



Nuclear Engineering Company, Inc.

9200 SHELBYVILLE ROAD, SUITE 526 • P. O. BOX 7246

LOUISVILLE, KENTUCKY 40207 PHONE (502) 426-7160

JAMES N. NEEL
President and
Chief Executive Officer

May 31, 1979

Dr. Joseph Hendrie
Chairman
Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Dr. Hendrie:

On May 7, the McGraw-Hill publication Inside D.O.E. carried an excerpt from an NRC letter to the Department of Energy implying that Nuclear Engineering Company had an uncertain future. That is far from true, and I am surprised that NRC would make such an unfounded implication. We are the oldest commercial company in the business of low level radioactive waste disposal, have a fine safety record and intend to be at the forefront of safe, professional and efficient radwaste disposal for a long time to come.

The fact is that Nuclear Engineering Company is in sound financial condition. In the present climate, misinformation is the greatest enemy of a sane nuclear policy, and the NRC should not be contributing misinformation. Like any company in a free enterprise system, we depend on our customer's confidence in the service we provide. Unsupported claims like the one in the NRC letter to D.O.E. cannot help but to undermine that confidence needlessly.

The Atomic Energy Commission determined in 1962 that the taxpayers of this nation should not bear the cost or subsidize commercial licensee low-level radwaste disposal and thus promoted the present policy of encouraging private free enterprise to invest its capital in establishment and operation of low-level radioactive waste disposal sites. In reliance on this policy, Nuclear Engineering Company established the nation's first commercial site in 1962 in the State of Nevada and has established or acquired additional sites over the intervening years. To attempt to undermine this established

564 131

7908020 (20)

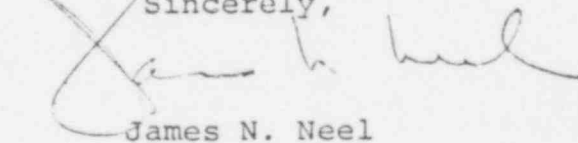
C

policy, after private industry has invested its capital and operated safely over subsequent years, constitutes a blatant attempt to undermine this policy at ultimate taxpayers' expense and this segment of the nuclear industry's demise.

At the present time, NECO's two licensed and regulated Western sites, Nevada and Washington, possess enough capacity to accommodate the nation's future commercial low-level radioactive waste disposal needs to the year 2010 by our estimates. This is in excess of 90,000,000 cubic feet of capacity. Expansion of these sites, if required, is feasible with minimal anticipated difficulty. Therefore, the suggestion of opening commercial licensee waste to non-licensed and regulated, and potentially hazardous sites, at the expense of taxpayers and their safety, is certainly unjustified and unreasonable.

It would be most helpful if you would make it clear to both D.O.E. and the NRC that there is no reason to believe that the court case in Illinois---which is obviously seriously misunderstood by whoever drafted the letter to D.O.E.--- will "jeopardize NECO's financial ability to remain in business".

Sincerely,



James N. Neel
President
and Chief Executive Officer

JNN/sd

564 132

NRC TO DOE: PREPARE TO ACCEPT LOW-LEVEL WASTE IF COMMERCIAL SITES CLOSE

The Nuclear Regulatory Commission, concerned about a possible shutdown of commercial disposal sites for low-level radioactive wastes, has asked DOE to prepare a "short-term contingency action plan" to accept the material at DOE defense facilities.

In a letter last month to DOE's waste management division, the NRC said two of the three commercial low-level disposal facilities left in the country may have to close because a lawsuit brought by the state of Illinois could put the operator of the two sites, the Nuclear Engineering Co. (Neco), out of business. The state's Dept. of Public Health has sued the company for abandoning another low-level disposal site operated by the firm at Sheffield, Ill., and NRC officials fear the "substantial damages" sought could "jeopardize [Neco's] financial ability to remain in business," the NRC letter said.

The letter warns that DOE "might have only a day" to respond to the closing of Neco's other two sites, one located at Beatty, Nev., and the other on leased federal land at DOE's Hanford, Wash., reservation, by opening up its own facilities to commercial wastes. The letter noted that Neco gave "no advance notice" to either the NRC or to the state when it abandoned the Sheffield site in March.

DOE sources point out that a shutdown of Neco's Hanford site, the only facility in the country currently accepting transuranic wastes (TRU), would leave no commercial site in which to dispose of the TRU-contaminated waste from the damaged Three Mile Island nuclear plant. South Carolina - location of the third remaining low-level disposal site, the Chem-Nuclear facility at Barnwell - already has turned

down the Three Mile Island waste because of possible TRU contamination, while Neco's Beatty site no longer accepts TRU waste, according to DOE sources.

The sources add that the Chem-Nuclear facility, which would be the only commercial site still operating if the Neco burial grounds close down, has already had monthly limits imposed by the state on the amount of waste it can accept.

DOE already has begun preparing a long-range contingency plan for accepting commercial low-level wastes at DOE sites, following a request made by NRC last year. DOE staffers familiar with the plan, which is expected to be completed by the end of the year, say DOE has yet to decide which of its low-level sites could be opened to commercial use. The staffers note, however, that DOE's choices are limited to several low-level disposal sites at the Idaho National Laboratory, the Hanford reservation and possibly the Nevada Test Site for atomic weapons. The sources predict that DOE will eliminate from consideration a low-level site at the Oak Ridge National Laboratory because it does not have enough space left for commercial disposal and also has encountered "water management" problems that would preclude any additional disposal there. Opening low-level disposal facilities at DOE's Savannah River plutonium production facility at Aiken, S.C., near Barnwell also is not likely, the sources add, because of expected objections from state officials.

POOR ORIGINAL

564 183