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September 21, 1984

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Mr. Harold R. Denton, Director
Office of Nuclear Reactor Regulation
United States Nuclear Regulatory Commission
Mail Stop P-426
Washington, DC 20555

Dear Mr. Denton:

Enclosed is a letter I received today from Mr. C. W. Sandford, Deputy General Manager, Bechtel North American Power Corporation, providing their initial comments on the NRC Staff conclusions in Supplement No. 5 to NUREG-0680, "TMI-1 Restart An Evaluation of the Licensee's Management Integrity as It Affects Restart of Three Mile Island Nuclear Station Unit 1 Docket 50-289", regarding harrassment of Mr. Richard D. Parks by management officials of Bechtel.

As noted therein, Bechtel has promised a full-scale report will be provided in three to four weeks. I will, in turn, provide it to the NRC.

Very truly yours,

P. R. Clark
P. R. Clark
President

pfk
Enclosure

cc: E. Blake, Esquire, Shaw, Pittman, Potts and Trowbridge
C. W. Sandford, Bechtel North American Power Corporation

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September 17, 1984

Mr. P. R. Clark
President
GPU Nuclear Corporation
100 Interpace Parkway
Parsippany, New Jersey 07054

Re: Nuclear Regulatory Commission Report
NUREG-0680, Supp. No. 5, of July, 1984;
Allegations of Harassment of R. D. Parks

Dear Mr. Clark:

In a report entitled "TMI-1 Restart," NUREG-0680, Supp. No. 5 ("Staff Report"), and issued in July, 1984, the Nuclear Regulatory Commission ("NRC") Staff stated that R. D. Parks had been "harassed by management officials of Bechtel." There are many significant factual errors in the Staff Report. As a result of these errors the NRC Staff has drawn inferences as to the motives of Bechtel managers which would not be warranted if all the relevant facts were considered.

I am convinced that the information upon which the NRC Staff based its conclusion is seriously deficient. In large part, these deficiencies result from the fact that most of the information upon which the NRC Staff relied was obtained during a hurried investigation by the Wage and Hour Division of the Department of Labor ("DOL") conducted under severe time constraints imposed by federal statute. Accordingly, the NRC Staff has never had an adequate opportunity to consider Bechtel's side of this case. A full scale report is presently being prepared which will fully set forth Bechtel's reasons for its actions regarding Mr. Parks. We hope to submit this report to you in three to four weeks.

Although our full report is not yet ready, I wish to bring to your attention as early as possible several preliminary observations regarding the more obvious shortcomings of the Staff Report's conclusions regarding Mr. Parks' allegations of harassment. What follows is based on the investigation undertaken by our attorneys.

Bechtel North American Power Corporation

Mr. P. R. Clark

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Conclusions of the Report Regarding Parks

As a preliminary matter, it must be emphasized that the Staff Report relies in large part for its factual findings upon a report prepared by the NRC Office of Investigations dated May 18, 1984 ("OI Report"). The OI Report in turn relies entirely on a report of an investigation by the DOL prepared under severe time constraints. (OI Report, Ex. 102). The OI Report simply states that "[t]he scope of the DOL investigation of Parks' complaint, which found for Parks, was deemed sufficient for NRC purposes and is included as part of this report for regulatory and enforcement consideration." (Id. at 12). It is significant that the OI Report indicates that no independent investigation of Parks' allegations was conducted.

Despite the limited factual basis for the OI Report, the NRC Staff determined that various Bechtel managers harassed Parks in the following ways:

1. By removing Parks' responsibilities as alternate startup and test supervisor, one of many of his responsibilities, on February 23, 1983;
2. By interviewing Parks on March 14, 1983, regarding his involvement with the job shop Quiltec;
3. By temporarily removing Parks from the Test Work Group with regard to the polar crane tests, on March 17, 1983;
4. By putting Parks on leave with pay on March 24, 1983; and
5. By telling Parks that he should not go public with his concerns, that another employee had been humiliated, and that Parks had put Bechtel in a bad light with its client by raising safety concerns regarding the polar crane.

Actual Reasons for Purported Harassment

Although the evidence cannot be recounted in detail at this point, the evidence which Bechtel will present in its report will show that each of the alleged acts of harassment were, in fact, unrelated actions taken for legitimate, non-retaliatory reasons.

In particular, the report will show that the first purported act of harassment was a simple organizational alignment to ensure appropriate representation of the various disciplinary departments at TMI-2 on the Test Work Group (TWG). Contrary to the Staff Report, the decision to replace Parks was not made by

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Dr. Thiesing, but was made by the chairman of TWG, Mr. Kitler. The decision to replace Parks as the alternate was made so that the TWG chairman's alternate would be a representative of the chairman's department, Site Engineering, rather than a representative of Site Operations, which was Parks' department. When a startup engineer, Mr. Walker, arrived at the site and was assigned to the Site Engineering department, Parks was replaced by Walker so that the TWG chairman's alternate would be from the same department as the chairman.

The second purported act of harassment specified in the Staff Report is Parks' interview regarding his involvement with the job shop Quiltec. Parks was implicated in this matter by the fact that he personally arranged for the typing of resumes of TMI-2 personnel on Quiltec stationery. This questionable conduct clearly justified Bechtel's investigative interview of Parks. Moreover, the interview was conducted in a straight-forward, non-intimidating manner.

Third, Parks' assertion that he was involuntarily stripped of his functions on TWG regarding polar crane matters will be rebutted. In fact, Parks and his superior in the Site Operations department discussed Parks' removing himself from TWG for Parks' own benefit. Parks agreed to the change, and also indicated to the Director of TMI-2 that Parks did not consider his stepping down from TWG to be an act of intimidation. In short, this change in Parks' status was entirely voluntary on Parks' part.

Fourth, Parks suspension on March 24, 1983 was motivated by Parks' inflammatory and libelous accusations aimed at his fellow professionals at TMI-2 which threatened to destroy the working atmosphere at TMI-2, not by any desire to retaliate for filing a complaint with the DOL. It must be emphasized that Parks publicly laid the blame for the 1979 accident at TMI-2 upon a colleague at TMI-2. This libelous statement, together with the highly charged public allegations which he directed against the professional integrity of other co-workers and supervisors, destroyed his ability to continue working in a productive, cooperative manner with these individuals. We accordingly suspended Mr. Parks but continued his salary pending our investigation and resolution of his claims.

Last, contrary to the Staff Report, Parks never was told by Mr. Kanga not to go public with his concerns or that another employee had been humiliated. Furthermore, Parks never was told by Mr. Kanga that Parks had put Bechtel in a bad light with its client by raising safety concerns. In fact, Mr. Kanga never discouraged Parks from expressing safety concerns in any manner.

Bechtel North American Power Corporation

Mr. P. R. Clark

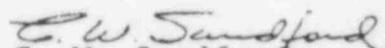
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In addition to the fact that these purported acts of harassment were properly motivated, it must be emphasized that Parks' allegations of harassment do not stand up in view of all of the circumstances. Bechtel had no desire to retaliate against Parks for voicing his concerns because, in fact, Bechtel took steps to resolve substantially all of Parks' technical concerns well before his suspension. Moreover, if Bechtel had desired to retaliate against Parks it could have seized upon his involvement in the Quiltec matter as a basis for terminating him. In fact, Bechtel decided not to take any adverse employment action against Parks because of his apparent lack of familiarity with Bechtel's conflict of interest policy. This decision was made before Parks publicly released his allegations on March 23, 1983.

As mentioned above, this letter only generally addresses the main deficiencies in the NRC Staff's July, 1984 Report. Those deficiencies, and Bechtel's evidence rebutting the Staff Report's conclusions concerning Parks, will be set forth in greater detail in the forthcoming Bechtel report. However, I believe this letter demonstrates that the NRC Staff lacked a reasonable basis for its conclusions that Bechtel harassed Parks, and I would hope that you will reserve making an informed judgment upon Parks' allegations of harassment until after you have fully reviewed and considered Bechtel's evidence.

Very truly yours,


C. W. Sandford
Deputy General Manager

CWS/vwc