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**Subject:** Fw: NRC INVESTIGATED BY INSPECTOR GENERAL

01 MAR 15 P1:54

OFFICE OF SECRETARY  
RULEMAKINGS AND  
ADJUDICATIONS STAFF

Perhaps the government can redeem itself. It's not too late for CP & L to rescue its image by going to dry cask storage and/or asking for safety hearings! Judy Hogan

Check out today's News & Observer -- there's an article on this attached news release. You can read it on line at [www.newsobserver.com](http://www.newsobserver.com).

The next person who phones Senator Edwards could be making the call that convinces him to flex his muscle and raise his voice.

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Senator John Edwards (919) 856-4245

Representative David Price (919) 789-8771

## NEWS RELEASE

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March 15, 2001

919-490-0747

NRC Investigated for Its Handling of CP&amp;L Review

## Findings Could Derail Nuclear Expansion at Shearon Harris

DURHAM - The Nuclear Regulatory Commission's inspector general (IG) has launched an investigation of the NRC staff and an NRC licensing board for their handling of Carolina Power & Light's request to expand high-level waste stored at the Shearon Harris Nuclear Plant.

Deputy Inspector General George Mulley, who heads the IG's investigations unit, has assigned a team to look into the actions of the two branches of the federal agency. On January 29th, environmental group NC WARN sent a letter asking for the investigation. The group charged that during the past two years, the NRC staff has acted as a collaborator with CP&L - instead of as an impartial arbiter - and that the agency's review of CP&L's license amendment application has lacked scientific integrity.

NC WARN based its arguments on activities and documents in the topsy-turvy legal battle between Orange County, CP&L, and NRC staff. The group cited more than a dozen distortions and false statements by NRC staff and/or CP&L on technical points which are central to the safety of the waste expansion. WARN said this pattern has continued throughout the review process.

State Sen. Ellie Kinnaird and Rep. Verla Insko backed the call for an investigation and questioned the propriety of the NRC's actions.

NC WARN board member Mark Marcoplos said today: "The NRC staff practically broke the rubber stamp when it signed off on CP&L's plan in early 1999 after reviewing it for barely two weeks. Ever since, they've acted like CP&L's partner - instead of being a watchdog agency."

The group charges that on numerous occasions, the NRC staff violated fundamental requirements of scientific review by accepting CP&L's assertions without verification, and by failing to supply data to support conclusions. Also, the NRC staff joined CP&L in a calculated attack on Orange County's technical consultants - instead of debating the merits of their analyses - even though the NRC accepted most of their key ideas.

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Also suspicious was the timing of an NRC staff official's December approval of CP&L's plan. That ruling came only days after Orange County had presented strong evidence that hearings and an environmental impact statement are required by law - and when the NRC licensing board had just begun to consider that argument.

The investigation could have serious ramifications for CP&L if the IG's office finds fault with the NRC staff and/or licensing board, and could thwart the company's plans to begin loading waste into two new cooling pools this summer. The IG could not reverse the licensing board's approval of CP&L's plan, but could find that the basis for that approval was flawed.

The IG typically investigates when NRC officials have potentially compromised public safety due to misconduct or when the agency breaks its own rules. While the IG can only make recommendations, its findings carry weight and are generally acted upon by the five NRC Commissioners who head the vast bureaucracy. On past issues, the IG has found fault with the agency a number of times, sometimes resulting in employees being fired and nuclear plant owners being fined. The IG's move comes just as Orange County is appealing the NRC licensing board's March 1st approval of CP&L's plan, which would make Shearon Harris the nation's largest approved storage site for highly irradiated fuel rods. The County is asking the five NRC Commissioners to overrule the NRC licensing board, which claimed safety hearings and an environmental impact statement should not be conducted.

NC WARN expressed some concern that political pressure could hamper the IG, especially because Orange County has raised safety issues with implications for nuclear plants across the country, and because of the nuclear industry's incessant lobbying of Congress and the NRC directly. The inspector general does not answer to the NRC Commissioners, but is appointed by the U.S. president, while Congress controls the IG's budget. But WARN said that if the IG finds that the NRC staff and licensing board mishandled the review, it will be very hard for the NRC Commissioners to let CP&L move ahead without an open reassessment of the expansion.

Meanwhile, NC WARN, a citizen coalition called CANIT, and the UNC Student Environmental Action Coalition are increasing their campaign urging Sen. John Edwards and Rep. David Price to insist the NRC use its discretionary power to conduct the safety hearings. They say hundreds of people across the region are contacting the senator and congressman about the highly charged issue.

Marcoplos said, "Sen. Edwards and Rep. Price helped kick the door open part of the way, but we really need them to assert their influence. This investigation gives them even more ammunition to call for safety hearings and an environmental impact statement."

CP&L's expansion is highly controversial, due in part to the plan to stack spent fuel assemblies at the maximum possible density in the nation's only four-pool storage site. Orange County, through its experts, has raised serious concerns about an increased risk of what could be a very large nuclear accident. CP&L has spent an estimated \$2 million to prevent safety hearings before the NRC licensing board.

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of	)	
	)	
CAROLINA POWER & LIGHT COMPANY	)	Docket No. 50-400-LA
	)	
(Shearon Harris Nuclear Power Plant)	)	

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing LIMITED APPEARANCE STATEMENT OF JUDY HOGAN have been served upon the following persons by U.S. mail, first class, or through NRC internal distribution.

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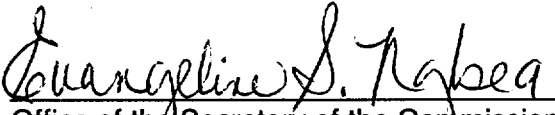
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LIMITED APPEARANCE STATEMENT  
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Office of the Secretary of the Commission

Dated at Rockville, Maryland,  
this 15<sup>th</sup> day of March 2001