

undertaking has continued through the present time by NECO and its successor, US Ecology.

Accordingly, at the present time, US Ecology plans to continue these arrangements while meaningful settlement negotiations are ongoing. The NRC has periodically inspected the Sheffield site, and its reports confirm US Ecology's continued compliance with the agreement and the terms of the license. Thus, during the pendency of settlement discussions, there is assurance that the health and safety of the public is being protected.

As the Board certainly recognizes, settlement of this complex proceeding involves a wide range of technical issues and other questions of first impression. Since settlement discussions have been initiated, the negotiations have progressed through a number of stages, beginning with an attempt to clearly define the outstanding issues and then leading from conceptual approaches to a step-by-step resolution of individual issues.

A number of technical exchanges and discussions involving technical and managerial level representatives have occurred, touching on all of the outstanding matters. These exchanges are continuing and US Ecology, for its part, is hopeful that they will lead to resolution of the outstanding matters or significantly narrow the issues for decision by this Licensing Board.

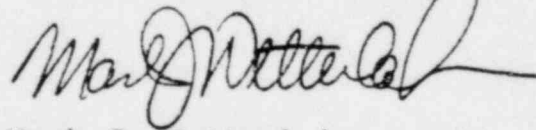
With regard to schedule, US Ecology is hopeful that it can report further significant progress by the time the

most recent continuation of the proceeding expires and, at the present time, sees no reason why a definitive report on settlement negotiations cannot be submitted by the end of the year, with hearings resuming, if necessary, shortly thereafter.

US Ecology believes that such time periods are consistent with those which Commission tribunals have allowed for settlement in other cases where complex issues were involved. For example, in the Peach Bottom proceeding, a period from December, 1974 until March, 1979 was permitted by the Atomic Safety and Licensing Board to permit settlement negotiations to conclude.^{*/} Thus, considering the continuous presence of US Ecology at the Sheffield site and the ongoing role of the NRC in assuring that all commitments are kept so as to fully protect the public health and safety, this period is reasonable.

Respectfully submitted,

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July 29, 1982

^{*/} See Philadelphia Electric Company (Peach Bottom Atomic Power Station, Unit 3), ALAB-532, 9 NRC 279 (1979).

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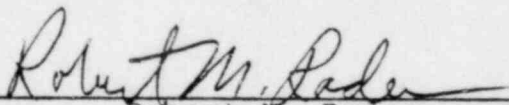
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