

F. K. Pittman, Deputy Director
Division of Civilian Application

July 19, 1956

D. J. Pflaum

DIVISION OF INSPECTION REPORT OF MARCH 8, 1956, ON
WESTINGHOUSE ELECTRIC CORPORATION

We have reviewed the subject report and offer the following comments.

It is evident that the civilian application program cannot take maximum advantage of the non-military technology being developed, if the Pittsburgh Area Office Manager's policy of preventing an influx of Access Permittees continues. Offering the PWR forums as a basis for turning down visits is not in accord with our ideas. We have refrained from endorsing these meetings, because they have not been open to all Access Permittees (reference memo of November 17, 1955, from H. L. Price to W. K. Davis). From our point of view this is the most significant part of the report.

In view of what we have learned from our visits to several sites we are not surprised that the Manager of Chicago Operations Office would find that it is desirable to survey the relationship between Westinghouse as AEC contractor and Westinghouse as a commercial enterprise. We find that many of the problems identified here are also present elsewhere in AEC. Basically we feel the problems raised are such that the Division of Reactor Development, Chicago Operations Office, and Pittsburgh Area Office are in a position to deal with as contract administrators. We therefore recommend that this Division not take any action solely as a result of this report.

Our reasons are:

(a) The contract with Westinghouse allows for "casual assistance." This is precisely the reason AEC employs corporations like Westinghouse. They have a tremendous store of information and technology which can be brought to bear on our problems. To limit intra-company contacts further would render the AEC contract program more difficult to carry out and would not really assist the civilian application program. One of the goals of the Access Permit program is to encourage contacts between Access Permittees and contractors in this "casual assistance" manner. The contract administrators and contractors need to be educated in their responsibilities to the civilian application program.

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(b) There is no evidence that Westinghouse is discriminating against outside visitors to Bettis for any reason other than the insistence by AEC and the Navy that the contract program be given overwhelming priority. During our recent visit to KAPL we noted a similar tendency by the AEC and Navy to discourage and closely control visits in order to avoid interference with the program work. In the absence of a high priority for the civilian application program equal to that of the military program we can find no basis for taking issue with the contract administrators in this matter.

(c) The interpretation and practices by AEC offices of the policy for use of facilities varies widely. For example, we found a reluctance on the part of SGO to authorize any assistance to GE commercial activities. Evidently SGO and PAO are leaning in opposite directions. Guide-lines are difficult to lay down, but we believe that assistance to contractors in their commercial activities should be justified by

1. the same services are available to other Access Permittees, or
2. the service is urgently needed to facilitate a military program requirement.

In summary, we feel that the Division of Civilian Application should not agree that Permittees who are AEC contractors are receiving preferential treatment over other Permittees and that therefore, the relationship between the commercial side and the contract side must be stringently limited and formalized. Rather we should strive to promote the "casual assistance" relationship between all Access Permittees and all AEC contractors.

CC: C. G. Manly; E. Lanke

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