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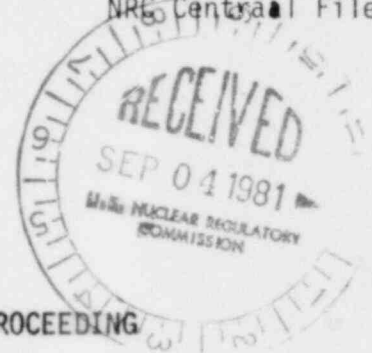
September 1, 1981

Memorandum for: Harold R. Denton, Director
 Office of Nuclear Reactor Regulation

Victor Stello, Jr., Director
 Office of Inspection & Enforcement

From: Howard K. Shapar
 Executive Legal Director

Subject: LICENSING BOARD DECISION IN TMI-1 RESTART PROCEEDING



On August 27, 1981, the Licensing Board in the TMI-1 Restart proceeding issued a Partial Initial Decision on Procedural Background and Management Issues. The decision in many instances tracks the proposed findings of fact and conclusions of law filed by the Staff and in general concludes that the licensee has demonstrated its managerial capability and technical resources to operate TMI-1.

Specifically, the Board concluded that the short and long-term actions recommended by the Staff and set out in the Commission's August 9, 1979 Order related to management competence are necessary and sufficient. In arriving at this conclusion, the Board examined the Staff and Licensee testimony addressing the Licensee's command and administrative structure at the corporate and plant levels, the adequacy of groups providing safety review and operational advice, the management and technical capability and training of operations staff, the adequacy of the operational Quality Assurance program and the facility procedures, the relationship between the financial and technical organizations, and the capability of important support organizations such as Health Physics, Radwaste, and Plant Maintenance.

The Board included certain License conditions, should TMI-1 subsequently be authorized to restart. The Staff had previously reviewed the substance of most of these conditions when they were proposed jointly by the Licensee and the Commonwealth of Pennsylvania and did not object to them at that time. Some conditions would require action on the part of the Staff, such as the evaluation of certain Licensee operator examinations, and the administration of NRC examinations at the B & W simulator to previously unlicensed operator candidates. The Staff indicated at the hearing that it had agreed to perform these functions. In addition, the Board required the Licensee, prior to restart, to demonstrate to the NRC that it has accomplished specific tasks. The Staff, in turn, is directed to certify to the Commission whether the licensee has complied with these conditions. Although the Staff is still reviewing these requirements, it is unlikely that it will have any objection to inspecting against the requirements and reporting its conclusions to the Commission.

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As you are aware, the Board previously issued an Order on August 20, 1981 in which it indicated that it would proceed with the issuance of the PID, but retain jurisdiction over the cheating incident. In that Order, the Board requested the parties to comment on the need for further action in the proceeding with respect to the cheating incident, including the possibility of reopening the proceeding.



Howard K. Shapar
Executive Legal Director

cc:
W. Dircks