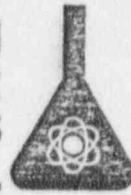


CHEM  
NUCLEAR  
SYSTEMS  
INC.



BRUCE W. JOHNSON  
President

July 25, 1978

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

Dear Dr. Hendrie:

This is to endorse the request made to you by our Executive Vice President, Lloyd J. Andrews, in his letter of July 21 for an early meeting with you to discuss the substance of your letters of July 7 to Congressman Dingell and Secretary Schlesinger.

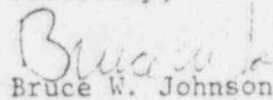
I was dismayed at your recommendations, which will in effect put the DOE in competition with private industry. These recommendations are not only unsupported by any data, but are entirely inconsistent with the adamant position taken by the NRC over the last five years that no new commercial sites should be licensed. This company and others have made strong efforts for the establishment of new radwaste sites and in each instance (including our effort in New Mexico, alluded to in your letters of July 7) the staff of the Nuclear Regulatory Commission has been the main factor in the failure to license.

If additional disposal space is needed, it can be provided very simply within the existing regulatory framework by having the NRC staff withdraw its objections to the establishment of commercial sites.

We believe that moving any commercial radwaste to DOE sites is both economically and environmentally wrong. I must conclude that your recommendations have been made without full knowledge and understanding of the facts, and I am very anxious to meet with you and make these facts available.

We are preparing a detailed paper for you and others, setting out the reasons that your recommendations should not be implemented. Prior to that, I hope that Mr. Andrews or I may have the opportunity to meet with you on this subject, which is of vital importance to our company and to the nuclear industry.

Sincerely,

  
Bruce W. Johnson  
President

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7810 1100

P. O. Box 1866  
Bellevue, WA 98009

Dr. Joseph M. Hendrie, Chairman  
U. S. Nuclear Regulatory Commission  
July 25, 1978  
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cc: Senator Warren G. Magnuson  
Senator Henry M. Jackson  
Senator Gary W. Hart  
Congressman John Dingell  
Congressman Mike McCormack  
Congressman Joel Pritchard  
Congressman Manuel Lujan  
Dr. John M. Deutch  
John L. West  
Lloyd J. Andrews

CHEM  
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INC.



BRUCE W. JOHNSON  
President

*Johnson*

August 4, 1978

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

Dear Dr. Hendrie:

As indicated to you in my letter of July 25, I have prepared a detailed statement concerning your recommendations to Secretary of Energy James Schlesinger and others regarding disposal of commercial low-level radioactive wastes.

My principle concern, as I am sure you appreciate, is the preservation of commercial waste disposal companies. Certainly I have selfish interests; as Chem-Nuclear last year handled 60% of all the commercial waste in the United States and presently is handling nearly 90%. However, I feel my concern transcends selfishness as I believe my company and others have served our industry and nation well. As a private company, we operate in the full view of regulatory agencies, the media and the public. We cannot afford to cut corners, and I know you will agree that our record proves we have operated in the best interest of the public health and safety. Turning all low-level waste disposal activity over to the DOE would, I believe, be to the detriment of public health and safety and would infringe on private commerce with no public interest justification.

I do not want to appear petty or vitriolic, nor do I want to sound as if I am questioning your good faith and judgment, so please accept my comments in that spirit.

It does appear obvious to me that the NRC, at least during the past five years, has been working toward a Federal take-over of all commercial low-level waste activities. The NRC staff has consistently recommended against the establishment of any new commercial low-level disposal sites, and in so doing, has created the capacity problems you mentioned in your letters to Dr. Schlesinger and Congressman Dingell.

Dr. Joseph M. Hendrie, Chairman  
U. S. Nuclear Regulatory Commission  
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Particularly troublesome to me is that my company's withdrawal of its site application in New Mexico is being used as an indication that adequate commercial disposal capacity is not likely to be available in the near future. Our company spent in excess of \$700,000 in that effort, and NRC's interference and lack of support more than any other single factor caused our withdrawal. All during the time we were pursuing our license application in New Mexico, NRC staff members were advising New Mexico Environmental Improvement Agency officials that the site was not needed, as sufficient capacity existed well into the 1990's.

Chem-Nuclear and other companies in the industry through the past several years on numerous occasions have stressed to NRC staff members that adequate, properly located disposal capacity did not exist to efficiently meet future needs. Our point of view was completely ignored in both the NRC Staff Report and the DOE Task Force Report. In fact, it is disturbing to note that no one in our company was consulted during the preparation of either of these reports. I believe we have the most extensive knowledge of low-level waste disposal activities to be found anywhere in the United States, and I firmly believe that kind of expertise should be considered when national policy issues are being discussed.

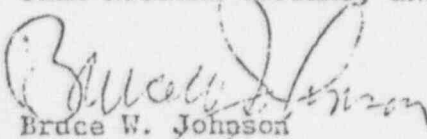
Now it appears that the NRC is using the point of view which you previously denied to embark on a course of action that surely will eliminate private industry from the low-level radioactive waste disposal business.

I look forward to the opportunity to discuss these matters with you, as I believe there must be misunderstandings that should be clarified.

We shall look forward to your reply.

Very truly yours,

CHEM-NUCLEAR-SYSTEMS, INC.

  
Bruce W. Johnson  
President

Enclosures