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PETITION RULE PRM 30-63  
(65FR40548)

April 20, 2000

Honorable Richard A. Meserve  
Chairman  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

**RE: NRDC 10 CFR § 2.206 Petition for Rulemaking to Prevent Licensees from Making Illegal Payments to Regulators**

Dear Chairman Meserve:

As Director of the Nuclear Program at the Natural Resources Defense Council ("NRDC"), I was shocked to receive the short, opaque letter recently sent to Mr. Khosrow B. Semnani by Richard W. Borchardt, Director, Office of Enforcement, concluding that the Nuclear Regulatory Commission ("NRC") will take no further action on its Demand for Information dated July 12, 1999 (EA 99-180). Despite Mr. Semnani's unlawful actions, and failure to apprise Federal or State officials of potentially criminal activities of a regulator, the Commission is apparently satisfied with mere assurances from Mr. Semnani that he will act with the "candor and integrity" that is required of NRC licensees.

Needless to say, this does little to quell NRDC's concerns about safeguarding the nuclear regulatory process to prevent this type of action from recurring. From NRDC's perspective, the only reasonable position would have been to have barred Mr. Semnani for life from any further NRC-licensed activities following his admitted participation in a blatantly corrupt scheme with the top nuclear regulatory official in Utah. Moreover, after the protracted process the NRC has instituted, the least it could have done is provide a fully reasoned justification for its decision to permit Mr. Semnani to return to running Envirocare.

NRDC remains concerned that reinstating Mr. Semnani establishes an extremely dangerous precedent from a regulatory perspective. With this in mind, pursuant to 10 CFR §2.206, NRDC petitions the NRC to promulgate the following NRC regulation (hereafter the "Semnani Rule"):

**No licensee shall be issued to, or retained by, any person who, or any organization whose principal owner, officer, or senior manager, has engaged in, or has knowledge or evidence pertaining to, but fails to promptly report that knowledge or evidence to the NRC, bribery of, or extortion by, any Federal, State or other regulatory official involved in the review or approval of, or continuing oversight over, the license activities, or license applications;**

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**or any person who, or any organization whose principal owner, officer, or senior manager, has acted in any manner that flagrantly undermines the integrity of the regulatory process of the NRC or that of an Agreement State.**

Thank you for your attention to this matter.

Sincerely,



Thomas B. Cochran, Ph.D.  
Director, Nuclear Program  
Wade Greene Chair for Nuclear Policy

cc: Greta J. Dicus, NRC Commissioner  
Nils J. Diaz, NRC Commissioner  
Edward J. McGaffigan, Jr., NRC Commissioner  
Jeffrey S. Merrifield, NRC Commissioner  
Richard W. Borchardt, NRC Office of Enforcement  
Secretary Richardson, DOE  
Assistant Secretary Huntoon, DOE