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REPORT OF INVESTIGATION

TITLE: CONGRESSMAN MARKEY'S LETTER DATED JULY 27, 1984,
REGARDING REGION II ACTIONS RELATING TO GRAND GULF
NUCLEAR STATION

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OFFICE OF INSPECTOR & AUDITOR
U.S. NUCLEAR REGULATORY COMMISSION

FREEDOM OF INFORMATION/PRIVACY ACT EXEMPTION b(5), (7) (A)

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BACKGROUND

By letter dated July 27, 1984, from Congressman Edward J. Markey to Chairman Nunzio J. Palladino (Attachment 1), the Commission was requested to conduct an investigation to determine the propriety of Region II, U.S. Nuclear Regulatory Commission (NRC), actions concerning two issues related to the Grand Gulf Nuclear Station (GGNS).

The first issue concerns Region II actions with respect to sharing information with the licensee, Mississippi Power and Light (MP&L), in August 1983 and at a September 23, 1983, meeting that discrepancies in the qualification cards for reactor operators at GGNS were being construed by NRC as possible Material False Statements (MFS). Congressman Markey noted in his letter that subsequent to these disclosures by Region II, GGNS was permitted to return to power on September 25, 1983, prior to requesting an investigation by the Office of Investigations (OI) or otherwise resolving the matter concerning the qualification cards. He also contends in his letter that the disclosure by Region II at the September 23, 1983, meeting caused an MP&L official to subsequently refuse to provide a letter to NRC which addressed the discrepancies in the qualification cards and was intended to be submitted to NRC at that time.

The second issue concerns the "course of events by which MP&L was allowed to restart Grand Gulf on September 25, 1983 and operate through November 8, 1983." The letter states, "However, by August 1983, and certainly no later than September 23-30, 1983, Region II was aware of the erroneous operator training records and had reason to suspect the competence of Grand Gulf's reactor operators." Congressman Markey expressed concern about "how Region II officials could have, in good conscience and in compliance with the Commission regulations and the law, allowed Grand Gulf to operate subsequent to determining that the adequacy of operator training was at best unknown, and quite possibly, inadequate."

On July 30, 1984, the Office of Inspector and Auditor (OIA) was delegated the responsibility of conducting an investigation of this matter. An interim response was forwarded to Congressman Markey by OIA on August 7, 1984, and the investigation began on August 15, 1984.

SUMMARY

ISSUE 1: "[D]id Region II officials unnecessarily and/or inappropriately share information with the licensee?"

James P. McGaughy, Vice President, Nuclear Support, MP&L, when interviewed, said that during an August 19, 1983, meeting which, in part, concerned missing documentation on reactor operator qualification cards at GGNS, he was advised by [REDACTED] then [REDACTED] Reactor Projects Branch (RPB), Division of Reactor Projects (DRP), Region II, that the deficiencies with the qualification cards were considered a deviation by NRC. [REDACTED] further advised him that MP&L should follow up on the deviation with a

letter indicating what actions MP&L would take to correct the deficiencies. Douglas L. Hunt, MP&L, subsequently drafted the letter requested by [REDACTED]

On September 23, 1983, he (McGaughy) and Hunt met with Region II officials in Atlanta, Georgia. He does not recall what that meeting concerned, but said that after the meeting adjourned he advised [REDACTED] that he had a draft letter addressing the deficiencies with the qualification cards for reactor operators at GGNS which Region II had identified as a deviation to him during the August 19, 1983, meeting. [REDACTED] told him that he was glad that he brought that issue to his attention because the matter was currently being discussed in Region II. [REDACTED] then took the letter from him and he believed that [REDACTED] took the letter to James P. O'Reilly, Regional Administrator, Region II, to discuss it with him. [REDACTED] returned shortly thereafter and advised him that Region II had originally considered the matter concerning deficiencies in qualification cards a deviation, but Region II was now considering the matter in the sense that MP&L provided incorrect information to NRC. In his (McGaughy's) mind, he knew that this meant the possibility of an MFS on the part of MP&L. [REDACTED] further advised him, with words to the effect, that MP&L should review their letter carefully and make sure it was on point because NRC was taking a closer look at this matter. [REDACTED] also told him that the August 19, 1983, discussions between MP&L and Region II relative to the discrepancies in the qualification cards being a deviation may not have been correct.

McGaughy said that the letter which he brought to the September 23, 1983, meeting was a draft letter and MP&L had not intended to submit the letter to NRC at that time. The purpose for bringing the letter was to discuss with Region II officials whether or not the letter would have been a satisfactory response to NRC concerning the discrepancies with the reactor operator qualification cards. He noted that the letter was not submitted to NRC on September 23, 1983.

Regarding any changes to the draft letter, McGaughy said that at the time of the September 23, 1983, meeting, it had not been reviewed by his immediate supervisor or the MP&L legal staff. He recalled that the draft letter listed the names of the individual operators involved with the qualification cards issue and MP&L did not want to unnecessarily place the names of the Reactor Operators (RO) in the public domain. He indicated that for those reasons the draft letter was revised and a final letter was issued on September 30, 1983 (Attachment 2).

Jack B. Richard, Senior Vice President, Nuclear, MP&L, when interviewed said that he did not recall attending a meeting on September 23, 1983, between MP&L and Region II officials nor did he recall any discussions with his staff relative to an MP&L letter to the NRC concerning discrepancies in the qualification cards for ROs at GGNS (Attachment 3).

David M. Verrelli, Chief, Reactor Projects Branch #1, DRP, Region II, upon interview said that he generally recalls that the September 23, 1983, meeting between Region II and MP&L officials concerned Agastat Relays at GGNS. Verrelli did not recall the events immediately following that meeting which related to an alleged intended submittal of an MP&L letter to NRC concerning deficiencies in the Reactor Operator Training Program (ROTP) at GGNS (Attachment 4).

[REDACTED] Office of Investigations (OI), Atlanta Field Office, NRC, when interviewed said that if, on September 23, 1983, Region II had entertained any ideas or discussions of referring the matter of false RO and Senior Reactor Operator (SRO) license applications or an MFS regarding training matters at GGNS to OI for an investigation, there should have been no further discussion with MP&L about the possible MFS from that point forward unless there were health and safety concerns involved. He indicated that, to his knowledge, there were no such concerns involved with this matter at that time. He believed that Region II conducted themselves in this matter, as has been the practice of NRC in general, meaning there is a continual exchange of information towards the end of health and safety. He also believed this practice resulted in an element of preparedness on the part of certain MP&L officials whom he interviewed. In his opinion, this preparedness was caused by the discussions between Region II and MP&L about the possibility that the issue of the discrepancies with the applications for RO and SRO exams at GGNS was an MFS. He explained that by preparedness he meant that he perceived certain MP&L officials (Ken McCoy, Douglas Hunt, Jim McGaughy) had answers already prepared to his questions regarding MP&L management's responsibility, oversight, and in general, involvement in the overall RO and SRO license application process. His questions specifically regarded their responsibilities to provide correct information to NRC in the applications. It was his perception that the objective of the OI investigation was made known prematurely to MP&L and from that point of view, there was a compromise of the investigation. He did not believe that there was ill conceived motives or intent on the part of Region II in advising MP&L of the possibility that MP&L's actions in this matter were possibly an MFS.

He said that his stated views characterizing Region II's actions in this matter as not in the best interest of the OI investigation effort had not previously been made known. He also said that, in general, the problem regarding discourse between Regional staff and the licensee is not unique to the GGNS matter, but is also apparent in other OI investigative efforts (Attachment 5).

Albert F. Gibson, Chief, Operations Branch (OB), Division of Reactor Safety (DRS), Region II, when interviewed, said that it was not unusual for MP&L to review draft MP&L letters with Region II at meetings. He said the purpose for reviewing the draft letters was an effort on the licensee's part to be more responsive to NRC. He noted that it was not a method of doing business that Region II encourages, however, MP&L routinely practices business with Region II in this manner (Attachment 6).

[REDACTED] DRS, formerly [REDACTED] RPB, DRP, Region II, when interviewed, said that as an afterthought to the September 23, 1983, meeting between MP&L and Region II, McGaughy mentioned that he had a letter that had been prepared for submittal to Region II concerning MP&L's correction of the record regarding qualification cards for ROs and SROs at GGNS. Region II officials then advised McGaughy that the issue of the operator qualification cards was currently being discussed in Region II and that it was now being considered an MFS as opposed to a deviation as it had been described by Region II at an August 19, 1983, meeting with MP&L. According to [REDACTED] McGaughy said that in view of the significance that was being noted by Region II (primarily [REDACTED] Verrelli, and Richard Lewis, Director, DRP) on the issue concerning the

qualification cards, he wanted to be absolutely certain that the information that had been provided to him by his staff was correct. [REDACTED] said that McGaughy removed the letter from his briefcase to demonstrate the fact of its existence and put the letter back into his briefcase. Region II officials present agreed to McGaughy's proposal and indicated that it was a good idea in consideration of the seriousness of the matter. To the best of [REDACTED] recollection, Region II personnel present did not read the letter nor did they make such a request from MP&L. [REDACTED] also said that MP&L representatives did not offer or refuse Region II the opportunity to read the letter. He recalled that later in a hallway, McGaughy advised him that he (McGaughy) believed MP&L had been "sand bagged" by NRC about the seriousness of the qualification cards issue because previous discussions between MP&L and NRC had not represented this matter as a potential MFS (Attachment 7).

James P. O'Reilly, when interviewed, said that it is common practice for Region II, when conducting management or enforcement meetings with licensee management, to remind the licensee of NRC's insistence that the information submitted to NRC must be accurate and factual. He also said that the enforcement policy regarding MFS is routinely discussed during enforcement meetings and at other scheduled meetings with corporate level personnel.

He noted that NRC inspection activities and the presentation of inspection findings are conducted in an open, candid, and straight forward manner. He said that it is not appropriate for NRC to use entrapment or stealth to trick the licensee into making additional MFS or to allow the licensee to continue in unsatisfactory performance in safety-related activities merely for the sake of enhancing a potential future enforcement action. He said that the primary purpose of Region II actions was to identify potential safety problems and remedy them as soon as possible. He noted that it is appropriate to be candid with the licensee in that regard. O'Reilly also said that it was important to recognize that when Region II was discussing this matter with MP&L in late 1983, that it was considered to be an old issue. He said that the reactor operator examination requests containing inaccurate training information were submitted to NRC beginning in 1981 and were part of NRC's official records.

He said that during the September 23, 1983, meeting, Region II management officials informed licensee management that the training records issue would not be cited as a deviation from commitments. He noted that during a previous exit interview, Region II had described the training records issue as a deviation, however, at the September 23, 1983, meeting, the licensee was advised by Region II that the information would be evaluated to determine if the incorrect applications constituted an MFS. He said that Region II officials advised the licensee to devote prompt management attention to their detailed investigation of the problems concerning their training commitments made to NRC.

O'Reilly said that during the meeting the MP&L Vice President (McGaughy) said he had a document with him which had been prepared for submittal to NRC. According to O'Reilly, the document was intended to correct the record on the qualification card issue, but in consideration of the significance placed on the matter by NRC, McGaughy wanted to be certain the information provided to him by his staff was correct.

O'Reilly did not recall any discussions with [REDACTED] or any other Region II staff on September 23, 1983, concerning the letter which McGaughy brought to the meeting that day (Attachment 8).

ISSUE 2: "[D]id Region II officials authorize a return to operations, and/or allow continued operation, subsequent to learning that the qualifications of Grand Gulf reactor operators were probably falsified and the operators potentially unqualified?"

[REDACTED] when interviewed, said that with respect to the discrepancies in ROIR and the related course of events which led to the restart of GGNS on September 25, 1983, the magnitude of the problems regarding the training progressed over a period of time. Initially, Region II believed that the deficiencies were a matter of missing documentation resulting from poor file maintenance by MP&L. As time progressed from Region II's initial training assessment in February 1983 of RO and SRO training at GGNS, to a second training assessment conducted in November 1983, the problems with the training program expanded to include not only missing documentation, but also indications that some of the ROs may not have had all of the required training as described by MP&L in the RO exam applications.

During the initial training assessment on February 15-17, 1983, Region II first became aware that all of the supporting records for the previous licensed operator training could not be located. MP&L advised Region II that they were aware of the missing documentation and showed Region II a number of Plant Quality Deficiency Reports (PQDR) which documented the problem. MP&L committed to Region II at that time that they would resolve this problem by February 23, 1983. Region II gave credence to the licensee's explanation because the records in question were in a state of disarray. Because MP&L had identified the problem in the PQDR and also committed to resolve the discrepancies, Region II considered the matter to be an unresolved inspection item pending a further review of the licensee's actions in a follow up NRC inspection. [REDACTED] said he was aware of subsequent discussions within Region II that explored the possibility that MP&L made an MFS with respect to the discrepancies in the operator training. However, it could not be concluded from the discussions that MP&L made an MFS.

[REDACTED] said the discrepancies with the training records were next reviewed by Region II during an Operational Readiness Inspection from August 15 through September 1, 1983. He noted that with respect to a six month delay in following up on this matter, the safety significance of the discrepancies was negligible in that the reactor was in a state of cold shutdown since August 18, 1982, and was not expected to restart for approximately six to nine months. Additionally, Region II's workload included activities associated with other reactors that were operational and required more attention. During the inspection, Region II found that the purported missing training records could not be located and that some of the training had been abbreviated. He recalled that the focus of the inspection was then on incomplete RO qualification cards because of the discrepancies in them concerning previous applications to NRC for operator licensing examinations. At the close of the inspection [REDACTED] advised MP&L that the discrepancies were considered to be a deviation by Region II and also that this matter could be considered by NRC as an MFS on the part of MP&L. Region II officials advised the licensee that they must devote prompt management attention (investigate) to determine the

nature, scope, and cause of the discrepancies with the qualification cards as well as any other training deficiencies concerning licensed operators at GGNS. [REDACTED] said that as a result of the inspection findings, MP&L committed to NRC that they would correct the record by way of a formal letter to NRC. During the ensuing weeks, Region II discussed the inspection findings and the possibility that the licensee had committed an MFS in this matter. [REDACTED] noted that there was some discussion whether or not this matter should be referred to OI for a formal investigation.

On September 23, 1983, MP&L and Region II officials met to discuss Agastat Relays at GGNS. As an afterthought to the meeting, McGaughy advised those present that he had an MP&L letter regarding the discrepancies in operator training that had been identified by Region II during the August 15, 1983, followup inspection. [REDACTED] said that Region II officials advised him at that time that Region II was now considering the discrepancies in the Licensed Operator Training Program (LOTP) to be an MFS rather than a deviation as they had previously thought.

On October 4, 1983, MP&L and Region II officials again met to discuss issues concerning GGNS. At the conclusion of the meeting, the licensee updated NRC about the progress in their investigation of the deficiencies with LOTP. MP&L told Region II officials that in addition to incomplete qualification cards, it was possible that some of the ROs had not received some of the training because some of the training records could not be found. [REDACTED] recalled that the licensee was advised of Region II's increasing concern regarding this problem.

[REDACTED] said that at an October 12, 1983, meeting between MP&L and NRC at the Region II offices, OI representatives were in attendance because of the expanding scope of the training discrepancies and Region II's heightened concern in that regard. He said that the licensee was informed at the meeting that Region II had, during the previous week, discussed with OI the possibility of requesting a formal OI investigation of this matter. He noted that on the day following this meeting, Region II management met and decided to request a formal OI investigation. He also recalled that on October 17, 1983, Region II verbally requested OI to begin an investigation of this matter and on October 18, 1983, this request was confirmed by a formal letter.

According to [REDACTED], from October 31 through November 4, 1983, Region II conducted another training assessment of ROs and SROs. He said that the purpose of the assessment was to determine what corrective measures by MP&L had been taken to preclude future errors in the licensed RO and SRO applications and to verify that all previous licensed operators possessed sufficient knowledge to safely operate the reactor. Three licensed operators who exhibited inadequate knowledge of the plant were removed from their respective duties on November 4, 1983, following the exit interview between MP&L and Region II. He said that MP&L subsequently documented these actions (removal of the operators from their respective duties) in a November 10, 1983, letter to NRC. He noted that because low power testing had almost been completed, and based on Region II's observations of the licensed operators at the plant, GGNS was permitted to operate until November 8, 1983, when the plant was taken to a cold shutdown condition. He noted that on November 7, 1983, former Commissioner Victor Gilinsky visited GGNS and was briefed by James P. O'Reilly, Lewis, and himself concerning the discrepancies in ROTP and the fact that some of the ROs

had been removed from their duties. [REDACTED] recalled that Gilinsky expressed his concurrence with Region II's actions regarding ROTP.

[REDACTED] said that although cold shutdown of GGNS was effected by NRC through a verbal agreement with MP&L on November 4, 1983, stipulating that MP&L would be allowed to operate at five percent power or less for two more days (this actually proved to be four days) in order to complete low power testing, the December 5, 1983, Confirmation of Action (COA) letter did not state that GGNS should not operate. The COA letter also confirmed commitments made by MP&L in November 14 and 18, 1983, meetings with NRC that a recertification of ROTP would be done in addition to other commitments made. He noted that issuance of the letter was delayed until December 5, 1983, because Region II staff resources were involved with other activities concerning GGNS (Attachment 7).

James P. O'Reilly, when interviewed, proffered the facts as stated in his August 29, 1984, proposed response to this issue. Generally, he said the decision to allow GGNS to operate between September 25 and November 8, 1983, was based upon careful consideration of many factors which included continuing evaluations of plant and operator performance as observed during both routine and special inspections. Although deficiencies in the management of the training program at GGNS were identified by Region II inspection activities, the overall competence of the Grand Gulf operators was found to be acceptable. In support of these conclusions, he offered the following discussion of the chronology of significant events concerning operator licensing and related inspection/evaluation activities at GGNS. He said that from October 1981 through January 1982, NRC gave cold licensing examinations to 30 operators at GGNS. Of the 30, 16 passed their examinations and were licensed. He noted that the passing rate was lower than normal for initial examinations. However, the operators who did pass the examination were qualified to perform license duties. He noted that in December 1982, Region II assumed operator licensing authority for Region II facilities, which included GGNS, from the Office of Nuclear Reactor Regulation (NRR), Headquarters.

In February 1983, Region II conducted a special training assessment/inspection at GGNS. During this assessment, Region II became aware of potential training problems that were related to records for previous operator training which could not be located. The licensee advised NRC that they were aware of this deficiency and showed Region II inspectors several PQDR documenting this fact. The PQDR indicated that the problems concerned missing or misplaced records. O'Reilly said that the licensee committed to resolve these problems by February 23, 1983. Region II gave credence to the licensee's explanation because the records were not readily retrievable. He noted that because the licensee had identified the problems and committed to Region II that they would take proper corrective action, the problems with the records were considered a deviation by Region II which was reported as an unresolved inspection item.

He said that between May 1982 and September 1983, operator license examinations were given by NRC to candidates for operator licenses at GGNS. Twenty six of 39 candidates passed the examinations or reexaminations. Additionally, in July and August 1983, Region II conducted a requalification program audit at GGNS in accordance with examiner standard ES-601. Six of the seven operators examined by NRC during this audit passed the examination and the licensee requalification program was found to be acceptable.

From August 15, through September 1, 1983, Region II conducted an operational readiness inspection of GGNS to confirm the overall readiness of the staff to resume operation following the one year maintenance outage. During this inspection, the matter concerning the missing or misplaced records for licensed operators was followed up by the Region II inspectors. The inspectors found that operator qualification cards had not been completed as had been indicated on operator license applications made to NRC. He noted that completion of these cards is not a regulatory requirement, however, MP&L made a commitment in their Final Safety Analysis Report (FSAR) to use the qualification cards and, therefore, MP&L was required to do so. He said that the licensee also advised the inspectors that apparently some of the training courses for operators had been abbreviated. For example, an operator was required to complete a five day course and only received four and one half days of training. The Region II inspectors told the licensee that the failure to complete the training could be cited as a deviation and that the overstatement of completed operator training on individual license applications could be considered an MFS.

According to O'Reilly, during a September 23, 1983, meeting between Region II and MP&L officials, Region II advised the licensee that the problems concerning the training records were no longer considered a deviation as they had been previously described. Region II further advised the licensee that the problem would be evaluated to determine if it was an MFS on the part of MP&L. O'Reilly said the licensee was told to promptly address the matter and to complete their investigation regarding the problems with LOTP. O'Reilly noted that these problems with the training records were considered at that time by Region II as historic in nature because they related to activities that had occurred over a year earlier. He believed that the results of NRC license examinations at GGNS and Region II's onsite observations provided assurance that the licensed operators were qualified to perform their duties.

On October 4, 1983, Region II met with the licensee and at that time Region II received an update of the licensee's progress concerning their investigation of the operator training records. The licensee advised Region II for the first time that, in addition to incomplete qualification cards and abbreviated training courses, some operator training may not have been conducted. As a followup concerning MP&L's investigation of the operator training records, Region II again met with the licensee on October 12, 1983. He noted that two OI representatives were present at that meeting at the request of Region II. Subsequent to the meeting, Region II requested a formal investigation of this matter by OI.

A second training assessment/inspection at GGNS was conducted by Region II from October 31, through November 4, 1983. O'Reilly said that the purpose of the inspection was to determine if adequate corrective actions were being taken by the licensee concerning problems with the operator training. In addition, Region II wanted to again evaluate the adequacy of the licensed operators' knowledge. As a result of this assessment, four individuals were removed from their respective duties on November 4, 1983. The removal of these individuals from their duties was agreed upon by Region II and MP&L during the exit conference and these actions were confirmed by MP&L in a November 10, 1983, letter to Region II.

He said that based on the results of Region II's examinations and evaluations concerning GGNS, and on Region II's continuing observation of satisfactory performance in the control room, suspension or revocation of operator licenses was not warranted. However, because of the serious questions that still existed concerning the licensee's training records, Region II believed that additional actions to certify the knowledge level and training of all operators was required. Region II's concerns in this regard were pursued in November 11 and 18, 1983, meetings with the licensee. As the result of these meetings, MP&L committed to an extensive recertification program for licensed operators. This program began in November 1983 and was completed in February 1984. He noted that the December 5, 1983, COA letter confirmed the licensee's commitments concerning recertification and other issues. Subsequent to the licensee's recertification program, NRC has reexamined the 26 licensed operators who completed this program. He noted that 23 of those operators successfully passed the NRC examination (Attachment 8).

John Michael Puckett, Director, Enforcement and Investigative Coordination Staff, Region II, when interviewed, said that following the February 15 through 17, 1983, training assessment by Region II of LOTP, there was an early to mid-March meeting held at Region II to discuss findings of the assessment as they related to any possible enforcement actions in the matter. During the meeting, the issue of a possible MFS made by MP&L in connection with the discrepancies in LOTP was discussed. At that time it was resolved that there was not enough information available to make a determination about the possible MFS. He said that the discrepancies were considered to be an unresolved inspection item pending further review by NRC.

A followup inspection at GGNS was conducted by Region II from August 15 through September 1, 1983. The findings of that inspection indicated that the discrepancies in the records for ROTP may have been more than just a paper problem in that some of the operators may not have received all of the training which MP&L had committed to in their FSAR. Puckett recalled that from the end of August through September 20, 1983, there were a number of discussions and information gathering efforts by Region II to determine the extent of the problems with LOTP. Region II concluded from those efforts and discussions that the problems with LOTP were greater than first believed.

He said that on September 20, 1983, an enforcement panel convened in Region II to evaluate the available information concerning ROTP at GGNS for the purposes of making a determination as to what enforcement action Region II should pursue. The panel resulted in a deadlock concerning what enforcement action was appropriate. The panel also determined that MP&L had committed an MFS in this matter, but could not reach any conclusions with respect to willfulness because there was not enough information available at that time. Puckett recalled that because the enforcement panel was deadlocked, the decision was elevated that day to the Regional Administrator who determined that the licensee would be cited with a Severity Level III violation. He said that O'Reilly also made a determination at that time, that because the issue of willfulness could not be resolved, the matter was going to be referred to OI.

Puckett said that with respect to revocation or suspension of operator licenses, there must be cause, and at that time such action could not be justified. He noted that Region II knew that the licensed operators at GGNS had been licensed through an NRC examination, even though they may not have

completed all of their training. He also said that GGNS was operating at no more than five percent power and, for that reason, health and safety considerations were minimal.

He noted that in early to mid-September 1983, he had exploratory discussions with the Regional Administrator concerning suspension or revocation of operator licenses at GGNS. At that time the information relating to the training deficiencies in ROTP was insufficient to justify suspension or revocation of the operator licenses. He noted that such discussions between he and O'Reilly are not uncommon and that from an enforcement perspective, he attempts to generate discourse between them by describing the most severe case scenario possible.

He said that from October 31 through November 4, 1983, Region II conducted a second training assessment of LOTP at GGNS. The information developed by this assessment indicated that a recertification by MP&L of LOTP was needed. During the assessment, the majority of the operators were found competent and, as he previously noted, had already been licensed by NRC. Therefore, a suspension or revocation of their licenses was not warranted on the basis of discrepancies in their training program.

Moreover, the magnitude of the problems associated with the operator training at GGNS became known to Region II over an extended period of time and discrete events did not occur enabling Region II to take actions based solely on one event or circumstance (Attachment 9).

Albert F. Gibson, when interviewed, said that he would have been the individual to provide input at the Regional level with respect to the competence of licensed operators at GGNS. Concerning the September 25, 1983, restart of GGNS, he does not recall being specifically asked about the competence of the licensed operators, however, he was aware that low power testing was going to start on that date and would have spoken up if he believed the operators were not competent to operate the plant. In his assessment of the discrepancies in ROTP, most of the evidence indicated that the problem was mismanagement on the part of MP&L as opposed to incompetence of the licensed operators.

He said that with respect to the deficiencies in ROTP at GGNS, October 4, 1983, was the first date when he came to the realization that the problems were more than just paper problems. He recalled that on that date MP&L met with Region II officials to brief them on MP&L's inquiry into the training deficiencies. Based on the information the licensee provided and additional information that Region II had developed, he and [REDACTED] OB, DRS, discussed suspension and/or revocation of operator licenses at GGNS. They concluded that there was no strong evidence to indicate operator incompetence and in consideration of the fact that there was fuel in the reactor, it was prudent not to suspend or revoke operator licenses (Attachment 6).

[REDACTED] OLS, OB, DRS, when interviewed, said that he was a member of the February 15 through 17, 1983, training assessment team at GGNS. His observations as a member of that team were that the problems identified with the qualification cards for ROs and SROs were not as significant as the fact that MP&L was not effectively accomplishing a requalification program for licensed operators at GGNS. He considered this serious because in

some cases it had been a year since the operators had received their initial NRC license exams and the operators had very limited experience in operating GGNS in other than a cold shutdown condition. However, he noted that the 10 CFR requirement allows one year to accomplish the requalification training, and at that point in time, the year had not yet expired since the issuance of the plant's operating license. He further explained that the requirement stipulates that a requalification program be instituted within three months of the issuance of the plant operating license which, in this instance, had been issued in approximately June 1982. Therefore, the operating staff still had time to complete the requirements of 10 CFR.

Subsequent to the August 15, through September 1, 1983, operational readiness inspection at GGNS, he participated in discussions within Region II concerning the readiness of GGNS licensed personnel to perform their duties. He noted the discussions were held in consideration of the anticipated startup of GGNS on September 25, 1983. During those discussions, he expressed concerns that perhaps licensed operators at GGNS were not ready. He pointed out that at that time he just did not know and was speculating that more verification by Region II of the requalification training should be conducted. He noted that he was not implying that the licensed operators were not ready to perform. He also noted that any further verification by Region II would have been beyond the July through August 1983 requalification exams administered at GGNS by NRC which exceeded the minimum requirement of ES-601 (Attachment 10).

[REDACTED] when interviewed, said that on December 17, 1982, Region II assumed responsibility for operator licensing activities at GGNS. This responsibility was delegated by way of a letter from Harold R. Denton, Director, NRR, to O'Reilly. Initially, NRR received the GGNS RO and SRO license applications and reviewed them to see if they had been submitted in accordance with 10 CFR 55.10. That review is only to verify that the applications contain the information required. When he received the GGNS license applications from NRR, he had no reason to review them because they had already been reviewed by NRR. He said that even if the applications had been reviewed by him, there would have been no way to detect the problems that eventually were revealed with the applications during Region II's training assessment at GGNS.

He recalled that the February training assessment at GGNS identified one deviation and one violation as listed in Inspection Report 50-416/83-06, dated March 29, 1983. The deficiencies with the qualification cards that were identified in that inspection were not significant in comparison with the other findings of the assessment team. Specifically, the Notice of Violation and the problem identified concerning the requalification for ROs and SROs at GGNS were more significant. He said that it was important to maintain the competence of operators who were already licensed because they had not been able to operate GGNS and demonstrate the skills and knowledge factors for which they had been trained and examined. He noted this was due to the cold shutdown state of the reactor.

He said that subsequent to the Region II followup inspection from August 15, through September 1, 1983, he was made aware of the fact that some of the GGNS licensed operators may not have completed all of the required training. Based on that information, he did not see the need to suspend, revoke, or modify the operator licenses of those individuals involved because (1) the status of the

plant was less than five percent power, (2) the extent of the problem was inconclusive, and (3) he did not know if it was an actual failure to complete the training or a documentation problem. Between the August 15, 1983, followup inspection and the September 25, 1983, start up of GGNS, he does not recall anyone from Region II asking him to review or verify the competence of the operators as a result of the information learned about the apparent training deficiencies.

He said that from October 31, through November 4, 1983, there was a second training assessment conducted of LOTP at GGNS. As a result of that assessment, there were two major findings. They were (1) deficiencies in the knowledge level of some operators in areas that had been signed off by MP&L on their qualification cards and (2) qualification cards for four SRO candidates had been completed in a highly unsatisfactory manner. He noted that this was the first time he personally had conclusive evidence that there were serious discrepancies in the manner in which the qualification cards had been completed.

He recalled discussions with Gibson concerning possible action against the operator licenses at GGNS because of the problems identified with the qualification cards. However, he did not recall when these discussions took place. As a result of those discussions, there were several meetings with MP&L during November 1983. He said that at a November 18, 1983, meeting between MP&L and Region II officials, the licensee committed to a total recertification program for all licensed personnel at GGNS (Attachment 11).

Don H. Beckham, Chief, Operator Licensing Branch, Division of Human Factors Safety, NRR, when interviewed, said that on November 18, 1983, he attended a meeting between MP&L and Region II officials to discuss a recertification of ROTP at GGNS. The recertification was deemed necessary by NRC as a result of the training assessment conducted from October 31 through November 4, 1983, by Region II. Coincidental with the meeting he participated in discussions of whether or not operator licenses at GGNS should be revoked or suspended. He said that NRC believed that MP&L was not being totally above board regarding the discrepancies in ROTP. However, there was nothing to substantiate that individual operators had committed actions which warranted revocation or suspension of their licenses. Rather, it appeared that MP&L management was at fault for not properly administering ROTP. He said NRC also believed that although the ROs had not received all the training required, they had been previously examined and licensed by NRC and were believed to be competent (Attachment 12).

Attachments

1. Letter dated July 27, 1984, from Congressman Edward J. Markey to Chairman Nunzio J. Palladino.
2. Report of Interview, dated August 17, 1984 - James P. McGaughy.
3. Report of Interview, dated August 17, 1984 - Jack B. Richard.
4. Report of Interview, dated September 24, 1984 - David M. Verrelli.
5. Report of Interview, dated September 14, 1984 - [REDACTED]
6. Report of Interview, dated September 13, 1984 - Albert F. Gibson.
7. Report of Interview, dated August 15 and 16, 1984 - [REDACTED].
8. Report of Interview, dated September 13 and October 11, 1984 - James P. O'Reilly.
9. Report of Interview, dated September 14, 1984 - John Michael Puckett.
10. Report of Interview, dated September 13, 1984 - [REDACTED]
11. Report of Interview, dated September 12, 1984 - [REDACTED]
12. Report of Interview, dated September 25, 1984 - Don H. Beckham.