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May 9, 1985

Mr. William J. Dircks
Executive Director for Operations
U.S. Nuclear Regulatory Commission
Washington, D.C. 20055

Dear Mr. Dircks:

For over two years Elmo Earl Kent (Kent) and his spokespersons at the Government Accountability Project (GAP) have been making sensational and broad allegations concerning the quality of engineering and construction at the Midland Twin Nuclear Power Plant and other Bechtel Power Corporation projects at which Kent was employed several years ago.

Most recently, these unfounded allegations have led to a new twist in GAP's unrelenting assault on nuclear power in this country. In a letter dated March 6, 1985, GAP has directed new charges at the Nuclear Regulatory Commission contending that its investigation of the Kent/GAP allegations amounted to "gross bungling" of this matter. GAP now requests that the Commission appoint an ASLB member to "review, investigate and issue findings regarding the Nuclear Regulatory Commission Staff's handling of the allegations."

Allegations made by Kent and GAP have been thoroughly investigated on numerous occasions, not only by Bechtel but by Regions III and V, and NRR, OI, OIA and now BNL. Bechtel has fully cooperated with each of these government investigations. The costs of these various investigations have been enormous to the taxpayers, Bechtel and our clients. All of the investigations have uniformly concluded within their scope that the Kent/GAP allegations raise no significant issues or safety-related concerns.

The Kent/GAP allegations received so much attention in the first place due to GAP's skillful use of the news media and GAP's claims and statements that Kent has a diploma in engineering and has been involved in engineering work for 17 years, that GAP "thoroughly investigated" Kent's background and credentials and found them "impeccable," and that GAP pre-investigated the allegations and found them meritorious. Yet all competent investigations have shown a pattern of error, lack of understanding, or insignificance in his contentions. It is now apparent that GAP's "thorough" investigations either were never conducted or were patently faulty.

When Kent was terminated by Bechtel Power Corporation in March of 1982 for twice failing the examination required to be certified as a Level 1 welding inspector at Midland, he made sweeping allegations of faulty engineering and construction throughout the plant. Both Bechtel Power and Region III extensively interviewed Kent in a concerted effort to obtain specifics, with little success. The specific equipment and welds Kent did identify as faulty were inspected and found satisfactory, as documented in the series of Region III inspection reports issued in the Spring and Summer of 1982. Kent's ever-increasing list of grievances then spread to SONGS. In the Fall of 1982, he gave a six-hour taped interview regarding SONGS to Region V investigators. All of his allegations were thoroughly investigated by Region V and the NRC, which found in a detailed written report that no items of noncompliance were identified. In response to accusations of administrative corruption by GAP, OIA reviewed the Region V investigation and found no reasons to question the technical findings regarding Kent's allegations.

GAP, in its letter dated March 6, 1985, characterizes the OIA report as "sophomoric, self-serving and short-sighted." It contends again, without offering one shred of evidence, that "the Kent inspection was curtailed and prejudiced at the onset by SCE and Bechtel influence." That is patent nonsense. This is manifest in GAP's letter itself where it criticizes OAI for a number of reasons including the failure of the OAI investigator to contact "any representatives of Bechtel, SCE, or Consumers Power." Such absence of contact hardly manifests undue influence by these entities. What does emerge from the OIA investigation is that:

- a) NRC conducted a site tour at San Onofre to inspect and review Kent's concerns, performed a technical analysis of Bechtel welding procedures and appropriate codes, and determined that Kent's welding concerns "were without technical merit."
- b) Region V officials, while conceding that some of its inspection procedures may have been less adequate than desirable, concluded that from a technical standpoint, Kent's concerns were adequately addressed.

Region III, after exhaustively interviewing Kent and reviewing his GAP-sponsored affidavits to the NRC, retained BNL, an independent party, to reanalyze Kent's Midland allegations. After thorough investigation BNL did not identify allegations within the scope of its work that raised significant issues or safety-related concerns.

In a letter dated March 22, 1985, to Consumers Power Company, releasing the BNL report, NRC Region III proposes to defer resolution of certain allegations which were beyond the scope of BNL's work for possible inclusion in the NRC Midland Open Items List, the CCP or IDVP in the event construction at Midland is resumed.

Without question, thousands of manhours and dollars have now been spent interviewing Kent, conducting inspections, researching the Kent/GAP claims, investigating the Kent/GAP allegations, and carefully responding to them. These extensive efforts have resulted in one consistent conclusion: the Kent/GAP allegations of safety-related problems have absolutely no substance.

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The Kent/GAP response is that Kent has other allegations he has never revealed, and that the disposition of his previous allegations is merely evidence of extensive corruption throughout the NRC. In its March 6, 1985 letter to the Commissioners, GAP has now carried the campaign to the absurd length of demanding an investigation of an investigation of an investigation.

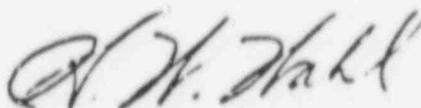
We sincerely believe that the time has come to view the GAP/Kent fiasco for what it is: the product of an organization consistently critical of nuclear power and the industry, skilled at manipulating the administrative process and news media, using and encouraging a disgruntled former employee to make sensational allegations he is unqualified to make and which have proven meritless, in order to achieve its own purpose.

We are convinced that the QA/QC programs and the practices in place on the projects in question, in conjunction with the current NRC inspection programs, are fully capable of identifying and resolving quality issues of safety significance. In particular, the BNL report provides additional substance to the conclusions of the Region V investigation of similar allegations at San Onofre. These, when added to the results of extensive NRC inspections and investigations of Midland construction and the scope of the Independent Design Verification and Construction Completion programs planned or underway prior to project shutdown, should provide ample basis for a decision to terminate further special attention to the remaining allegations.

Many of the allegations investigated extensively by Region V and NRR are similar to those used by Kent at Midland. Moreover, coincident with the Region III letter, the NRC issued its Statement of Policy: Handling of Late Allegations which states in relevant part that "[a]llegations which . . . on their face or after initial inquiry are . . . too vague or general in nature to provide sufficient information for the staff to investigate will receive no further consideration." (50 Federal Register No. 53, March 19, 1985, at p. 11031.)

Based on these facts, we believe that Region III could quickly dispose of the matters held open in its March 22, 1985 letter. Bechtel would be pleased to meet with Region III and NRR to facilitate closure of these matters.

Sincerely,



H. W. Wahl
Vice President

cc: James G. Keppler, U.S. NRC Region III
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