOE) contingency planning staff.

A copy of your letter dated May 31, 1979 and a copy of this letter are being sent to Sheldon Meyers, DOE.

Sincerely,

Lee V. Gossick
Executive Director for Operations

Enclosure:
Ltr dtd 4/5/79 fm JMartin to SMeyers

cc: Sheldon Meyers, DOE
Sheffield Service List

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