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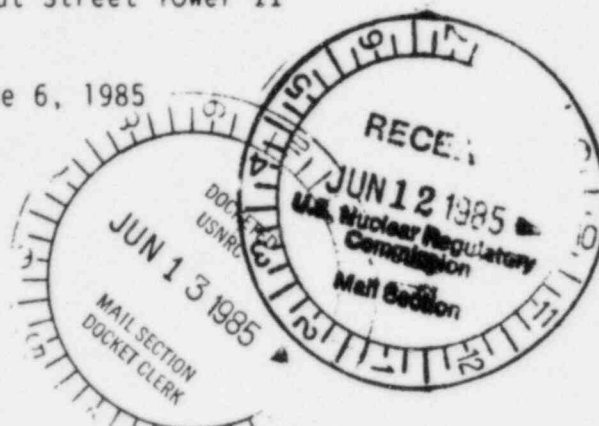
TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401
1630 Chestnut Street Tower II

RETURN ORIGINAL TO PDR, HQ.

June 6, 1985

Mr. R. Dale Smith
 Uranium Recovery Field Office
 U.S. Nuclear Regulatory Commission
 730 Simms Street, Suite 100
 Golden, Colorado 80401



Dear Mr. Smith:

On May 29, 1985, a Nuclear Regulatory Commission (NRC) enforcement conference was held with you to discuss with TVA the apparent violations of activities during the April 11-17, 1985 field audit authorized by the Source Material License, SUA-816, for the Edgemont Decommissioning Project. During that meeting, you requested TVA provide additional assurances that quality control of construction activities be proceduralized and that TVA management control of the decommissioning project be clearly explained. The enclosure is a reiteration of what TVA representatives presented during the meeting in response to quality control and management control concerns.

TVA management, Mr. John Hutton, assured you and your staff that TVA's commitment to the Edgemont Decommissioning Project recognizes the health and safety implications of this project. He also stated that procedural and management controls have been, and will continue to be, improved to assure the work is under TVA control and is done right.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

J. A. Damer
 J. W. Hufham, Manager
 Licensing and Regulations

Enclosure

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Certified By Mary C. Hood

FEE EXEMPT

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Enclosure

1. As stated in our May 13, 1985 letter from me to you, TVA is committed to an active management role at the Edgemont Decommissioning Project. In this role, a TVA representative will be onsite to observe and record actions on items designated as "key licensing activities." The Uranium Operations Branch (UOB) has total responsibility for the ongoing site activities. The Nuclear Licensing Branch, Uranium Administration Branch and Radiological Health Staff are available and can be called on as necessary to support the needs of both Silver King Mines (SKM) and UOB as required. All three organizations report to J. W. Hutton and fill necessary roles in the operations of this project.
2. In your May 16, 1985 clarification letter to license conditions 36, 40, 41, and in all of our previous license submittals to you, TVA has committed or been committed to comply with statements made in the McLaren Engineering Reports on the Edgemont Decommissioning Project. The scope of these statements encompasses the majority of construction activities and represents a quality control program in themselves. As stated in our May 13, 1985 submittal, TVA and SKM are jointly developing operational procedures which encompass the actual work activities outlined in the license. Development of these procedures is time consuming due to the nature of the activities; however, prior to the initiation of each activity, its corresponding procedure will be available within UOB or onsite for your review.
3. TVA operates the Edgemont Decommissioning Project under a management services contract with our operator SKM. SKM operates on annual approved plans and budgets and receives a fixed yearly fee which is dependent upon neither the amount of work accomplished nor the amount of money budgeted or spent.

The resident manager for SKM through the contract is charged with the operation of the project and has direct ties to UOB for technical direction. The Resident Manager's first line supervisors direct the work of individual employees. In the past, disciplinary actions by the resident manager have been handled in an informal manner. TVA has recently instructed the resident manager to document discussions with employees after they inadvertently violated procedures, including disciplinary actions taken.

An issue of NRC concern is the establishment of SKM inspectors as independent entities to help ensure adequate construction to design requirements. In response to this concern, the Resident Manager has written an open letter to all employees in which he urged all employees to take an active role in ensuring that the work done on the project is of the highest quality. This letter also instructed employees to report directly to him if they detected construction practices which do not reflect the highest quality. Employees were told that such reports would not result in management reprisals.

4. The Radiological Health Staff (RHS), through its corporate charter, is required to ensure that SKM as the Edgemont contractor is taking all reasonable precautions in the performance of the project to protect the health and ensure the safety of the employees and the public.

In addition, UOB will perform procedural reviews to assure SKM compliance with SKM health and safety procedures on a semiannual basis.

5. TVA's RHS is currently developing cleanup criteria for the Edgemont Decommissioning Project. Members of the RHS and SKM's Health Physics Staff are actively participating in the development of protocol, instrument selection, protocol testing, and cleanup procedure development. Once this criteria is established and concurrently approved, TVA will oversee SKM's implementation of all aspects of the cleanup criteria program developed. To ensure the quality control of this program, a member of TVA's RHS will be present onsite during the initial cleanup certification and will institute on-the-spot corrections in either training or procedures. Once implemented, SKM's Radiological Safety Officer (RSO) will directly control the cleanup and qualified Health Physics Technicians will be part of the cleanup certification activities.

To further verify that SKM's RSO adequately performs his role as onsite program administrator, TVA's RHS will conduct random unannounced inspections as well as management reviews of certification results.