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July 18, 1978

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The Honorable
 Joseph Hendrie, Chairman
 Nuclear Regulatory Commission
 Washington, D.C. 20555

SUBJECT: Staff Review of threat lists
 compiled by J.H. Conran

Dear Dr. Hendrie:

In the June 9 Weekly Information Report (Enclosure M), a memorandum from you is quoted as follows:

" . . . The Staff should develop, for Commission consideration, a general statement concerning the conclusions that can be made about theft and diversion of significant amounts of strategic SNM, based on the above."

"With regard to Recommendation 4., the Commission wishes the staff to identify instances of alleged successful thefts or diversions of strategic special nuclear material. The list in such instances should include, to the extent possible, those mentioned by Mr. Conran in his July 29, 1977, testimony."

A draft response to this directive from Clifford V. Smith is being circulated for comment by the NMSS staff under a June 13 cover memorandum from Justin T. Long. I wish to call your attention to several problems concerning this staff analysis.

First, the majority of the threat relevant information prepared by Mr. Conran in conjunction with his Overview Study is being ignored by this NMSS Staff review, although these additional incidences are surely known to the NMSS Staff. These additional threat data are identified in a November 30, 1977, memorandum from J.H. Conran to William E. Forehand. See specifically, Enclosure 1, Item III.A.f. on pp. 8-9, and Enclosure 2, Items 2 a.) and b.). I also refer you to threat data described by Mr. Conran in the

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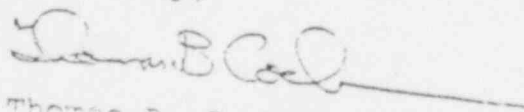
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July 29, 1977 Oversight Hearing before the House Subcommittee on Energy and the Environment, particularly paragraph 5 a) on p. 240. These incidents, including an armed attack on non-licensed weapon material transportation operation and the theft of a non-licensed weapon shipment, are not covered by the NMSS Staff review.

Second, several of the "Comment" sections of Enclosure 2 of the DRAFT Memorandum from Smith to the Commissioners (Enclosure 2 is the Staff's analysis of the threat lists from Conran's Overview Study) read as though the author(s) was trying to do a hatchet job on Conran, c.f. Comments on Conran's Appendix J, Statements #3, #17, and #27. Being an NMSS draft document this comes as no surprise. Apparently the author(s) have missed completely Mr. Conran's purpose in compiling these lists.

Finally, having requested these threat lists (Attachment A and Appendix J to Conran's Overview Study) from the NRC under the Freedom of Information Act (FOIA), (see Roisman - FOIA 77-170 and Cochran FOIA 77-294), in 1977, I am appalled to see that the NMSS Staff has a major study of these lists underway, and is circulating for review an unclassified document containing these lists, while at the same time the Commission is denying them to me under the pretext that they are undergoing classification review. As Mr. Grimsley, of your FOIA office, can tell you, I have made repeated inquiries over the last six months as to when these lists (including the lists not being reviewed by the NMSS staff) would be made available. I urge you to find out why the FOIA process is not working in this regard and would appreciate hearing from you on this matter.

Sincerely,



Thomas B. Cochran

cc: Commissioner Gilinsky
Commissioner Bradford
Commissioner Kennedy
Clifford V. Smith

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