



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

WASHINGTON, D.C. 20555-0001

April 22, 2008

Ms. Danielle Brian, Executive Director
Project on Government Oversight
666 11th Street, NW, Suite 900
Washington, D.C. 20001-4542

Dear Ms. Brian:

This letter is in response to your March 5, 2008, letter to the U.S. Nuclear Regulatory Commission (NRC) Region I. The March 5, 2008, letter responded to a February 26, 2008, letter that Richard Urban, NRC Region I Senior Allegation Coordinator had sent to Mr. Peter Stockton, Project on Government Oversight (POGO). The February 26, 2008, letter referred to a meeting between POGO and NRC Commissioner Peter Lyons on January 30, 2008, during which POGO had asserted that Peach Bottom security officers told POGO that they felt chilled when their employer (either Exelon or Wackenhut) pressured them into having lawyers present during interviews with investigators from the NRC Office of Investigations (OI). I assure you that the NRC has taken your concerns seriously, and has addressed each as indicated below.

After Region I entered this assertion into the NRC allegation system (RI-2008-A-0015), Mr. Ernest Wilson, Region I Field Office Director, OI, contacted POGO by telephone on February 4, 2008, February 7, 2008, and March 10, 2008, and asked for the names of security officers who believe they were chilled. No names were provided. In your March 5, 2008, letter you indicated that POGO's intent was not to suggest that it knew specific names of interviewed security officers whose testimony was affected by the presence of company attorneys. Rather, you stated POGO's belief that OI's practice of conducting an interview of a potential witness of wrongdoing, in the presence of company attorneys, may have a chilling effect on the witnesses' ability to be forthcoming because their jobs would be in jeopardy.

As noted in our NRC February 26 letter, many of the security officers voluntarily requested and had company (either Exelon or Wackenhut) legal counsel present when they were interviewed during an NRC Augmented Inspection Team (AIT) inspection and/or during OI interviews; other officers had their own separate attorneys; and some officers chose to not have any legal representation. In response to routine OI questioning during the interviews, the security officers who had counsel all stated that it was their desire to be represented, and they all acknowledged an understanding that they could be interviewed by OI investigators in private, without counsel. The security officers were also told that they could contact the investigator with any further information, or set up another meeting with OI, either with or without counsel. However, the interviewee may be accompanied, represented, and advised by counsel of choice. The NRC found no indication that the security officers who requested to have legal counsel present, felt chilled and thus were not forthcoming during the OI interviews.

In addition, between March 24 and March 28, 2008, the NRC conducted a Safety Conscious Work Environment (SCWE) inspection at Peach Bottom. The results were discussed with the licensee at a public exit meeting on April 15, 2008, in Delta, Pennsylvania. During that inspection, the inspection team interviewed several officers and supervisors, including officers

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-2-

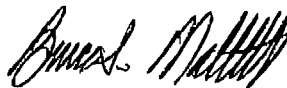
who had previously been interviewed by the NRC's OI. Those individuals who had been interviewed during the SCWE inspection, and who had previously been interviewed by the NRC in the presence of an Exelon or Wackenhut attorney, stated that they did not feel chilled by having the lawyer present. Additionally, we note that none of the individuals who were interviewed for the SCWE inspection had an attorney present during the SCWE inspection interviews. Based on the above, absent any additional information, the NRC plans no further action on this matter.

In your March 5 letter to Region I, you also expressed concern with Region I's handling of this matter, and your letter indicates that you forwarded a copy of your letter to the NRC Office of the Inspector General (OIG). You should contact the OIG directly at 1-800-233-3497 if you have any further questions regarding that concern.

Finally, in your March 5 letter, you suggested that there are some possible alternatives for legal assistance to witnesses in NRC investigations or inspections that would be free from conflicts of interest. On April 16, 2008, Mr. Shahram Ghasemian of the NRC Office of Enforcement contacted Mr. Stockton and offered to discuss POGO's views regarding such possible alternatives for legal representation during interviews. As a result, Mr. Ghasemian has arranged a teleconference between POGO and NRC staff on April 23, 2008, at 10:00 a.m. to discuss your views regarding this matter.

Thank you for notifying us of your concerns in your March 5, 2008 letter. We feel that our actions in this matter have been responsive to your concerns. Should you have any additional questions, please contact Mr. Ghasemian at 301-415-3591.

Sincerely,



Bruce S. Mallett
Deputy Executive Director for Reactor
and Preparedness Programs
Office of the Executive Director for Operations