



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

August 11, 1978

Mr. Lee V. Gossick
Executive Director for Operations
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Lee:

As you know, the Commission has deliberated extensively the questions and issues raised and the recommendations presented by the report of the Investigator and Auditor and the General Counsel concerning your testimony in the NUMEC matter before Congressional committees in July and August, 1977. A copy of the Commission's letter report to Chairman Udall on its deliberations is enclosed for your guidance and information. The Commissioners concluded that the Commission as a body had not given unambiguous guidance to the staff that, in its view, unqualified "no evidence" statements pertaining to theft or diversion of SNM could be misleading and were not appropriate. Given due regard to that fact, the Commission, nonetheless, concluded that the use of the "no evidence" statement in your testimony before the House Subcommittee on Energy and Environment on July 29, 1977, was inherently ambiguous and thus had the potential to mislead; and your testimony on August 8 before the House Subcommittee on Energy and Power as to a Commission position in the matter of evidence of diversion was incorrect. Accordingly, the Commission requests that you act to correct the records of the two hearings.

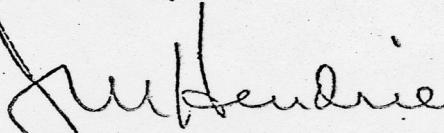
I have enclosed also a copy of my memorandum to you and the senior staff which reaffirms the Commission's commitment to full and complete disclosure and absolute candor in our relationships with members of the Congress and its committees. I know that you share and fully support these views. The Commission desires that they be reemphasized to all members of the staff who at any time may be called upon to testify before the Congress or to prepare testimony or advisory

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material for members of the Congress or its committees. Only through confirmed dedication to these principles on the part of each of us can this agency merit the full confidence of the Congress and the public which is an essential ingredient of successful performance of its vital health and safety mission.

Sincerely,



Joseph M. Hendrie

Enclosures:
As stated

cc: Commissioner Gilinsky
Commissioner Kennedy
Commissioner Bradford
Commissioner Ahearne
OCA
SECY
PDR