



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

JUL 17 1984

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Indiana & Mick.

The Honorable Elwood H. "Bud" Hillis  
United States House of Representatives  
Washington, DC 20515

Dear Congressman Hillis:

This letter is in response to your letter to Mr. Carlton Kammerer, Director, Office of Congressional Affairs, dated June 20, 1984, concerning an investigation involving material false statements at the D.C. Cook Nuclear Plant.

In that letter you requested comments on a letter received from Mrs. Dorothy Alabach concerning the NRC policy of fining a utility for a noncompliance as opposed to taking action against the responsible individual. It is the NRC's policy that the responsibility for safe operation of NRC-licensed facilities lies with the licensee. As a result, only rarely are actions taken against individuals. Actions against individuals are considered when violations were caused by the negligence of individuals rather than by factors that were within the licensee's responsibility.

With regard to fines, civil penalties are an intermediate sanction between a notice of violation and license suspension. Civil penalties are proposed to emphasize our concerns regarding the need for better control of licensed activities. A civil penalty gives a clear message to the licensee, its employees, and other licensees that NRC considers the violation to be significant. Although we recognize that a civil penalty may have a financial impact on the ratepayers, the impact is small compared with the cost of a single day of license suspension. In addition, some states require that the burden of a civil penalty be borne by the stockholders of a utility instead of by the ratepayers.

With regard to the D.C. Cook case, the Commission has under consideration civil enforcement action for the violations addressed by Mrs. Alabach. In addition, the case has been referred to the Department of Justice for consideration for criminal prosecution.

Sincerely,

(Signed) William J. Dircks

William J. Dircks  
Executive Director for Operations

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