

BUNKER RAMO CORPORATION

900 Commerce Drive • Oak Brook, Illinois 60521

Herman R. Staudt  
Vice President  
312/986-3710

May 9, 1979

Honorable Joseph Hendrie  
Chairman  
Nuclear Regulatory Commission  
1717 H Street, NW  
Washington, DC 20555

Dear Mr. Hendrie:

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RAMO

Having served in Washington as Under-Secretary of the Army from 1973-5, I can sympathize with some of the challenges you and your colleagues face being at the interface of government and private industry actions in this particular time period in our nation's history -- a period of much expert criticism but little constructive help or suggestion.

The enclosed article suggested an idea to me that I'd like to offer for your consideration.

In the free enterprise system a man's education, experience, and responsibilities are most often directly related to his compensation. However, when a company deals with or is regulated by the government, the salaries and fringe benefits of key people are often influenced by the government employee's view of what is "fair" versus "unreasonable" and usually has a tendency to serve as a "brake" rather than as a "motivator" to higher pay for higher performance.

The typical approach by government in the past to "checking up" on industry has been to put a separate and redundant government civil service team of auditors,

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inspectors, safety people, quality control people, etc., etc., side by side with the equivalent industry people, hoping that two sets of people would significantly increase the quality of performance being measured (a principle that has some doubt attached to it in my mind).

An examination of the skill level, training, experience and pay levels I believe would disclose that neither of these groups contained the best talent available at that location. Typically the industry management, technical or production people would be of higher caliber than the rest and hence rewarded accordingly.

The NRC has a unique responsibility to the public to insure that safety, integrity, technical competency and the authority to act promptly and according to the public's primary interest are vested in a person or team located at each of several hundred sites on a 24 hour a day, 7 day per week basis -- regardless of cost, profit impact, service outage and all of the factors that utilities are typically measured by.

I would recommend that you consider a proposal wherein a new position(s) be created jointly by the power companies and the NRC which has:

- a. A Job Description outlining the professional requirements, education and experience required of any incumbent. This description to be drawn up by industry and approved by NRC.
- b. A pay scale consistent with the responsibility of the position (which could well turn out to be equal to or higher than the salary of any other position at the site).

Fifty percent of the salary to be paid by the company, 50% by the Government (and the ceiling to bear no relation whatsoever to what a member of Congress is paid).

c. All individuals to be considered for these posts are to be recommended by industry and interviewed, examined and concurred in by the Government and thence certified as acceptable to both sponsors for 12 month periods after which they must be recertified. (In essence they would serve at the pleasure of both Government and industry.)

d. Periodic (weekly, monthly, quarterly) progress/operating reports would be prepared and issued by this individual and the identical report transmitted simultaneously to Government and industry.

e. All holders of these positions will receive a comprehensive oral and written group appraisal every three months by an auditing team made up of an equal number of members from both Government and industry, the output of which will be the primary consideration as to the retention and continuing recertification of the individual involved.

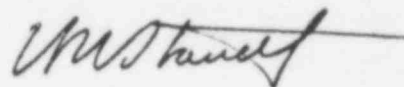
f. An ombudsman should be appointed who reports directly and only to the Chairman of NRC and to a single industry counterpart who could bring abuses or problems being encountered by these safety experts directly to your attention and is charged with representing these individuals and their views in exchanges with you.

As you probably realize more than most, one tragic result of the Three Island accident has been the further erosion of the public in the competence and integrity of both the government and industry participants in an area that they don't fully comprehend, in which they must trust to

others to act for and on their behalf.

Perhaps something along the lines outlined could help in this situation.

Respectfully yours,



HRS:mb  
Enclosure

*World-Wide*  
Wall St Journal 4/30  
REACTOR OPERATORS may need tougher training, the head of the NRC said. Joseph Hendrie, chairman of the Nuclear Regulatory Commission, made the remarks before a presidential panel as it opened its investigation of the Three Mile Island accident. He said the incident indicated that there aren't adequate safeguards that nuclear reactor operators are properly trained.

He was also critical of his own agency's inability to get immediate information from inside the crippled reactor. That is "one of the urgent questions we have to deal with," he told the panel.

Promising a "sweeping investigation," Hendrie said the NRC has a responsibility to find out why its licensing procedures "failed to prevent the Three Mile Island accident."

Separately, the NRC again delayed a vote on whether to close down four nuclear plants designed by Babcock & Wilcox, which also provided the Three Mile Island unit. The closings are being urged by the agency's three top aides. The issue has put the five commissioners under intense pressure, with utilities warning that the closings could cause power shortages.

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