

January 21, 1983

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

DOCKETED
USNRC

Before the Atomic Safety and Licensing Board

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In the Matter of)

CLEVELAND ELECTRIC ILLUMINATING)
COMPANY, Et Al.)

(Perry Nuclear Power Plant,)
Units 1 and 2))

Docket Nos. 50-440
50-441
(Operating License)

OCRE REPLY TO APPLICANTS' MOTION FOR RECONSIDERATION
OF THE LICENSING BOARD'S DECEMBER 22, 1982 MEMORAN-
DUM AND ORDER ON SUMMARY DISPOSITION OF ISSUE #3

On January 6, 1983, Applicants filed a motion ^{1/} requesting that the Licensing Board reconsider its December 22, 1982 Memorandum and Order (granting the Staff's motion for summary disposition of Issue #3 except for four issues concerning the control of contractors at PNPP) and grant the Staff's summary disposition motion in its entirety. Ohio Citizens for Responsible Energy ("OCRE") hereby opposes Applicants' motion.

I. The Board's Decision is not Inconsistent with its Previous Declarations as to the Scope of Issue #3

The history of Issue #3 has, unfortunately, been one of confusion. This confusion appears to be rooted in the somewhat

^{1/} Applicants, in footnote 2 at p. 2 of their motion, regard their filing as an answer to a motion for litigable issues (their characterization of Sunflower's answer to the Staff's motion). If Applicants indeed consider their motion to be such, it should be rejected as untimely. Applicants were aware of the alleged deficiencies in Sunflower's filing since early December. An answer to that pleading should have been submitted long before this, and certainly before the Board rendered its decision. If the Board accepts Applicants' motion as an answer to Sunflower's filing, then the Board should also accept Sunflower's December 20 filing as timely.

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unclear language found in Sunflower's Petition for Leave to Intervene, specifically, the Ninth Ground of Intervention. Following clarification and particularization of the contention by Sunflower at the Special Prehearing Conference, the Licensing Board admitted the following issue:

Applicant has an inadequate quality assurance program that has caused or is continuing to cause unsafe construction. (LBP-81-24, 14 NRC 175)

However, in response to objections to the Special Prehearing Conference Memorandum and Order filed by Applicants (to which intervenors apparently were given to opportunity to reply), the Board later (LBP-81-35, 14 NRC 682) limited the scope of Issue #3 to "the stop work order, steps taken to remedy the deficiencies that led to that order, and residual deficiencies related thereto." These phrases can, of course, be interpreted broadly, as the Board essentially admitted in its order denying Sunflower's first attempt to expand Issue #3 (LBP-82-15, 15 NRC 555):

Even old deficiencies may be related to the damage that may have been caused by the quality assurance problems leading to the stop work order. More recent deficiencies may be related to the effectiveness of the steps taken to remedy the previous deficiencies.

Sunflower gives further substance to its interpretation that current deficiencies are related to the stop work order by including in its answer to the Staff's summary disposition motion an Exhibit C, a portion of NRC Inspection Report No. 50-440/82-09; 50-441/82-08, dated September 10, 1982, which indicates that Applicants' entire QA program is a result of the 1978 stop work order. Thus, the Board's decision does not broaden the scope of Issue #3, as Applicants claim, but

rather narrows it to the control of contractors. (See slip cp. at 10, where Sunflower is denied the opportunity to litigate "other alleged deficiencies.")

Applicants also err in their argument that the Board has improperly extended Issue #3 beyond the basis provided by Sunflower; Applicants claim this contradicts the guidance given in ALAB-675, 15 NRC 1105, 1115 (1982). A closer reading of ALAB-675 will show that the Appeal Board stated that it is improper to expand a contention beyond an intervenor's self-imposed limitations. The only limitations placed on Issue #3 have been imposed by the Board, at Applicants' suggestion. In fact, Sunflower has consistently shown an interest in expanding Issue #3, not limiting it. Even Sunflower's intervention petition alluded to a broad QA issue by using the phrase "the following but by no means the only deficiencies" in its Ninth Ground of Intervention. Given these circumstances, the Board's Memorandum and Order can certainly not been seen as improperly raising an issue sua sponte, as Applicants imply.

It therefore must be concluded that the Board's December 22 Memorandum and Order is not inconsistent with the Board's previous decisions on the scope of Issue #3.

II. Applicants' Allegations of Sunflower's "Failures" in Pursuing Issue #3 are Unfounded

Applicants claim that Sunflower has made various errors in pursuing this issue which should lead the Board to reconsider its Order. The first such assertion is that Sunflower's answer, by not including a separate statement of material facts, did

not comply with the Commission's requirements as specified in 10 CFR 2.749(a).^{2/} Applicants also imply that this is inexcusable since Sunflower is represented by counsel.

OCRE believes that the format of an answer to a motion for summary disposition is not a substantive requirement but is rather a procedural technicality. The issue at stake here, the quality of construction of the Perry facility, is so important that such technicalities should not be used to exclude its consideration. Furthermore, the Appeal Board has indicated that a licensing board's leniency (in considering the proficiency with which a party's filings are drafted) is to extend to both pro se litigants and counsel new to the field, as opposed to counsel experienced in NRC practice. Kansas Gas and Electric Co. (Wolf Creek Generating Station), ALAB-279, 1 NRC 559, 576-77 (1975).

Applicants also claim that Sunflower's failure to supplement its discovery responses concerning Issue #3 so as to include the material relied upon in Sunflower's answer (particularly the Comstock violations) has placed Applicants in an unfair position, since they could not anticipate Sunflower's arguments and respond to them in their answer supporting summary disposition. This claim does not hold up under scrutiny.

^{2/} Applicants' complaint is inconsistent with their characterization of Sunflower's answer as a motion for litigable issues. Such a motion is not even addressed by the Commission's regulations, and thus there are no criteria for its format. Applicants should not, on one hand, consider Sunflower's answer to be one type of filing to justify their motion for reconsideration, and, simultaneously, complain that it does not meet the requirements for yet a different type of filing.

First, there does not appear to be any requirement in 10 CFR 2.749 that a party supporting a motion for summary disposition be put on notice of all the arguments to be presented by a party opposing summary disposition. In fact, the only provision in 10 CFR 2.749 for reply briefs is for the party opposing summary disposition. Also, the burden of proof is upon the movant for summary disposition. It was up to the Staff (which possessed specialized knowledge of the deficiencies cited by Sunflower) to demonstrate that no genuine issues of fact exist with respect to quality assurance at Perry. The Licensing Board correctly found that the Staff had not met its burden, and, especially, that the Staff's unsupported statements as to the adequacy of QA were not acceptable.

Neither Staff nor Applicants should have been surprised by Sunflower's answer. Sunflower used, as basis for its response, the Commission's Inspection Reports. Sunflower has, from the beginning of this proceeding until the present, relied upon these Inspection Reports. Sunflower indicated this in its intervention petition. Both of its motions to expand Issue #3 included references to Inspection Reports. Applicants are certainly aware that Sunflower's counsel receives these reports from the NRC's Region III.

In fact, Applicants apparently anticipated Sunflower's use of Inspection Reports. In their Third Set of Interrogatories and Request for Production of Documents to Sunflower, dated September 30, 1982, Interrogatory #5, Applicants ask for information within Sunflower's knowledge involving any QA or construc-

tion deficiencies at PNPP. Applicants clearly state that "Sunflower need not restate information contained in Applicants' reports to the NRC or the NRC's inspection reports." Thus, Sunflower's "failure" to identify the Comstock problems in its discovery responses is no failure at all, but rather is consistent with Applicants' instructions. The only failure in this instance can be attributed to Applicants: their failure to fully and completely respond to information in Inspection Reports which they knew Sunflower was using.

III. Quality Assurance is too Important to be Left to the Staff's Review

The importance of the quality of construction at a nuclear facility is uncontroverted; it should be recalled that Chairman Palladino has frequently stated his concern with quality assurance at nuclear power plants. Were the Licensing Board to follow Applicants' suggestion and grant the summary disposition motion in its entirety, this would in effect delegate this important matter to the Staff for resolution, a move expressly prohibited by Cleveland Electric Illuminating Co. (Perry Nuclear Power Plant, Units 1 and 2), ALAB-298, 2 NRC 730, 737 (1975), wherein the Appeal Board stated:

When governing statutes or regulations require a licensing board to make particular findings before granting an applicant's requests, a board may not delegate its obligations to the staff. The responsibilities of the boards are independent of those of the staff under the Commission's system, and the board's duties cannot be fulfilled by the staff, however conscientious its work may be.

Furthermore, the word "conscientious" cannot be used to describe the Staff's work in enforcing QA at nuclear facilities.

The NRC Staff, particularly the Region III Inspection and Enforcement Office, has failed so miserably to protect the public interest in its handling of QA at nuclear plants under construction that the litigation of Issue #3 in this proceeding is mandated. Indeed, the NRC's behavior in the Zimmer case has achieved national notoriety. OCRE submits as evidence of the Staff's malfeasance the following exhibits:

- Attachment 1: an article appearing in The Wall Street Journal, December 15, 1982, which indicates that the NRC's initial probe of the Zimmer construction flaws was superficial. An intensive investigation, forced by a public interest group, resulted in a \$200,000 fine, and ultimately, the Commission's decision to halt safety-related construction. (See Cincinnati Gas and Electric Co. (Zimmer Nuclear Power Station), CLI-82-33 (November 12, 1982)) This article further indicates that the Staff may have suppressed documents relating to Zimmer requested through the Freedom of Information Act by the public interest group.
- Attachment 2: another article appearing in the same edition of The Wall Street Journal which indicates that in the early 1970s the (then) AEC may have falsified inspection reports. The obvious question is, are such practices still occurring? In any case, the Staff's credibility as an independent inspector is at best debatable.
- Attachment 3: Prepared Statement of Thomas Devine, Legal Director of the Government Accountability Project ("GAP"). GAP has investigated several plants in Region III, including Zimmer, Midland, and LaSalle. This statement further shows that the Staff has mislead the public and possibly endangered its safety by ignoring warnings from some of its own inspectors.
- Attachment 4: a portion of "Statement of Billie Firner Garde (of GAP) on the Midland Nuclear Plant, June 29, 1982," which again shows that the NRC Staff, instead of acting as an impartial regulator, cares more for the utilities' interests than those of the public.

OCRE must agree with Commissioner Asselstine in his dissenting opinion to Cincinnati Gas and Electric Co. (Zimmer

Nuclear Power Station), CLI-82-____ (July 30, 1982),^{3/} that the public interest requires the litigation of QA contentions in a case where the NRC Staff failed to do its job. As the attachments described above amply indicate, there is no reason to believe that the NRC's failure to identify QA breakdowns is confined to Zimmer alone. Commissioner Asselstine's arguments in favor of using adjudicatory proceedings to air QA issues apply just as well to Perry.

In light of these revelations of the Region III Staff's conduct, OCRE believes that the Staff's Inspection Reports cannot be accepted as "the last word" on the safety of construction but rather must be considered as understatements. Applicants' argument that the complete September 27 Inspection Report shows that no QA breakdown occurred at Comstock cannot be accepted. Instead, OCRE suspects that the violations identified therein are but the "tip of the iceberg." The Licensing Board is therefore justified in identifying Applicants' control of their electrical contractor as an issue for trial.

The Comstock investigation is also illustrative of the role of worker allegations in prompting NRC action. The Staff usually performs a rather cursory^{4/} review of plant construction.

^{3/} The Commission's majority decision has no bearing upon the instant question in this proceeding, since that decision involved the question of a licensing board's sua sponte authority to pursue the intervenor's contentions.

^{4/} NRC inspections at Perry may have been even more cursory. Applicants' internal documents reveal that, in 1981, NRC inspections decreased dramatically, apparently due to the Reagan administration's policies. Inspection coverage only later increased due to the Comstock allegations. See Sunflower's December 20 filing.

See Attachment 5, "Testimony of William J. Dircks," which admits that the NRC's inspections only cover 1-5% of the utility's inspection activities. More thorough reviews, like that of Comstock at Perry, are triggered by allegations received from workers.^{5/} The Dircks testimony indicates that QA problems at Marble Hill, another Region III plant, were first brought to the NRC's attention by worker allegations. The testimony also admits that there have been shortcomings in the NRC's inspection program.

Moreover, the testimony identifies some of the basic causes of QA troubles, among them an overreliance by the utility on its contractors for maintaining a QA program and insufficient utility QA staff to control contractor activities. These are precisely the matters the Licensing Board has, rightly, identified for litigation.

Applicants' use of the 1982 SALP Report as evidence that other contractors^{6/} do not warrant investigation likewise cannot be accepted. Given the deficiencies of the Staff's inspection program, the probable explanation for the satisfactory ratings in all areas except Comstock is that the other areas were not thoroughly investigated. One does not find what one does not look for.

^{5/} Interestingly, one of the Perry workers who alerted the NRC to Comstock's problems was later fired, supposedly for having falsified credentials. OCR&E believes that this incident should be thoroughly investigated to assure that Applicants have not taken retaliatory measures against workers notifying the NRC of QA violations.

^{6/} Further evidence of Applicants' lack of control of other contractors is given in Sunflower's December 20 filing.

Documents obtained by OCRE through the Freedom of Information Act reveal that the Staff may not have looked very hard at Perry. See Attachment 6 (items included are circled on the list following the cover letter). These items indicate that the Staff's review of allegations received about Perry was often superficial. The case was considered closed if the allegation was deemed too vague or in area outside the NRC's jurisdiction. No attempt was made to determine whether these allegations were indicative of more widespread trouble. These items fit too well the description of the NRC's response in the Dircks testimony, i.e., "treating the symptom rather than finding the basic cause and correcting it."

Item 7 of the FOIA response is particularly illustrative. After receiving an allegation of a weld crack coverup at a specific area in the plant, the NRC Staff only reviewed Applicants' non-conformance reports and apparently conducted no inspections of its own. The Staff should have inspected the area itself, since a defect that is deliberately concealed is not likely to be documented on a nonconformance report. This reveals the Staff's poor judgment and lack of diligence in pursuing worker complaints.

IV. Conclusion

OCRE concludes that the Licensing Board's December 22 Memorandum and Order has correctly identified four areas to be further investigated through litigation in this proceeding. These areas are too vital to the health and safety of the public to be left to the Staff's review, which is often flawed. Only the Commission's adjudicatory process will assure that the truth about the safety of construction at Perry is fully known.

Moreover, Applicants' arguments for reconsideration lack merit, as has been shown above. Their motion for reconsideration must be denied.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that the foregoing OCRE REPLY TO APPLICANTS' MOTION FOR RECONSIDERATION OF THE LICENSING BOARD'S DEC. 22, 1982 MEMORANDUM AND ORDER ON SUMMARY DISPOSITION were served by deposit in the U.S. Mail, first class, postage prepaid, this 21st day of January, 1983 to those on the service list below.

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Atomic Safety and Licensing Appeal Board Panel
U.S. Nuclear Regulatory Commission

Troubled Project

Construction Halt At Nuclear Plant Raises Unsettling Questions

One Is How Facility in Ohio Got So Near Completion With So Many Problems

Drugs & Alcohol on the Job?

By JOHN R. EMSHWILLER

Staff Reporter of THE WALL STREET JOURNAL

CINCINNATI—By its owner's reckoning, the William H. Zimmer nuclear plant, located about 28 miles from this city, is 97% completed. The fate of the remaining 3% is unclear.

Last month, based on a variety of structural and paper-work irregularities at the project, the federal Nuclear Regulatory Commission ordered a halt to construction of those parts of the plant deemed necessary for safe operation and shutdown. Cincinnati Gas & Electric Co., which is heading a group of utilities building the \$1.7 billion, 840,000-kilowatt facility, had been predicting the plant would be ready to load fuel in the third quarter of 1983. Now the utility is reassessing that prediction, although a spokesman says: "We are absolutely certain the plant will be built and operated."

James Keppler, the head of the NRC's regional inspection office near Chicago, doesn't have that absolute certainty. Mr. Keppler, whose office oversees the Zimmer plant, says there is a slim possibility the plant has too many deficiencies ever to be licensed—which would be a first in nuclear history. And though he adds that the more likely course is that the plant will eventually be allowed to operate, he goes on to say: "It's impossible to give a firm estimate (of completion time) until you have identified all the problems."

A \$200,000 Fine

The problems, according to the NRC and others, are manifold: Construction records are missing or have been doctored; thousands of welds on the plant are believed to be deficient; the quality of steel and other material is suspect. Added to that, safety inspectors have testified to being threatened and harassed trying to do their jobs.

In November 1981, the NRC levied a \$200,000 fine against Cincinnati Gas & Electric, the largest fine ever imposed in connection with a nuclear-construction project. A year later came the halt to all safety-related construction. And a federal grand jury is probing possible criminal violations by some of those involved in building the plant.

But the full story of Zimmer (named after a former president of Cincinnati Gas) goes beyond the tale of one troubled project and raises broad, unsettling questions about the nation's nuclear-power program. One question is how officials for the utility and the NRC could have allowed a plant with so many problems to get so near completion. Another is whether the Zimmer experience is being duplicated at the 60 other nuclear plants being built around the U.S. "It makes one wonder how many other Zimmers might be lurking out there," says Democratic Rep. Morris K. Udall of Arizona, who has held hearings on Zimmer.

Special Investigation

Similar, if less severe, cases are known. In late 1979, following months of pressure from local citizens' groups and the media, the NRC conducted a special investigation of the South Texas nuclear-power plant being built by Houston Lighting & Power Co. and others; the commission found problems ranging from inadequate construction practices to safety inspectors being threatened with physical harm by construction workers. As a result, the NRC fined Houston Lighting \$100,000, and construction was stopped for several months (but has since resumed).

Then, late last year, the NRC actually gave permission to Pacific Gas & Electric Co. to start operating its Diablo Canyon nuclear plant at Avila Beach, Calif.—only to retract that go-ahead when PG&E engineers discovered that in analyzing the plant's ability to withstand an earthquake, the utility had mistakenly used construction data from a companion plant being built at the site. Pending resolution of that problem, the plant remains closed.

There is also the possibility that some operating plants may have undetected defects because federal safety regulators lied about inspecting them. (See story on Page 22.)

The safety of nuclear plants received intense publicity following the 1979 accident at the Three Mile Island nuclear facility in Pennsylvania. Though the worst accident in the history of commercial nuclear power was caused by equipment failures and operator mistakes rather than construction deficiencies, it was also due in large part to the failure of officials in the government and nuclear industry to identify and effectively deal with similar problems that had occurred earlier at other nuclear facilities.

Inspection Teams

In the wake of Three Mile Island, and spurred partly by the experience at Zimmer, the NRC has started an office of investigations to probe allegations of safety-rule violations at nuclear plants and has set up teams of inspectors to make periodic visits to sites. The agency has also begun holding seminars for top utility officials to impress upon them the need to build plants properly.

But nuclear critics aren't impressed, arguing that the public safety remains dangerously at the mercy of the companies building the plants. And up to a point, NRC officials agree with that argument. They concede that the commission has the resources to sample only a small part of the actual work done at a nuclear site. "We rely on the utility and the contractors to do the job right," says the NRC's Mr. Keppler.

In the case of Zimmer, the NRC feels that its trust was abused. "From a quality-assurance standpoint, this is the worst plant

I've ever seen," says Victor Gilinsky, one of the agency's five ruling commissioners.

For its part, Cincinnati Gas & Electric strongly defends its conduct and the quality of the Zimmer plant. A spokesman for the utility admits that there are "paper-work deficiencies" in the construction records and that some repairs are needed, but he adds: "Basically, we think the plant construction is safe and sound." (Cincinnati Gas & Electric owns 40% of Zimmer; a unit of Columbus, Ohio-based American Electric Power Co. has a 28.5% interest in the facility, and Dayton Power & Light Co. owns the rest.)

Whatever the merits of the respective arguments, the fact is that the NRC was getting warning signals since the mid-1970s about problems at Zimmer. However, those signals—ranging from complaints by plant workers to some of the commission's own routine inspection reports—went largely unheeded until one Thomas Applegate appeared on the scene.

The 31-year-old Mr. Applegate is an unlikely figure for the role he has been playing in the Zimmer affair. A private detective with no nuclear background, he first came to Zimmer in November 1979 in the course of investigating a domestic squabble; the husband of the couple involved happened to work at the plant.

During the domestic probe, Mr. Applegate uncovered evidence of timecard cheating by Zimmer workers. He brought that to the attention of utility officials; who were sufficiently impressed to hire him as an investigator at the construction site in December 1979. A month later, he was let go. The utility says his work was finished. Mr. Applegate insists he was fired because he was exposing construction problems at the plant.

Being dropped didn't daunt Mr. Applegate. In early 1980, on his own, he called the NRC in Washington with his charges, which included theft of materials and defective welding at Zimmer. He talked several times to staff officials, he says, but didn't think they were showing enough interest. He then placed another call to the agency, demanded to speak with the top man and was connected with John Ahearne, the acting NRC chairman. "Twenty-four hours later, two NRC investigators were at my front door," he recalls.

ATTACHMENT 1

But the detective was soon to be disappointed. The NRC investigation resulted in only one, relatively minor, citation. "They just surfacely treated my allegations," he asserts. "I've spent more time looking for a lost dog." (In hindsight, Nunzio Palladino, the NRC's current chairman, agrees that the commission's initial probe of Mr. Applegate's charges should have been more comprehensive.)

Going to the Press

So Mr. Applegate went to the press and managed to generate a few stories, including a lengthy piece in the Chicago Sun-Times. And in May 1980, he contacted the Government Accountability Project, a Washington, D.C.-based private group that works to protect whistle blowers, mostly in the government. Though the private detective was a private citizen, GAP took the case.

Enter Thomas Devine, GAP's legal director. In the 31-year-old Mr. Devine, Mr. Applegate found someone willing and able to probe into matters at Zimmer. (In choosing a career, Mr. Devine says, "I had to decide whether to be a lawyer or an investigative reporter. So I became an investigative lawyer.") Mr. Devine and his colleagues at GAP talked to every source suggested by Mr. Applegate and followed every lead provided by the private detective and then developed new sources and leads of their own.

When the GAP investigators felt they had enough evidence of an inadequate investigation by the NRC, they went to the special counsel of the Merit Systems Protection Board, a federal agency empowered to help whistle-blowing government employees. The counsel, impressed with the evidence, pushed the NRC for a response to GAP's charges.

The NRC's response was to start new investigations of Zimmer. One by the commission's internal auditors reviewed the NRC's initial probe of Mr. Applegate's charges. Another looked at the quality of Zimmer's construction.

The latter probe resulted in the \$200,000 fine and a two-inch-thick report that found violations of 12 of 18 basic safety criteria for building a nuclear plant. The report also included affidavits from workers who testified to alcohol and drug use by workers at Zimmer. Two plant guards testified to observing a bookmaking operation and gun raffles being run at the site.

'Violation of Our Rules'

The spokesman for Cincinnati Gas & Electric says the utility paid the NRC fine "to avoid endless hearing" on an appeal and not because it agreed with all the findings. He says further that alleged incidents involving alcohol, guns, drugs or bookmaking would be "in violation of our rules."

The probe by NRC's internal auditors agreed with Mr. Applegate that the initial NRC investigation of his charges was superficial. For example, the detective had said that deficient welds had been accepted for use; he went on to cite three such welds. The NRC investigating team said that charge couldn't be substantiated. But the NRC's internal auditors found that the commission's investigators had missed the fact that one of the cited welds had been replaced after Mr. Applegate made his allegation.

Though obviously pleased with parts of the NRC reports, GAP fiercely disagreed with some major conclusions. GAP argued that new building at Zimmer shouldn't go ahead until all the problems in the existing work had been identified. And the group asserted that given the utility's past failures to follow construction rules at Zimmer, independent engineers should be brought in to help fix the plant's problems.

In support of its position, GAP in August filed to the NRC 120 pages of further contentions about problems at Zimmer and supported those contentions with another group of documents numbering some 3,000 pages. What's more, by this time, other agencies and individuals were looking into matters at Zimmer. The Justice Department, for example, began investigating possible criminal violations at the plant. And in June, Rep. Udall held his first hearing on the situation at Zimmer.

Construction 'Halt'

In November, the five NRC commissioners, by a 3-2 vote, ordered construction at Zimmer halted immediately, pending efforts to explore fully the growing list of problems at the plant.

Earlier this year, GAP filed requests under the Freedom of Information Act seeking supporting documents and draft reports released to the NRC's investigations of Zimmer. GAP's Mr. Devine says the requests were partly prompted by suspicions that parts of the reports had been watered down and that other sections had been deleted entirely.

In response to those requests, the NRC told GAP that the commission's files didn't contain any drafts of the auditors' report on the initial Applegate investigation. "But sources say that statement, though perhaps technically correct, wasn't really true. As one NRC investigator involved in the report told Congressman Udall, he had had draft copies of the report in his office file but was ordered to remove them after GAP filed its request. GAP recently filed suit against the NRC in a Washington federal court seeking a determination of whether NRC employees acted illegally in handling the requests."

The response to GAP's information requests caused heated debate within the NRC, sources say. Some NRC officials argued that while the agency could fight public disclosure of certain documents, it was obligated under the law, at the very least, to

identify all the documents it had. "What happened was a cover-up," asserts one NRC official.

James Cummings, the head of the NRC's internal-audit office, says that because of pending litigation he can't fully respond to the charges of a cover-up. But he does say: "If you know all the facts, it isn't fair to paint us, as being less than honest."

Documents Create Doubts About Veracity Of Safety Reports on Some Nuclear Plants

By a WALL STREET JOURNAL Staff Reporter

A number of nuclear-power plants operating in the U.S. may have undiscovered defects because of falsified federal safety-inspection reports.

Documents obtained under the Freedom of Information Act from the federal Nuclear Regulatory Commission indicate that in the early 1970s federal inspection reports were written for inspections that weren't ever made on nuclear-power plants under construction. Such reports are an integral part of the process for determining whether a plant is built safely enough to operate.

The documents also show that despite evidence of falsified reports, NRC officials made little effort to determine whether unsafe plants had been allowed to operate.

Since 1975, the NRC has had an internal watchdog known as the Office of Inspector and Auditor. Among other tasks, the OIA investigates charges of misconduct on the part of NRC officials. But officials inside the NRC and other government officials contend the office lacks independence and isn't tough enough in pursuit of possible wrongdoing. For example, a 1981 report by the General Accounting Office, an arm of Congress, said the OIA regularly submits draft reports to people being investigated and sometimes changes the reports as a result of their comments.

The GAO also contended the OIA has prematurely terminated some investigations and recommended that Congress consider creating an inspector general's office for the NRC.

In responding to the GAO report, the NRC disputed many of its findings and said the GAO failed to make a "convincing case" of the need for an inspector general.

The GAO report didn't touch on the matter of falsified inspection reports, which were the subject of an OIA investigation in 1977. In that year, according to the Freedom of Information Act documents, an NRC inspector charged he had discovered faked inspection reports several years earlier while working as inspector for the Atomic Energy Commission, which was succeeded by the

NRC in 1975.

Besides reports being written for inspections never made, this inspector claimed that valid inspection reports had been altered by senior NRC officials with the possible result of hiding construction deficiencies. The inspector also asserted that colleagues were temporarily suspended from inspecting plants if they tried too vigorously to do their jobs.

In releasing the documents on this matter, the NRC blotted out the name of the inspector making the charges. Almost all other names were similarly expunged. However, what identification there was, along with interviews with NRC sources, indicate the charges involved federal inspection activities in the southeastern U.S.

The NRC inspector refused to give OIA investigators specific evidence to back up his charges. He said he had given such specifics to Atomic Energy Commission officials four years earlier and felt his career had suffered for the effort.

Documents show the OIA investigators talked to officials involved in the 1973 investigation. Officials confirmed the finding of transgressions serious enough to prompt the transfer of a number of AEC employees. But the OIA investigators found that all the records of the AEC investigation had been destroyed.

In a report, OIA investigator Lawrence J. Strickler concluded that available evidence tended to support the inspector's charges. Following that report, however, the NRC stopped its probe. Senior NRC staff officials decided against sending a report on the matter to their bosses, the five NRC commissioners, on the ground there wasn't anything the commissioners could do.

James Cummings, the head of the OIA since 1978 and therefore not involved in either the 1973 or 1977 probes, says he hasn't reopened the investigation partly because he doesn't believe any falsification really occurred. "I've never seen people in this agency make out phony inspection reports," he says. But he adds that if anybody did make out such reports, it would be a "very, very serious situation."

PREPARED STATEMENT OF THOMAS DEVINE,
LEGAL DIRECTOR OF THE
GOVERNMENT ACCOUNTABILITY PROJECT
August 23, 1982

Last November, the Nuclear Regulatory Commission ("NRC") told the public it had taken dramatic action at the William H. Zimmer Nuclear Power Station by fining the owner-utility Cincinnati Gas & Electric Company \$200,000, the largest of its kind in history. NRC's Region III Director James Keppler said that a Quality Confirmation Program ("QCP") run by CG&E would solve Zimmer's problems. He explained that the utility had not been actively involved with the quality assurance ("QA") collapse that led to the fine.

Today we are releasing evidence proving beyond question that NRC officials knew this explanation -- offered publicly only after bitter internal debate -- was wrong.

The Government Accountability Project ("GAP"), on behalf of the Miami Valley Power Project, is presenting its case against the Zimmer nuclear plant. Our case involves a 121-page petition and some 200 exhibits to the NRC Commissioners to-- (1) immediately suspend the construction permit; (2) replace the CG&E-led Quality Confirmation Program with a comprehensive third-party reinspection program that has full authority to enforce its findings; and (3) require an independent management audit of top CG&E and Kaiser personnel to learn the causes of the QA breakdown.

Most significant, in a separate 52-page petition we are requesting the Commissioner's to reconsider their July 30, 1982 decision overruling the Atomic Safety and Licensing Board ("ASLB") and refusing to reopen public licensing hearings into the issues we are discussing today. On the basis

ATTACHMENT 3

of the NRC Staff's history of failure at Zimmer, public input into the legal process is essential.

We have been working on this case for over two years. Today's petitions are the result of an intensive five-month, full-time investigation.

Last November the NRC publicly admitted that the QA program at Zimmer was "totally out of control." It still is today. The petition to stop construction exposes 101 instances where the owner, CG&E, or the contractor have violated the NRC's April 8, 1981 Immediate Action Letter and Quality Confirmation Program. This program was supposed to answer all the remaining questions about the safety of the plant: It cannot do that.

The problems at Zimmer are continuing because CG&E is still firmly in charge of identifying and correcting its own previous policy decisions. Last November the NRC said CG&E was guilty of benign neglect; that the owner had not kept track of its contractor's misconduct. Nothing could be further from the truth.

Our petition details 129 instances where CG&E was directly aware of the quality assurance violations. These instances remain only a portion of our evidence, but prove that this problem was not blissful ignorance.

The most significant aspect of our disclosure is that the mess at Zimmer is the direct result of deliberate CG&E policies, made by top management in the early 1970's with full knowledge of the consequences. The motive? To cut overall costs by not funding the QCP staff necessary to find the violations. The attachments to our petition disclose 112 instances where CG&E actively participated in or openly ordered the QA policies at issue.

In the early 1970's the Kaiser Quality Assurance Manager warned it would be "impossible" to meet minimum Atomic Energy Commission ("AEC")

standards with the amount of money CG&E was spending. The documents reveal that top CG&E officials Dickhoner, Borgmann and Pandorf chose not to spend the money, except for occasional token budget increases. CG&E defined the tiny scope of the quality assurance program and enforced its judgment with an iron hand. CG&E even had a representative who worked in the Kaiser QA offices to make sure the contractor toed the line.

For eight years Kaiser -- and sometimes CG&E -- QA officials wrote memoranda complaining about the effects; these were to no avail until April 1981, when an NRC Immediate Action Letter forced budget increases. The QA officials who dissented too persistently were forced out -- from QA managers down to field inspectors. Zimmer represents much more than a decade-long quality assurance breakdown. It was a decade-long strictly-enforced quality assurance abdication.

Since 1971 and particularly from 1974-76, CG&E has been waging a high-stakes gamble that nothing would go wrong, and that if it did, no one would find out. Unfortunately they lost their gamble. In fact, nearly everything has gone wrong that could have, and -- after today -- the public knows the risks CG&E has been willing to impose through its financial shortcuts.

In April 1981, the NRC gave CG&E a way out through the Quality Confirmation Program and essentially stepped out of the picture for six months after last November's "interim" report.

There is another story behind CG&E's rosey announcements in the company's "OK News" that the aptly-titled Quality Confirmation Program is confirming the quality of Zimmer. The utility has been scrambling desperately to avoid drastic expensive repair programs and further public exposure. By denying everything and gambling again that GAP was bluffing, they've largely gotten away with it. Until today. We weren't bluffing.

During the 1982 "post-reform" era at Zimmer, CG&E has--

- (1) told the NRC that almost all of some 500 current welders are properly-qualified, when the QA staff found just the opposite;
- (2) largely replaced the industry-wide Nonconformance Reporting ("NR") system with a new informal substitute, after the NRC found that previous informal substitutes were illegal;
- (3) established a policy to "identify" for "corrective action" the quality control inspectors who were "habitual NR writers and deficiency generators"; and
- (4) asked for an exemption from normal American Society of Mechanical Engineers ("ASME") standards on some 18,000 radiographs rejected by the NRC. The ASME survey team also rejected CG&E's position.

Kaiser's post-reform site construction manager told the employees after he began work last July, his goal was to return to the pre-April 1981 mode, when Kaiser had everything going for it and was building one of the cheapest nuclear plants in the country. The Commissioner's response to today's petitions will determine whether Kaiser meets that goal.

How did the NRC let this happen? As CG&E President Dickhoner has said, the NRC has been around from the beginning. At least since 1976 when Kaiser Quality Engineer Vic Griffin blew the whistle, the NRC has been on-notice. Yet the NRC staff lowered enforcement standards at Zimmer. For six years the NRC has managed to keep a lid on Zimmer, to a level the public could live with emotionally. We're convinced that last November's report and fine were just another part of that strategy. It offered a detailed snapshot into part of the problem. But the investigations into the causes, the full scope, and the hardware effects of CG&E's non-QA program were either short-circuited, or censored.

Even within the NRC there has been vigorous protest throughout this period. Numerous NRC staff inspectors and investigators have gone on record against the enforcement policies at Zimmer. For example, a 1981 NRC memorandum obtained under the Freedom of Information Act contains former Resident

Inspector Terry Harpster's account that he "screamed" about Zimmer at a 1978 NRC management meeting. He found no NRC support. Meanwhile, Mr. Harpster reported that CG&E officials Borgmann and Schwiers went over his head to complain about overly-aggressive enforcement and to seek revision of NRC inspection reports. In 1979 Mr. Harpster left the site.

Last spring the NRC investigators and Resident Inspector Tom Daniels recommended shutting down the plant. Other investigators and inspectors had agreed with Mr. Daniels' decision. Yet after a March 31 closed-door meeting with Mr. Borgmann, Region III management overruled them. Instead, Region III turned the rest of the effort to identify and correct the damage over to the utility. After last April the Region III Zimmer investigation was largely inactive for a year, other than writing up and shrinking what had been found already. Region III did not even impose a comprehensive records retention requirement on CG&E.

The utility's ability to destroy records legally became significant last summer, when NRC's Office of Inspector and Auditor ("OIA") opened a criminal investigation at Zimmer. The OIA investigation could have solved the mystery of what went wrong at Zimmer. To determine criminal intent, OIA investigators had to probe for the causes of the QA breakdown. July 8 and July 9, 1981 OIA interviews with the Kaiser and CG&E QA chiefs, respectively, pointed the finger squarely at top CG&E management.

At that point -- when the NRC probe reached the moment of truth -- the investigation was called off; suspended until June 1982 so it would not "interfere" with Region III's effort, which had been largely dormant since April. OIA never released a report on last summer's criminal investigation. Today we are releasing key interviews the investigators took from Kaiser QA Manager Phillip Gittings and QC Inspection Supervisor Rex Baker.

In short, the Commissioners' decision not to reopen the hearings does not square with reality. The Commissioners said that public oversight and participation in licensing hearings are unnecessary. On the basis of today's evidence, now more than ever the NRC/CG&E monopoly on the Zimmer cleanup must be broken. It is imperative that -- (1) a totally independent third party replace CG&E to manage completion of the plant; and (2) the public have a chance to monitor and debate the Staff's oversight effort through renewed licensing hearings.

Otherwise, the Zimmer lesson may be to drastically stretch the limits of how badly a utility can defy the Atomic Energy Act without the NRC removing it from control of the coverup. That is just what will happen unless one Commissioner changes his mind and permits the licensing hearings that MVPP, the NRC Staff and the Atomic Safety and Licensing Board all have requested.

Under the circumstances, there is no defensible reason for the NRC to remove the public from the licensing process. Its own hands are too dirty. Only this spring -- when Kaiser and NRC whistleblowers gave up on the system -- did MVPP learn the full scope of the NRC and CG&E's secret policies of the last 6 and 11 years, respectively. The excuse that it is "too late" for public hearings is lame, even if presented in good faith.

For all of us, the Zimmer story raises a nagging question raised by NRC Inspector Fred Maura last April 22 in an internal memorandum:

The NRC shall determine why it failed so miserably, during its routine inspection program in identifying and correcting the problems now surfacing at the Zimmer site. ...Corrective action must be taken to prevent recurrence. Our findings raise the question whether Zimmer's problems are an isolated case or whether our program has allowed similar problems to develop in other plants within our region. To answer that question R[egion] III must conduct similar team inspections at other RIII plants under construction as soon as possible.

It is unfortunate that RIII management never acted on Mr. Maura's advice, because it appears his fears about the Region-wide QA breakdown were completely

accurate. Along with GAP's work on behalf of the Miami Valley Power Project at Zimmer, we have recently concluded a preliminary investigation into the Midland Nuclear Power Station in Michigan, the LaSalle Nuclear Power Plant in Illinois, and a Heating, Ventilating and Air Conditioning subcontractor in Chicago that provided materials to three Region III nuclear plants. In each investigation we have followed the same tracks left at Zimmer.

Region III Administrator Keppler has said that he could not assure the public there were "no more Zimmers." Regrettably, Mr. Keppler may have understated his reservations. Neither he nor anyone can answer far too many critical questions about the quality of the nuclear power plants in Region III.

We think the public should know why.

* * *

GAP has also requested that the Commission reconsider its decision of July 30, 1982, ordering the Atomic Safety and Licensing Board to dismiss MVPP's eight contentions focusing on the quality assurance breakdown at Zimmer and CG&E's lack of character and competence to operate a nuclear plant.

The Commission stated that it did not believe public licensing hearings were necessary because the NRC Staff was monitoring progress at Zimmer through the Quality Confirmation Program and continuing its investigation of alleged deficiencies.

MVPP and GAP believe that public oversight of the NRC is crucial in this case.

The Commission, in finding that the Staff could handle the problems at Zimmer, was uninformed about the Staff's track record up to this point. The two petitions filed by GAP and MVPP emphasize to the Commission essentially two points:

(1) The Staff has never disclosed publicly the true extent of the QA and hardware problems at Zimmer, nor the responsibility of CG&E officials for these failures;

(2) CG&E, some of whose officers may be questioned in connection with a criminal investigation for falsification of QA records, has monitored and controlled the QA program at Zimmer since 1973.

Contrary to Region III Administrator James Keppler's report to the Commission on June 7, 1982, this is not a case of the utility abdicating control to its contractor.

The NRC Staff again and again has shown itself incapable of monitoring CG&E to ensure the safe construction of Zimmer:

(1) From 1977 to 1979 when it was informed by its own preoperations start-up inspector Terry Harpster about Zimmer's problems the NRC ignored the reports. Harpster told his superiors in 1979 that Zimmer had no QA program for operations and that CG&E did not have the technical competence to operate Zimmer.

(2) The IE Report issued in November 1981 was severely censored. Although the NRC fined CG&E \$200,000 for the deficiencies uncovered by its investigators, in light of the evidence they uncovered, the fine was little more than a slap on the hand. The draft of the IE Report showed that the NRC knew that CG&E denied adequate staffing to Kaiser QA. This decision was made even though CG&E knew Kaiser could not comply with NRC regulations without more personnel.

The NRC was also told that two Kaiser QA managers were forced to leave because they felt they could not do their jobs without more staff. Further information provided to the NRC showed that after a December 1980 meeting with the NRC about improper voiding of nonconformance reports, CG&E failed

to take corrective actions even though officials knew it violated Commission regulations.

This kind of damaging information was deleted from the final IE Report.

(3) The NRC was informed that worker intimidation and harassment at Zimmer has never been caused by erratic outbursts of individual construction workers alone. It is instead the consequence of CG&E and Kaiser management policies which pressure QA personnel not to hold up construction.

(4) The NRC and CG&E have agreed over the last nine years that certain QA practices do not violate NRC regulations, including improper purchase of materials from non-approved vendors and upgrading of materials to "essential."

In the Spring of 1981, despite the recommendation of Region III inspectors and investigators, Mr. Keppler refused to stop the construction at Zimmer after a closed-door meeting with CG&E's Earl Borgmann. Later he turned down GAP's request to stop construction at the site even though Zimmer's resident inspectors strongly supported a suspension of construction until the old problems had been solved.

A nine-month delay in the IE investigation and an indefinite suspension of the criminal probe have defeated any possibility of discovering the facts at Zimmer. Even now, as the Quality Confirmation Program uncovers the severe hardware and documentation faults at Zimmer, the NRC is responding to CG&E pressure to weaken its oversight of the plant. That is why licensing hearings are the only way the public can be sure Zimmer is being constructed and can be operated safely.


MVPP and GAP, in filing these two petitions, have presented a large portion of the evidence they have collected during an investigation catalyzed by the NRC's failure adequately to monitor CG&E. We believe that the Commission will agree, after reviewing the evidence we have presented, that licensing

hearings are absolutely necessary to ensure rigorous public oversight of
CG&E and of the NRC Staff.

* * *

We are concerned to see a pattern of leniency that has compromised the regulatory concept. As we found at Zimmer, the NRC Region III staff gives the benefit of the doubt to the utility far too often. We believe the utility will look out for its own best interests. The NRC is paid by the taxpayers to look out for the public interest.

Some examples of this pattern of leniency include:

1. The NRC resolving "findings" only based on statements with vested interest.
2. The NRC acceptance of relaxed design and construction specifications and procedures.
3. Serious conflict of interest within investigations and inspections.
4. Continued acceptance of substandard material.
5. Few, if any, unannounced NRC inspections on site.
6. Excessive deferral to the financial hardships and time  deadlines of the utility, weighed against public safety standards.

Even worse, the above structural flaws and patterns of non-compliance do not include the unacceptable potential for human error at Midland. We have yet to find a single employee witness who has denied our witnesses charges of widespread drunkenness on the job at the construction site. It is difficult enough for a sober worker to construct any nuclear power plant safely. We shudder at the consequences of drunken employees trying to cope with the handicaps at Midland.

Region III has begun to recognize the seriousness of the problems at Midland, as evidenced by Mr. Keppler's recent announcement of a special inspection team for Midland. Shoddy work has been piling up for almost a decade.

Date?
Late 1981?

TESTIMONY OF WILLIAM J. DIRCKS

BEFORE THE

SUBCOMMITTEE ON ENERGY AND THE ENVIRONMENT

OF THE

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

ATTACHMENT 5

QUALITY ASSURANCE FOR NUCLEAR PLANTS UNDER CONSTRUCTION

THIS TESTIMONY ADDRESSES THE ADEQUACY OF QUALITY ASSURANCE AS IT APPLIES TO NUCLEAR POWER PLANTS UNDER CONSTRUCTION, WHY IDENTIFIED CONSTRUCTION OR QUALITY ASSURANCE DEFICIENCIES HAVE NOT BEEN DETECTED ON A MORE TIMELY BASIS, AND ACTIONS BEING TAKEN TO SOLVE RECOGNIZED PROBLEMS.

THE NRC LOOKS TO THE POWER PLANT OWNERS, THE UTILITIES THEMSELVES, TO TAKE THE LEADERSHIP ROLE IN ASSURING THE QUALITY OF THEIR PLANTS AND OPERATIONS. THIS REQUIRES HEAVY EMPHASIS AND ACTIVE INVOLVEMENT OF TOP LICENSEE MANAGEMENT IN QA PROGRAMS. CAREFUL ATTENTION IS REQUIRED IN THE SELECTION OF ENGINEERING SPECIFICATIONS AND QA PROCEDURES AND PRACTICES FOR EACH TASK AND THEIR IMPLEMENTATION BY THE WORKERS ON THE JOB. MOST IMPORTANTLY, THERE MUST BE ADEQUATE RESOURCES OF QUALIFIED PERSONNEL AT MANAGEMENT, OPERATING, AND STAFF LEVELS.

NRC ASSESSES THE PERFORMANCE OF THE UTILITIES AND THEIR MAJOR CONTRACTORS DURING THE DESIGN AND CONSTRUCTION PHASES. THE NRC DOES NOT ATTEMPT TO REDO THIS WORK OR INSPECT IT COMPLETELY SINCE THE NRC RESOURCES ON A PARTICULAR PLANT ARE ONLY A SMALL FRACTION OF WHAT WE REQUIRE A UTILITY TO DEVOTE TO INSPECTION, QUALITY CONTROL, AND QUALITY ASSURANCE. THE NRC'S REGIONAL OFFICES CARRY OUT A SAMPLING INSPECTION PROGRAM AIMED AT DETERMINING COMPLIANCE WITH THE PROGRAMMATIC COMMITMENTS. THE REGULATORY REQUIREMENTS PLACE THE MAJOR INSPECTION RESPONSIBILITIES FOR QUALITY ASSURANCE

ON THE LICENSEE'S CONTRACTORS, WHICH ARE IN TURN INSPECTED AND AUDITED BY THE LICENSEE'S STAFF. THE NRC'S EFFORT IS AN AUDIT AND OVERVIEW OF THE LICENSEE'S AND ITS CONTRACTORS' QUALITY ASSURANCE ACTIVITIES. IN CARRYING OUT THESE INSPECTION ACTIVITIES, NRC INSPECTIONS COVER APPROXIMATELY 1-5 PERCENT OF THE INSPECTION ACTIVITIES PERFORMED BY THE LICENSEE AND ITS CONTRACTORS.

THE NRC'S QUALITY ASSURANCE REQUIREMENTS ARE CONTAINED IN APPENDIX B TO PART 50 OF TITLE 10 OF THE CODE OF FEDERAL REGULATIONS, "QUALITY ASSURANCE CRITERIA FOR NUCLEAR POWER PLANTS AND FUEL REPROCESSING PLANTS." THESE CRITERIA PROVIDE A BASIS UPON WHICH THE NRC JUDGES THE ACCEPTABILITY OF QA PROGRAMS. THE CRITERIA OF APPENDIX B APPLY TO ALL ACTIVITIES AFFECTING SAFETY-RELATED FUNCTIONS OF NUCLEAR POWER REACTOR STRUCTURES, SYSTEMS, AND COMPONENTS.

QUALITY ASSURANCE IS DEFINED IN OUR REGULATIONS AS "ALL THOSE PLANNED AND SYSTEMATIC ACTIONS NECESSARY TO PROVIDE ADEQUATE CONFIDENCE THAT A STRUCTURE, SYSTEM, OR COMPONENT WILL PERFORM SATISFACTORILY IN SERVICE." WHAT THIS MEANS IS THAT - FOR ITEMS HAVING SAFETY SIGNIFICANCE IN A NUCLEAR POWER PLANT:

- O THE DESIGN IS VERIFIED TO BE CORRECT AND TO INCLUDE APPROPRIATE REGULATORY REQUIREMENTS;

- O PROCUREMENT DOCUMENTS CONTAIN ADEQUATE INFORMATION AND ARE VERIFIED;
- O INSPECTION OF PARTS, MATERIALS, AND PROCESSES ARE TIMELY AND ADEQUATE;
- O DEFICIENCIES IN DESIGN, CONSTRUCTION AND INSTALLATION ARE IDENTIFIED AND APPROPRIATELY REMEDIED;
- O THE QA PROCESS IS AUDITED AND REPORTED TO AN ORGANIZATIONAL LEVEL CAPABLE OF ASSURING EFFECTIVE CORRECTIVE MEASURES;
- O RECORDS ARE KEPT WHICH CLEARLY DEMONSTRATE SUFFICIENCY OF ACTIVITIES AFFECTING QUALITY; AND
- O THE ORGANIZATIONS PERFORMING QA FUNCTIONS HAVE SUFFICIENT INDEPENDENCE AND AUTHORITY TO IMPLEMENT THESE ACTIVITIES.

THIS DISCUSSION WILL FOCUS ON SOME EXPERIENCES THAT HAVE AND CONTINUE TO GENERATE WIDESPREAD PUBLIC INTEREST. SPECIFICALLY, THERE HAVE BEEN SOME SERIOUS QUALITY ASSURANCE BREAKDOWNS WITH BROAD REPERCUSSIONS AT THE MARBLE HILL, MIDLAND, ZIMMER, SOUTH TEXAS, AND DIABLO CANYON CONSTRUCTION SITES.

MARBLE HILL

IN 1979, WEAKNESSES WERE IDENTIFIED IN THE PROGRAM FOR THE PLACEMENT OF CONCRETE AND RELATED QUALITY ASSURANCE MEASURES AT THE MARBLE HILL NUCLEAR PLANT CONSTRUCTION SITE IN SOUTHERN INDIANA.

WE INVESTIGATED THESE PROBLEMS WHEN A CONCRETE WORKER RAISED ALLEGATIONS THAT HONEYCOMBING, VOIDS AND SURFACE DEFECTS WERE BEING IMPROPERLY PATCHED. THESE ALLEGATIONS, WHICH WERE SUBSEQUENTLY SUBSTANTIATED, LED TO A BROADER INVESTIGATION THAT ADDRESSED OTHER AREAS OF WORK AT THE SITE. ABOUT THE SAME TIME, CODE COMPLIANCE PROBLEMS WERE IDENTIFIED BY THE INDIANA BOILER CODE INSPECTOR AND THE NATIONAL BOARD OF BOILER AND PRESSURE VESSEL INSPECTORS.

THESE EVENTS LED TO A HALTING OF ALL SAFETY-RELATED WORK AT THE SITE IN AUGUST 1979 -- A MOVE TAKEN BY THE UTILITY AND CONFIRMED BY AN NRC ORDER. WORK WAS NOT PERMITTED BY THE NRC TO RESUME UNTIL DECEMBER 1980, SOME 16 MONTHS LATER, WHEN THE UTILITY'S QUALITY ASSURANCE PROGRAM --AND THAT OF ITS CONTRACTORS -- HAD BEEN SUBSTANTIALLY UPGRADED AND THE ADEQUACY OF COMPLETED CONSTRUCTION WORK HAD BEEN VERIFIED. DELAYS IN CONSTRUCTION AND EFFORTS TO CORRECT THESE AND OTHER PROBLEMS ARE ESTIMATED TO HAVE COST THE UTILITY HUNDREDS OF MILLIONS OF DOLLARS.

MIDLAND

IN THE CASE OF THE MIDLAND FACILITY IN MICHIGAN, EXCESSIVE SETTLEMENT OF THE DIESEL GENERATOR BUILDING WAS OBSERVED IN 1978.

THE UNEXPECTED SETTLING WAS SUBSEQUENTLY ATTRIBUTED TO INADEQUATE AND POORLY COMPACTED SOIL UNDER THE BUILDING. FURTHER INVESTIGATION BY THE LICENSEE REVEALED THAT OTHER SAFETY-RELATED SYSTEMS AND STRUCTURES WERE AFFECTED. ALL OF THESE SYSTEMS AND STRUCTURES WERE NEARING COMPLETION AT THE TIME THE PROBLEM WAS DISCOVERED. THE NRC'S INVESTIGATION DETERMINED THAT DESIGN AND CONSTRUCTION SPECIFICATIONS HAD NOT BEEN FOLLOWED DURING PLACEMENT OF THE SOIL FILL MATERIALS AND THAT THERE WAS A LACK OF CONTROL AND SUPERVISION OF THE SOIL PLACEMENT ACTIVITIES BY THE UTILITY AND ITS CONTRACTORS. THE COSTS ASSOCIATED WITH ASSURING PROPER SOIL COMPACTION AND DEMONSTRATING THE ADEQUACY OF THE PLANT DESIGN ARE SIGNIFICANT. THE MATTER HAS STILL NOT BEEN RESOLVED AND THE ISSUES ARE CURRENTLY BEING LITIGATED BEFORE AN NRC HEARING BOARD.

ZIMMER

AT THE ZIMMER FACILITY IN SOUTHERN OHIO, THE NRC HAS BEEN INVESTIGATING ALLEGED QUALITY ASSURANCE IRREGULARITIES SINCE JANUARY OF THIS YEAR. THIS INVESTIGATION EFFORT, WHICH IS STILL ONGOING, STARTED WITH ALLEGATIONS FROM A COUPLE OF SOURCES, BUT SOON BROADENED TO MANY WORKERS AND EX-WORKERS. TO DATE WE HAVE

INTERVIEWED APPROXIMATELY 100 INDIVIDUALS AND EXPENDED OVER 250 MAN-DAYS ONSITE PURSUING THESE ALLEGATIONS.

THE CURRENT INVESTIGATION HAS IDENTIFIED A NUMBER OF QUALITY ASSURANCE-RELATED PROBLEMS AT THE ZIMMER SITE. THE MAJORITY OF THE PROBLEMS IDENTIFIED TO DATE FOCUS ON THE INEFFECTIVENESS OF CONTROLS IMPLEMENTED BY THE LICENSEE AND ITS CONTRACTORS FOR ASSURING THE QUALITY OF WORK PERFORMED. IN THAT REGARD, NUMEROUS DEFICIENCIES HAVE BEEN FOUND CONCERNING TRACEABILITY OF MATERIALS, HANDLING OF NONCONFORMANCE, INTERFACE BETWEEN CONSTRUCTION AND QUALITY CONTROL, QUALITY RECORDS, AND THE LICENSEE'S OVERVIEW OF ONGOING WORK.

THE IMPACT OF THE IDENTIFIED QUALITY ASSURANCE DEFICIENCIES ON THE ACTUAL CONSTRUCTION HAS YET TO BE DETERMINED. AN EXTENSIVE REVIEW OF THE AS BUILT PLANT IS CURRENTLY BEING PERFORMED. LIMITED INDEPENDENT MEASUREMENTS WERE PERFORMED BY THE NRC IN SELECTED AREAS OF CONCERN IN AN ATTEMPT TO CHARACTERIZE THE ACTUAL SAFETY SIGNIFICANCE OF THESE DEFICIENCIES. ALTHOUGH A FEW PROBLEMS REQUIRING CORRECTIVE ACTION WERE IDENTIFIED, THE MAJORITY OF THE TESTS AND EXAMINATIONS DISCLOSED NO HARDWARE PROBLEMS.

BEFORE THE PLANT CAN BE LICENSED A COMPREHENSIVE QUALITY CONFIRMATION PROGRAM WILL HAVE TO BE CONDUCTED AND IDENTIFIED PROBLEM

AREAS RESOLVED. BY ITSELF, WITHOUT FACTORING IN ANY REWORK, THE QUALITY CONFIRMATION PROGRAM WILL BE BOTH COSTLY AND TIME CONSUMING. THE EFFECT OF THIS ON THE CONSTRUCTION SCHEDULE OF THE PLANT REMAINS TO BE DETERMINED.

SOUTH TEXAS

IN JANUARY 1981, HOUSTON LIGHTING AND POWER COMPANY (HL&P) INITIATED A DESIGN REVIEW OF THOSE PORTIONS OF THE ENGINEERING DESIGN WORK PERFORMED BY BROWN AND ROOT, INC., (B&R) FOR THE SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION (STP). THE PURPOSE OF THIS REVIEW WAS TO ASCERTAIN THE OVERALL ADEQUACY OF THE STP DESIGN. QUADREX CORPORATION WAS ASKED TO ASSIST HL&P IN A REVIEW OF THE FOLLOWING B&R TECHNICAL DISCIPLINES:

- CIVIL/STRUCTURAL
- COMPUTER PROGRAMS AND CODES
- ELECTRICAL/INSTRUMENTATION AND CONTROL
- GEOTECHNIC
- HEATING, VENTILATING AND AIR CONDITIONING
- MECHANICAL
- NUCLEAR ANALYSIS
- PIPING AND SUPPORTS/STRESS AND SPECIAL STRESS
- RADIOLOGICAL CONTROL

THE LICENSEE MET WITH QUADREX CORPORATION FOR THE FIRST TIME ON JANUARY 16, 1981, AND SEVERAL OTHER TIMES IN JANUARY AND FEBRUARY 1981, TO PLAN THE REVIEW. THE REVIEW BY QUADREX INVOLVED 12 ENGINEERING CONSULTANT PERSONNEL WHO SPENT MORE THAN SIX WEEKS IN AUDITING B&R DESIGN ENGINEERING DOCUMENTS AND INTERVIEWING VARIOUS B&R DISCIPLINE ENGINEERS. THE REPORT ON THE QUADREX EFFORT DATED MAY 1981, WAS SUBMITTED BY THE LICENSEE TO THE NRC LICENSING HEARING BOARD ON SEPTEMBER 28, 1981. BRIEFLY, THE QUADREX REPORT FOUND THAT BROWN & ROOT APPARENTLY FAILED TO PROPERLY IMPLEMENT THE QA PROGRAM IN THE DESIGN AREA BUT ALSO FAILED TO PROPERLY IMPLEMENT AN OVERALL DESIGN PROCESS CONSISTENT WITH THE NEEDS OF A NUCLEAR POWER PLANT. AS A RESULT VERIFICATION OF DESIGN INFORMATION WAS APPARENTLY NOT PERFORMED IN A TIMELY MANNER, AND REGULATORY COMMITMENTS FOR SAFETY DID NOT APPEAR TO BE FULLY OR PROPERLY IMPLEMENTED TO SATISFY NRC REQUIREMENTS FOR LICENSABILITY.

NRC INSPECTION REPORTS DATING BACK TO 1979 FOUND PROBLEMS AT THE SOUTH TEXAS PLANT SIMILAR TO THOSE IDENTIFIED IN THE QUADREX REPORT. HOWEVER, THE AGENCY'S AUDITS DID NOT SURFACE THE NUMBER OF PROBLEMS SUGGESTED BY THE QUADREX REPORT. THOUGH WE WERE AWARE OF QA PROBLEMS AT SOUTH TEXAS AND HAD CITED THE LICENSEE FOR A BREAKDOWN IN THEIR QA PROGRAM IN APRIL 1980, THE MAGNITUDE OF POTENTIAL PROBLEMS WAS NOT FULLY APPRECIATED UNTIL WE FIRST REVIEWED THE REPORT IN AUGUST OF 1981.

IN LATE SEPTEMBER THE LICENSEE ANNOUNCED THAT BROWN AND ROOT WAS BEING REPLACED BY BECHTEL POWER CORPORATION AS ARCHITECT-ENGINEER. WE INTEND TO CAREFULLY MONITOR HOW BECHTEL INVESTIGATES AND DISPOSES OF THE PROBLEMS SURFACED BY THE QUADREX REPORT.

DIABLO CANYON

AT DIABLO CANYON, THE PACIFIC GAS & ELECTRIC COMPANY (PG&E) PROVIDED INCORRECT INFORMATION TO A EXPERT CONSULTANT, WHO USED THE INFORMATION IN DEVELOPING THE SEISMIC RESPONSE SPECTRA FOR THE DESIGN OF CERTAIN SEISMIC PIPING AND EQUIPMENT RESTRAINTS. OUR INVESTIGATORS HAVE FOUND THAT THERE WAS A LACK OF RIGOR AND FORMALITY IN THE PROCEDURES USED FOR VERIFYING THE ACCURACY OF INFORMATION TRANSFERRED BY PG&E TO ITS CONSULTANTS. THESE PROCEDURES DID NOT COMPLY WITH OUR REQUIREMENTS CALLING FOR VERIFICATION OF DESIGN INFORMATION AT EACH STAGE OF THE PROCESS BY AN INDEPENDENT PERSON QUALIFIED IN THE PERTINENT DISCIPLINES. PROPER QUALITY ASSURANCE CONTROLS WERE NOT EMPLOYED IN TECHNICAL AND PROCUREMENT COMMUNICATIONS WITH SERVICE-TYPE CONTRACTORS. NOR WERE DOCUMENT CONTROLS ADEQUATE TO ASSURE THAT THOSE INVOLVED IN DESIGN HAD READY ACCESS TO THE MOST RECENT INFORMATION AVAILABLE.

BECAUSE OF THE INADEQUACY OF QA CONTROLS OVER DESIGN VERIFICATION, PROCUREMENT AND THE TRANSMITTAL OF DOCUMENTS TO SERVICE CONTRACTORS, THE ACCEPTABILITY OF THE DESIGNS BASED ON THEIR ANALYSES IS NOW IN QUESTION.

AS A RESULT, THE STAFF HAS DECIDED THAT THERE IS SUFFICIENT REASON TO REVIEW THE ENTIRE PROCESS FOR SEISMIC DESIGN; TO REVIEW THE ADEQUACY OF OTHER PLANT DESIGN ASPECTS, PARTICULARLY THOSE THAT WERE BASED ON ENGINEERING INFORMATION DEVELOPED UNDER OTHER SERVICE-TYPE CONTRACTS; AND TO REVIEW THE IMPLEMENTATION OF THE UTILITY QA PROGRAM IN THESE AREAS.

IN LOOKING AT THE MARBLE HILL, MIDLAND, ZIMMER, SOUTH TEXAS, AND DIABLO CANYON PROBLEMS, QUESTIONS HAVE BEEN RAISED AS TO WHY THE LICENSEE'S QUALITY ASSURANCE PROGRAM AND THE NRC INSPECTION PROGRAM HAD NOT IDENTIFIED THE PROBLEMS SOONER. CLEARLY, IN EACH CASE, THERE WAS AN OVERRELIANCE BY THE UTILITY ON ITS CONTRACTORS FOR MAINTAINING A THOROUGH QUALITY ASSURANCE PROGRAM. THE UTILITY'S OWN QA STAFF WAS TOO SMALL TO MAINTAIN SUFFICIENT SURVEILLANCE OVER THE WORK OF CONTRACTORS. IN TWO OF THE CASES WE SAW INSTANCES WHERE THE CONSTRUCTION MANAGEMENT DOMINATED OR CONTROLLED THE QUALITY ASSURANCE PROGRAM AND PERSONNEL. AND, IN EACH OF THE CASES WHERE PROBLEMS HAD BEEN IDENTIFIED, THE CORRECTIVE ACTION TAKEN WAS NOT SUFFICIENTLY BROAD. TOO FREQUENTLY, THE RESPONSE WAS ONE OF TREATING THE SYMPTOM, RATHER THAN FINDING THE BASIC CAUSE AND CORRECTING IT.

*all these
highlights* →

IN ANALYZING THE IDENTIFIED PROBLEMS AREAS, ONE CAN COME UP WITH A LIST OF IMMEDIATE CAUSES -- SUCH AS UNQUALIFIED WORKERS OR QC INSPECTORS, FALSIFIED RECORDS, INTIMIDATION OF QUALITY

CONTROL INSPECTORS, LACK OF AUTHORITY, LACK OF COMMUNICATION, INADEQUATE STAFFING LEVELS, INADEQUATE CORRECTIVE ACTION SYSTEMS, LACK OF SUPERVISION, POOR TO NONEXISTENT PROCEDURES, POOR DESIGN AND CHANGE CONTROL, DESIGN ERRORS, INADEQUATE ANALYSES, POOR QUALITY COMPONENTS, AND SO ON. MOST OF THESE CAN BE TRACED TO FAILURE OF QUALITY ASSURANCE DUE TO INEFFECTIVE MANAGEMENT CONTROL OF THE QA PROGRAM. THERE ARE A MYRIAD OF EXCUSES AND REASONS WHY MANAGEMENT FAILS. SOME ARE EXPLICIT FAILURES OF PERFORMANCE OR LACK OF ATTENTION. OTHER FAILURES ARISING FROM POOR ATTITUDES AND PERCEPTIONS ARE DIFFICULT TO IDENTIFY. THE NRC CANNOT TOLERATE THESE DEFECTS BECAUSE OF THEIR POTENTIAL IMPACT IN TERMS OF PUBLIC RISK. IT IS SURPRISING THAT SOME LICENSEES ARE INSUFFICIENTLY CONCERNED ABOUT QUALITY ASSURANCE NOT ONLY BECAUSE OF THE SAFETY IMPLICATIONS BUT ALSO BECAUSE OF THE IMMENSE COST OF MISTAKES AND OF THE RESULTING DELAY IN CONSTRUCTION.

GIVEN THESE INSTANCES OF BREAKDOWNS IN MANAGEMENT CONTROL OF CONSTRUCTION QUALITY AND THE COMMISSION'S DISSATISFACTION, THE ISSUE IS "WHAT ARE WE DOING ABOUT IT?"

WITHOUT DOUBT, THERE HAVE BEEN SHORTCOMINGS IN THE NRC INSPECTION PROGRAM AT CONSTRUCTION SITES. THERE HAVE BEEN CASES WHERE WE HAVE FAILED TO SEE THE BREADTH OR DEPTH OF A PROBLEM. WE IDENTIFIED SPECIFIC VIOLATIONS OF REQUIREMENTS WITHOUT REQUIRING THE CORRECTION OF THE BASIC CAUSE OF THE PROBLEM. ADDITIONALLY,

WE MAY HAVE SPENT TOO LITTLE TIME WITH QUALITY CONTROL INSPECTORS AND CONTRUCTION WORKERS TO GET THEIR VIEWS ON THE IMPLEMENTATION OF QUALITY ASSURANCE ACTIVITIES AT THE SITE. HOWEVER, WE ARE TAKING STEPS TO ASSURE ATTENTION TO CONSTRUCTION QA INCLUDING DESIGNATION OF RESIDENT INSPECTORS AT ALL CONSTRUCTION SITES.

THE COMMISSION HAS MADE OR IS CONSIDERING A NUMBER OF CHANGES OF ITS INSPECTION AND ENFORCEMENT PROGRAM TO INCREASE THE EMPHASIS ON IMPLEMENTATION OF QA PROGRAMS. LET ME ADDRESS SIX SPECIFIC ACTIVITIES:

1. AS INDICATED ABOVE, NRC RESIDENT INSPECTORS HAVE BEEN OR WILL BE STATIONED AT ALL CONSTRUCTION SITES WHERE ACTIVE CONSTRUCTION IS PRESENTLY UNDER WAY AND THE PROJECT IS AT LEAST 15 PERCENT COMPLETE. BASED ON OUR EXPERIENCE WITH THE RESIDENT INSPECTION PROGRAM TO DATE, WE BELIEVE RESIDENT INSPECTORS ENHANCE THE NRC'S ABILITY TO MONITOR QUALITY ASSURANCE ACTIVITIES AND IDENTIFY THE SYMPTOMS OF BREAKDOWN IN MANAGEMENT CONTROL.
2. THERE HAS BEEN A TOUGHENING OF THE NRC'S ENFORCEMENT POSTURE OVER THE PAST COUPLE OF YEARS AND THE NRC'S REVISED ENFORCEMENT POLICY HAS PLACED EMPHASIS ON DEALING WITH POOR REGULATORY PERFORMANCE IN THE CONSTRUCTION AREAS.

3. WE HAVE COMPLETED A TRIAL PROGRAM OF TEAM INSPECTIONS WHEREBY SEVERAL NRC INSPECTORS GO TO A CONSTRUCTION SITE FOR TWO TO THREE WEEKS TO DO A BROAD, INTENSIVE INSPECTION OF THE QUALITY ASSURANCE PROGRAM FOR ONGOING WORK. THIS APPROACH ENABLES NRC TO GAIN A TOTAL PROJECT PERSPECTIVE TO A GREATER EXTENT THAN PAST PRACTICE. THE ADVANTAGE OF THIS DETAILED "SNAPSHOT" IS AN ENHANCED ABILITY TO EVALUATE MANAGEMENT EFFECTIVENESS. THE USE OF SUCH INSPECTION TEAMS IS EXTREMELY LIMITED BY THE AVAILABILITY OF INSPECTORS AND FUNDS FOR THIS PURPOSE. WITH ADDITIONAL RESOURCES, WE COULD SEND INSPECTION TEAMS TO EACH CONSTRUCTION SITE TO DO MORE COMPREHENSIVE INSPECTIONS

4. THE NRC CONSTRUCTION INSPECTION PROGRAM IS UNDER REVISION TO ACCOMPLISH SEVERAL OBJECTIVES. WE ARE RECASTING INSPECTION PROCEDURES TO DELETE INSPECTION ACTIVITIES OF LESSER IMPORTANCE AND TO REDUCE DUPLICATION OF EFFORT BY RESIDENT AND REGIONAL-BASED SPECIALIST INSPECTORS. IN SITUATIONS WHERE INSPECTOR RESOURCES LIMITATIONS PRECLUDE COMPLETING THE ENTIRE INSPECTION PROGRAM, WE ARE ORDERING OUR PRIORITIES SO THAT THE MOST IMPORTANT INSPECTIONS WILL BE COMPLETED.

5. FORMALIZED PERFORMANCE APPRAISALS OF LICENSEE REGULATORY PERFORMANCE ARE BEING CONDUCTED ANNUALLY BY THE NRC (SYSTEM-ATIC ASSESSMENT OF LICENSEE PERFORMANCE PROGRAM). THE APPRAISALS, WHICH REVIEW THE COLLECTIVE NRC EXPERIENCE WITH EACH POWER REACTOR, BRING THE BROAD ISSUES OF PERFORMANCE EFFECTIVENESS TO THE ATTENTION OF SENIOR LICENSEE OFFICIALS.

6. WE ARE NOW USING OUR OWN MOBILE LABORATORY FOR NONDESTRUCTIVE EXAMINATION (NDE) AT CONSTRUCTION SITES. THIS NDE VAN HAS MULTIPLE CAPABILITIES THAT INCLUDE RADIOGRAPH DEVELOPMENT, METALLURGICAL ANALYSIS, AND HARDNESS, ULTRASONIC, DYE PENETRANT AND MAGNETIC PARTICLE TESTING. THE EXAMINATIONS THAT WE PERFORM ARE INTENDED TO CONFIRM QUALITY BASED ON A SELECTIVE SAMPLING APPROACH.

THE COMMISSION IS CONTINUING TO REVIEW ITS RESPONSIBILITIES IN THE NUCLEAR QA AREA IN ORDER TO DEVELOP IMPROVEMENTS IN DEFINING REQUIREMENTS, REVIEWING LICENSEE QA PROGRAMS, AND INSPECTION PRACTICES WHERE THEY ARE CALLED FOR.



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

December 30, 1982

Docket Nos. 50-440/441

Ms. Susan L. Hiatt
OCRE Representative
8275 Munson Road
Mentor, OH 44060

IN RESPONSE REFER
TO FOIA-82-545

Dear Ms. Hiatt:

This is in further response to your letter dated November 4, 1982, in which you requested, pursuant to the Freedom of Information Act, documents relating to the Perry Power Plant.

Appendix A is a listing of documents relevant to your request.

During a telephone conversation between you and Nina Toms on December 23, 1982, you agreed to accept our deletion of names and other personal information in some of the documents concerning allegations and complaints from employees of the Cleveland Electric Illuminating Company or its contractors concerning a deficiency in construction or quality assurance at the Perry plant. This agreement does not affect your right to appeal deletion of information, as provided in 10 CFR 9.11.

Document 31 of Appendix A lists seven inspection reports which also cover subjects pertinent to your request. These inspection reports have previously been placed in the NRC Public Document Room (PDR), 1717 H Street, N.W., Washington, DC 20555, for public inspection and copying. You may obtain copies of these inspection reports by writing directly to the PDR. The charge for copying records located in the PDR is five cents (\$0.05) per page, as specified in 10 CFR 9.14(a).

The charge for reproducing the enclosed 213 pages is \$2.66. Seventy-five percent of the reproduction costs have been waived in accordance with 10 CFR 9.14a. You will be billed for the total amount of this request by our Division of Accounting separately.

This completes NRC's action on your request.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. M. Felton", is written over the typed name and title.

J. M. Felton, Director
Division of Rules and Records
Office of Administration

Enclosures: As stated

ATTACHMENT 6

Appendix A

1. Inspection and Testing Check-Off Sheet, High Strength Batting Operation, August 8, 1977. (1 page)
2. Memorandum for C. Norelius from C. Williams, "Allegation Received by Licensee at Perry," September 4, 1980. (2 pages)
3. Perry Nuclear Power Plant Nonconformance Report, February 25, 1981. (2 pages)
4. Letter to Newport News Industrial Corporation of Ohio, from D. J. Sreniawski, November 18, 1981. (23 pages)
5. Memorandum for John Kinneman from Darrell Wiedeman, "Request for an Assist Inspection of Pullman Power Products, Williamsport, Pennsylvania," December 2, 1981. (29 pages)
6. Memorandum for Region III Files, Perry Power Plant, from C. H. Weil, "Vandalism - Filings in SCRAM Discharge Volume Pipe," January 26, 1982. (5 pages)
7. Memorandum for Region III Files, from Charles H. Weil, "Allegations from WEWS-TV, Channel 5, Cleveland, Ohio Concerning the Reactor Biological Shield and Weld Crack Coverup," January 28, 1982. (8 pages)
8. Memorandum for James G. Keppler, from J. A. Hind, "Construction Site Noncompliance Data for the Period 1976 Through 1980," February 5, 1982. (23 pages)
9. Letter to Magnaflux Corporation from D. G. Wiedeman, February 8, 1982. (29 pages)
10. Memorandum for Charles E. Norelius from Robert F. Warnick, "Enclosed Memo from Investigation - Allegation Concerning Pullman Power Products at the Perry Site," February 9, 1982. (6 pages)
11. Memorandum for Region III Files from C. H. Weil, "Allegation Received Concerning the Installation of Diesel Generators Without Having Approved Procedures in Effect Perry Nuclear Power Plant", March 17, 1982. (2 pages)
12. Memorandum for R. L. Spessard, from J. A. Hind, "An Addition to the Tabulation of Noncompliance History for Construction Sites - 1976-1981," June 8, 1982. (2 pages)
13. Memorandum for James G. Keppler from L. Sucharski, "1981 Comparison Data for Operating and Construction Plants," July 8, 1982. (13 pages)
14. Memorandum for Region III Files from Charles H. Weil, "Allegations Concerning Pullman Power Products at the Perry Site," July 8, 1982. (1 page)
15. Inspection Evaluation - Perry, May 1 - July 31, 1982. (2 pages)
16. Inspection Evaluation - Perry, June 11, 1982. (2 pages)

Appendix A

17. Memorandum for Charles E. Norelius, from J. E. Foster, "Intervenors Concerns Regarding the Cooling Tower Piping at the Perry Nuclear Power Plant," July 21, 1982. (2 pages)
18. Inspection Evaluation - Perry, October 11-12, 1982. (3 pages)
19. Letter to Daniel D. Wilt from James G. Keppler, August 20, 1982. (1 page)
20. IERP Recommendations, August 25, 1982. (5 pages)
21. Inspection Evaluation - Perry, October 12-13, 1982. (3 pages)
22. Memorandum for W. J. Ward, from Charles E. Norelius, "EDO-6072, Perry Plant Employee Shoddy Workmanship at the Plant - Letter sent from Congressman Metzenbaum, May 30, 1979." (8 pages)
23. Memorandum for Region III Files, Perry, from James E. Foster, "Allegations Relative to Electrical Work at Perry," January 28, 1981. (22 pages)
24. Letter to individual from G. A. Phillip, January 28, 1981. (2 pages)
25. Letter to individual from G. A. Phillip, July 16, 1981. (3 pages)
26. Memorandum for Region III Files, from G. A. Phillip, "Ractor Vessel Inner Steel at Perry," October 15, 1981. (2 pages)
27. Memorandum for Region III Files, from G. A. Phillip, "Perry - Concern Regarding Foundation Work Received by Telephone," December 17, 1981. (2 pages)
28. Memorandum for Region III Files, from C. H. Weil, "Perry Nuclear Power Plant Units 1 & 2, Practical Joke - Alleged Threat Against the Life of a Quality Control Inspector Employed by the L. K. Comstock Company," December 31, 1981. (6 pages)
29. Memorandum for Region III Files, from Robert F. Warnick, "Allegations Regarding Perry, Gilbert Associates," February 2, 1981. (2 pages)
30. Memorandum for Region III Files, from Charles H. Weil, "Perry Nuclear Power Plant, Former Quality Control Inspector in Possession of False AWS Certificate," March 13, 1982. (2 pages)
31. NRC Inspection Reports, 50-440/80-29, 81-16, 81-19, 82-01, 82-02, 82-04, and 82-08. (already available in PDR).



NUCLEAR

NUCLEAR REGULATORY COMMISSION

1000

1100 ROAD
WASHINGTON, D.C. 20545

C. Williams 9/4/80

#2

September 4, 1980

MEMORANDUM FOR: C. Lorelius, Assistant to the Director *CLM*
FROM: C. Williams, Section Chief, Engineering Support Section 2,
Reactor Construction and Engineering Support Branch
SUBJECT: ALLEGATION RECEIVED BY LICENSEE AT PERRY

Attached for your information and use is a copy of an internal CEI memo from the Perry Site which discusses an allegation received by the licensee. The allegation concerns improper sandblasting of the containment liner plate. The licensee is investigating, and the RIII Resident Inspector, Jack Hughes, is monitoring the licensee's investigation.

C. Williams
C. Williams, Section Chief
Engineering Support Section 2

Attachment:
As stated

cc: G. Fiorelli
J. Hughes

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
AND KAISER ENGINEERS, INC.
MEMORANDUM

PAGE NO.

ROOM S260

FROM
PHONE
SUBJECT

D. A. Fitzpatrick
241 ROOM W110
ANONYMOUS ALLEGATIONS

DATE August 25, 1950

AUG 25 1950

OFFICE
M. A. EDLMAN

At approximately 12:30 p.m. today, a person who wished to remain anonymous, called me to inform me that the liner plate at the degree location in the Reactor Building was improperly sandblasted in either April or May. He stated that there was oil mixed with the sand due to a faulty filter. He further stated that O.B. Cannon painted over the oily steel and therefore, the paint job is not correct.

Will you please have your appropriate inspector investigate this situation.

DAF/llp

JAN 28 1982

#7

MEMORANDUM FOR: Region III Files, Perry Nuclear Power Plant, Unit 1,
Docket 50-440

THRU: Robert F. Warnick, Director, Enforcement and Investigation
Staff

FROM: Charles H. Weil, Investigator

SUBJECT: ALLEGATIONS FROM WEWS-TV, CHANNEL 5, CLEVELAND, OHIO
CONCERNING THE REACTOR BIOLOGICAL SHIELD AND WELD
CRACK COVERUP

BACKGROUND INFORMATION

On December 2, 1981, Russel J. Marabito, Region III Public Affairs Officer, was contacted by Eileen Cory, a reporter for WEWS-TV, Channel 5, Cleveland, Ohio. Cory advised she had received information concerning: 1) voids in the concrete of the reactor biological shield; and 2) a steel crack was covered up on the 599' elevation of Reactor Building 1. Marabito's memorandum concerning the telephone call with Cory is attached (Attachment 1).

BIOLOGICAL SHIELDING

Leonard G. McGregor, Project Inspector, advised the Cleveland Electric Illuminating Company (CEI) had submitted interim reports on August 14, and December 18, 1981, concerning the density of the biological shield for Perry Units 1 and 2. CEI's interim reports (Attachments 2 and 3) were submitted under the provisions of 10 CFR 50.55(e) and noted the designed specific gravity for the heavyweight concrete placements had not been obtained. As a result, a chalky material, "soft enough to scratch with the fingernail and contains no ferrous aggregate", had developed in the top three inches of the bioshields for both reactors.

McGregor continued, a known radiation source was used to scan both biological shield walls to determine the radiation protection factors. During these scans several voids, measuring approximately 4'x7', were detected in the placed concrete. CEI was evaluating the concrete voids and would be notifying the Division of Reactor and Projects Inspection with their results.

On January 13, 1982, Emanuel Riley, General Supervisor of the Quality Construction Section at the Perry site advised CEI was still evaluating the information pertaining to the voids in the biological shields and the 10 CFR 50.55(e) report had not been finalized.

OFFICE	RIII	RIII	RIII	RIII			
SURNAME	Weil	McGregor	Streeter	Warnick			

ILN 23 1982

Region III Files

-2-

WELD CRACK COVER-UP

Since the allegation, "there was a steel crack that was covered up at 599' in Reactor Building 1", was not specific, the allegation could not be pursued through normal means (i.e., direct observation of the weld; interviews of welders and quality control inspectors involved). Therefore, other means had to be explored and the information derived from indirect sources.

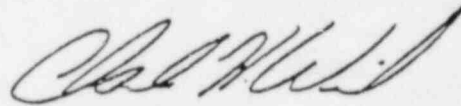
On December 4 and 10, 1981, Gary Leidich, CEI's supervising Quality Assurance Engineer at the Perry site was contacted. Leidich advised he had accompanied Cory during her tour of the Perry site on December 2, 1981. Leidich continued, he did not know who had spoken to Cory, but she did talk to numerous employees of Newport News Shipbuilding (the welding contractor at the site) throughout her visit. Leidich surmised that since Cory spoke mostly to Newport employees, the allegation of a weld crack cover-up must have been made by a Newport employee. Since the allegation appeared to have come from a Newport employee, the assumption was made the weld in question must have been made by Newport. Taking this information, the Nonconformance Reports for Newport welds on the 599' elevation of Reactor Building 1 were reviewed. A Nonconformance Report within these parameters was not found; however, Nonconformance Report No. CQC-3992 dealt with a crack weld made by Newport on the 612' elevation of Reactor Building 1. (The 612' elevation is reached from the 599' floor.) The description of the nonconformance was, "While sandblasting for painting, leakage of moisture in weld I-449 at the lower right hand corner of wall embed 41035 at approximately 612' elevation and 15 30' az." Leidich believed this Nonconformance Report most closely described the WEWS-TV allegation of, "a steel crack that was covered up at 599' in Reactor Building 1."

On December 11, 1981, Carl F. Hubbuch, Construction Quality Engineer, provided the following: During September 1981, Newport Quality Control began to prepare a Nonconformance Report for generalized weld pitting of attachment plate welds on the 612' elevation in Reactor Building 1. While preparing the report, the inspector found he did not have sufficient information to complete the report and put the report aside to obtain more details. During the interim, the inspector's employment was terminated and the report was not finished. On approximately October 1, 1981, Newport released the area to Metalweld, Inc., for painting. When Metalweld began to work in the area, moisture on the weld for an attachment plate for a pipe hanger was observed. Subsequently, a Hold Tag was applied and the area was sealed off so the weld would not be painted. Since the area was sealed off, Metalweld would not allow anyone, including Newport Quality Control, to enter the area. Therefore, Newport never finished the Nonconformance Report. Subsequently, Nonconformance Report No. CQC-2392, pertaining to moisture on the weld, was prepared by the CEI Quality Assurance Organization. This Nonconformance Report was in the process of being dispositioned as of January 13, 1982.

On January 13, 1982, Marabito recontacted Cory. Cory advised she did not have any additional information concerning the alleged weld crack cover up on the 599' elevation of Reactor Building 1.

CONCLUSIONS

These matters are considered closed. (1) CEI reported the initial problems with the biological shield to Region III in August and December 1981 under the provisions of 10 CFR 50.55(e) and was evaluating the later developments involving the biological shields in preparation of submitting a 10 CFR 50.55(e) report. The 50.55(e) report will be followed up and closed out in the routine inspection program. (2) The information concerning a weld crack cover up on the 599' elevation of Reactor Building 1 was not specific and a cracked weld at that elevation could not be located. A cracked weld on the 612' elevation had been identified by the licensee and was being tracked on a Nonconformance Report.



Charles H. Weil
Investigator

Attachments:

1. Memo dtd 12/3/81-Marabito to Warnick
2. 10 CFR 50.55(e) Report dtd 8/14/81
3. 10 CFR 50.55(e) Report dtd 12/18/81

cc w/attachments:

R. Marabito
SRI, Perry
C. E. Norelius
R. L. Spessard

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

December 3, 1981

MEMORANDUM FOR: Robert Warnick, Director, Enforcement and Investigation
Staff

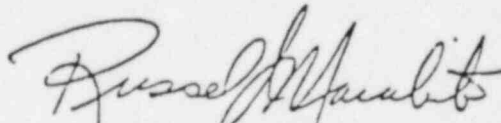
FROM: Russel J. Marabito, Public Affairs Officer

SUBJECT: PERRY ALLEGATIONS FROM NEWS MEDIA

Eileen Cory, a reporter for WEWS-TV in Cleveland, will be doing a report on Perry NPS tonight (December 3) as an outgrowth of the recent problems at Perry involving a defective weld and the stop work on cable pulling.

Ms. Cory talked to me yesterday, and again today, about a couple of allegations she received from a workman while her camera crew was filming on site. She said as she was leaving Perry a workman told her all was not well at Perry, and gave her a couple of allegations. He said he would call her later with more specifics, but at this writing, he has not telephoned her. In her report on Perry tonight, she is going to say she was given some allegations and has passed them on to the NRC for investigation.

The two allegations given to her---and as she gave them to me---were:
(1) there is no concrete in two areas of the biological shield in Reactor Building 2. (2) there was a steel crack that was covered up at 599 in Reactor Building 1. She added that she heard there was some question on whether the piping contractor, Newport News, was using the proper welding techniques. But she didn't know anything more than that.


Russel J. Marabito

cc: J. G. Keppler
✓ J. A. Phillip

Attachment One.

February 9, 1982

AT 3-82-001

(#10)

MEMORANDUM FOR: Charles E. Norelius, Director, Division of Engineering
and Technical Inspection

FROM: Robert F. Warnick, Director, Enforcement and Investigation
Staff

SUBJECT: ENCLOSED MEMO FROM INVESTIGATOR - ALLEGATION CONCERNING
PULLMAN POWER PRODUCTS AT THE PERRY SITE

As documented in the attached memo, the alleged refuses to give the NRC further information regarding his concerns and allegations. In addition, he has requested that the NRC not conduct an investigation.

As agreed in our discussion of February 3, 1982, this allegation (Investigation No. 82-01) is being referred to DETI for followup during future routine inspections. This action was discussed with and concurred in by Streeter. EIS would appreciate receiving a copy of each inspection report or memo which documents your findings regarding these matters.

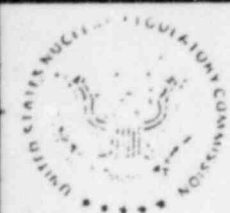
If you find that an investigator is needed, we will provide one.

Robert F. Warnick, Director
Enforcement and Investigation Staff

Attachment: As stated

cc w/attachment:
G. E. Weil
R. L. Spessard
J. F. Streeter
SRI, Perry

OFFICE	RIII						
NAME	Warnick/qg						
DATE							



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROCKEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

FEB 9 1982

MEMORANDUM FOR: Region III Files

THRU: Robert F. Warnick, Director, Enforcement and Investigation
Staff

FROM: Charles E. Weil, Investigator

SUBJECT: ALLEGATION CONCERNING PULLMAN POWER PRODUCTS AT THE PERRY SITE

On January 8, 1982, J. J. Harrison, SRI, Marble Hill, provided the following information to L. G. McCregor, DRPI, and C. E. Weil, EIS.

On December 16, 1981, Harrison was telephoned by an individual currently employed at the Perry site. Harrison advised he has known this individual for approximately ten years and considered the individual to be quite reliable. The individual requested Harrison to not divulge his name. Harrison described the individual as, "close to welding activities", and the individual provided the following information concerning Pullman Power Products, the mechanical subcontractor at the Perry site.

Welding activities

1. The welding procedures did not meet the appropriate AWS and ASME code sections when originally written and when subsequent changes were made. Also, the Procedure Qualification Records (PQRs) did not support the procedure.
2. Welders were not qualified to the proper procedures or material thickness.
3. Weld filler metal control was non-existent. Weld rods were mixed by type, size and heat number in the rod ovens. Rod issuance was a problem (i.e. stainless steel was welded with carbon steel rod).
4. QC and the ANI were not conducting inspections, rather "rubber stamping" their inspections on the welding travelers.

Material Storage and Maintenance

Safety and non-safety related equipment were mixed together in the storage facilities. Stock was not being rotated. Lubrication requirements of stored materials were not met. Level A & B storage requirements were not being observed. Storage procedures were inadequate and records were not being properly maintained.

Nonconformance Reports

Nonconformance reports were improperly dispositioned and/or closed-out by both QA and the ANI. Nonconformance reports were being improperly voided. These were being done so as not to restrict the construction schedule. The CEI and Pullman construction managers were working "hand-in-hand" so the construction schedule was not restricted.

Non-destructive Examinations

NDE personnel were not qualified. Procedures and records were inadequate.

Piping

1. The control of procedure revisions was inadequate. The crafts did not have the current edition of revised procedures/drawings. Practices implemented in the field were not shown on the revisions of procedures/drawings.
2. Pipe fabrication was a "big problem area in general".
3. The hanger erection procedures were inadequate.
4. A recent RIII inspection, by Isa Yin, was considered to have identified isolated problems, Pullman fixed the specific problems, did not look at the problems in a generic sense.
5. Hydrostatic procedures were inadequate and the procedures were not followed. In several instances, hydro-testing was done with valves closed, but nothing was done to identify and correct the valve positions.
6. Flushing and cleaning procedures were not being followed.

The CEI and Pullman construction managers were working "hand-in-hand" so the construction schedule was not restricted. Many problems were identified and corrected by oral instructions from the engineers and were not documented. Engineers would be transferred so problems "fall through the cracks". The transfers were accomplished by Pullman having direct contact with CEI and "deals" being worked out.

On January 9, 1982, Harrison contacted the individual. Harrison informed the individual that specific information would be needed in order to adequately pursue these areas. The individual stated he had given all the information he would, as any specifics would point directly to him. The individual advised he was currently employed and the specific information would jeopardize his job, as would an NRC investigation. The individual requested this information be

Region III Files

-3-

FEB 8 1962

incorporated into an inspection of Pullman's activities, so the responsibility for contacting the NRC would not point to him. Also, the individual stated, if the NRC did not pursue these areas he would contact the media.

Robert F. Williams
for
Charles H. Weil
Investigator

cc: Charles E. Korelius
Cordell C. Williams
Duane H. Danielson
Richard L. Spessard
John F. Streeter
Leonard G. McGregor
SRI, Perry



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

FILE (EIS)
OI 3-82-001

July 8, 1982

#14

MEMORANDUM FOR: Region III Files

THRU: Gerald A. Phillip, Acting Director, Office of Investigations,
Chicago Field Office

FROM: Charles H. Weil, Investigator, Office of Investigations,
Chicago Field Office

SUBJECT: ALLEGATIONS CONCERNING PULLMAN POWER PRODUCTS AT THE PERRY
SITE (50-440; 50-441) (EIS NO. 82-01)

By memorandum, dated February 9, 1982, the RIII Division of Engineering and Technical Programs (DETP) was requested to examine several allegations concerning Pullman Power Products, the mechanical contractor at the Perry Nuclear Power Plant. The allegations had been received by the RIII Enforcement and Investigations Staff from J. J. Harrison, RIII Senior Resident Inspector at the Marble Hill Nuclear Power Plant construction site. Harrison had obtained the information from a personal friend, who was currently employed at Perry and did not wish to be identified to RIII.

On February 23-26 and March 8-10, 1982, K. D. Ward and E. H. Nightingale, RIII DETP, conducted an inspection of Pullman Power Products at the Perry site. Their inspection results were contained in RIII Inspection Report No. 50-440/82-03; 50-441/82-03.

On July 7, 1982, Harrison advised he had been in contact with his friend and Harrison had been apprised that the inspection of Pullman Power Products had corrected the individual's concerns.

No further action is contemplated by the Office of Investigations in this matter and it is considered closed.

Charles H. Weil
Investigator

cc: R. F. Warnick ✓
R. L. Spessard
M. L. Gildner



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

#17

July 21, 1982

MEMORANDUM FOR: Charles E. Norelius, Director, Division of Engineering
and Technical Programs

FROM: J. E. Foster, Acting Director, Office of Investigations,
Chicago Field Office

SUBJECT: INTERVENORS' CONCERNS REGARDING THE COOLING TOWER PIPING
AT THE PERRY NUCLEAR POWER PLANT (50-440; 50-441)
(OI CHICAGO NO. 82-39)

The attached letter addresses the subject of potential damage to the piping between the Cooling tower and the Turbine Condensor at the Perry Nuclear Power Plant. The letter has been reviewed by the OI Chicago Field Office and an investigation does not appear to be warranted. However, preparation of a response by the technical engineering staff does appear to be in order.

Please review this matter with your staff and provide an appropriate response. We would appreciate receiving a copy of your answer to the letter. Also, the SRI-Perry has been provided with a copy of the letter for his information.

We plan no further action regarding this matter.

J. E. Foster
J. E. Foster, Acting Director
Office of Investigations,
Chicago Field Office

Attachment: Ltr dtd 5/14/82
Wilt to Keppler

cc w/attachment:
R. L. Spessard
M. G. Gildner
R. F. Warnick ✓

WEGMAN, HESSLER & VANDERBURG
A LEGAL PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

MARTIN J. WEGMAN (1918-1977)
DAVID J. HESSLER
KEITH A. VANDERBURG
PETER A. HESSLER
DANIEL D. WILT

SUITE 102
7301 CHIPPEWA ROAD
BRECKSVILLE, OHIO 44141
(216) 526-2350

May 14, 1982

James G. Keppler
Regional Administrator
Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, IL 60137

PRINCIPAL STAFF			
DIR			
ASST. DIR.			
A/D			
GR&PI			
ENSTI			
DEPT. SEC.			

Dear Mr. Keppler:

I am counsel for a group of intervenors in the Perry Nuclear Power Plant. In this capacity, I have received information concerning a construction defect which I believe to be of sufficient seriousness to require an investigation. You indicated your receptiveness to reports of this kind when you and members of your staff met with me several years ago.

I will try to be as specific as possible in describing the defect. As I understand it, there is a 12 foot diameter pipe that goes from the main and auxiliary turbine condenser of Unit 1 to the Unit 1 cooling tower. This pipe is designed to carry water from the reactor to the cooling tower.

My concern is with the pipe which is made out of fiberglass. I am told that the pipe itself is egg shaped and it is not supposed to be egg shaped. This implies a defect in the construction of the pipe. I am further told that the seams leak because the pipes were not joined properly. Further, I am told that even though the pipe is buried 40 feet under the ground, an extremely heavy crane will pass over it during construction and this unnatural pressure could cause the defective pipe to crack or break.

If my information is correct, then there seems to be a serious problem which could affect the safety of the public if the Plant goes into operation.

I would be interested in knowing whatever you may find out concerning this particular problem.

Very truly yours,

Daniel D. Wilt
Daniel D. Wilt

DDW*md

MAY 18 1982

01 3-82-039

AUG 20 1982

#19

Mr. Daniel D. Wilt
Suite 102
7301 Chippewa Road
Brecksville, Ohio 44141

Dear Mr. Wilt:

Your letter of May 14, 1982 raises a concern regarding the piping between the cooling towers and the turbine condensers at the Perry Nuclear Power Plant. We are aware of problems which the utility has had with that particular fiberglass piping; however, since that piping is not safety-related, it does not come under NRC's jurisdiction or inspection program. The piping in question does not carry radioactive reactor plant water, but instead, is used to transfer cooling water from the turbine condensers to the cooling towers. That water is not required for the prevention or mitigation of any hypothetical reactor plant accidents.

Your interest in assuring the safe construction of the Perry Nuclear Power Plant is appreciated and is shared by this office. I hope that this letter answers your concern regarding the cooling tower piping.

Sincerely,

Original signed by
A. Bert Davis

James G. Keppler
Regional Administrator

R.II
Strasner

OFFICE	R.II	R.III	R.II	R.III	R.III	R.II	R.III
NAME	Keppler	Knop	Spessard	Norelius	Foster	Davis	Keppler
DATE	8/17/82	8/17/82	8/17/82	8/17/82	8/18/82	8/18	8/18



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
745 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

May 30, 1979

22

MEMORANDUM FOR: W. J. Ward, X005

FROM: Charles E. Norelius, Assistant to the Director

SUBJECT: EDO-6072, PERRY PLANT EMPLOYEE
SHODDY WORKMANSHIP AT THE PLANT - LETTER SENT
FROM CONGRESSMAN METZENBAUM (AITS H61837F3)

Enclosed are copies of a letter dated May 24, 1979 we sent to [] concerning his letter to Senator Metzenbaum, one of which is intended for forwarding to Senator Metzenbaum. Also enclosed is a draft cover letter for that purpose and to closeout the matter. This matter was discussed by G. A. Phillip with you on May 22, 1979.

Charles E. Norelius

Charles E. Norelius
Assistant to the Director

Enclosures:
As Stated



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
777 ROOSEVELT ROAD
GLEN ELLEN, ILLINOIS 60137

May 24, 1979

Dear _____

This refers to your telephone conversation on May 21, 1979 with Mr. G. A. Phillip of this office concerning your letter to Senator Howard M. Metzenbaum regarding the Perry Nuclear Plant, which was referred to the NRC on April 16, 1979.

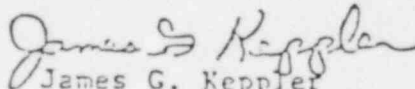
During this conversation you indicated that the shoddy work about which you had expressed concern could not be identified with safety-related equipment, systems or components and that you were unable to provide any specific information which would enable us to conduct an investigation. You indicated that the work you had performed at the Perry Plant for the M. J. Kelley Company, in all likelihood, was not safety-related. We have subsequently confirmed that the M. J. Kelley Company has not performed any safety related work at the Perry site.

As discussed our inspection and enforcement jurisdiction at nuclear power plant construction sites is confined to safety-related items and activities. For such items and activities, our inspection program does include examinations of welding procedures and practices as well as the effectiveness of the QA-QC programs and activities to assure shoddy work is identified and corrected.

Should you encounter any deficiencies in workmanship or materials at the Perry site which can be identified as safety-related, we encourage you to provide this information to us by letter or telephone. Our telephone number is (312)858-2660.

Your interest and cooperation are appreciated.

Sincerely yours,


James G. Keppler
Director

cc: Sen. Howard M. Metzenbaum



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
755 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

DRAFT

Ms. Marsha Wiggin
c/o The Honorable
H. M. Metzenbaum Office
United States Senate
Washington, D. C. 20510

Dear Ms. Wiggin:

This refers to the letter from [redacted] referred to
us by your letter dated April 16, 1979.

On May 21, 1979 our Region III Office contacted [redacted] by
telephone. Enclosed is a copy of a letter dated May 24, 1979
to [redacted] concerning the telephone conversation in which it
was agreed an investigation would not be appropriate at this
time. If [redacted] provides information in the future concerning
defects or deficiencies regarding matters under our jurisdiction,
an investigation will be made.

Please contact this office if we can be of further assistance.

Sincerely,

Enclosure:
As Stated

United States Senate

April 16, 1979

Respectfully referred to:

Nuclear Regulatory Commission
Washington, D.C. 20555

Because of the desire of this office to be responsive to all inquiries and communications, your consideration of the attached is requested. Your findings and views, in duplicate form, along with return of the enclosure, will be appreciated by (Please return to the attention of Marsha Wiggin. Thank you.)

Howard M. Metzenbaum
U.S.S.

MM:mwa

Form #2

- ① That to maintain the
clean (F. Intl. Sec.)
- ② Need to investigate
- ③ In regard to the
to the NRC

1979 MAR 30 PM 2:54

To Senator Howard Metzenbaum
Dear Sir,

I'm writing this letter
to you out of concern for
the safety of this area of
northern Ohio (This is
my home)

I am employed by the
W. J. Keller Co. at the Perry
Nuclear Plant of C.E.C.
I am a pipe fitter

I've only been on this
job a couple of weeks this
time, But the shoddiness
of work being done (pipe
fitting and welding) worries
me. This is not the fault
of the craftsmen, it's either
do it or else for him.

(2)

I've worked on two other nuclear projects before. (Three Mile Island, Harrisburg, Pa. and Peach Bottom near York, Pa.) One both of these jobs the quality and thoroughness that was stressed really impressed me especially Three Mile Island, because I was there the longest and more familiar with the job. There the welder testing, the pipe welding (and pipe support welding) and the welding inspection were so thorough and complete that I came to regard this as standard procedure for a nuclear power project.

And then there's Perry and from what I've seen, and heard from men who've been on the job much longer than I have

the attitudes of the job
seems to be hurry-up
(Quantity over Quality) do work
that you know isn't proper,
and if this kind of work is being
done where I'm at, Why couldn't
it be done on any other part
of the project?

And as I said you can't
blame the men (craftsmen), for
if you don't do as you're told you'll
probably be looking for another
job.

But the main reason I
wrote you Senator is because
you seem to be the most
concerned and responsive
representative we have,
And I am deeply concerned
(worried) about the safety
of this Nuclear Plant.

Secretary, maybe you can ask the
the N.R.C. or some body
who has the authority or
responsibility above the
local level, to see that this
plant is built according to all
proper procedures and will
be safe for all the people
who live in this area.

Sincerely

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

JAN 28 1981

#23

MEMORANDUM FOR: Region III Files, *Finner*, Investigative File 80-53
THRU: *C.E. Norelius*
Charles E. Norelius, Assistant to the Director
FROM: James E. Foster, Investigator
SUBJECT: ALLEGATIONS RELATIVE TO ELECTRICAL WORK AT PERRY

On June 16, 1980, (an electrical QC inspector at the Perry site from 12/10/79 to 6/13/80) wrote to the Cleveland Electric Illuminating Company (CEI) alleging that Mr. Steve Halprin, Lead electrical QC inspector, was not qualified for his position at the Perry site, and that QC procedures had been "bypassed".

The letter was received by CEI on June 17, 1980, and it received review and comment in a CEI memorandum dated June 19, 1980. CEI subsequently advised the Resident Inspector of the letter, and a copy of the letter was forwarded to RI III. By memo dated June 26, 1980, Mr. C. Williams, Chief, Projects Section 2 transmitted the letter to Mr. C. E. Norelius for action. Copies of this correspondence are attached to this memorandum.

I contacted the Resident Inspector (RI) on June 27, 1980, and requested a copy of the letter to CEI, its envelope, and their review and comments on the letter. The RI indicated that he felt that had not understood the QC system at Perry, since the Lead electrical inspector was only qualified to Level II, and his work experience and training met ANSI 45.2.6 requirements for such certification. The RI stated that CEI had written to advising him that they had notified the NRC of his concerns. Due to other priority investigations, contact with was delayed.

contacted me at approximately 4:30 p.m. on August 19, 1980. We talked for thirty minutes, in what turned out to be a repetitive and disjointed discussion. did not wish to discuss his letter of concern but stated that "they were not following procedures" at Perry. Following several attempts to clarify this, he indicated that his concern related to the reaming of conduit during the construction process. also provided the names of two people he felt should be contacted to obtain more information.

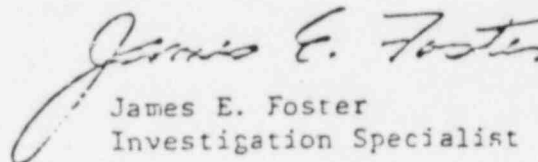
This information was provided to the Resident Inspector on August 25, 1980.

The concern relative to conduit reaming was reviewed by the RI during inspections at Perry. His initial reviews indicated unresolved matters relative to deburring (reaming) during the installation of some field cut conduit. These unresolved items are documented in IE Inspection Report 50/440/80-16; 50/441/80-15. These items pertain to conduit installed prior to May 15, 1980.

JUN 28 1981

Based on information supplied to the RI concerning conduit installation requirements prior to May 15, 1980, when a complete cable tray and conduit installation procedure was developed, this unresolved item was closed (IE Inspection Report 50-440/80-25; 50/441/80-23). A copy of this report is also attached.

Based on my discussion with [redacted] wherein he was unable to provide any other allegation than the conduit reaming allegation above, and on the findings of the Resident Inspector, I see no basis for a full investigation of this matter and recommend that this investigation case be closed. I will provide [redacted] with copies of the pertinent inspection reports.


James E. Foster
Investigation Specialist

Attachments:

1. Ltr dtd 6/16/80
2. CEI memo dtd 6/19/80
3. RIII memo dtd 6/23/80
4. IE Insp. Rpt. 50/440/80-25, 50-441/80-23

cc w/o attachments:

J. Hughes
J. Konklin
C. Williams

June 16, 1980

To Whom it may Concern:

Due to the working conditions, or should I say lack of working conditions, I am terminating my employment with Kaiser Engineers.

For the past six months, I was under the supervision of Mr. Steve Halpin (Electrical Lead Quality Control). On many occasions, Mr. Halpin instructed me to bypass Procedures because he had made verbal agreements with Mr. Stewart Tulk (Quality Engineer Electrical, CEI) and Mr. Ray Love (Quality Control Manager L.K. Comstock). To me, this was in gross disregard of Construction Quality Assurance Procedures Volume 2.

I was continually instructed by Mr. Halpin to consult with Mr. Tulk before generating any type of paperwork. But, the major reason I didn't generate paperwork was that Mr. Halpin stated that is cost too much money.

In my opinion, Mr. Halpin is not qualified to be an Electrical Lead. The eleven years that he spent on a dairy farm prior to being employed here definitely does not qualify him to be in this position. Furthermore, his habitual tardiness and lack of interest in his job further demonstrate this lack of leadership and ability to perform.

Mr. Halpin stated that on many occasions he had run into a political wall while trying to back his men. There should be no politics involved in the Quality Control of a Nuclear Power Plant.

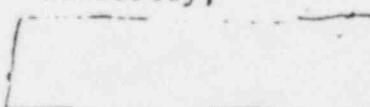
I feel that it is my duty as a concerned citizen and proponent of Nuclear Power to notify the Regional Office of the Nuclear Regulatory Commission to investigate the numerous problems that have been identified by Construction Quality Control. Due to the lack of approved Procedures and agreements made between the aboved mentioned, these problems are being covered up!

Kaiser Engineering has many qualified and dedicated personnel in Quality Control if only they were allowed to perform their jobs according to Procedures. They should be free from secretive agreements between the Client, Contractor and Quality Control and also free from political pressures.

In the past few months I have come to the understanding that I was needed only for my resume to satisfy a requirement and not for my electrical experience in the Nuclear Field.

It is with deep regret that I tender this resignation. Due to the fact I was not able to perform Quality Control Surveillance/Inspection as it has to be performed in a Nuclear Power Plant.

Sincerely,



ERRY NICHOLSON CONSULTING ENGINEERS
CONSTRUCTION MANAGEMENT ORGANIZATION
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
AND HAUSER ENGINEERS, INC.
MEMORANDUM

PAGE NO. 1 of

TO: W. J. Kecer ROOM W115 FROM: P. L. Gibson, 127 DATE: June 19, 1980
PHONE: 232 ROOM: TRO1
SUBJECT: ALLEGATIONS OF QA PROGRAM DEFICIENCIES

cc: M. R. Edelman
D. A. Fitzpatrick
E. V. Knox

On June 17, 1980, I received a certified letter, Attachment 1, from [redacted] alleging certain deficiencies in our QA Program and its implementation. [redacted] was an Inspector in the CQC Electrical group from 12/10/79 to 6/13/80.

The allegations and my responses are listed below. Please note that the allegations as listed are my interpretation of [redacted] concerns. In most cases, he is not specific enough for me to determine his actual concerns.

Allegation 1: Steve Halpin, CQC Lead Electrical Inspector, instructed [redacted] to bypass CQC procedures because of verbal "agreements" between Mr. Halpin; Mr. Stuart Talk, CEI Lead Electrical QE; and Mr. R. Love, QC Manager - L.K. Comstock (ENRP electrical contractor).

Response 1: I can only conclude that [redacted] did not understand the organizational relationship between CQC and CQE. To have an effective, coordinated QA Program on this project requires close communication and a close working relationship between CQC and CQE. This is particularly true at the level of the Lead CQC and CQE. Each of these are responsible for implementation of portions of our QA Program. It is imperative that their efforts be coordinated to achieve a uniform approach to the contractor. It is also imperative that they work with and coordinate with the contractor's QA/QC management. I know of no cases where "agreements" were made which jeopardized the quality of work on the project. I also know of no cases where our procedures (Construction Quality Assurance Procedures Volume 2) were disregarded.

Allegation 2: Mr. Halpin directed [redacted] to consult Mr. Talk prior to issuance of "paperwork".

Response 2: I believe [redacted] is referring to CQE consultation prior to issuance of CQC Action Requests (AR's). Because AR's are used to identify software/programmatic deficiencies and because the contractor's software/QA Program is primarily the responsibility of CQE (Reference CQS Procedures Volume 2 - 0101, 0504, 0701, 1001, 1603), it has been and remains CQC's intent to consult with CQE prior to issuance of AR's concerning these areas.

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
AND LAISER ENGINEERS, INC.

MEMORANDUM

PAGE NO. 2 of

TO

ROOM

FROM

DATE

PHONE

ROOM

SUBJECT

Response 2:
(CONT)

This again is an effort to maintain a coordinated uniform approach to the contractor. Similarly, hardware nonconformances identified by CQE are normally brought to the attention of CQC for action. This consultation does not, and has not prevented CQC from issuing AR's where appropriate. In fact, CQC Electrical group has issued 35 AR's against L.K. Comstock from 7/27/78 through 6/12/80. The latest was issued on 6/6/80.

Allegation 3: "Paperwork" was not issued because it "cost too much money".

Response 3:

In no case has CQC failed to issue "paperwork" because it "costs too much money". CQC has attempted to eliminate unnecessary or duplicate paperwork where possible. It has been, and is, our philosophy that problems be resolved by mutual agreement between CQC, CQE and the contractor when the contractor agrees to correct problems in a timely manner or to identify (i.e. document) the problem per his approved program, it is generally not necessary for CQC or CQE to duplicate that documentation. Exceptions are made for serious or repetitive problems when CQC believes it necessary to identify noncompliances per our program. This philosophy, too, is consistent with our procedures (Reference CQS Procedure 2-1001, paragraph 5.3.1).

Allegation 4: [] does not consider Mr. Halpin qualified to be a Lead Electrical Inspector.

Response 4:

In the first place, it is not, nor was it, [] function to judge Mr. Halpin's qualifications. That right is reserved to me as CQC Supervisor and KEI Project QC Manager. Mr. Halpin has 27 years of varied experience, most of which is in the field of electrical and electronic manufacturing and installation, including inspection, testing and trouble-shooting. While Mr. Halpin did not come to Perry with previous nuclear plant construction experience, he did have extensive experience (9 years) in aerospace electronics working within a formal QA/QC program comparable to 10CFR50, Appendix B. In addition he had experience in commercial and residential electrical construction which is of benefit in overall job knowledge. Mr. Halpin's qualifications have been reviewed during internal audits, NRC inspections and my own review. I believe Mr. Halpin is fully qualified for his position.

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

AND LAMER ENGINEERS, INC.

MEMORANDUM

PAGE NO. 3

PM-6

TO	ROOM	FROM	DATE
		PHONE	
		SUBJECT	

Allegation 5: "Politics" has had a negative effect on QA Program implementation.

Response 5: "Politics" is a loaded word from a semantics standpoint. To one person it means lying, cheating and backstabbing. To another it means doing ANYTHING to avoid a conflict. To a third person it means handling situations in a diplomatic and professional manner to best achieve a desired goal, i.e. politics is the grease that keeps an organization functioning smoothly. I do not know to what refers in speaking of "politics". I do know that CQC has not and will not refrain from identifying quality problems because of any political considerations. I also know that my management fully shares this position.

Allegation 6: [] was hired merely to fill a slot whereby his resume would bolster the appearance of the qualification of CQC personnel.

Response 6: [] was hired because of his background and experience primarily in the areas of conduit installation and cable pulling. Because of project delays in these areas there was less work than originally planned during the first six months of this year. [] was asked to get involved in other areas such as MCC and switchgear inspection, cable tray installation, and QC program verification. [] approached these duties with a singular lack of enthusiasm. His initiative was much less than expected. He was verbally notified of his inadequate performance on a number of occasions. Most recently on June 10, 1980, [] was told that failure to improve his performance would result in his dismissal. His response was that he would: "make it easy on me and resign as of June 30, 1980". I was informed Monday, June 16, 1980, that he had terminated the previous Friday. I received the attached letter of resignation on Tuesday, June 17, 1980.

Allegation 7: Mr. Halpin is an ineffective supervisor because of excessive tardiness and lack of interest in his job.

Response 7: Mr. Halpin's attendance and promptness is a matter of supervisory concern and does not impact quality program implementation. While there have been problems, I have addressed those problems within normal supervisory channels. I do not believe this item to be significant from quality allegation standpoint.

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

AND KAISER ENGINEERS, INC.

MEMORANDUM

PAGE NO. 4 OF 5

TO	ROOM	FROM	DATE
		PHONE	
		ROOM	
		SUBJECT	

Allegation 8: The above items as well as a lack of approved procedures have resulted in "coverup" of quality problems.

Response 8: I believe the above responses refute/ final allegation. CQC has not and will not coverup any quality problems. My policy is to implement as effective a QC program as possible. Where deficiencies in our program come to my attention, I have instituted corrective measures. In fact, the entire electrical CQC program was revamped about a year ago because the existing program was considered inadequate. The number of quality problems identified and satisfactorily corrected over the past year speaks well for our commitment to and implementation of an effective second-line surveillance/inspection program.

In summary, I believe that [] allegations are unfounded. I further believe that much of his dissatisfaction stemmed from two sources: 1) His lack of understanding of our second-line function as opposed to first-line inspection; 2) His personal lack of confidence in the leadership provided by Mr. Halpin. Neither of these, in my mind, is grounds for the above allegations. I am confident that the CQC program in the electrical area, as well as other areas, can withstand the close scrutiny [] letter may generate.

In closing I would note that at no time during [] employment at Perry did he come to me expressing serious concerns about the quality of the hardware or QA Program implementation. To the best of my knowledge, he did not approach any other individual in the management of PNPP either.

If I may provide further information on this matter, please let me know.

PIG/sgb

Attach.

WRL
5073
#2A
JAN 28 1981

Dear :

This refers to our telephone conversations on December 22 and 23, 1980. Enclosed is a copy of Inspection Report Nos. 50-440/80-29; 50-441/80-27 regarding the Perry Nuclear Power Plant, Units 1 and 2.

Your cooperation with us is appreciated.

Sincerely,

G. A. Phillip
Investigation Specialist

Enclosure: *w/orig. only*
As stated

OFFICE

1111

1111



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
795 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

JAN 20 1981

MEMORANDUM FOR: Region III Files
THRU: *Charles E. Norelius*
FROM: G. A. Phillip, Senior Investigation Specialist
SUBJECT: PERRY - ALLEGATION OF AN IMPROPER WELD

On December 18, 1980 an individual, [redacted] contacted Region III by telephone and alleged a specific weld had been made improperly and was defective. The transcribed notes of C. Weil, Investigator of the conversation are attached to this memo. Subsequently more information was obtained from [redacted] by J. Shapker and me during telephone conversations. The matter was referred to J. Hughes, Senior Resident Inspector who looked into the matter and reported his findings in Inspection Report Nos. 50-440/80-29; 50-441/80-27, a copy of which is attached. A copy of the report has also been sent to [redacted]

No further action is planned and the matter is considered closed.

G. A. Phillip
G. A. Phillip
Senior Investigation Specialist

Attachments:
As stated

cc w/o attachments:
G. Fiorelli
J. Konklin
J. Hughes
J. Shapker

July 16, 1981

Felling

#25

Dear

Your letter (undated) to the NRC in Washington, D.C. expressing concerns about the security administration at the Perry Nuclear Power Plant has been referred to this office. Efforts to reach you by telephone to discuss these concerns have been unsuccessful.

This is to advise you that during the construction of nuclear power plants and prior to the receipt of reactor fuel on site, the NRC does not impose any security requirements and the licensee, in this case the Cleveland Electric Illuminating Company, is not required to make any commitments regarding security. We, therefore, have no basis for pursuing the matters contained in your letter.

These matters may, however, be of interest to the Cleveland Electric Illuminating Company, site contractors or local authorities. You may wish to communicate directly with one or more of those organizations.

If you wish to discuss these matters further, please call me collect at (312) 932-2500.

Sincerely,

G. A. Phillip
Investigator

cc: J. Hughes
R. F. Warrick

FILE	RIII	RIII				
DATE						

United States Nuclear Regulatory Comm.
Washington, D.C.

Dear Sir;

During my 19 month tenure as a security guard at the Perry Nuclear Power Plant in Perry, Ohio I saw many incidents which I feel you should be concerned with. They are as follows:

1. Several guards have, and may still, consume narcotics (marijuana and amphetamines) while on duty -
2. A few guards have -
 - a. found unsecured contractor facilities and unlawfully removed items for personal use -
 - b. forcibly entered facilities and unlawfully removed items for personal use -

3. A shift supervisor left the project to go flying in a friends airplane during a day when there was a critical manpower shortage -
4. The project fire engine has many discrepancies which may effect its operation if, and when, required. This has been brought to the attention of the security department on several occasions and ignored -
5. Guards have been permitted to sleep on duty when the shift supervisor was aware of such actions.

These are just five of the many problems within the security administration of this plant. I, as a defender of nuclear power, would appreciate your concern into these matters. I am fully willing to take a polygraph test in regards to these allegations. Expecting your reply, it is my pleasure to remain,

Respectfully Yours,
W. L.

October 15, 1981

#26

MEMORANDUM FOR: Region III Files

THRU: R. F. Warnick, Director, Enforcement and Investigation Staff

FROM: G. A. Phillip, Investigator

SUBJECT: REACTOR VESSEL INNER STEEL AT PERRY

Attached is a copy of a memorandum, dated October 5, 1981, R. N. Gardner to C. C. Williams, same subject as above, which indicates a [redacted] has information concerning a problem with the reactor vessel inner steel.

On October 14, 1981 I contacted [redacted] by telephone. [redacted] stated

[redacted] had no knowledge of any problems with any of the hardware having to do with the reactor vessel or the vessel itself. He said he could not understand how there could be any basis for my inquiry but he would be happy to cooperate in any way he could. [redacted] sounded genuinely puzzled by my call.

In view of the above, no further action is planned and the matter is considered closed.

G. A. Phillip
Investigator

Enclosure: As stated

cc w/Enclosure:

C. Williams

F. Hawkins

R. Gardner

OFFICE	RIII	RIII					
URGENT	Phillip/ce	Warnick					
		10/16/81					

October 5, 1981

See [unclear] 10/7/81
C. C. Williams
10/7/81

CCW 10/7/81

MEMORANDUM FOR: C. C. Williams, Acting Chief, Engineering Inspection Branch
FROM: R. N. Gardner, Reactor Inspector
SUBJECT: REACTOR VESSEL INNER STEEL AT PERRY

During inspection of Perry Unit 1 control room an unidentified individual expressed concerns regarding the reactor vessel inner steel. Apparently, the paint/coating was defective and stainless steel was welded to cover this steel. Apparently, during the welding process, the steel's tensile strength was "ruined". While the individual who supplied this information did not give his name, he said that a certain

_____ would have more information. He requested that this subject be handled discreetly, _____

R. Gardner

Bill					
Gardner/ls					

DEC 17 1981

#27

MEMORANDUM FOR: Region III Files

TO: Robert F. Warnick, Director, Enforcement and Investigation Staff

FROM: G. A. Phillip, Investigator

SUBJECT: PERRY - CONCERN REGARDING FOUNDATION WORK RECEIVED BY TELEPHONE

On November 25, 1981, I received a telephone call from an individual who stated, name was [redacted] said [redacted] lives in the vicinity of the Perry site and has read recent newspaper articles about problems at the site. [redacted] indicated they aroused concern about some information son gave [redacted].

According to [redacted] about three years ago [redacted] son, now 24 years old, had a conversation in a bar with a man who was working at the Perry site. The worker said three precast concrete sections used in the foundation of "a big round building" were supposed to be welded or bolted together. Because the trench was too narrow to accomplish the welding or bolting the workers were instructed to fill up the trench without doing it.

[redacted] was advised that more information was needed. [redacted] agreed to talk with [redacted] son in an effort to obtain more information and, if known, the name of the worker. I said I would contact [redacted] again on Monday, November 30, 1981.

On November 30 I called [redacted] who at that time said [redacted] had spoken to [redacted] son on Thanksgiving Day, November 26, and [redacted] son could provide no additional information. [redacted] son told [redacted] he had never seen the worker before or since their conversation in the bar and he did not know his name.

I informed [redacted] I would discuss the matter with our inspection personnel but that there might not be sufficient information to pursue the matter.

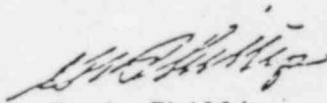
I have since discussed the matter with Frank Hawkins, Acting Chief, Plant Systems Section. Hawkins advised me the information had no relationship

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to any foundation work at the site falling under our jurisdiction and that without more details could not reasonably be pursued.

In view of the above, no further action is planned and the matter is considered closed.



G. A. Phillip
Investigator

cc: F. Hawkins

December 31, 1981

#28

MEMORANDUM FOR: Region III Files

TO: Robert F. Warnick, Director, Enforcement and Investigations Staff

FROM: C. H. Weil, Investigator

SUBJECT: PERRY NUCLEAR POWER PLANT UNITS 1 & 2 (50-440; 50-441);
PRACTICAL JOKE - ALLEGED THREAT AGAINST THE LIFE OF A
QUALITY CONTROL INSPECTOR EMPLOYED BY THE L. K. COMSTOCK
COMPANY (REGION III INVESTIGATION NO. 81-96).

RECEIPT OF INFORMATION

On December 11, 1981, Charles H. Weil, RIII Investigator, was advised by Thomas J. Woodman (Production Manager for the L. K. Comstock Company) and Clarence W. Hart (Comstock's Quality Assurance Manager at the Perry site) that Comstock craft employees had threatened the life of _____ a Comstock Quality Control Inspector.

BACKGROUND INFORMATION

On November 20, 1981, _____ a Level II electrical inspector, prepared Nonconformance Report (NR) No. LKC-814 (Attachment 1). This NR dealt with a craft worker applying heat to conduit number 1R24F3C, prior to the application of the conduit identification marker. As a result of this NR the Comstock General Foreman and Foreman involved in this matter were relieved of their supervisory positions and demoted to the journeyman level.

On December 7, 1981, _____ was apprised by several of his co-workers in Quality Control that craft workers had been overheard discussing the NR written by _____ and the craft workers were overheard threatening _____ life. On December 7th _____ discussed the threats with Clarence Mitchell, Comstock's Assistant Production Manager. Subsequently, Mitchell apprised Woodman of the incident, and on December 10th Woodman, Hart and _____ met and discussed the threats.

A record of this meeting was made by Woodman and Hart (Attachment 2). Also, _____ was permitted by Woodman and Hart to comment on the content of the record of the meeting (Attachment 3) and to make a written statement concerning this matter (Attachment 4).

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Weil/98	Warnick					

REGION III INVESTIGATION

The above information was received during the course of a RIII investigation into allegations concerning the adequacy of the L. K. Comstock Quality Control program at the Perry site (RIII Investigation No. 81-74; NRC Rpt. No. 50-440/81-19 and 50-441/81-19).

On December 11, 1981, [redacted] was interviewed. [redacted] advised he had pursued this matter himself. He found that his co-workers [redacted] had fabricated the story. [redacted] stated he had not had his life threatened. His co-workers had concocted the story as a "thoughtless practical joke", as [redacted] had felt sorry for the General Foreman and Foreman losing their jobs. [redacted] advised he has never been threatened, intimidated or harassed during his employment with L. K. Comstock Company. [redacted] stated he considered this matter to be closed and he did not wish it to be pursued by the NRC.

REGION III ACTION

[redacted] life was not threatened. He has never been harassed or intimidated during his employment with L. K. Comstock; therefore, no further action is planned by Region III. This matter is considered closed.

C. H. Weil
Investigator

Attachments:

1. Cpy of L. K. Comstock NR No. LKC-814, dtd 11/20/81
2. Cpy of Woodman's & Hart's record of mtg. / [redacted] dtd 12/10/81
3. Cpy of [redacted] exceptions to Woodman's & Hart's mtg. record
4. Cpy of [redacted] statement to the L. K. Comstock Company, dtd 12/11/81

cc w/Attachments:
L. McGregor

FERR VOLLAR FOWER PLANT NONCONFORMANCE REPORT

REV. 476	ITEM NO.	ITEM NAME	QUANTITY	HOLD TAG#1201
C, 1, 8, 1, 4, 0, 1	1, 2, 4, F, 3, C	CONDUIT	1	DATE 1, 1, 2, 0, 1, 8, 1
ISSUED BY	INITIALS	ORGANIZATION	LOCATION	
	1, 7, 7, 7	L. K. COMSTOCK	ESWPH	
SOURCE	CURRENT STATUS	SPEC. NO.	REV. LCI	
N/A	INSTALLED	SP- 3, 3	III	
RESPONSIBLE ORGANIZATION	NAME			
	L. K. COMSTOCK			
NCR TYPE	CATEGORY			
	<input type="checkbox"/> 1 (POSSIBLE SIGNIF) <input type="checkbox"/> 2 (MAJOR) <input checked="" type="checkbox"/> 3 (MINOR)			
	TYPE <input type="checkbox"/> (E) EQUIP./MAT'L. <input checked="" type="checkbox"/> (I) INSTALLATION <input type="checkbox"/> (P) PROGRAM			
GOVERNING REQUIREMENT	LKC QA/QC PROCEDURE 4.3.2			

DESCRIPTION OF NONCONFORMANCE: NC CODE 0, 5, 1 (RELATE TO LINE NO. 6) PRIOR TO APPLYING IDENTIFICATION MARKER TO CONDUIT (1R24F3C), CRAFT WORKER APPLIED HEAT (PROPANE BLOW TORCH) TO CONDUIT FOR APPROXIMATELY 30 SECONDS AT MARKER LOCATION 2' FROM THE END OF MENTIONED CONDUIT. CABLE R24F3C IS INSTALLED.

CAUSE OF NONCONFORMANCE: CAUSE CODE 0, 6, 1 INADEQUATE SUPERVISION

PROPOSED DISPOSITION: ☐ SCRAP (1) ☐ REWORK (2) ☐ REPAIR (3) ☒ USE AS IS (4)

JUSTIFICATION: The General Foreman and Foreman in charge of supervising at the time of this occurrence has been removed from their duties.

STEPS TO PREVENT RECURRANCE: A class was given on Procedure 4.3.2 and Form #57 is attached.

RESP. ORG. APPROVAL	ENG. / CONST.	QA / QC	AIA	DATE
			NIA	1, 2, 10, 8, 1, 8, 1
PNPP REVIEW BOARD	REVIEW RECD.	YES <input type="checkbox"/> NO <input type="checkbox"/>	DECISION: <input type="checkbox"/> ACCEPT <input type="checkbox"/> REJECT	DATE
	ENGINEER	DATE	QA / QC	
	NAME	TITLE	DATE	



December 10, 1981

On 12/7/81 Mr. Clarence Mitchell indicated in a conversation he had with Inspector [redacted] that [redacted] indicated he could put up with no one wanting to talk with him but could not take the threats on his life as a result of the General Foreman and Foreman being reduced to a Journeyman level.

On 12/10/81 at 3:10 p.m. I requested [redacted] and Mr. Hart come to my office for a private conversation.

Upon their arrival I informed them I was following up on a conversation Mr. Mitchell had informed me of that he had with [redacted] I stated the above paragraph and asked [redacted] if in fact he had been observing any individuals not wanting to talk with him in the performance of his duties or if he had anyone make a threat towards him personally, his family or his property.

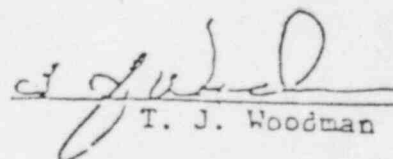

[redacted] stated he had not experienced any of the above hostilities and his comment was made as a result of the comments that a couple of the Q.C. Inspectors had made to him, to the effect, the Field is really upset with you.

I asked [redacted] to inform me, if he ever experienced any hostilities from any individual in regards to his performance of duties. [redacted] stated he was very sorry something like that had to happen to the Foreman and General Foreman. I stated I regretted it also, but from a total management stand point believed the actions taken were warranted in view of the serious situation which we are experiencing with our Quality Control efforts on this project.

The biggest problem being Supervision not paying attention to the details and procedures which they are responsible to observe and implement.

I asked if there were any other items of which I should be aware. [redacted] mentioned an ethnic slur that he heard over the Field P.A. that he took personally but that the slur did not mention his name or Q.C. affiliation. He further stated he appreciated our conversation and understood the whole situation much better. I re-emphasized the fact I would not tolerate any individual harassing or preventing Quality Control personnel from doing their job and would like to be personally informed if it should ever occur.

The discussion ended at approximately 3:25 p.m.

 12/11/81
T. J. Woodman
 12/11/81

this reference to the letter dated December
10, 1921 from Mr. J. J. Woodman, I do not
agree with certain portions of paragraph
one. Where it states that, "he could not
take the threat on his life as a result of
the General Foreman and Foreman
being reduced to a Journeyman level."
The reaction of the Foreman and General
Foreman being reduced to Journeyman
level had saddened me greatly and
during the conversation this was brought
up strongly to Mr. Mitchell.

The only feedback I had received
from the field was from my peers.
But as far as the actual feedback
they had received from the crafts,
I believe now this wasn't accurate
but only a jest or jokes from my
fellow peers.

Statement of Confirmation

There were absolutely no explanations, as far as I know, to do bodily harm or worse to me from anyone here on site in relation to the stop work criteria of all safety related pulls and the denotation of the electrical construction craft Foreman and General Foreman.

Dec. 11, 1981

W. Warnick

FEB 2 1982

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MEMORANDUM FOR: Region III Files, Perry

FROM: James E. Foster, Investigator

THRU: Robert F. Warnick, Director, Enforcement and Investigation Staff

SUBJECT: ALLEGATIONS REGARDING PERRY, GILBERT ASSOCIATES

On September 16, 1981, the Region III Duty Officer, K. Baker, was contacted by telephone by a [redacted] indicated that he had been employed by the firm of Gilbert Associates at the Perry site for approximately six weeks, and was concerned about information which had come to his attention. He provided the following allegations:

1. False assumptions are being used in pipe stress calculations.
2. The criteria utilized for pipe stress calculations have not been verified.
3. The concrete in the service water building would not hold supports for an instrumentation line. The classification of the instrumentation line was then changed from safety-related to non safety-related.

Several attempts were made to recontact [redacted] for additional information and classification. I contacted him by telephone on the evening of September 29, 1981. He provided clarification to the effect that:

1. He was referring to "hand calculations" for stress analysis for small bore piping (2 inch diameter and under). A "point load cantilever" analysis was the correct method. No stress intensification was considered.
2. Wedge anchors in the service water building were "coming out of the concrete" when torqued to specification values.
3. He was concerned that thermal expansion was being ignored if a pipe run was less than approximately 25 feet and would not experience temperatures of over approximately 110 degrees F, and no distinction was being made between carbon steel piping and stainless steel piping in these cases.

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FEB 2 1982

Region III Files - Perry

I advised that Inspector Isa Yinn would be involved in reviewing his concerns, and would be contacting him for additional information and discussion. [redacted] indicated that he wished to be confidential source.

Inspector Yin contacted [redacted] discussed his concerns, and reviewed the areas of concern during an inspection conducted on November 17-20, December 10 and 11 and 15, 1981. (IE Inspection Report Nos. 50-440/81-16, 50-441/81-16, attached). This inspection resulted in three items of noncompliance, each of Severity Level V.

Pipe stress calculation methods for small bore piping (the only site design work at this time) was found to be acceptable. Calculation methods per "guided cantilever" analysis were being utilized, including appropriate stress intensification factors. Thermal expansion criteria were also found to be acceptable.

The concern regarding concrete in the service water building could not be directly addressed due to its vagueness and [redacted] desire to remain anonymous. However, review of the program for wedge-type concrete expansion anchors identified deficiencies in the overall program, and the application of the program in the service water building. These deficiencies will require re-inspection of the installations already made in the building.

A management meeting was held with licensee personnel on December 15, 1981. Discussion included planned improvements in the small bore piping program, increase of audits in that area, and reinspection of equipment previously installed.

This review should have adequately covered the concerns expressed by [redacted] and I recommend that this investigative case be closed.

James E. Foster
Investigator

Attachment:
As stated