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OF THE
COMMITTEE ON ENERGY AND COMMERCE
WASHINGTON, D.C. 20515

February 4, 1982

W. MICHAEL MCCABE
STAFF DIRECTORThe Honorable Nunzio Palladino
Chairman
Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Chairman:

It is my understanding that the Commission will make a determination at tomorrow's meeting on the necessity of enforcement action against Pacific Gas and Electric Company (PG&E), owners of the Diablo Canyon Nuclear Power Plant. Action is under consideration due to certain possibly misleading statements made by PG&E employees and contractors at a November-3, 1981 meeting with the NRC staff. Any action taken would presumably be based on the findings contained in the Inspection Report of "Preliminary Report, Seismic Reverification Program" (NUREG-0862). This document was presented to the Commission on January 18, 1982 and released to the public on January 27, 1982.

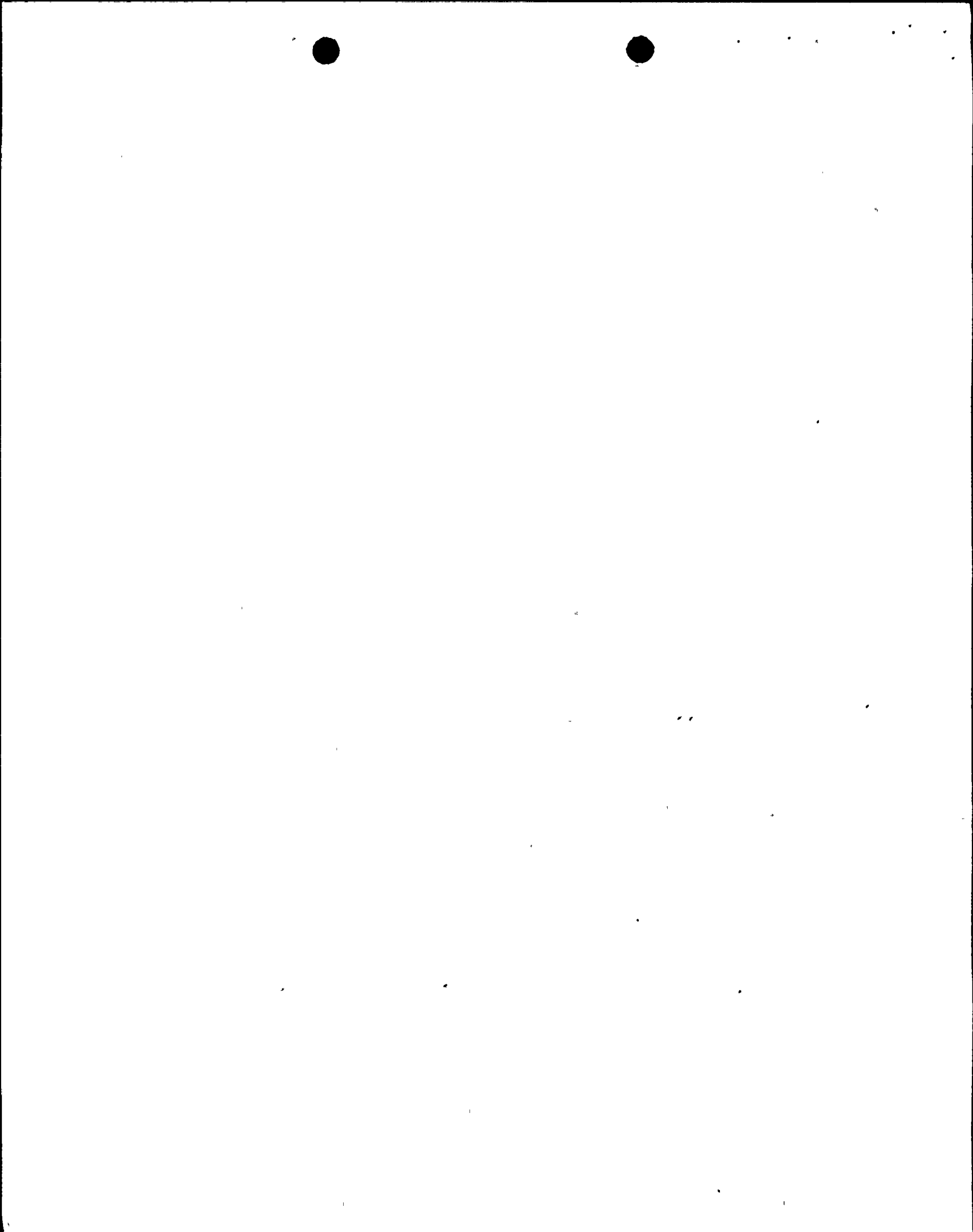
A brief review of this document by my staff disclosed inconsistencies which were not addressed in the report. For example:

- (1) Statements of Mr. Donald A. Brand, Vice President, PG&E, Engineering, Mr. James V. Rocca, Chief Mechanical and Nuclear Engineer, PG&E, and Dr. Robert L. Cloud, President, R.L. Cloud and Associates, in the transcripts indicate that Dr. Cloud led the NRC to believe that he was solely responsible for the scope of the audit, that it was solely his product. According to PG&E personnel to whom Dr. Cloud reported, PG&E had contributed substantially to the development of the reverification program. See transcript pages 162, 163, 338, and 339.
- (2) As summarized by NRC staff, Dr. Cloud "stated he considered the draft reports as working papers...to make sure whether or not he had any of his facts wrong...that he did not even consider these documents in the nature of a draft." (page 12) Dr. Cloud's interviewer did not request him to reconcile this statement with the cover letter to the working papers, signed by Dr. Cloud, which read, "Enclosed please find "A Preliminary Report on the Design Interface Review of the Seismic Reverification Program." The enclosed working papers were labeled "draft copy."

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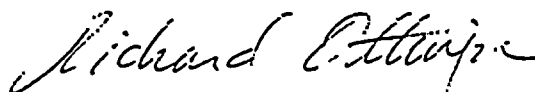
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These examples raise questions as to the adequacy of the inspection report and the completeness of the information upon which the Commission will make a determination of the necessity of enforcement action. Accordingly, I urge the Commission to confine its actions tomorrow to the consideration of the adequacy of both phases of the inspection report. This action is requested lest a more thorough review reveal additional discrepancies which would further undermine public confidence in the Commission's ability not only to detect errors, but also to discourage their repetition.

Sincerely,



Richard L. Ottinger
Chairman

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