

# CASE

(CITIZENS ASSN. FOR SOUND ENERGY)

September 22, 1983

1426 S. Polk  
Dallas, Texas 75224  
USNRC

214/946-9446

'83 SEP 26 P4:21

Dr. Kenneth A. McCollom, Dean  
Division of Engineering, Architecture  
and Technology  
Oklahoma State University  
Stillwater, Oklahoma 74074

OFFICE OF SECRETARY  
DOCKETING & SERVICE  
BRANCH

Dear Dr. McCollom:

Subject: Comanche Peak Operating License Hearings  
Docket Nos. 50-445 and 50-446

## Potential Conflict of Interest

CASE has received information which indicates that there is a potential conflict of interest regarding receipt of funds by Oklahoma State University and your serving on the Atomic Safety and Licensing Board for Comanche Peak. (See attached 9/16/83 article from FORT WORTH STAR-TELEGRAM.)

From the information we have, it appears that your department at the University received funds from the Halliburton Foundation which in turn receives its funds from its subsidiaries, including Brown & Root, the primary contractor at Comanche Peak.

CASE is not inferring for a moment that there is any deliberate or conscious change in your thinking or decisions because of this. However, our laymen's reading of NRC regulations leads us to think that there may be a potential conflict of interest involved which should be dealt with in our proceedings, if for no other reason than to clear the air and give you an opportunity to make your views known on the subject.

The NRC regulations which particularly apply in this instance appear to be 10 CFR Part 0, Subpart B, which states, in part (at 0.735-20(b)): "The potential conflict is of concern whether it is real or only apparent."

One of our concerns is that this information was not made known to the public or the parties in our proceedings at the time you were appointed to the Licensing Board in these proceedings; this matter could have been dealt with much easier at that time.

Another concern is the statement attributed to you in the attached article that "... I'm not going to say whether I have reported it or not" to the NRC.

We ask that you now make public all details of the transactions in question, including any information reported to the NRC. CASE strongly believes that this is in the public interest, as well as your own interest, and it will enable us to decide what, if any, further action may be appropriate.

Sincerely,

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PDR ADOCK 05000445  
G PDR

CASE (Citizens Association for Sound Energy)

cc: Service List  
(Express Mail to Licensing Board)

*Juanita Ellis*  
(Mrs.) Juanita Ellis, President

DS03

## Corrections

FWST Sat. 9/17/83

A story in Wednesday morning editions of the Star-Telegram incorrectly reported that Arlington firefighters responded to a fire at 4:54 a.m.; the alarm was sounded at 4:55 a.m.; and firefighters arrived at the scene at 4:58 a.m.

An quotation in a story that ran in Friday morning editions of the Star-Telegram was incorrectly attributed. The quotation, "It never occurred to me that this was conflict of interest," but I'm not going to say whether I have reported it or not," should have been attributed to Dr. Kenneth McCollom, dean of the Oklahoma State University school of engineering, architecture and technology. McCollom serves on a federal panel reviewing the license application for Comanche Peak. He was referring to grants his department received from a foundation that is partly funded by Brown & Root, Comanche Peak general contractor.

# Licensing officer supervises grants

FORT WORTH STAR-TELEGRAM 9/16/83 FRONT PAGE

By BRUCE MILLAR  
Star-Telegram Writer

A university dean who serves on the federal panel reviewing the Comanche Peak licensing application has supervised for 17 years a \$255,000 Oklahoma State University grant program that is partly funded by Brown & Root, the plant's general contractor.

Dr. Kenneth McCollom, dean of the Oklahoma State University School of Engineering, Architecture and Technology, said the Stillwater school had been receiving grants from the Halliburton Foundation since before he joined the faculty more than 19 years ago.

McCollom said in a telephone interview that the grant program did not present a conflict of interest. He declined to say whether he had informed Nuclear Regulatory Commission

# Comanche Peak licensing officer supervises

**Continued from Page 1**

neering department, McCollom had authority over how the funds should be spent. He said he delegated this responsibility to an associate, Washington-based officials of the NRC, the government's parent agency to the licensing board, rose to McCollom's defense. But long-term opponents of Comanche Peak criticized McCollom for not making a public disclosure on the grants earlier.

Sebastian Aloat, a lawyer in NRC's general counsel office in Washington, said his office conducted a "quick inquiry" in the case after being questioned by a reporter. He said NRC officials found no conflict

of interest and did not intend to pursue the matter unless more facts came to their attention.

Aloat said Halliburton had financially supported Oklahoma State University for more than 19 years. The grants, which at one time were \$15,000 annually but are now more than \$20,000, are used to improve teaching in the engineering department, he said.

Aloat said the funds provide \$1,000 cash awards to outstanding teachers and permitted members of the engineering faculty to take time off to improve their teaching.

"McCollom has never received any reward or relief time," Aloat said.

He said the \$20,000 yearly grants are part of an annual engineering department budget of about \$15 million. IRS records showed a \$23,000 grant to the engineering department in 1982.

"Based on these facts, it does not appear to be any violation of federal conflict of interest regulations or NRC regulations," Aloat said.

"If we acquire any additional information that suggests more than we have to date, then appropriate action will be taken," he said.

Peter Bloch, chairman of the Atomic Safety and Licensing Board, which is hearing the Comanche Peak case, said telephone calls from McCollom and reporters' inquiries

did not raise concern for him about a possible conflict of interest.

"My understanding is that none of this goes to his personal benefit. My understanding is that it is only a small portion of his department's budget," Bloch said.

Juanita Ellis, an outspoken plant opponent who heads the Dallas-based Citizens Association for Sound Energy, criticized McCollom for not informing the licensing board and the public of the grant program when he came on the board.

"It does raise some concerns, but at this point we haven't researched what, if any, action we want to take," she said.

Federal statutes require to report conflicts of interest.

Bloch said he first heard of the grants Thursday in a McCollom. "I don't know the NRC should or should not know about it," Bloch

"It never occurred to me was conflict of interest. I'm going to say whether it is or not," he said.

The Code of Federal Regulations for NRC employees says a conflict of interest exists when an employee's private interest in monetary form, conflict of interest, or a reasonable question of

# ing grants

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McCollom said Halliburton has  
been making grants to Oklahoma  
State University's engineering de-  
partment since before he joined the  
department 19½ years ago. Hayden  
Hankins, foundation vice president  
and secretary, said no grants were  
made before 1965, when the founda-  
tion was incorporated in Texas.

Foundation records show a  
\$20,000 grant to Oklahoma State  
University at Stillwater in 1981. Hal-  
liburton made a \$33,000 grant to  
support sciences, engineering and  
technical faculty members. Inter-  
nal Revenue Service records show

with Halliburton for 20 years and is  
a major contributor to the Hallibur-  
ton Foundation.  
Two years ago, McCollom's tech-  
nical background earned him a posi-  
tion on the three-member federal  
Atomic Safety and Licensing Board.  
Board members rely on his ex-  
pertise in ruling on technical as-  
pects of plant construction. The  
panel must approve a license appli-  
cation by the plant operator, Texas

grants before his appointment.  
Asked if he regarded the grants as  
a potential conflict of interest,  
McCollom said, "Absolutely not. I  
don't have any problem with it. Do  
you? If you look at my record, I have  
been objective in the way I have  
approached the Comanche Peak ap-  
plication.  
"I do not profit from these  
grants," he said. As dean of the engi-  
Please see Comanche on Page 2