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March 16, 1984

ROTH S. LEDDICK
Senior Vice President
Nuclear Operations

W3K84-0629
Q-3-A35.02.36

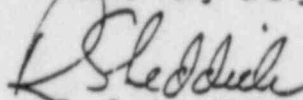
Mr. John T. Collins
Regional Administrator
U.S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive
Suite 1000
Arlington, Texas 76011

SUBJECT: Waterford 3 SES
Docket No. 50-382

Dear Mr. Collins:

At a public meeting with NRC in Arlington, Texas on February 1, 1984, LP&L presented a status report on the results of its review of public allegations concerning problems with Waterford 3 quality assurance documentation. We agreed at that meeting to provide NRC with a written summary of our actions and the results. Enclosed is a summary report of LP&L efforts in those areas which relate to recent allegations regarding Waterford 3 quality. Documentation supporting this summary is located at the Waterford 3 site and is available for the NRC review.

Yours very truly,


R. S. Leddick

RSL:cmb

cc: E.L. Blake, W.M. Stevenson, D.M. Crutchfield, J. Wilson, G.L. Constable

8404190362 840416
PDR ADOCK 05000382
A PDR

bcc: R.P. Barkhurst, F.J. Drummond, T.F. Garrets, G.G. Hofer (Ebasco),
W.A. Cross (LP&L Bethesda Office)

LP&L RESPONSE TO ALLEGATIONS REGARDING WATERFORD 3 QUALITY

PURPOSE

The purpose of this document is to provide a summary of LP&L efforts in those areas which relate to recent allegations regarding Waterford 3 quality. Documentation supporting this summary is located at the Waterford 3 site and is available for NRC review.

DISCUSSION

Allegations of Quality Assurance failures and faulty construction at Waterford 3 have surfaced via a reporter, writing for a New Orleans, Louisiana weekly newspaper (the alleged). The identified source of information for the alleged has been a person who was employed to review Quality Assurance documents for Ebasco Services, Inc., the construction manager of Waterford 3. Although the newspaper accounts strongly insinuate that the actual construction is unacceptably faulty, the allegations are essentially limited to alleged discrepancies in the installation documentation. For simplicity, the allegations are grouped according to content under nine categories, along with LP&L responses based on review and research conducted to date.

I. ALLEGATIONS THAT THE MANAGEMENT OF THE WATERFORD 3 PROJECT, PARTICULARLY IN LP&L AND EBASCO, CHOSE TO IGNORE OR TO COVER UP DEFICIENCIES.

Allegations that the management of the Waterford 3 Project chose to ignore or to cover up deficiencies are totally erroneous. LP&L is committed to the rigorous quality assurance requirements of nuclear power plant construction and operation, and has responsibly fulfilled this commitment throughout the project history.

1. A multi-layered Quality Assurance Program, meeting the requirements of 10CFR50, has been in effect throughout the project history. Although criteria and interpretation of criteria for nuclear projects have generally become more conservative over the project history, the Waterford QA Program has kept pace by increasing the Quality Assurance effort.
2. To date, there has never been a significant project-specific Quality Assurance breakdown on the project which was discovered other than through operation of the W-3 Quality Assurance program itself.

The only such "breakdown" which might truly be classified as significant resulted in imposition of a \$20,000 fine by NRC in early 1983. This "breakdown" was discovered within the W-3 Quality Assurance Program, and LP&L established a broad corrective action program. Mitigation of the fine by NRC from \$40,000 to \$20,000 occurred because of NRC recognition of the broad corrective action taken by LP&L and the LP&L role on identifying and reporting the "breakdown."

3. LP&L has, from the outset, let it be known that the company's interest is to construct and operate Waterford 3 properly. The first official representation of this interest in quality was in the Preliminary Safety Analysis Report, issued in the last days of 1970. The LP&L policy statement in the first LP&L QA Manual for Construction, issued in June 1971, reiterated this interest, as did subsequent revisions of the manual.

Since early 1980, this interest in quality has been further emphasized by a letter from LP&L management, posted conspicuously in various locations on the site, urging all project personnel to make known any deficiencies of which they are aware.

Recently, LP&L has initiated a Quality Awareness Hotline Program. This program allows any person on the project to report unresolved quality concerns to a telephone number which is manned during the normal workday and recorded during off hours. Anonymity is assured, if desired by the caller. Each call must be followed up by a responsible LP&L Quality Assurance Engineer. The hotline program posters are located throughout the site, and personnel have been individually notified by distribution of hotline information with their paychecks. Since publication of the Hotline program on December 19, 1983, there have been no calls to report deficiencies.

4. In an effort to further educate craft foremen with regard to the importance of quality assurance, LP&L directed Ebasco to implement a Foremen Training Program. The Foreman Training Program was carried out in the summer of 1981.

5. 10CFR50.55(e) and 10CFR21 require reports to the NRC for certain types of deficiencies. A formal program has been in existence at Waterford 3 to assure compliance with these regulations. The procedure requires that Ebasco Nonconformance reports (NCRs) be reviewed for reportability. Primary responsibility for NCRs, including reportability review, has been delegated to Ebasco.

In addition to performing formal audits, LP&L Construction QA is on distribution for Ebasco NCR correspondence. Formal in-process LP&L action with NCRs was not required. However, LP&L QA has actively participated, by commenting on Ebasco's performance of this task and by causing increased attention to particular NCRs as appropriate. LP&L has recently reviewed a sample of approximately 1,100 NCRs (of about 8000 total) using LP&L QA personnel, to make doubly sure that the reportability review has been properly accomplished by Ebasco. No additional 10CFR50.55(e) or 10CFR21 reportable items have been identified in this sample review, although one item is currently under further review for reportability. LP&L is accomplishing a 100% review of NCRs in this manner prior to fuel load.

6. Most recently, LP&L has conducted interviews with over 400 QA/QC personnel at Waterford 3. Anonymity was offered and 7% of interviewees chose to remain anonymous. The results are that:
 - a. None of the interviews resulted in the need for significant corrective action.
 - b. 82% either identified no concerns or offered comments supportive of the quality and integrity of Waterford 3 QA activities.
 - c. 5% identified minor concerns which were already being addressed.
 - d. 13% identified concerns for which LP&L intends to respond to the interviewees. These concerns can best be characterized as representing communications shortfalls (e.g., the interviewee was not informed of the corrective action on a deficiency which he/she identified) or lack of understanding by interviewees of Quality Assurance Program elements outside of the interviewee's scope of work. LP&L intends to provide written responses to the individuals identifying these concerns.

This series of interviews confirmed that intimidation of QA/QC personnel is essentially non-existent. Such intimidation has not been tolerated on the Waterford-3 project and, in at least one instance, a person has been terminated for such intimidation. Good job discipline is one reason why Waterford-3 has achieved a better-than-average record among U.S. nuclear projects. Disciplinary action for cause does not constitute intimidation as used in this context although, in the minds of those personnel who have been disciplined, it might. During the course of the project, allegations of intimidation or harassment were followed up promptly by Ebasco and LP&L. LP&L is not aware of any situation whereby quality information has been withheld by an individual, including alleged information source, or whereby inspectors accepted deficient work because of intimidation or harassment.

7. LP&L efforts have clearly been directed toward quality, including the identification and correction of deficiencies. On the other hand, the motives of the alleged must seriously be questioned, since alleged publicly boasts that, apparently through alleged's own deliberate effort, the NRC was unsuccessful in "seeking to discover what other facts (alleged) might know about problems at Waterford 3...."

II. ALLEGATIONS THAT THE ALLEGER HAS BEEN RESPONSIBLE, THROUGH ITS "INVESTIGATIONS," FOR SHEDDING SIGNIFICANT NEW LIGHT ON THE QUALITY OF THE WATERFORD-3 PROJECT.

Allegations that allegor's "investigations" have identified, for the first time, any significant new information regarding Waterford 3 quality are totally erroneous. On the contrary, discovery and correction of all significant quality deficiencies has occurred within the bounds of the Waterford 3 Quality Assurance Program itself.

A. Basemat Cracks

1. Allagers "disclosure" of concrete problems ("cracks" in the Waterford-3 basemat) appeared publicly, for the first time, long after the first appearance of hairline cracks in the basemat. Cracks were initially discovered in 1977, within the project QA hierarchy and were formally dispositioned in accordance with project procedures. Following the initial discovery, there have been several additional instances of crack identification, reporting, and dispositioning. "Cracks" were most recently identified on May 9, 1983 by Ebasco Quality Assurance, and an Ebasco nonconformance report was issued on May 11, 1983. None of the more recent discoveries cast doubt on the validity of the 1977 disposition.
2. As a consequence of the allegations, an independent consulting firm was contracted to perform an independent review of the basemat installation. It should be recognized that "crack" widths were so small as to be undetectable using standard inspection techniques. This expense was authorized by LP&L despite overwhelming advice from knowledgeable civil engineers that the "cracks" posed no threat to safe plant operation. That is, the study was authorized even though LP&L had already achieved more than an adequate level of confidence in the basemat installation.

The independent consulting firm was allowed to have any information which it desired to complete its evaluation. At the outset of the study, the independent consulting firm was given copies of the Significant Construction Deficiency (SCD) packages relating to the basemat. The consulting firm concluded that "...there is no evidence of any process which has been or could be detrimental to the structural integrity of the foundation mat."

As a further consequence of the more recent allegations, the same independent consulting firm was contracted to review all basemat concrete placement packages and related documentation. The consulting firm reported, as expected by knowledgeable civil engineers, that "...no modifications are necessary to the conclusions reached previously in (consulting firm's) reports regarding the structural adequacy of the basemat."

B. Construction Records

1. Construction records discrepancies have been found and corrected as a matter of routine, using project procedures designed for this purpose. Additional records discrepancies were discovered during a final review prior to turning over systems to LP&L Startup forces for testing in early 1982. A typical response to such a discovery is to expand the review program to determine the extent of similar discrepancies, and such a program expansion was directed by LP&L in the fall of 1982.
2. The alleged's information source, among others, was hired for the purpose of reviewing larger samples of construction documentation and identifying any other discrepancies so that the discrepancies could be properly dispositioned. The allegations played no part in the identification of discrepancies or in the development or implementation of corrective action regarding such discrepancies.

III. ALLEGATIONS RELATING TO A MEMORANDUM WRITTEN BY MR. JOSEPH D. DAVIS, ON
DECEMBER 9, 1982, AND MR. DAVIS' CHANGE IN ASSIGNMENT.

The allegations relating to the memorandum written by Mr. Joseph D. Davis on December 9, 1982, and Mr. Davis' change in assignment are totally erroneous.

Mr. Davis was involved in a records review program which had grown out of the discovery of records discrepancies, in early 1982, during a final records review prior to turning over systems to LP&L Startup forces for testing. Mr. Davis' job was to identify records discrepancies.

1. Mr. Davis did write a December 9, 1982 memorandum. The memorandum was written to aid Ebasco in determining an appropriate sample size of civil records to review. The nature of the problems identified by his memorandum reflected poor record-keeping rather than actual safety problems.
2. Mr. Davis was not "transferred to other, less sensitive duties," as alleged. To the contrary, Mr. Davis was actually placed in a position which allowed him to overview all of the individual QA/RG record review groups.
3. Following the allegations in early December, 1983, Mr. Davis was interviewed by LP&L management and was asked to comment on project document reviews conducted since his December 9, 1982 memorandum. Mr. Davis issued a memorandum on December 22, 1983, which reads, in part, as follows:

"In summary, my review of nonconformance reports and related correspondence indicates that items addressed in memorandum dated December 9, 1982, have been adequately addressed and/or are being corrected in accordance with Ebasco's program."
4. Allegor's information source was formally invited, by the LP&L Senior Vice President-Nuclear Operations, to discuss his concerns in light of more complete information resulting from the expanded records review program begun in early 1982. The LP&L intent, in extending this offer, was to allow allegor's information source to decide for himself, as did Mr. Davis, whether or not corrective action for discovered discrepancies had been satisfactorily carried out at Waterford 3. The allegor's information source formally declined the LP&L invitation.

IV. ALLEGATIONS THAT WATERFORD 3 MANAGEMENT CHOSE TO IGNORE ALLEGER'S INFORMATION SOURCE.

Allegations that Waterford 3 management chose to ignore any information source are totally erroneous. Such an alleged posture is totally contrary to LP&L policy. Furthermore, deficiencies discovered by allegor's information source were being aggressively addressed even before allegor's information source left the Waterford 3 site.

1. In a meeting of July 7, 1983, allegor's source recommended that all concrete placement packages and soil packages be reviewed.
2. On July 11, 1983, project management decided to review a 10% sample of the concrete placement packages, and LP&L directed Ebasco to begin the review. (NOTE: Allegor's information source left the site on July 31, 1983.)
3. In August 1983, the review of concrete placement packages was begun. In September, 1983, the review program was expanded to include 100% of the concrete placement packages. The review is now complete and 33 new NCRs were written as a result of this review, none of which identified significant physical deficiencies and all of which have been properly dispositioned.
4. Soils and backfill records were previously subjected to a comprehensive review by Ebasco. All records were reviewed for existence of required records, their completeness, and for proper organization by elevation and fill number. Approximately 50% of the records were re-reviewed for technical adequacy. No additional soils non-conformances were identified.
5. To gain an even greater level of confidence, LP&L personnel, in accordance with standard procedures, are currently performing additional reviews of concrete placement and backfill records. Certain types of civil records are being 100% reviewed by LP&L during this review process.

V. ALLEGATIONS THAT LARGE NUMBERS OF INSPECTORS WERE NOT CERTIFIED.

Allegations that large numbers of inspectors were not certified are totally erroneous.

1. Inspector certification audits have been performed at every level of the hierarchy of the Waterford-3 Quality Assurance Program throughout the project history. Where deficiencies existed, formal corrective action has been implemented. The only significant problem of this type occurred in relation to the Nuclear Steam Supply System (NSSS) installation in 1980. In that case, a Stop Work Order was issued until the contractor's inspector certification program was upgraded. Corrective action involved significant review and reinspection of prior work and revision of the contractor's Quality Assurance Program.
2. Recent reviews of non-conformance reports and inspector certification records related to concrete placement support the conclusion that there are no significant problems in the area of inspector qualification.

Qualifications of inspectors involved in concrete placement were re-reviewed in detail by both Ebasco and LP&L. The documentation indicates that several inspectors had performed certain inspections prior to formal on-site certification. Further review verified that most of these inspectors were well qualified to perform the inspection functions, based on completion of on-site training and examination or based on their significant previous experience. It appears that four inspectors may have performed up to ten concrete curing (post placement) inspections prior to being certified. However, these inspections require only that the inspector be capable of reading a thermometer and determining whether or not a concrete surface is wet.

In one isolated instance, castwelds were inspected and accepted by an individual several weeks prior to his formal certification. At that time, the inspector had 6 years of experience and training on commercial civil projects, including experience as a civil Quality Control Inspector prior to joining the Waterford 3 project. An engineering evaluation of this situation has shown that the installation meets design criteria.

3. Although LP&L already has an adequate level of confidence in the inspector certification conditions at Waterford-3, LP&L QA has embarked on an additional review of inspector certification documents to redouble its confidence.

VI. ALLEGATIONS THAT THERE HAS BEEN A "SYSTEMATIC PROGRAM" TO ALTER, "DOCTOR", OR REPLACE DOCUMENTS WITH "PHONY" DOCUMENTS.

Allegations that there has been a "systematic program" to alter "doctor", or replace documents with "phony" documents are totally erroneous. To LP&L's and Ebasco's knowledge, there has never been any concerted effort to falsify records in any facet of the Waterford 3 project.

1. When document discrepancies are discovered, nonconformance reports (NCRs), or lower level documents, are written to assure that the discrepancies are corrected.

Approved procedures require correction of document discrepancies under controlled conditions. Such corrective action, based on the nature of the discrepancy, may involve resolution in a wide spectrum of choices including, if necessary, reinspection, repair, rework, or replacement of installed materials or equipment. Nonconformance of materials or equipment installation with design documents constitutes a discrepancy. When such conditions are discovered, they may be corrected either by reworking, replacing, or repairing the nonconforming installation or by changing the design document to reflect the "as-built" condition. However, changes in design documents must be reviewed by engineering personnel to assure that the changed design remains in conformance with the approved design criteria.

2. In order to further improve its confidence that the corrective action process has been properly performed, LP&L has embarked on an additional review of a sampling of nonconformance reports (NCRs). NCR's involving "Accept-As-Is" and NCR's involving physical work will be selected (sample basis) and will be reviewed to verify that:
 1. The disposition appropriately addresses the identified condition.
 2. Any required work was properly accomplished. This will involve some field verification.
 3. The NCR was dispositioned in accordance with the applicable procedures.
3. The Waterford 3 Quality Assurance Program includes elements which provide reasonable confidence that document falsification would be detected. At Waterford 3 three situations have been discovered in which falsification was suspected. These situations were investigated and properly dispositioned.

In two of the suspect situations, the personnel involved explained that the records in question were reproduced because the originals were either lost (they were later found) or in poor condition from field use. In some instances the inspectors worked in teams whereby one inspected and the other recorded. The accuracy of records has been confirmed by supplementary and backup documentation.

The third situation brought into question the quality of a very small quantity of materials used in a safety related installation. Documentation of traceability of the heat number for the materials was suspected to have been falsified. Since the suspect signature was that of an employee who was no longer on the project, since the amount of materials in question was small, and since this was obviously a very isolated incident, it was decided to simply replace the suspect materials with properly certified materials.

VII. ALLEGATIONS THAT DOCUMENT DISCREPANCIES REFLECT LARGE DEFICIENCIES IN THE PHYSICAL PLANT.

Allegations that document discrepancies reflect large deficiencies in the physical plant are totally erroneous.

1. Every discovered document discrepancy must be dispositioned in accordance with approved procedures.
2. The number of physical corrections, required as a result of document reviews, including the expanded records review begun in 1982, has been small and physical corrective action has been, or is being, accomplished.

VIII. ALLEGATIONS THAT ALLEGED DEFICIENCIES IN THE MASTER TRACKING SYSTEM
CONSTITUTES A SERIOUS QUALITY ASSURANCE BREAKDOWN.

Allegations that alleged deficiencies in the Master Tracking System constitutes a serious quality assurance breakdown are totally erroneous.

1. The Master Tracking System is performing very well at Waterford 3. The Master Tracking System is, as the name implies, merely a tool for tracking work items. The allager has been informed of this fact several times beginning more than a year ago.

IX. ALLEGATIONS WITH RESPECT TO SPECIAL LP&L RELATIONSHIPS WITH THE NUCLEAR
REGULATORY COMMISSION. (NRC)

Allegations that LP&L and NRC have entered into special agreements are totally erroneous.

1. The allegations insinuate that LP&L has entered into special agreements with NRC regarding questions posed by the allegations. There are no such agreements.

29. Does LP&L maintain that the mat possesses adequate capability to resist the design loads and conform to the criteria committed to in the FSAR despite all the deficiencies and allegations listed? If yes, provide the supporting technical basis. If not, propose specific means to resolve them and thus render the mat acceptable to the staff.

In any case, the "as-built-mat" should be shown by the applicant, if feasible, to maintain adequate safety margins to perform its safety function and maintain its structural integrity.

A quantitative demonstration of the "as-built" mat capacity, including adoption of test, monitoring and strengthening programs, if need, should be provided for staff review.

Response: Ebasco

It is our conclusion that the mat, as constructed, possesses adequate capability to safely resist the design loads. Deficiencies and allegations brought to our attention either refer to problems in maintaining a clear record of the construction or have been corrected. We therefore conclude that the quality of construction, including NCR's and their disposition, was in accordance with the plans and specifications and procedures.

A monitoring program has been provided for NRC Staff review. This program consists of three areas of monitoring and has been provided in the form of Technical Specifications as requested by the Staff and suggested by the Atomic Safety and Licensing Appeal Board (ASLAB). The first area of the program is to extend the previously agreed to basemat settlement monitoring program for the current three year commitment to a continuing program. Secondly, periodic sampling and testing of the ground water chemistry will be conducted to assure that significant corrosion of the rebar due to ground water intrusion is not expected and that the ground water remains "non-aggressive". The third area involves periodic inspection of the exposed areas of the basemat to document any new cracking, if it should occur, and to survey the existing cracks to determine if significant changes in crack size have occurred during the inspection interval. Specific proposals for each phase of the program have been submitted.

30. What is LP&L's technical rationale for explaining what has happened (including, water seepage, potential through-thickness cracks, predominantly one-way cracks within containment region, uneven settlements, etc) to the mat? What monitoring program(s) has been implemented is underway? What are the results of these programs? Did the monitoring data show that both the cracking and water seepage problems have stabilized and there is no sign of continued degradation? What improvements, could be applied to the on-going programs?

Response: Ebasco

It is our conclusion that minor flexural cracking of the mat has occurred related to the differential settlement of the mat and that those cracks have intercepted minor moisture paths within the mat. These minor moisture paths are associated with the embedded steel construction support members for the reinforcing steel and embedded conduit. Under the high water pressure head (about 55 feet) these paths allow the passage of trivial amounts of moisture to the surface of the mat.

Potential consequences of these cracks have been separately evaluated by Ebasco and Harstead Engineering Associates. The conclusions of both evaluations support the LP&L confidence that the basemat will perform satisfactorily in service.

The only portion of the monitoring program described in the response to Question 29 above which has been implemented is the basemat settlement monitoring program. This program has been in effect since the start of the basemat construction. This program has indicated no additional settlement since 1979 and, as such, supports the conclusion that the basemat has stabilized. The proposed monitoring program (Question 29) is considered to adequately address the issue of potential basemat settlement, corrosion of rebar, and basemat stability.

31. Are there any known voids of some significant size to affect the mat structural integrity? If yes, what are the sizes (best estimates) and extent of these voids? What is LP&L's suggested disposition to the issue of voids. If no disposition is needed, what is the technical basis?

Response:

The basemat design and the approved procedures for construction of the basemat include provisions to minimize the formation of significant voids in the basemat placements. There are no known significant voids in the basemat. All significant voids detected during the placements have been repaired.

32. Conservatively assuming the existence of extensive through-cracks of the mat, assess the impact of the presence of water on the long-term structural integrity of rebars and mat capacity. Also assess the same impacts due to other potential corrosive elements.

Response: (EBASCO)

The assessment has been provided in the "Applicant's Answer to Joint Intervenor's Motion to Reopen Contention," dated September 30, 1983. Affidavit of William F. Gundaker, and in a memorandum dated August 5, 1977 by A. W. Peabody/M. D. Oliveira, titled "Corrosion of Reinforcing Steel and Steel Containment Vessel Plates in Contact with Water," which reads in part, "...we have analyzed a possible situation in the common mat where supposedly groundwater seeping from concrete cracks found on the surface of the mat could corrode the reinforcing steel and the outside bottom plates of the Steel Containment Vessel.

It is a proven fact that concrete by its alkaline nature passivates carbon steel embedded in it.

It is also known that water in contact with concrete becomes alkaline and consequently its corrosivity to steel decreases considerably.

In addition to these factors, assuming that groundwater is left inside the crack network to a certain extent, this water will be near stagnant and without replenishment of oxygen. Consequently, the rate of corrosion under the above circumstances, if any, will be negligible."

Response: (HEA)

The "existence of extensive through cracks" as hypothesized, considering the hydrostatic pressure acting at the base of the mat, would be manifested by substantial bleeding of groundwater through such cracks. HEA reiterates the summary of a site inspection performed on 08/30-09/02/83. During this time all accessible areas of the basemat were inspected and any cracks found were mapped (See HEA Report No. 8304-1, dated 09/19/83). Subsection 4.6 of the referenced report notes that:

"The amount of moisture noted during this inspection period was minimal. In some instances dampness/moisture were present. There was, however, no evidence of seepage or migration that might have been deduced by the presence of standing water or draining along the local slope of the basemat."

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Appeal Board

In the Matter of)
LOUISIANA POWER & LIGHT COMPANY) Docket No. 50-382 OL.
(Waterford Steam Electric Station,)
Unit 3))

AFFIDAVIT OF THOMAS F. GERRETS

THOMAS F. GERRETS, being duly sworn according to law, deposes and says:

1. My name is Thomas F. Gerrets. I am employed by Louisiana Power & Light Company as the Corporate Quality Assurance Manager, with principal duties related to the design and construction of the Waterford Steam Electric Station, Unit 3.

2. The December 10, 1983 issue of Gambit alleges on page 22 that at Waterford 3 there are "...missing [QA] documents that have been replaced by phony documents manufactured after the fact; faulty documents that have been altered or 'doctored'; and some instances involving possible forged signatures on safety inspections okaying the workmanship on critical safety-related structured." I and others in my quality assurance organization have investigated these allegations, and we have found no

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instance of any records containing false or manufactured test or inspection data and no instance of malfeasance in the generation of testing or inspection reports.

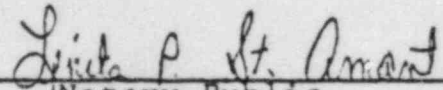
3. I can only speculate on the source of these unexplained charges. The articles describe a meeting with George Hill, a QA records reviewer, myself, and other QA personnel which took place on July 7, 1983. Reference was made by Mr. Hill to a previously existing Nonconformance Report ("NCR"), NCR W3-6245, dated May 20, 1983, which identified 13 daily cadweld inspection reports (out of thousands of such reports) containing questionable initials of quality control inspectors whose job it was to inspect each cadweld of the reinforcing steel for the foundation mat. Each instance was investigated and supplementary and backup documentation, as well as personal on-site inspection of the reports by three of the inspectors involved, verified that the involved welds had, in fact, been properly performed and inspected. On this basis, the welds were determined to be acceptable, and the NCR was duly resolved in accordance with the QA program procedures.

4. I know of one other instance where questions arose concerning the authenticity of record signatures or initials. This is identified on NCR W3-7481, and involves cadweld tensile test laboratory reports where both an original and a reconstructed duplicate exists. The laboratory which performed the tests was contacted as well as other Ebasco personnel who

were involved with these specific records. The individual who was the manager of the testing lab during the time when the documents were generated has inspected the documents on site and has certified the original documents. Both the testing laboratory personnel and Ebasco personnel familiar with the procedure which were in effect at the time the documents were generated confirm that, in some cases during construction, it was thought that the original test document was lost and therefore a duplicate was constructed from original test data which existed in the testing laboratory log books. In all cases, the tensile test data on the duplicate document has been verified to be identical to that which exists on one or more of the following documents: the original document, a photocopy of the original document, and the original or a photocopy of "Record of Rebar User's Testing" (Form #QC-28). On this basis, the test data were determined to be proper and acceptable, and the NCR was duly resolved in accordance with QA program procedures.


Thomas F. Gerrets

Subscribed and sworn to before me
this 10th day of January, 1984.


Notary Public

My Commission expires June, 1984