

LEBOEUF, LAMB, LEIBY & MACRAE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1333 NEW HAMPSHIRE AVENUE, N.W.

WASHINGTON, D. C. 20036

202-457-7500

TELEX: 440274

TELECOPIER: 202-457-7543

202-457-7511

LEBOEUF, LAMB, LEIBY & MACRAE (UK)

47 BERKELEY SQUARE

LONDON W1X 5DB, ENGLAND

168 MILK STREET  
BOSTON, MA 02109

336 FAYETTEVILLE STREET MALL  
P.O. BOX 750  
RALEIGH, NC 27602

150 STATE STREET  
ALBANY, NY 12207

520 MADISON AVENUE  
NEW YORK, NY 10022

800 KEARNS BUILDING  
136 SOUTH MAIN  
SALT LAKE CITY, UT 84101

411 PEQUOT AVENUE  
SOUTHPORT, CT 06490

May 26, 1983

FREEDOM OF INFORMATION  
ACT REQUEST

FOIA-83-285

Rec'd 5-27-83

HAND DELIVERED

Director, Office of Administration  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: Freedom of Information Act  
Request - Expedition Requested

Dear Sir or Madam:

Pursuant to the Freedom of Information Act and 10 C.F.R. §9.8 (1982), I hereby request copies of correspondence between Chairman Palladino and the Department of Justice, concerning Justice Department investigation(s) of alleged falsification of reactor coolant system leak rate tests at the Three Mile Island Nuclear Generating Station. The letters have been released to at least one person outside the Commission and Department of Justice, as indicated in the enclosed copy of an article from the Harrisburg (Pa.) Patriot News, which appeared on May 23, 1983.

I hereby agree to pay up to \$50.00 for charges for copying of these records. If the charges should exceed that amount, please telephone me or Michael F. McBride at 457-7500 to receive authorization for additional charges.

Because of the limited nature of this request, and its relevance to pending questions in Docket No.50-289 (Restart), I hereby request expedition of the handling of this request.

Very truly yours,

*Harry H. Vargo*

Enclosure

8310200026 830526  
PDR FOIA  
VOIGHT83-285 PDR

The  
Post-Newsweek  
5/23/83 AM

# GPU Safety Attitude, Staff Competence at Issue

By MICK ROOD

Washington Bureau

WASHINGTON — The management competence and safety attitude of General Public Utilities officials apparently constitute the last formidable objection to the restart of the Unit 1 reactor at Three Mile Island.

A flurry of unanswered questions — raised in recent weeks by congressional investigators and central Pennsylvanians legally recognized to participate in the government's restart process — appear to be having an effect.

In many cases, the challenges are accompanied by assertions that federal Nuclear Regulatory Commission officials gloss over GPU's management problems or refuse to recognize them.

A few hardware questions do remain before the NRC can make its final restart decision. And Three Mile Island Alert last week requested that a hearing be held on the safety of Unit 1 steam generator tubes now being repaired. But

management competence issues remain in the forefront.

The NRC will meet tomorrow to reconsider the management competence issue with its staff. The staff has concluded — on the basis of an on-site inspection conducted last month at the Londonderry Twp., Pa., power station — that improved GPU safety procedures "support the restart of TMI-1."

However, the staff inspection did not review the veracity of 1978 allegations that Unit 2 start-up records were falsified, a matter now subject to a renewed grand jury investigation in central Pennsylvania. The inspection also did not weigh recent charges of cleanup safety laxity by Unit 2 cleanup engineers or consider several other recent criticisms bearing on management competence.

The so-called staff "revalidation" was prompted by requests from Norman Aamodt of Coatesville, Pa., one of the restart inter-

venors.

Meanwhile, a federal grand jury probe, suspended a first time in 1981 and renewed last year, continues into charges that leak measurements of Unit 2 cooling water were falsified during a start-up operation in 1978 before the March 1979 nuclear accident. NRC officials, including Chairman Nunzio Palladino, have repeatedly said the Justice Department waved the NRC off interviews with GPU employees as part of its own investigation of the leakage rate charges.

Palladino wrote to the Justice Department in April, asking why the investigation had dragged on and kept the NRC from considering its effect on Unit 1 restart. He asked for a mid-May conclusion to the grand jury investigation.

But in a strongly worded letter

to Palladino last week, Lowell D. Jensen, assistant attorney general in charge of the Justice Department's Criminal Division, said the NRC has been "free to proceed" since November 1981.

"As far as we know, the NRC has declined to interview the TMI Unit 2 employees and has not pursued its inquiry into the matter," Jensen said.

Due to complications Jensen refused to describe, the grand jury probe won't be completed this month, he said.

Other items that have led the NRC staff to remain inconclusive on management integrity are charges raised by former Unit 2 cleanup engineers Lawrence King and Richard Parks that safety procedures have not been taken seriously by GPU officials. The NRC Office of Investigations is investi-

gating those charges.

The Office of Investigations also was asked by Darrell G. Eisenhut, NRC director of licensing, to look into possible falsification of operator training records and failure to meet qualification records "before and after the Unit 2 accident."

Eisenhut was not specific, but said the information came from the recent lawsuit trial record between GPU and Unit 2 reactor designer Babcock & Wilcox. The information was forwarded by Victor Stello, an NRC official assigned to head a team reviewing the trial record for any start-up issues.

On April 5, Stello had reported to the commission that the trial record had no new information bearing on the restart. Sharply criticized for what was called a less-than-thorough report on the trial impact, Stello was directed by the commission to keep looking.

Eisenhut alerted the Atomic

Safety and Licensing Appeal Board to the new investigation last week. The board considers restart appeals.

Two previously internal management audits contracted by GPU were released last week.

One of the audits contains detailed criticism of several GPU administrative programs and states that Unit 1 is overstaffed overall, generally management-heavy and overstocked with equipment. But the audit consultant, Basic Energy Technology Associates of Arlington, Va., concludes that GPU is "in the forefront of nuclear utilities in attempting to make their organization more efficient and effective."

A BETA associate, W. Wegner, noted that the 14-month study's criticisms relate more to efficiency than safety or competence. Among other things, the study concludes that GPU ought to be able to run TMI Unit 1 with about 750 employees, rather than the current payroll of 977.