

ACTION

EDO Principal Correspondence Control

FROM: DUE: / /

EDO CONTROL: G2000069
DOC DT: 10/12/99
FINAL REPLY:

Doris Blossom
(White House Referral)

TO:

NRC

FOR SIGNATURE OF : ** GRN **

CRC NO: 00-0094

DESC:

MILLSTONE

ROUTING:

Travers
Paperiello
Miraglia
Norry
Blaha
Burns
Miller, RI

DATE: 02/15/00

ASSIGNED TO: CONTACT:

NRR

Collins

SPECIAL INSTRUCTIONS OR REMARKS:

For Appropriate Action.

OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

Date Printed: Feb 14, 2000 09:30

PAPER NUMBER: LTR-00-0094 **LOGGING DATE:** 02/11/2000
ACTION OFFICE: EDO

AUTHOR: DORIS BLOSSOM
AFFILIATION:
ADDRESSEE: WILLIAM CLINTON
SUBJECT: MILLSTONE

ACTION: Direct Reply
DISTRIBUTION: CHAIRMAN, COMRS

LETTER DATE: 10/12/1999
ACKNOWLEDGED: No
SPECIAL HANDLING: SECY TO ACK, WHITE HOUSE REF FM CASTLEMAN DATED 2/4/2000

NOTES:
FILE LOCATION: IDR 5 MILLSTON

DATE DUE: **DATE SIGNED:**

EDO --G20000069

NRC

~~SECRET~~
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~~Handwritten scribbles~~

12 October 1999

President William J. Clinton and Mrs. Hilary R. Clinton
The White House
Washington, D.C. 20500

Dear President Clinton and Mrs. Hilary R. Clinton:

The enclosed article from The New York Times, September 27, 1999, details the deliberate wrong doing on the part of Northeast Utilities Nuclear Energy Company in the operation of Millstone Nuclear Power Plant in Waterford, Connecticut.

Northeast Utilities PLED GUILTY to 23 felonies!! The company admitted to FALSIFYING records and SUBMITTING FRAUDULENT information to the Nuclear Regulatory Committee so that 12 UNQUALIFIED CONTROL ROOM OPERATORS were promoted and received federal licenses. In spite of this history of corrupt and irresponsible management, the NRC continues to allow this company to operate this dangerous plant a mere 12 miles from Long Island's shores!

Judge Chatigny responded to the felony charges against Northeast Utilities: "Ultimately, the public has to depend on the good faith, honesty and integrity of the people who manage our large companies." These were criminal acts! It seems very clear that this company is only looking out for its own best interests. It is painfully clear that the NRC is not doing its job to protect the public. Who is responsible to protect the residents of Long Island?

The nuclear leaks in Japan and South Korea last week should be a loud wake up call to everyone! Although Japan holds the strictest regulations and security measures over nuclear energy operations, they too fell victim to human error and found themselves ill prepared to handle the accident in a timely and effective manner. Don't let this happen here!

In light of Northeast Utility's track record of violations and deliberate wrong doings, an ACCIDENT AT MILLSTONE is a LIKELY POSSIBILITY! A Congressional Subcommittee concluded that a meltdown at Millstone would devastate communities in at least a 20 mile radius, causing at least 23,000 immediate deaths from exposure to radiation and 38,000 eventual cancer deaths.

As our representative, it is imperative that you act on our behalf. We want Millstone closed down. Until that time we insist on adequate emergency plans that include Long Island. Please respond to this letter. Please tell me WHAT YOU ARE DOING TO BETTER PROTECT US FROM THE DANGERS POSED BY MILLSTONE.

*Sincerely yours,
Doris Dawson*

A Record U.S. Fine at a Connecticut Nuclear Plant

By MIKE ALLEN

HARTFORD, Sept. 27 — The owner of the Millstone Nuclear Power Station in eastern Connecticut admitted today that it had falsified environmental records and deliberately promoted unqualified plant operators. The owner, Northeast Nuclear Energy Company, pleaded guilty to 23 Federal felonies and agreed to pay \$10 million in fines, the largest penalty ever for a nuclear plant in this country.

The violations took place from 1994 to 1996.

In entering the guilty plea in United States District Court here, Northeast admitted that hydrazine, a toxic chemical used to reduce corrosion of pipes, had gushed into Long Island Sound at a rate of one gallon an hour during 1996 and that testers at the company had diluted their samples with ocean water to hide the problem from Federal regulators.

Federal prosecutors said today that they were unable to prove environmental harm from the hydrazine.

The company also admitted that after it submitted fraudulent information to the Nuclear Regulatory Commission, 12 control-room operators received Federal licenses.

Problems with the training program at Millstone came to light in 1996 when six of seven candidates for control-room operator licenses failed Federal exams, prosecutors said.

In presenting the evidence in court today, the prosecutors said the corner-cutting could have put the plant in the hands of workers unable to prevent a crisis.

The investigation, previously secret,

Admitting falsifying records and promoting the unqualified.

came to light in court today when the company waived indictment and pleaded guilty. As part of the plea agreement, the company was put on three years' probation, which allows prosecutors to monitor operations more closely.

The Millstone case is just the second time that a nuclear power plant owner had been

charged with felonies. Fifteen years ago after the 1979 accident at the Three Mile Island plant near Harrisburg, Pa., which began the industry's plunge from public acceptance, Metropolitan Edison pleaded guilty to falsifying records at the plant.

Officials at Millstone said they hoped today's pleas would end the long period in which the plant has been considered a national symbol of mismanagement in the nuclear power industry. Millstone had held the previous record for a fine levied against a nuclear plant — \$2.1 million in 1997. In 1986, a Time magazine cover story treated the plant as an egregious example of lax enforcement of Federal regulations.

The three reactors in Waterford, Conn., were shut down under orders from the Nuclear Regulatory Commission because of problems with design, safety and paperwork. One of the three reactors is being decommissioned, while the other two have been restarted and are producing energy.

Since 1996, the utility has hired new executives and taken steps that it says would prevent violations in the future. Federal prosecutors, while describing the old plant

Continued on Page B12

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in harsh terms, said in today's proceedings that they had confidence in the new managers.

After the large number of Millstone candidates flunked their licensing tests, investigators discovered that they had not put in the required number of training hours nor mastered the maneuvers that Millstone had falsely claimed, the Government charged. Some of the candidates have since been retrained and are new on the job, the company said.

Federal prosecutors said economic pressure brought on by deregulation of the nuclear industry had contributed to the violations. "Rather than treat the problem," said Joseph C. Hutchison, an assistant United States Attorney, "the shortcut was taken so there was some economic saving."

Mr. Hutchison said complaints by community groups and workers at the plants had led to the three-year Federal investigation.

Stephen C. Robinson, the United States Attorney for Connecticut, said of the agreement, "No matter who you are, no matter how big or how powerful, if you endanger our citizens, if you violate the law, if you lie to regulators and choose profits over the public, we will come after you."

Michael G. Morris, the chairman and chief executive of Northeast Utilities, the parent of Northeast Nuclear, did not dispute a statement that the violations were deliberate, but said the public had never been in danger. As he left the courthouse today, Mr. Morris attributed the violations to "inattention to detail" and "inadvertence," not deregulation. "The whole notion that you react differently in a competitive marketplace is true, but it doesn't cause this kind of behavior," he said. He said the lesson for plant owners was "It's better to operate within all of the laws and the requirements because these kind of fines, these kinds of embarrassments, will come your way if you don't."

Mr. Morris was hired in 1997, after the offenses took place. Nevertheless, Judge Robert N. Chatigny called him to the front of the court

hoped the plea reflected a commitment by the company "to be a better citizen in the future than it was in the past."

Judge Chatigny added that despite the efforts of those who work in the public interest, "Ultimately, the public has to depend on the good faith, honesty and integrity of the people who manage our large companies."

A spokeswoman for Northeast Utilities, Mary Jo Keating, said the plea agreement should help with the plans to sell the plant, as required by state legislation deregulating the industry. "The worst thing in the market is any kind of uncertainty," she said from the company headquarters in Berlin, Conn.

David M. Pittinos of the Toxics Action Center, an environmental group in West Hartford, said today's plea vindicated residents who had been worried about mismanagement and safety at the plant. The admissions were especially damning, he said, because "these companies typically offer to do just about anything to weasel out of criminal charges and reach some out-of-court settle-

ment."

In addition to the 23 counts involving the nuclear plant, another subsidiary, Northeast Utilities Service Company, pleaded guilty to two felonies resulting from the use of a fire hose to dilute water samples taken at Devon Station, a coal-fired power plant in Milford. Prosecutors said that their case against the service company was complete, but that their investigation was continuing and that individuals might be prosecuted.

As part of the \$10 million in fines, Northeast Utilities agreed to donate \$1 million to endow a business ethics chair at the University of Connecticut in Storrs, and \$650,000 for an environmental clinic at its School of Engineering; \$1 million to help local towns buy riverfront land for conversion into public parks, and \$650,000 to Riverfront Recapture, a Hartford group, for its leadership camp for disadvantaged city youth.

The agreement specified that the gifts were not tax deductible. The company said it did not intend to pass the costs on to consumers.

64820

THE WHITE HOUSE
WASHINGTON

12/23/99
DATE

MEMORANDUM

FOR: DOE, 12
FROM: HELEN S. CASTLEMAN #SC
DIRECTOR, OFFICE OF AGENCY LIAISON
SUBJECT: REFERRAL OF CASEWORK IN BULK

An unprecedented number of individuals still write the President and the First Lady for help. I know that this has meant a far greater volume of mail for your agency than ever before. I appreciate your continuing cooperation in our efforts to be as responsive as possible.

The attached letters have not received a White House Staff response. I am forwarding this correspondence to your agency for any appropriate action.

Please return the original incoming letter, along with a copy of any written or telephone response, to me at the address below. I also would appreciate your sending a copy of your agency's log of the names and addresses of these individuals. Any misreferrals should be returned to my office. If you have questions you can reach me at 202/456-7486.

Mrs. Helen S. Castleman
Director, Office of Agency Liaison
Room 6, OEOB
The White House
Washington, D.C. 20502

Again, thank you for your continuing help.



Department of Energy

Washington, DC 20585

January 13, 2000

Mrs. Helen S. Castleman
Director, Office of Agency Liaison
Room 6, OEOB
The White House
Washington, D.C. 20502

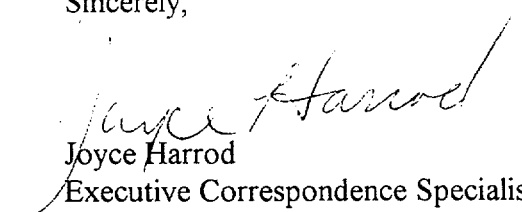
Dear Mrs. Castleman:

Enclosed is a letter that was incorrectly forwarded to the Department of Energy by your office. Due to the subject matter, please forward this correspondence to:

Ms. Annette Vietti-Cook
Secretariat
Nuclear Regulatory Commission
One White Flint North Building
11555 Rockville Pike
Rockville, Maryland 20852

If you have any questions, please call me on (202) 586-5063.

Sincerely,



Joyce Harrod

Executive Correspondence Specialist
Policy Analysis Group
Office of the Executive Secretariat

Enclosure



THE WHITE HOUSE
WASHINGTON

2/4/00
DATE

MEMORANDUM

FOR: NRC - 2

FROM: HELEN S. CASTLEMAN *H.S.C.*
DIRECTOR, OFFICE OF AGENCY LIAISON

SUBJECT: REFERRAL OF WHITE HOUSE BULK MAIL

Thank you for your continued hard work in ensuring responses to the Presidential letters and inquiries forwarded to your agency. The volume of mail that the President and Mrs. Clinton receive still remains unprecedented.

Please return any misreferrals to me at the following address:

Mrs. Helen S. Castleman
Director, Office of Agency Liaison
Room 6, OEOB
The White House
Washington, D.C. 20502

If you have any questions, please do not hesitate to call me at 202/456-7486.

Thank you very much.