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OCT 31 1983

MEMORANDUM FOR: T. A. Rehm, Assistant for Operations, Office of the
Executive Director for Operations
FROM: James G. Keppler, Regional Administrator
SUBJECT: RESPONSE TO LETTER FROM GAP, EDO NO. 13676

Region III's proposed response to Billie Garde's letter of October 14, 1983, to me is enclosed. It was electronically transmitted to your office on October 31, 1983.

Although the control ticket indicates that the response should be prepared for your signature, I would like the opportunity to respond over my signature because the comments appear to be directed largely at RIII actions.

If you have any questions please let us know.

*Original signed by
James G. Keppler*

James G. Keppler
Regional Administrator

Enclosure: As stated

RIII
RFW
Warnick/lr
10/26/83
LKZ
Lewis
10/31/83
Davis
Keppler

Docket No. 50-329

DRAFT

Docket No. 50-330

Government Accountability Project

Institute for Policy Studies

ATTN: Ms. Billie Pirner Garde

Director, Citizens for

Accountable Government

1901 Que Street, N.W.

Washington, DC 20009

Dear Ms. Garde:

This is in response to your letter to me of October 14, 1983 regarding NRC Region III's September 29, 1983 approval of Stone and Webster ("S&W") to conduct the third-party Construction Implementation Overview ("CIO") of Consumer Power Company's ("CPCo") Construction Completion Program. The views expressed in your letter have been previously expressed to the NRC staff and while we understand your position, we do not agree with it. The bases for our findings that S&W and the particular individuals assigned to the CIO are competent to conduct the third-party overview and have sufficient independence of CPCo so that there is no actual or apparent conflict of interest are set forth in our approval letter and enclosed analysis.

We respectfully disagree with your view that we "did not include a scintilla of public participation" (letter, page 1) in the process of approval of S&W to conduct the CIO. We believe that we provided ample opportunity for public comment on S&W's qualifications to conduct the CIO. A listing of meetings held on this subject at which public comments were invited and of discussions held between the NRC staff and intervenors in the Midland proceeding is provided in the Director's Decision (DD-83-16) on your 10 CFR 2.206 request (page 17). Additionally, we note that Mr. Thomas Devine of your organization commented in a letter dated October 31, 1983 to me regarding the Zimmer facility that "[a]t Midland, Region III took a major step toward restoring the NRC's credibility with a public that had been misled for years" (page 11).

We believe that the provisions we made for public comment on the proposal to use S&W to conduct the CIO are consistent with Commission practice. We left it to CPCo to nominate a firm to conduct the CIO and confined our review to a determination of whether that nominee had the requisite competence and independence. This review process and its provisions for public comment are similar to the staff's Plan of Action on Zimmer, which met with Commission approval.

Your interest in the CIO is appreciated. The monthly meetings between S&W, CPCO and the staff to discuss the progress of the CIO will be open to public observation and should permit you to assess the adequacy of S&W's performance. Any comments you provide to us will be fully considered.

Sincerely,

James G. Keppler
Regional Administrator

cc w/ltr of 10/14/83 from Ms. Garde to

Mr. Keppler:

See attached distribution list

RIII

RIII

RIII

RIII

Warnick/lr

Lewis

Davis

Keppler

10/31/83

cc w/ltr of 10/14/83 from Ms. Garde
to Mr. Keppler:
DMB/Document Control Desk (RIDS)
Resident Inspector, RIII
The Honorable Charles Bechhoefer, ASLB
The Honorable Jerry Harbour, ASLB
The Honorable Frederick P. Cowan, ASLB
The Honorable Ralph S. Decker, ASLB
William Paton, ELD
Michael Miller
Ronald Callen, Michigan
Public Service Commission
Myron M. Cherry
Barbara Stamiris
Mary Sinclair
Werdell Marshall
Colonel Steve J. Gadler (P.E.)
Howard Levin (TERA)
Billie P. Garde, Government
Accountability Project
Lynne Bernabei, Government
Accountability Project
Stone and Webster Michigan, Inc.

bcc: T. A. Rehm, EDO
J. Stone, IE
D. Eisenhut, DOL
D. Hood, DOL
J. Lieberman, ELD