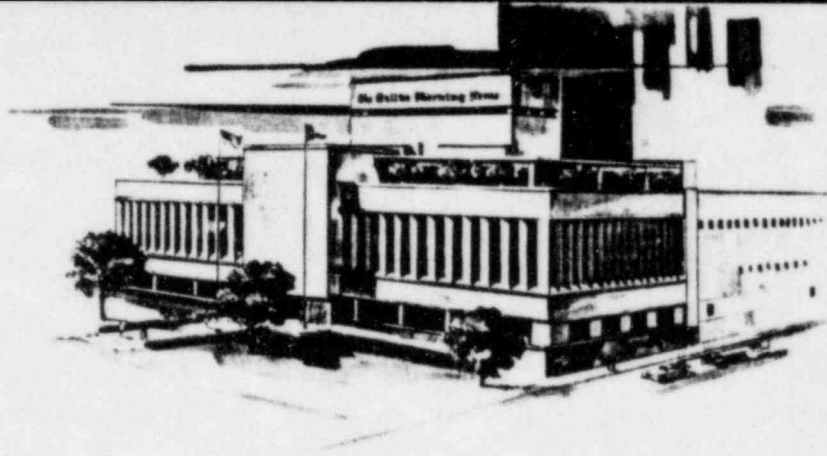


The Dallas Morning News

Jim Landers

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Mr. Robert Newlin
Office of Public Affairs
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

March 15, 1984

Dear Bob:

This letter confirms my request on behalf of The Dallas Morning News for copies of two reports prepared by the Office of Inspector and Auditor on the performance of Region IV staff in handling allegations concerning the Comanche Peak Steam Electric Station. I understand the reports were completed on Oct. 20, 1983.

I am also requesting copies of any written response to the reports prepared either by the commissioners or agency staff.

My thanks for your assistance in this matter.

Sincerely,

Jim Landers

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

JAN 03 1984

*For [unclear]
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By [unclear] M. GM
Rena MR*

MEMORANDUM FOR: Chairman Palladino

FROM: William J. Dircks
Executive Director for Operations

SUBJECT: OIA REPORT (1) COMANCHE PEAK - MARKEY LETTER RE:
REGION IV INVESTIGATIONS/INSPECTIONS AND (2) REVIEW OF
CONCERNS EXPRESSED BY CASE ABOUT CONDUCT OF RIV
INVESTIGATIONS/INSPECTIONS

By memo of November 16, 1983, you requested my comments on the reports, and my views on what actions might be necessary. My review leads me to the conclusions outlined below.

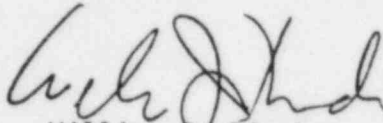
A. October 20, 1983 OIA Report "Comanche Peak - Markey Letter re: Region IV Investigations/Inspections."

1. I do not believe that Region IV should be criticized for failing to contact Dillingham initially. Not only did Region IV take the initiative to investigate allegations made in the press - as opposed to acting on an allegation brought directly to NRC's attention - but the region was aware that Mr. Dillingham had signed the B&R review of the same allegations in apparent agreement with those findings. Region IV as discussed in item 2 also reviewed the B&R and TUGCO findings. At that time (1982), in that situation, it appears to have been reasonable not to have contacted Mr. Dillingham directly despite his allegations to the press of a "cover up." Hindsight would have made that contact desirable, but would not likely have changed ultimate findings on the matter. Mr. Dillingham was furnished a copy of the final inspection report on June 15, 1983 with a request that he contact RIV if he had more to report. He did not take advantage of the offer.
2. RIV's investigation of the allegation took the form of a separate review of an investigation performed by B&R and TUGCO. OIA feels that this was not an adequate manner by which to address the issues. The Region IV review of the B&R and TUGCO findings was independent, careful and included cross-checking where necessary; i.e., it was not simply a matter of noting B&R findings. Again, with the advantage of hindsight, one could say that Region IV management should have recognized the need to give special attention to the matter and to go beyond a review of someone else's work. However, given the situation as it existed the actions of Region IV appear reasonable and correct.

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3. OIA further notes that RIV did conduct an independent investigation of three allegations made in the news article - these allegations were not covered in the B&R report, therefore an inspection was made. Two of these allegations were issues concerning which Mr. Dillingham had only second hand knowledge. Thus, the primary sources (Messerly & Whitt) were contacted. The third was sufficiently obvious that no further information was needed, and a notice of violation was in fact issued by RIV on this matter.
 4. In regard to the CASE letter (received via Congressman Markey's letter) which included an affidavit from Mr. Dillingham, no action had been taken, as OIA notes, because no new information was presented that had not been looked into otherwise.
- B. October 20, 1983 OIA Report "Review of Concerns Expressed by Citizens Association for Sound Energy About Conduct of Region IV Investigations/ Inspections.
1. OIA investigated the circumstances related to the issuance of two versions of Region IV Inspection Report 50-445/82-14. This report was revised after a licensee 50.55e letter had been received indicating that the licensee found a deficiency which a regional inspection had overlooked. The underlying cause appears to be inadequate followup by the regional inspector of the allegations on welds in pipe whip restraints. Had the original regional inspection been more thorough, the defective welds could have been identified. I intend to emphasize the need for thorough inspections of alleged deficiencies to OIE and Regional Administrators to avoid repetition of these problems.
 2. The issue at point here from OIA's standpoint is that of the breach of an alleged's confidentiality. The situation out of which this evolved was fairly complex. An investigator did identify the alleged after he was released by the licensee in April 1982, and RIV staff testimony before the ASLBP in July 1982 again breached that confidentiality. The same alleged's testimony before the same ASLBP seems to make an open admission of his providing information to NRC. More to the point, NRC policy on confidentiality was less than clear in 1980 and not executed similarly in all regions. Our policy in this area is being reviewed and revised, as it is essential that the expectations of allegeders in regard to confidentiality be fulfilled.

In summary, I believe Region IV's actions in these matters could have been better executed. I have initiated steps to assure that the lessons to be learned from this experience in Region IV are learned by all segments of the staff. Our policy on protection of confidentiality is being reviewed and revised to strengthen its implementation. The need to treat allegations in a sincere and thorough manner is a frequent topic of many of our senior management discussions. I intend to maintain my personal involvement in this area in order to insure that continued improvement is achieved in the staff's handling of allegations.



William J. Dircks
Executive Director
for Operations

cc: Commissioner Gilinsky
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
SECY
OGC
OPE
B. Hayes, OI
G. Messenger, OIA
J. Collins, RIV