Clarnick

UNITED STATES
NUCLEAR REGULATORY COMMISSION

OFFICE OF PUBLIC AFFAIRS, REGION III
799 Roosevelt Road, Glen Ellyn, Illinois 60137

NEWS ANNOUNCEMENT: 82-13
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NOTE TO EDITORS AND NEWS DIRECTORS:

Attached for your use and information is a copy of NRC Chairman Palladino's Memorandum concerning the Commission's decision on the use of Bechtel Power Corporation at the Zimmer Nuclear Power Plant construction site.

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February 24, 1983

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON D. C. 20555

CHAIRMAN

February 18, 1983

MEMORANDUM FOR: William J. Dircks, Executive Director for Operations

FROM: Nunzio J. Palladino

SUBJECT: MANAGEMENT REVIEW OF ZIMMER PROJECT

The Commission has reviewed your memorandum of February 10, 1983 and a majority of the Commission (Commissioners Gilinsky, Ahearne and Asselstine) has voted that Bechtel is acceptable to do one of the management tasks for the Zimmer project but not both. Therefore, the staff should notify the licensee (CG&E) of the Commission's decision and request CG&E to submit a revised proposal in line with the attached comments of the Commission's majority. My separate views are attached. Commissioner Roberts supports the staff proposal.

Attachments:
As stated

cc: Commissioner Gilinsky
Commissioner Ahearne
Commissioner Roberts
Commissioner Asselstine
SECY
OGC
OPE
OIA
OCA
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NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

OFFICE OF THE
COMMISSIONER

SECRETARIAT RECORD COPY

February 17, 1983

MEMORANDUM FOR THE EXECUTIVE DIRECTOR FOR OPERATIONS

SUBJECT: ZIMMER INDEPENDENT MANAGEMENT REVIEW
EDO MEMORANDUM OF FEBRUARY 10, 1983

As I stated in my memorandum of January 13, 1983, I do not agree that Bechtel should be allowed to do the management review if they are also going to be the project manager.

Victor Gilinsky

cc: Chairman Palladino
Commissioner Ahearne
Commissioner Roberts
Commissioner Asselstine
SECY
OGC
OPE

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

OFFICE OF THE
COMMISSIONER

February 15, 1983

MEMORANDUM FOR: Executive Director for Operations

FROM: John Ahearne

SUBJECT: ZIMMER INDEPENDENT MANAGEMENT REVIEW

As I had argued in several Commission meetings, the choice of an "independent" reviewer for Zimmer management, to meet the requirement of the Commission's November 12, 1982 order, was a decision for NRC line management. Had line management made that decision, I was prepared to support the decision, regardless of its outcome, as being consistent with your delegated authority.

However, your February 10 memo makes clear you believe the Commission should be involved in that decision. Therefore, the following are my positions with regard to the proposals made in your memo:

(1) to have the project manager also perform a role requiring independence violates the spirit if not the letter of the NRC policy as outlined in the Dingell/Ottinger letter;

(2) to bring in a third party, also to be "independent"--I guess to be <u>really</u> independent--is senseless.

Therefore:

(3) Bechtel should be either the reviewer or the project manager, not both.

(4) If Bechtel is to be the project manager, then either another group should be chosen to be the independent reviewer of management or you should propose to modify the primary order (an appoach I would not agree with at this late date).

I reiterate--had line management decided to do what is proposed, I would <u>not</u> have objected. However, since the Commission was asked to endorse the proposal, the Commission has now become par of the line in this case.

cc: Chairman Palladino
Commissioner Gilinsky
Commissioner Roberts
Commissioner Asselstine
Secy
OGC
OPE
OCA

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

OFFICE OF THE
COMMISSIONER

February 17, 2983

MEMORANDUM FOR: William J. Dircks, Executive Director for Operations

FROM: James K. Asselstine

SUBJECT: ZIMMER INDEPENDENT MANAGEMENT REVIEW PLAN

After reviewing your February 10, 1983 memorandum and its attachments, I have concluded that I would not find Bechtel acceptable to perform both the management audit and the subsequent project management for the Zimmer plant. I would find Bechtel acceptable for either function but not for both, although my preference would be for an organization other than Bechtel to conduct the management review. I note that CG&E's submittals indicate that they believe Bechtel is best qualified to manage the project and that they intend to propose Bechtel as project manager even if another firm is chosen to conduct the management review. If an organization other than Bechtel is chosen to conduct the independent management review, I would be willing to permit CG&E to retain Bechtel as its consultant for the purpose of providing information, analysis and recommendations to the management review organization. Any such communications would be subject to the controls contained in the protocol attached to your memorandum.

cc: Chairman Palladino
Commissioner Gilinsky
Commissioner Ahearne
Commissioner Roberts

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

CHAIRMAN

February 18, 1983

MEMORANDUM FOR: Commissioner Gilinsky
Commissioner Ahearne
Commissioner Roberts
Commissioner Asselstine

FROM: Nunzio J. Palladino

SUBJECT: ZIMMER

I have reviewed the votes of the Commission majority. In this case I believe it is preferable for the management reviewer to also do the project management because the reviewer is in a better position to know the pitfalls to be avoided. Concerns related to possible lack of independence would appear to be overcome by the staff's proposal to have an independent reviewer for the Bechtel management review.

cc: SECY
OPE
OGC
OIA
EDO