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UNITED STATES NUCLEAR REGULATORY COMMISSION

Office of Public Affairs
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FOR IMMEDIATE RELEASE
(Friday, March 25, 1983)

NRC CONSIDERS LICENSE APPLICATION FOR INDIANA NUCLEAR PLANTS: PROVIDES OPPORTUNITY FOR HEARING

The Nuclear Regulatory Commission staff is giving notice that it is considering the application of Public Service Company of Indiana and the Wabash Valley Power Association, Inc. for licenses to operate Units 1 and 2 of the Marble Hill Nuclear Generating Station being built in Saluda Township, Jefferson County, Indiana.

Units 1 and 2 use pressurized water reactors and at full power each would have an electrical output of about 1130 megawatts. The site is about six miles northeast of New Washington on the Indiana bank of the Ohio River. Construction permits for the facilities were issued in April 1978.

The notice being published in the Federal Register on March 25 provides that any person whose interest may be affected may file a petition to intervene in the proceeding with respect to issuance of the operating licenses. Petitions should be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Docketing and Service Branch, by April 25.

Petitions for leave to intervene should set forth in detail the interest of the petitioner in the proceeding, how that interest may be affected by the results of the proceeding, and the specific aspects of the case on which the petitioner wishes to intervene.

If timely petitions are received, a notice of hearing or other appropriate order will be issued. In the event a hearing is held and a person is permitted to intervene, he or she becomes a full party to the proceeding and has a right to participate fully in the conduct of the hearing.

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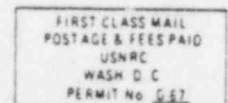
Whether or not there is a hearing, no operating license would be issued until after completion of the safety and environmental reviews by the NRC staff and findings by the Commission that the license application complies with the requirements of both the Atomic Energy Act and the Commission's regulations. A license would not be issued for either unit until it was found that the unit had been satisfactorily completed and is ready for fuel loading. The applicants have advised that construction may be completed as early as June 1986 for Unit 1 and December 1987 for Unit 2.

As they become available, all of the documents relating to the licensing of Units 1 and 2 will be available for public inspection at the NRC Public Document Room, 1717 H Street, N.W., Washington, D.C. and at the Madison-Jefferson Public Library, 420 West Main Street, Madison, Indiana. Documents already at those locations include the Final Safety Analysis Report and the Environmental Report submitted in support of the operating license application.

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NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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Six Contractors Are Charged In Bid-Rigging

Indictments Relate to Work For WPPSS, PS Indiana; 8 Executives Also Named

By ROBERT E. TAYLOR

Staff Reporter of THE WALL STREET JOURNAL

A federal grand jury in Seattle indicted six of the nation's largest electrical contractors and eight of their executives on charges of rigging bids on three nuclear power plant projects.

Each of the contracts was for at least \$100 million, making the case one of the largest bid-rigging suits that the federal government has prosecuted in terms of dollars involved, according to Justice Department officials. They also noted that it is rare that antitrust criminal charges are filed against top executives of big companies.

Two of the contracts were for work on four nuclear plants for the financially troubled Washington Public Power Supply System; the third was for construction of the Marble Hill Nuclear Generating Station for Public Service Co. of Indiana.

Companies charged with rigging bids on all three contracts are Fischbach & Moore Inc. of Dallas, a subsidiary of Fischbach Corp. of New York City; Howard P. Foley Co., a subsidiary of Howard P. Foley Enterprises Inc., both of Washington, D.C.; L.K. Comstock & Co., a subsidiary of L.K.C. Inc., both of Danbury, Conn.; Commonwealth Electric Co., a subsidiary of Commonwealth Cos., both of Lincoln, Neb.; Lord Electric Co. of New York City; and Wismer & Becker Contracting Engineers Inc. of Sacramento, Calif., a subsidiary of Guy F. Atkinson Co. of California, in San Francisco.

Jury's Allegations

The indictment charged that these companies colluded with unidentified co-conspirators from April to December 1978 to rig bids on the three primary electrical contracts. It alleges that they discussed the preparation and submission of bids, shared price information and agreed to designate which of them would get certain projects.

According to the indictment, WPPSS awarded one of the contracts, for about \$100 million, to a joint venture of Foley Co. and Wismer & Becker for work on plants No. 1 and No. 4 near Richland, Wash. The other WPPSS contract, for plants No. 3 and No. 5 near Satsop, Wash., went to Fischbach & Moore for about \$151 million, the grand jury said. The Marble Hill job, valued at about

\$116 million, went to a joint venture of Commonwealth Electric and Lord Electric, the jury said.

L.K. Comstock didn't win any of the contracts, but it bid on the Indiana contract jointly with E.C. Ernst Inc. of Washington, D.C., and is accused of participating in the conspiracy. Ernst isn't charged.

The companies are charged with violating a federal antitrust law and, if convicted, could be fined a maximum \$1 million each. But that may be only the beginning of the contractors' legal exposure. Such criminal charges often are followed by private civil suits brought by the alleged victims of the violation. These private suits often entail far greater financial risks to the companies accused of wrongdoing, as federal law awards triple the value of damages to any plaintiff that proves it was harmed by a company's antitrust violation.

A factor that would limit the private damages, however, is that WPPSS has canceled Nos. 4 and 5 and suspended work on No. 1 for as long as five years. The system's executive board has voted to suspend construction on No. 3 for three years, subject to approval by the plant owners' committee. WPPSS has said that it spent \$2.25 billion on Nos. 4 and 5, that No. 1 is 63% complete and that No. 3 is 75% finished. WPPSS spokesmen yesterday were unable to say how much was spent on the electrical contracts. The Indiana plant is currently under construction.

The executives named in the indictment, if convicted, could be sentenced to as many as three years in prison and fined as much as \$100,000 each.

The individuals charged are Francis S. Kellstrom, former chairman of Fischbach & Moore and currently chairman of its parent; Lawrence E. Grundy, western division president of Fischbach & Moore; Bancroft T. Foley Jr., president and chief executive officer of Howard P. Foley Co.; Charles L. Scharfe Jr., chairman and president of L.K. Comstock and its parent; Paul C. Schorr III, formerly president of Commonwealth Electric and currently president and chairman of its parent; Peter F. Matthews, president and chief executive of Lord Electric; and Henry A. Kammenzind and Paul E. Arbogast, both vice presidents of Lord Electric.

Other Bid-Rigging Probes

The Seattle indictment is the most significant to emerge so far from eight grand juries in several states that are probing alleged bid-rigging by electrical contractors. One industry official said that documents have been subpoenaed from as many as 30 of the nation's largest contractors.

The Justice Department also filed a bid-rigging charge yesterday against a smaller electrical contractor, Ermco Inc. of Indianapolis, in connection with a series of electrical construction projects at Chrysler Corp.'s American Foundry there. The

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charge, filed in federal court in Indianapolis, alleged that Ermco colluded to rig bids with unidentified co-conspirators from March to November 1978. Also accused was Ermco's chairman and president, James A. Maddox.

Another small contractor was charged in May with rigging bids on an Indian Health Service Hospital project in Cherokee, N.C.

Assistant Attorney General William Baxter, head of the Justice Department's Antitrust Division, said the contracting investigations are continuing. Department officials wouldn't comment on whether they expect further criminal charges.

In South San Francisco, a spokesman for Atkinson, said that "to the best of our knowledge, we feel Wismer & Becker shouldn't have been implicated" in the grand jury's indictment. He said the unit "cooperated fully" with the jury's investigation.

The spokesman said Atkinson bought Wismer & Becker in 1960 and noted that the alleged price rigging took place in 1978.

He said the parent company learned of the investigation earlier this year from Robert Albrecht, president of Wismer & Becker, and then an Atkinson director. He said Mr. Albrecht offered not to seek reelection to the board, and his offer was accepted. Mr. Albrecht resigned June 1, the spokesman said. He said the company didn't ask Mr. Albrecht to quit.

In Richland, a WPPSS spokesman declined comment on the indictment because officials hadn't seen it yet. He said WPPSS didn't request the grand jury's investigation.

In Lincoln, Tracy Donovan, president of Commonwealth Electric, said, "We are aware of an indictment being filed. We intend to plead not guilty. We have retained counsel, and we intend to fight it."

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6/10/83 Bill:

For your info -
Indictment on Contracting

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WASHINGTON, D.C.

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JUN 10 1983

MORNING - 534,500

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Bid-Rigging Denied

SEATTLE—The president of one of the country's largest electrical contracting firms pleaded not guilty in federal court to charges of rigging bids for construction of Washington and Indiana nuclear power plants.

Baneroff T. Foley Jr., 49, of Potomac, Md., entered the plea before U.S. Magistrate Philip Sweigert.

Foley is president of the Howard P. Foley Co. of Washington, D.C., one of six firms named in an indictment handed down by a federal grand jury here. Eight individuals, including Foley, also were named in the indictment, which charges bid-rigging on four of the five Washington Public Power Supply System

plants in Washington state and the Marble Hill plant in Indiana.