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DEC 30 1982

Docket No. 50-358

Government Accountability Project
ATTN: Thomas Devine, Esq.
Institute for Policy Studies
1901 Que Street, N.W.
Washington, D.C. 20009

Dear Mr. Devine:

This is in response to your letter to me of December 21, 1982 regarding the November 24, 1982 Memorandum for Region III Files prepared by Stephen H. Lewis, Region III Counsel, on the November 17, 1982 meetings between Region III and Cincinnati Gas and Electric Company (CG&E) and among Region III, CG&E and the Ann Arbor Power Division of the Bechtel Power Corporation (Bechtel). Your letter requests an explanation of how you were "so severely misled" by Mr. A. Bert Davis, Deputy Regional Administrator, about the matters that would be covered in the November 17 meeting.

Mr. Davis had advised you in telephone conversations that the purpose of the meeting with CG&E was to explain the Commission's November 12, 1982 order and to provide technical clarifications, as necessary. The NRC staff felt that such a meeting was important in order to assure that CG&E fully understood the significance of the order, the rationale behind it and the matters that should be addressed in its plans for implementing the order.

An afternoon meeting among CG&E, Bechtel, and Region III was also scheduled, since CG&E had advised the Commission by letter dated November 10, 1982 that it had arranged for Bechtel to "become a joint manager with CG&E (licensee)

of the project until its successful completion." In that letter, CG&E had stated that Bechtel would make "an initial assessment of the project which will take approximately three weeks, during which Bechtel senior people will assess the project's problems and design an approach and staffing plan for resolving the problems and completing the project." The purpose of Bechtel's inclusion in the afternoon meeting was for the staff to gain an understanding of Bechtel's proposed role and how that role fit into the requirements of the order and to impress upon Bechtel and CG&E the "competence" and "independence" standards which Bechtel would have to meet in order to be approved as an independent reviewer of CG&E's management of Zimmer under Section IV.B(1) of the Commission order. The staff specifically wanted Bechtel and CG&E to understand that their submittal would have to address whether deficiencies which the NRC staff has identified with Bechtel's performance at Midland argue against a finding of their capability to assess effectively CG&E's management.

I believe that Mr. Davis' statements as to the purpose and scope of the meeting were consistent with what was covered at the meeting, as reflected in the Memorandum and the above discussion. I cannot, therefore, agree with your assertion that you were misled by Mr. Davis as to the purpose or scope of the November 17, 1982 meeting.

You also question whether Bechtel's statement that

If...[Bechtel] is retained to assist CG&E in management of construction of the facility, ... [it] would normally expect to discuss its findings with CG&E before bringing them to NRC's attention. (Memorandum at 4) indicated an inconsistency with the above-cited provision of the Commission's order. The staff understood Bechtel to be referring to its role as "joint manager" of the project, rather than its role as independent reviewer of CG&E's management, and did not offer any comment at the meeting in response to Bechtel's statement. In any event, under the Commission's order any recommendations or other correspondence between the independent management reviewer and CG&E would have to be provided simultaneously to the NRC staff. We view the Order to be applicable to written and not oral exchanges between CG&E and the independent reviewer(s).

In summary, I disagree with your assertion or implication that there was anything improper about the November 17, 1982 meeting. Although it is apparently GAP's opinion that the meeting should have been open to the public, I believe that circumstances will justify at certain times, and did justify in this case, the holding of closed enforcement meetings between the NRC, staff and a licensee.

The NRC staff does plan to offer opportunity for public comment on the critical CG&E submittals under the November 12, 1982 order and to entertain questions from the public following meetings among CG&E, the independent reviewer(s), and the staff (see Zimmer Plan of Action, attached to my December 22, 1982 letter to you and others). I believe that these procedures will offer adequate opportunity for public comment on CG&E's submittals.

Sincerely,

Original signed by
James G. Keppler

James G. Keppler
Regional Administrator

cc w/ltr dtd 12/21/82:

- E. A. Borgmann, Senior Vice
President, Engineering Services
and Electric Production
- J. R. Schott, Plant Superintendent
- J. D. Flynn, Manager, Licensing
Environmental Affairs Department
- DMB/Document Control Desk (RIDS)
- Resident Inspector, RIII
- Harold W. Kohn, Power Siting
Commission
- Citizens Against a Radioactive
Environment
- Helen W. Evans, State of Ohio
- Robert M. Quillin, Ohio
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- Thomas Applegate
- Dave Martin, Office of
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- Mark Wetterhahn, Esq.
- Jerome A. Vennemann, Esq.
- Gretchen Hummel, Ohio
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- James R. Williams, State
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- bcc w/ltr dtd 12/21/82:
- Chairman Nunzio J. Palladino
- Commissioner V. Gilinsky
- Commissioner J. Ahearne
- Commissioner T. Roberts
- Commissioner J. Asselstine
- W. B. Dircks, EDO
- H. R. Denton, NRR
- R. C. DeYoung, IE
- G. Cunningham, ELD

RIII
JGK for SHL
Levis/sv
12/30/82

RIII
RFW
Warnick
12/30

RIII
JGK for ABD
Davis

RIII
JGK
Keppler