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Nuclear Engineering Company, Inc.

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 WASHINGTON, D. C. 20036 • PHONE (202) 785-4705

July 11, 1980

John B. Martin, Director
 Division of Waste Management
 U.S. Nuclear Regulatory Commission
 Washington, D.C. 20555

Dear Mr. Martin:

This is in response to your letter of June 18, 1980, in which you advise that certain contractor organizations, acting on behalf of the NRC, may be utilizing the Sheffield, Illinois facility for the purpose of data collection and analysis. It also confirms my telephone conversation this morning with Robert Browning of your staff.

Nuclear Engineering Company, Inc. will be pleased to cooperate fully with the NRC in carrying out this proposed program, keeping in mind that NECO's sole purpose in being on the Sheffield low-level radioactive waste disposal site is to maintain and monitor the site until the pending litigation involving the site is concluded.

As you know, the site is owned by the State of Illinois and in our view, permission should be obtained from the State before any field tests or other activities are undertaken. Under no circumstances will we be responsible for any damages to the site in the conduct of the contractor(s)' operations. Nonetheless, prudence dictates that prior to initiation of any activity on site, we will need to obtain from your contractor(s), a bond or other financial assurances satisfactory to NECO to fully indemnify NECO and the State for any damages caused to the facility or to NECO equipment as a result of such activities. The only exception to this requirement will be the use of hand-carried equipment which will not be used to penetrate the site surface or cause any type of damage to the site, site structures or trench covers. Past experience with USGS, working under your direction, dictates this posture as earlier damage to the site by that agency and its contractor still remains unpaid.

Should you have any questions with respect to our position on this matter, please do not hesitate to contact me.

Sincerely,
 NUCLEAR ENGINEERING COMPANY, INC.

Charles F. Eason
 Director for Governmental Affairs

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