



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

May 16, 1979

Mr. Charles O. Miller  
7722 Bridle Path Lane  
McLean, Virginia 22101

Dear Mr. Miller:

LETTER CONTRACT NO. NRC-17-79-452

1. Pending negotiation of formal Contract No. NRC-17-79-452 and contingent upon your acceptance of the terms and conditions of this letter as provided below, the contractor is authorized and directed effective May 16, 1979 to serve as a member of a Special Inquiry Team to investigate and report on the accident which took place at the Three Mile Island Nuclear Station No. 2 beginning on March 28, 1979, in accordance with the Scope of Work as delineated in Attachment I to this Letter Contract.
2. In performance of the contract work, the Contractor is authorized to incur costs and commitments not to exceed \$15,000.00 to cover estimated costs of performance.
3. Pending negotiation of a definitive contract, the applicable terms and conditions of this Letter Contract with the Commission shall be those delineated in Attachment II. It is anticipated that the said definitive contract will provide for compensation to the Contractor on a labor/hour basis. In addition, it is agreed that in the event that a definitive contract cannot be agreed upon between the parties, the Contractor will be reimbursed for his actual costs in accordance with the cost principles in FPR 1-15.2 in effect on the date of this Letter Contract.
4. In the event that said definitive contract is not executed by the parties by July 15, 1979 (or by any subsequent date mutually agreed upon in writing) this Letter Contract will expire on the stated date, as the case may be.
5. For your information, the Commission contacts for this contract are as follows:


Contracting Officer's Authorized Representative: Dr. E. K. Cornell,  
Deputy Executive Director for Operations, (301) 492-7561  
Financial: Anthony Puglise, Director, Division of Accounting (301) 492-7535

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Your acceptance of the above arrangements is requested by your acknowledgement and return of four (4) copies of this letter at your earliest convenience.

Sincerely,

  
Daniel J. Donoghue, Director  
Office of Administration

ACCEPTED:

Charles O. Miller

BY: Charles O. Miller

TITLE: CONSULTANT

DATE: 16 MAY 1979

Attachments:  
As stated

## STATEMENT OF WORK

Background

The Nuclear Regulatory Commission has instituted a Special Inquiry to review and report on the accident which took place at the Three Mile Island Nuclear Station No. 2 beginning on March 28, 1979. The primary objective of the inquiry will be to make factual determinations concerning the actual events which occurred and their causes, and the actions of utility and Commission personnel before and during the accident. The inquiry will also identify areas of deficiency revealed by the accident and areas in which further investigation is warranted.

The Special Inquiry represents the initial phase of the Commission's evaluation of the accident and its implications. It is not intended to duplicate the efforts of the President's Commission on the Accident at Three Mile Island. It is designated instead so that the Nuclear Regulatory Commission, in order to fulfill its own regulatory responsibilities, will have the fullest possible understanding of the events at Three Mile Island, both from the technical standpoint and from the standpoint of how its regulatory processes functioned. The purpose of that evaluation is to permit the Commission to take whatever further steps may be necessary to prevent any similar accidents in the future, and to improve the NRC's ability to respond to accidents.

The Contractor shall serve as an expert consultant to the Commission in the conduct of this inquiry. In this capacity, the Contractor shall

pursue the areas of inquiry outlined below and shall be assisted in this effort by approximately three other members of the Special Inquiry team, and a staff of approximately 25 persons to be selected by the Special Inquiry team. The areas which the Special Inquiry will examine include, but are not limited to the following:

1. the sequence of events during the accident, both what was happening to the reactor and the response of the operating personnel; events at the plant before the accident that might be related to the accident; the operating history of the plant.
2. the history of the NRC review of the utility's application for a license to operate Three Mile Island No. 2; the inspection history at TMI-2; the operating and inspection histories of other Babcock & Wilcox plants, focused on any indications of the types of problems that arose in the TMI-2 accident.
3. emergency response plans for TMI-2 and their review by NRC;
4. TMI-2 operations, including training and qualifications of personnel, operating procedures and management overview; NRC license conditions on TMI-2 operations, including technical specifications; technical support to operating personnel and management.
5. emergency response to the TMI-2 accident by NRC, including staff and Commissioners, on site and at Headquarters; NRC coordination with Federal, state, and local officials, the

utility, industry sources, and the national laboratories: NRC management of the accident situation, including assessment and dissemination of information; communications and chain of command within NRC.

6. the sensitivity of Babcock & Wilcox plants to accidents; unique features of TMI-2 that may have increased or decreased the severity of the accident; other design effects related to the TMI-2 accident.
7. emergency response to the TMI-2 accident by the utility, including coordination with NRC and other Federal, state and local officials, and assessment and dissemination of information.
8. implications of the accident at TMI-2 (including design of the facility, operations, regulatory actions, emergency preparedness) for other licensed nuclear power plants.

The Contractor shall provide periodic interim reports to the Commission. These reports will also be available to the public. The Commission expects that the Contractor will adhere to the scope of inquiry outlined in this scope of work. If the Contractor determines that other matters, beyond the scope of the inquiry as outlined herein, require further examination, he shall so advise the Commission.

The Contractor shall have the further responsibility of cooperating with the President's Commission on the Accident at Three Mile Island and with such other investigations as may be instituted by committees of the

Congress. In order to assure the independence and integrity of the inquiry, the Contractor shall maintain records of all discussions with all persons, including Nuclear Regulatory Commission personnel, bearing on the subject matter of the inquiry or the inquiry itself.