



Nuclear Engineering Company, Inc.

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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

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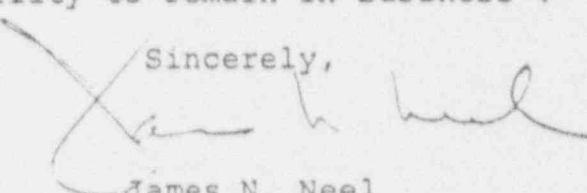
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policy, after private industry has invested its capital and operated safely over subsequent years, constitutes a blatant attempt to undermine this policy at ultimate taxpayers' expense and this segment of the nuclear industry's demise.

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