

Wednesday, March 26, 1986

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Charles Bechhoefer, Esquire
Chairman
Atomic Safety and Licensing Board
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

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Dr. James C. Lamb, III
Administrative Judge
313 Woodhaven Road
Chapel Hill, North Carolina 27514

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Frederick J. Shon
Administrative Judge
Atomic Safety and Licensing Board
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Houston Lighting and Power Co., et al.
South Texas Project, Units 1 and 2
Docket Nos. 50-498 OL, 50-499 OL

Dear Members of the Board:

During the prehearing conference on March 21, 1986, the Board ruled that it would not accept CCANP's allegations of preferential treatment of Operations Department personnel in the drug detection and prevention programs at STNP unless CCANP provided the identity of the individual making the allegation and an expression from said individual of said individual's willingness to testify.

CCANP informed the Board that based on voice identification, CCANP believed it knew who the allegor was and that CCANP would contact the allegor regarding the conditions imposed by the Board.

CCANP was correct as to the identification of the allegor. Said person declined to be identified to the Board or to testify. The allegor did confirm that the persons not fired were Wackenhut personnel who would have implicated Operations Department personnel and did supply additional information on the allegation, but CCANP does not have substantially more to present to the Board in terms of a basis for investigating this allegation. Based on the conditions imposed by the Board and the decision by the allegor, CCANP will not pursue the preferential treatment allegation any further at this time.

Having reviewed the Applicants Motion for Summary disposition of Issue F in the light of the Board's rulings on the drug issue and other information available to CCANP at this time, CCANP will not be responding to said motion. The NRC Staff was informed orally of this decision.

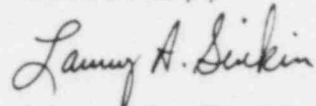
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Members of the Board
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At the moment, CCANP sees no potential Phase III issue having anything like the seriousness of the allegations and substantive proof provided in Phase II. Since the Board will either disqualify the Applicants senior management based on the evidence in Phase II or will permit them to continue to construct and operate the project despite the case put on by CCANP in Phase II, CCANP considers the other matters of concern to be either irrelevant in the face of license denial or not worth litigating in the face of the Board's decision not to deny despite Applicants' behavior to date. Consequently, CCANP will not be submitting any response to the Applicant and Staff affidavits on preparation for operations.

Sincerely,



Lanny A. Sinkin
Christic Institute
1324 North Capitol Street
Washington, D.C. 20002

Counsel for Intervenor,
Citizens Concerned About
Nuclear Power, Inc.

c.c. Service List

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of ()
()
HOUSTON LIGHTING AND ()
POWER COMPANY, ET AL. ()
(South Texas Project, ()
Units 1 and 2) ()

Docket Nos. 50-498 OL
50-499 OL

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CERTIFICATE OF SERVICE

I hereby certify that copies of LETTER FROM LANNY A. SINKIN TO MEMBERS OF THE ATOMIC SAFETY AND LICENSING BOARD DATED MARCH 26 were served by hand (*) or by deposit in the U.S. Mail, first class postage paid to the following individuals and entities on the 26th day of March 1986.

Charles Bechhoefer, Esquire
Chairman
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. James C. Lamb, III
Administrative Judge
313 Woodhaven Road
Chapel Hill, North Carolina 27514

Frederick J. Shon
Administrative Judge
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mrs. Peggy Buchorn
Executive Director, C.E.U.
Route 1, Box 1684
Brazoria, Texas 77422

Diane Curran, Esquire
Harmon, Weiss & Jordan
2001 S Street, N.W., Suite 430
Washington, D.C. 20009

Pat Coy
5106 Casa Oro
San Antonio, Texas 78233

Ray Goldstein
Gray and Becker
901 Vaughn Bldg.
807 Brazos
Austin, Texas 78701

Lanny Sinkin

Lanny Sinkin

Brian Berwick, Esquire
Asst. Atty. Gen.
State of Texas
Environmtl. Protection
P. O. Box 12548, Capitol Sta.
Austin, Texas 78711

Oreste Russ Pirfo, Esquire
Office of the Exec. Leg. Dir.
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

Jack R. Newman, Esquire
1615 L Street, NW, Suite 1000
Washington, D.C. 20036

Melbert Schwarz, Esquire
Baker and Botts
300 One Shell Plaza
Houston, Texas 77002

Atomic Safety and Lic. Bd.
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

Docketing and Service Section
Office of the Secretary
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555