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BROWN & ROOT, INC.
OFFICE MEMO



TO: W. M. Rice September 22, 1981
FROM: K. M. Brown
SUBJECT: Telephone Call to George Oprea of 9/22/81

At your suggestion, I telephoned George Oprea to suggest an alternate plan that HL&P might consider with respect to replacement of Brown & Root as the engineer-construction manager for STP. The alternate I described was that which you suggested, whereby Stone & Webster (or any other suitable AE, not Bechtel) would be brought in as an "overlord" overseeing Brown & Root's activities for a period of 6 to 12 months, following which any division of engineering responsibilities up to complete removal of Brown & Root from the job, could be made. This would introduce the new AE to the project with much less risk of precipitating licensing problems, and, after the 6 to 12 months, their involvement up to that time would make possible their assumption of the "engineer of record" role, should HL&P desire.

George Oprea listened with no comment until I finished. He then responded by recounting the events that led them to their present decision that Brown & Root engineering simply cannot support the field activities. He stated that after the Show Cause Order, he became very concerned when engineering problems continued to surface. He stated that he concluded that our engineering was not well integrated between disciplines. He referred to the Quadrex audit and he referred to the 50.55e items, which have been reported since Show Cause. He said that they feel we lack sophisticated management systems that although we could ultimately provide, the time required would simply be too long for this project. They concluded that a new engineer can come in with a proven system immediately, and begin to show progress with regard to licensing. He stated that he felt they had a 50/50 chance under the circumstances of replacing the engineer of record without a serious licensing problem, i.e., revocation of the construction permit or new public hearings, etc.

He stated that they had considered many alternatives, but felt that a significant change on the engineering side was necessary because Region IV was aware of the Quadrex Audit and was looking very carefully for a significant change.

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CCANP # 121

REGULATORY COMMISSION
Official Exh. No. CCANP #121

In the matter of _____

SMITH _____ IDENTIFIED ✓

Applicant _____ RECEIVED

INTERVIEW ✓

Geology Unit _____ 8/5/85

Contractor _____ DATE

Witness _____

Secretary _____ TATE

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He conceded at the same time that many of the Quadrex findings were invalid.

He stated that through all of this change HLLP does not wish to replace Brown & Root, nor to be charlatanistic. He stated that they feel that our construction work is much more credible and want us to finish the construction.

I got no real indication from Mr. Oprea that he would give any serious consideration to your proposal; however, he did seem at least casually interested in some of his questions. He specifically wanted to know why we could work more easily with Stone & Webster than with Bechtel.

K. M. Broom

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