

**QUALITY  
TECHNOLOGY  
COMPANY**

P.O. BOX 600

Sweetwater, TN 37874

(615)365-4414

50-390

February 24, 1986  
ERT:QTC.86.2137

Re: 1) QTC Letter LK:QTC86-406  
2) TVA Letter to QTC Dated February 21, 1986 (Attached)

Mr. Harold R. Denton, Director  
Office of Nuclear Reactor Regulation  
U. S. Nuclear Regulatory Commission  
Washington, D. C.

Subject: QTC Position Response to NRC Letter Dated February 21, 1986  
Regarding Order I Issued to TVA

Dear Mr. Denton:

We are in receipt of the subject letter defining the NRC NRR reply to the QTC letter, reference 1 and agree that a hearing is not required.

As is indicated in the TVA letter reference 2, TVA and QTC have reached basic contractual agreement on the issue of QTC's retention of the files (see items 1 through 3 of reference 2). Also, in accordance with reference 2, item 4, QTC, is by process of this letter, informing the NRC of this agreement.

TVA and QTC are in the process of finalizing the contractual arrangement whereby QTC will remove, store and maintain access to the original files, once QTC personnel have left the WBNP.

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We appreciate the NRC's involvement in assisting QTC in maintaining the integrity and confidentiality of the Employee Response Team concerns files.

Sincerely,

QUALITY TECHNOLOGY COMPANY



Owen L. Thero  
Program Manager  
EMPLOYEE RESPONSE TEAM

OLT/dln

Enclosures

cc: NRC Letter Regarding Order I Issued to TVA  
to; Mr. R. D. Denise  
TVA  
6N 40A Lookout Place  
Chattanooga, TN 37401

FEB 24 1986

TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401

6N 40A Lookout Place

February 21, 1986

Mr. Owen L. Thero  
Program Manager  
Quality Technology Company  
P.O. Box 600  
Sweetwater, Tennessee 37874

Dear Mr. Thero:

On January 30, 1986, Harold R. Denton of the U.S. Nuclear Regulatory Commission (NRC) issued an order to the Tennessee Valley Authority (TVA) requiring, among other things, the preservation of the integrity of the original records of TVA employee concerns obtained by QTC, prohibition against removal of these records from TVA controlled property, and NRC access to the original records for inspection and copying. Mr. C. Mason's letter of January 31, 1986, directed QTC to comply with the requirements of the order.

A copy of the NRC order was also provided to QTC by letter from Harold R. Denton to William S. Schum dated January 30, 1986. Mr. Denton expressed the expectation that QTC would cooperate with TVA in complying with the order. This is also TVA's expectation, and you are requested to continue to fully comply with the order.

By letter dated February 4, 1986, W. Scott Schum stated that QTC will assist TVA in fully complying with the order, noted that QTC has no objection to retention of the records on TVA property as long as QTC employees are on site to protect the integrity and confidentiality of the records, but also noted that in the event QTC employees are no longer on TVA controlled property the records shall be removed to another site. QTC then requested a hearing on the order to seek amendment which would resolve the QTC concerns.

In discussions between O. L. Thero (QTC) and R. P. Denise (TVA), most recently on February 20, 1986, it was agreed that QTC and TVA would resolve any matters related to QTC retention of the records on TVA controlled property. The agreement reached, and hereby confirmed, is as follows.

1. TVA and QTC mutually agree that the fundamental intent of both parties is to protect the integrity and confidentiality of the subject records, and that this is to be achieved by QTC employees on the TVA controlled property as long as the records are on TVA controlled property.

2.

Mr. Owen L. Thero

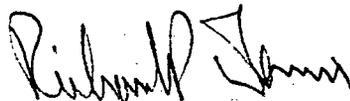
February 21, 1986

2. QTC will continue to maintain control of the subject records on TVA controlled property while the current contract, as supplemented, is in effect.
3. If the NRC requires access to the subject records on TVA controlled property subsequent to completion of work under the current contract, as supplemented, TVA and QTC mutually agree to further supplement the current contract to provide for a QTC employee on the TVA controlled property to protect the integrity and confidentiality of the subject records, while also providing NRC access. It is mutually anticipated that this function, if eventually required, would be fulfilled by a single clerical employee working a non-overtime week at the current rate of reimbursement to QTC by TVA.
4. Based on items 1-3, above, TVA and QTC agree that the concerns expressed by QTC in the February 4, 1986 QTC letter to the NRC (LK:QTC86-406) have been fully resolved and satisfied. QTC, therefore, agrees to promptly notify the NRC that their concerns have been satisfied, and that the QTC request for a hearing on the NRC order is withdrawn.

We appreciate your continued cooperation on this matter. Please promptly notify the NRC of your withdrawal of the request for a hearing on the order and provide a copy of this correspondence to me.

Very truly yours,

TENNESSEE VALLEY AUTHORITY



Richard P. Denise  
Program Manager