



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

RELATED CORRESPONDENCE

June 4, 1985

DOCKETED
USNRC

Peter B. Bloch, Esq., Chairman
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Herbert Grossman, Alternate Chairman
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555

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OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Dr. Walter H. Jordan
Administrative Judge
881 W. Outer Drive
Oak Ridge, TN 37830

In the Matter of
Texas Utilities Generating Electric, et al.
(Comanche Peak Steam Electric Station, Units 1 and 2)
Docket Nos. 50-445 and 50-4460L

Dear Administrative Judges:

On June 3, 1985, a telephone conference was held among Administrative Judges Bloch and Grossman and counsel for the parties in this docket to discuss CASE's "Request for Immediate Order Directing Staff To Preserve Documents" dated May 31, 1985. Also participating in the telephone conference were Joseph M. Felton, Director of the Commission's Division of Rules and Records in the Office of Administration and Edward Shomaker, Senior Information Law Attorney in the Office of the Executive Legal Director. During the conference, Messrs. Felton and Shomaker agreed to gather certain information in order to be able to prepare a partial response to a Freedom of Information Act (FOIA) request filed with the NRC by Billie Garde of the Government Accountability Project seeking memoranda generated and received by Mr. Victor Stello, Assistant to the Executive Director of Operations, relevant to Comanche Peak. Enclosed is a copy of the letter to Ms. Garde from Mr. Felton dated June 4, 1985 containing the NRC's partial response to Ms. Garde's FOIA request.

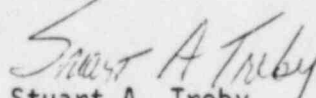
A discussion occurred during the telephone conference relative to a press conference Mr. Stello alleged held while he was in Texas during the period May 20-22, 1985, which purportedly was the subject of articles in Texas newspaper. I indicated I would look into this matter and report to the Board. I contacted Mr. Clyde Wisner, the public affairs officer in Region IV and requested that he send me all newspaper articles for the week of May 20-24, 1985. I inquired what information he had regarding a press conference Mr. Stello may have held. He advised me that Mr. Stello

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and Mr. William Dircks, Executive Director for Operations were in Texas for the quarterly meeting of Headquarter management and regional administrators which is held on a rotating basis among the five NRC regional offices. On May 20, 1985, Messers. Dircks and Stello toured the Comanche Peak site. The Region IV Public Affairs Office received a request from a newspaper reporter that Messers. Dircks and Stello give him an interview. Mr. Wisner made arrangements for Messers. Dircks and Stello to be available during the luncheon recess of the quarterly meeting to meet with the reporter and two other newspaper reporters. Mr. Wisner believes that Messers. Denton, Director of Nuclear Reactor Regulation and Martin, Regional Administrator for Region IV also attended. The only newspaper article which Mr. Wisner has knowledge of which resulted from this session was one by David Real on May 22, 1985, in the Dallas Morning News. (Copy attached). Later in the week, Mr. Denton toured the site and spoke with newspaper reporters. The only newspaper articles which Mr. Wisner has knowledge of which resulted from Mr. Denton's discussions with the press are articles on May 24, 1985, by David Real in the Dallas Morning News and by Paul Long in the Fort Worth Star-Telegram. (Copies attached). I have not found any statements attributed to Mr. Stello in any of the articles.

Sincerely,



Stuart A. Treby
Assistant Chief Hearing Counsel

Enclosures: As stated

cc w/encls.: Service List



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

JUN 04 1985

Ms. Billie Pirner Garde
Government Accountability Project
1555 Connecticut Avenue, NW, Suite 202
Washington, DC 20036

IN RESPONSE REFER
TO FOIA-85-351

Dear Ms. Garde:

This is a partial response to your Freedom of Information Act request of May 13, 1985 which was received by my office on May 16, 1985. In that request you asked for any and all agency records "relevant to and/or generated in connection with all communications generated or received by Victor Stello regarding the Comanche Peak nuclear power plant, including internal correspondence."

We have personally met with Mr. Stello and have learned that with the possible exception of a telephone log and an appointment calendar--items which are now undergoing a review to determine if they are agency records--Mr. Stello has not previously maintained, and does not currently maintain, a Comanche Peak file. Mr. Stello explained that he is not directly in the decision-making chain of command for Comanche Peak and, therefore, as documents or memoranda come across his desk, he has noted the documents, perhaps discussed them with the NRC staff, and then discarded the documents. Accordingly, with the possible exception of the telephone log and appointment calendar, Mr. Stello has no documents subject to your request. The NRC also believes that its requirements for maintaining decisional documents are being adequately followed by maintaining the record copy of documents in central files or in offices more directly involved with the licensing of Comanche Peak.

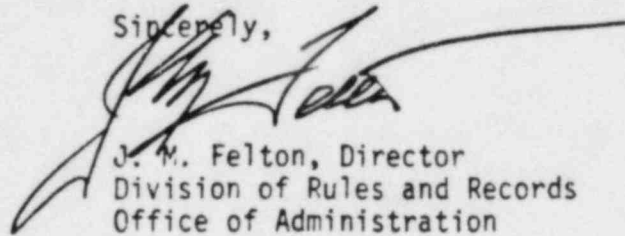
On another point, Mr. Stello was very concerned about the tone of the Motion to Preserve Documents recently filed in the Comanche Peak proceeding. He asked that this response particularly express that he has never destroyed any documents after receiving an FOIA request. Mr. Stello explained that hundreds of pages of documentation cross his desk each week and that he can only retain copies of documents about matters that he is either directly responsible for or working directly with at a given time. Accordingly, if a request does not arrive during that window of time when a document is on his desk awaiting review, then the document will be discarded and any subsequent FOIA request will result in a "no document" response.

Ms. Garde

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Lastly, Mr. Shomaker from the Office of the Executive Legal Director, met with Mr. Stello after our conference phone call on June 3, 1985, and asked Mr. Stello whether he had received Comanche Peak documents in the past which were addressed to Mr. Stello alone, or whether he was just one of several persons on distribution. Mr. Stello replied that he does not recall ever having received Comanche Peak documents addressed exclusively to him in his present position, nor does he recall ever having prepared such documents.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. M. Felton", with a long horizontal flourish extending to the right.

J. M. Felton, Director
Division of Rules and Records
Office of Administration

Case tests nuclear agency's credibility

Official says Comanche Peak hearings put commission 'on trial'

By David Real

Staff Writer of The News

ARLINGTON — The credibility of the Nuclear Regulatory Commission and its ability to protect the public's health and safety is "on trial" in the licensing case for the Comanche Peak nuclear power

■ **Liability for N-plants.** 1D
plant, the national head of the NRC staff said Tuesday.

William Dircks, the NRC's executive director for operations, said an intensive investigative effort — which has disrupted the normal workings of the NRC — has been

"We have concentrated as much technical, legal, judgmental talent as we have in the agency on this thing (Comanche Peak case)."

— William Dircks,

NRC executive director for operations

necessary to tackle Comanche Peak's licensing problems.

"We have concentrated as much technical, legal, judgmental talent as we have in the agency on this thing," Dircks said. "In this case, we felt that the agency was being put on trial, in effect, and we do want to

put out a piece of work that will stand on its own two feet."

Dircks and other top-ranking NRC staff members — meeting this week in the agency's Region IV headquarters in Arlington — must determine whether the NRC should support Comanche Peak in its application to a federal licensing board for an operating license.

Dircks said the agency's unusual effort was prompted in part by the "extreme amount of controversy" generated by Comanche Peak in Texas and Washington.

Some of the plant's licensing problems will be examined as part of a special ABC News "Closeup" documentary on nuclear technology scheduled to air June 6.

"It's not your ordinary licensing case," Dircks said. "It's cost us a lot

of disruption in the agency."

He said the NRC's painstaking preparation also is an attempt to recoup some of the agency's credibility — damaged during some "very tumultuous" licensing hearings over the last three years.

"We didn't have all the answers when we should have had the answers in these hearings," Dircks said. "We were dealing with things in a piecemeal way. That does not instill confidence on the part of the public in this agency."

Harold Denton, the NRC's director of nuclear reactor regulation, said he knew of no reason why the technical problems at the plant cannot be resolved.

Denton said he was encouraged that Texas Utilities has brought in experienced senior managers who have successfully operated other nuclear plants.

Texas Utilities Generating Co. announced earlier this month that it was abandoning its \$4.56 billion cost estimate and early 1986 completion date for the plant but could not predict when the plant would open or how much it would cost.

U.S. nuclear industry lagging, official says

By PAUL LONG
Star-Telegram Writer

GLEN ROSE — If Harold Denton had his way, Americans would build their nuclear power plants the "cookie-cutter" way, borrowing a recipe from the French and Japanese.

Denton, head of the licensing division of the Nuclear Regulatory Commission, said Thursday that a lack of standard designs and construction techniques cause many of the problems in American built nuclear power plants.

Denton took a break from a regional conference in Dallas to tour for the first time the Comanche Peak plant under construction near Glen Rose, 45 miles southwest of Fort Worth.

He also said that problems arise because the dozens of companies involved in building nuclear power plants often fail to communicate with each other.

Power is not expected to start flowing from the \$4.56-billion Comanche Peak plant until at least 1986. Construction began in 1974 but has been delayed as investigators look into more than 100 potential safety problems associated with the plant's quality control program.

"The rest of the world beats us in time," Denton said. "France could build this same plant in five or six years. There's something about U.S. techniques. It's adversarial. The NRC vs. the utilities, labor vs. management.

"The French build the same plant over and over again like cookie cutters.

"The American way is everybody

"France could build this same plant in five or six years."

—Harold Denton
of the Nuclear Regulatory
Commission

does it differently, and that's why regulating is so much harder."

He said the public often blames the regulatory commission for problems at nuclear plants, "but it's not our job to ensure that the plant is built at a reasonable cost or that the utility bought a reasonable design."

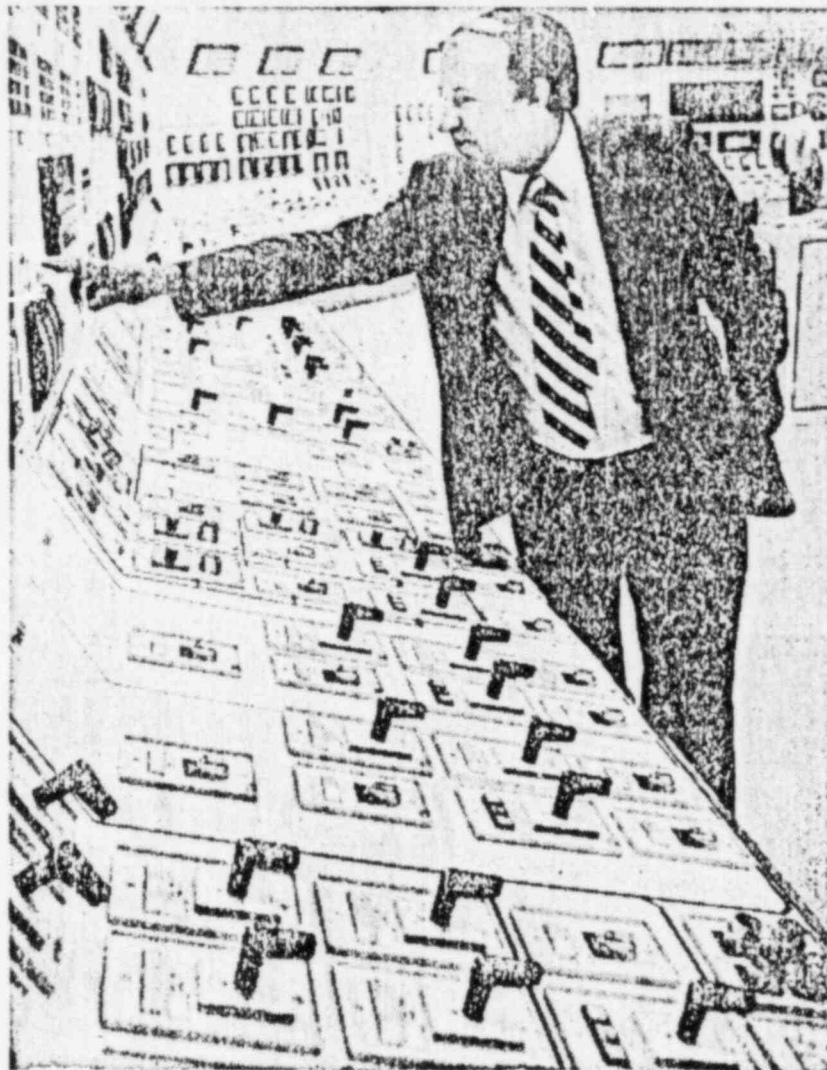
"They're grown men, and they can buy whatever they think will meet our requirements," Denton said. "If it doesn't, that's too bad.

"Texas Utilities can build a plant the way they want to, but if they don't do it the way we require, we won't give them a license."

He said he believes the Comanche Peak problems can be solved, "but it can't be done superficially. It can't be done with arm-waving."

Denton said many of the problems at Comanche Peak stem from management flaws. There's no problem with the nuclear reactor itself, he said.

Texas Utilities Electric Co. earlier this year shuffled its top quality control people at Comanche Peak. The NRC had criticized Texas Utilities — the primary owner of the plant — for failing to have aggressive quality control in key areas.



Star-Telegram/JERRY HOEFER

Nuclear Regulatory Commission official Harold Denton tours a control room at the Comanche Peak nuclear power plant Thursday.

The nuclear industry "is not a forgiving field and it doesn't take a lot of inattention to go downhill," Denton said.

Texas Utilities and its prime contractors have failed to communicate effectively, a common problem in the industry, Denton said.

"You get these large engineering organizations thrown together on a large project and they've never even met each other before and there's a lot of (personnel) turnover, all of which causes potential problems if you don't have good management," Denton said.

6 join ex-worker in N-plant suit

By David Real
Staff Writer of The News

Six former Comanche Peak employees joined another former worker in a longstanding lawsuit Thursday charging that the owners and main contractor of the nuclear plant have a corporate policy of harassing employees who reported construction quality problems.

The policy resulted in the wrongful firing of many of the workers, according to the expanded suit filed in Houston by attorneys for Trial Lawyers for Public Justice, a Washington-based public interest law firm.

The original suit, filed by former Comanche Peak worker Charles Atchison against main contractor Brown & Root Inc. in April 1983, was amended to include new defendants, including majority plant owner Texas Utilities and minority owners Texas Municipal Power Agency, Tex-La Electric Cooperative of Texas Inc. and Brazos Electric Power Cooperative Inc.

The six former workers joining

the suit are Dobie Hatley, Ron Jones, Sue Ann Neumeyer, Don Nisich, William Dunham and Linda Barnes.

Atchison, fired from Comanche Peak in 1982, was ordered reinstated to his job last year by a Department of Labor administrative law judge, but the ruling was overturned in December by the Fifth U.S. Circuit Court of Appeals on grounds that the federal whistleblowers act does not cover problems internally reported to private company officials.

Anthony Roisman, executive director of the Washington law firm, said the suit, amended only weeks after Texas Utilities announced that it no longer can estimate the cost or operating date for Comanche Peak because of licensing difficulties, seeks to recover lost wages and benefits for the workers and to assess exemplary damages.

Texas Utilities officials declined to comment Thursday, saying they had not seen the suit.

Comanche Peak must earn confidence, official decrees

By David Real
Staff Writer of The News

GLEN ROSE — The man who has issued each nuclear power plant license in the United States since the 1979 accident at Three Mile Island said Thursday that Comanche Peak will not begin operating until his confidence in the utility's management is restored.

Harold Denton, director of nuclear reactor regulation for the Nuclear Regulatory Commission, said a June meeting with Texas Utilities Generating Co. officials will play a large role in determining whether the plant's managers have assembled a team with enough experience and competence to run a nuclear plant.

The meeting will be conducted by the utility, which will present a plan to correct construction and design problems documented by a \$1 million NRC task force — the largest effort ever undertaken at a nuclear plant so close to completion.

Denton, who toured Comanche Peak for the first time Thursday, said the plan must be a "robust, rigorous" program.

"They've got to do something to restore our confidence in the design and construction, to show that our confidence is warranted again," he said.

He attributed the problems at Comanche Peak to poor communication between quality control inspectors and builder Brown & Root Inc., architect/engineer Gibbs & Hill and Texas Utilities.

He said the NRC had confidence in new Texas Utilities licensing manager John Beck and William Council, executive vice president for nuclear activities.

And Denton conceded that the NRC was at fault for not identifying the problems at Comanche Peak earlier through better inspection programs and not being more sensitive to whistleblowers' allegations.