

MISSISSIPPI POWER AND LIGHT COMPANY

GRAND GULF NUCLEAR STATION

CORRECTIVE ACTION PLANS

FOR

OPERATOR TRAINING PROGRAM

NOVEMBER 1983

GRAND GULF NUCLEAR STATION
CORRECTIVE ACTIONS FOR OPERATOR TRAINING PROGRAM

Certain areas have been identified in the Grand Gulf Nuclear Station (GGNS) licensed operator training program wherein corrective actions are deemed necessary to strengthen the program. These corrective actions, which include actions to prevent recurrence, generally fall into two categories: 1) operator recertification and 2) management control. Each of these major categories is addressed in this plan with specific statements delineating the actions to be taken.

MP&L believes this program will correct all identified discrepancies and prevent their recurrence. Additionally, it is comprehensive in nature and will strengthen other areas wherein no discrepancies have been identified. The program will concentrate management attention on operator training and will enhance the safe operation of the Grand Gulf Nuclear Station. MP&L is committed to pursuing this program to completion in an aggressive and dedicated manner.

A. Operator Recertification

In order to verify the level of in-plant system knowledge, to provide increased levels of plant knowledge and refresh all control room operators' knowledge and experience with systems in the physical plant, Mississippi Power and Light Company (MP&L) is taking the following steps:

1. All NRC licensed operators will be orally re-examined in the plant on all systems and will perform all practical factors as listed on the Grand Gulf Control Room Operator Qualification Card. Health Physics, Emergency Procedures, and Technical Specification aspects will be covered in these examinations. All examinations will be documented.

Responsibility: Plant Manager

Estimated Completion Date: January 16, 1984

2. The Control Room Operator Qualification Card has been reviewed for adequacy and re-issued with instructions indicating the levels of knowledge required and the responsibilities of the examiner.

Responsibility: Training Superintendent

Estimated Completion Date: Complete

3. MP&L is reviewing recent requalification and NRC license exam results to identify any individual weaknesses. These weaknesses will be addressed for each individual. Results of this review will be analyzed for generic weaknesses and any needed corrective actions will be incorporated into the training program.

Responsibility: Training Superintendent

Estimated Completion Date: December 19, 1983

4. On completion of the above steps, all licensed operators will be evaluated and certified by the Operator Training Evaluation Board.

Responsibility: Assistant Plant Manager - Operations

Estimated Completion Date: January 16, 1984

5. Examiners performing oral, in-plant re-examinations will be GCNS SRO's selected by the Plant Manager and the Assistant Plant Manager - Operations on the basis of excellence in plant knowledge. They will further be endorsed by the Vice President - Nuclear. These individuals will be certified by the Operator Training Evaluation Board after conducting at least two operator evaluations on each system. Examiners will conduct one-on-one checkouts.

Responsibility: Plant Manager

Estimated Completion Date: January 16, 1984

6. The Vice President - Nuclear, the Plant Manager and the Assistant Plant Managers will personally observe some of the examinations to verify the adequacy of the examining technique and demonstrated levels of knowledge.

Responsibility: Vice President - Nuclear

Estimated Completion Date: January 16, 1984

7. Any weaknesses identified in the examination of licensed operators will be addressed and corrected on an individual basis. If a licensed operator should demonstrate any significant weakness, he will be removed from licensed operator duty and complete a system training program that addresses the identified weakness.

Responsibility: Plant Manager

Estimated Completion Date: As required.

8. Any generic weaknesses identified during the implementation of Item 7 above will be factored into training program improvements.

Responsibility: Training Superintendent

Estimated Completion Date: March 19, 1984

9. Any procedure deficiencies or improperly labeled panels identified during the in-plant examinations will be documented for corrections and forwarded to Plant Management (Plant Manager and Assistant Plant Managers) for timely resolution.

Responsibility: Plant Manager

Estimated Completion Date: January 16, 1984

10. STAs will be interviewed and re-certified by the Operator Training Examination Board to meet FSAR requirements.

Responsibility: Assistant Plant Manager - Operations

Estimated Completion Date: January 2, 1984

11. The experienced BWR Shift Advisors' knowledge of GGNS systems will be examined by the Operator Training Examination Board and their qualifications will be certified.

Responsibility: Assistant Plant Manager - Operations

Estimated Completion Date: January 16, 1984

12. MP&L corporate management will monitor the progress of these activities and will utilize the expertise and assistance of experienced training personnel from the General Electric Co., Arkansas Power & Light Co. and Duke Power Co. This monitoring effort will include:

- a. Weekly progress meetings with the Sr. Vice President - Nuclear.
- b. Periodic progress meetings with the MP&L President.
- c. Assignment of the Vice President - Nuclear onsite essentially full-time for the duration of the recertification effort.
- d. MP&L Quality Assurance audit of the program.
- e. MP&L Safety Review Committee review of the program.

Responsibility: Sr. Vice President - Nuclear

Estimated Completion Date: January 16, 1984

B. Management Control

In addition to the GCNS Operator Recertification Program described above, MP&L is taking the following steps to strengthen the management and control of the operator training program.

1. An experienced Grand Gulf Senior Reactor Operator has been assigned to the Training Department as Operations Training Supervisor.

Responsibility: Plant Manager

Estimated Completion Date: Complete

2. An Operations Assistant for Training has been assigned to the Operations Superintendent for supervision of in-plant training.

Responsibility: Plant Manager

Estimated Completion Date: Complete

3. A senior level engineering supervisor, who is completely independent of plant operations, has been assigned as Project Coordinator to oversee the implementation of the operator recertification portion of this plan. He reports to the Assistant Plant Manager - Operations and this effort constitutes his primary duty.

Responsibility: Vice President - Nuclear

Estimated Completion Date: Complete

4. An experienced training support supervisor will be hired to handle administrative matters including records, maintenance of training material, development of instruction techniques and other areas. Recruiting for this position is being actively pursued.

Responsibility: Training Superintendent

Estimated Completion Date: As soon as possible

5. All operator training staff has been consolidated in one location in the Energy Services Center.

Responsibility: Training Superintendent

Estimated Completion Date: Complete

6. An in-plant operations training support center has been established outside the control room.
Responsibility: Plant Manager
Estimated Completion Date: Complete
7. STAs and the experienced BWR Shift Advisors will remain assigned to a particular shift and will train on the training rotation with that shift as appropriate.
Responsibility: Plant Manager
Estimated Completion Date: Ongoing
8. Plant administrative controls will be reviewed to ensure adequacy of the division of responsibility between the Operations Section and the Training Section. Discrepancies will be resolved by Plant Management.
Responsibility: Plant Manager
Estimated Completion Date: January 2, 1984
9. A third Assistant Plant Manager has been assigned to handle support functions, including training, thereby providing additional management attention.
Responsibility: Plant Manager
Estimated Completion Date: Complete
10. A Corporate Nuclear Human Resource Manager will be hired to relieve the Training Superintendent of handling outside activities relating to staffing the training pipeline, INPO and industry contacts and personnel-related matters. Recruiting for this position is being actively pursued.
Responsibility: Sr. Vice President - Nuclear
Estimated Completion Date: As soon as possible

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OPERATOR TRAINING PROGRAM

NOVEMBER 1983

AGENDA

- o TRAINING ORGANIZATION
J. YELVERTON
- o ORGANIZATION MODIFICATIONS FOR RECERTIFICATION
J. MCGUAGHY
- o RECERTIFICATION PROGRAM
J. CROSS
- o HAND OUT PROGRAM
- o QUESTIONS
- o SUMMARY
J. RICHARD

ASSISTANT PLANT MANAGER
SUPPORT
J. W. Yelverton

TRAINING SUPT.
D. L. Hunt

Training Support
Supervisor
Vacant

Security
Training Supervisor
A. Grace

2 Consultants

Operations Training
Supervisor
G. Lhamon

Operations
Instructors
MP&L
17 Consultants

Nuclear Instructor
Supervisor
J. Jones

5 MP&L
1 Consultant

Simulator
Supervisor
M. Shelly

PIPE LINE

- o SUFFICIENT PERSONNEL IN PIPE LINE TO SUPPORT THE FOLLOWING ANTICIPATED NRC EXAM SCHEDULE

<u>EXPECTED NRC EXAM DATE</u>	<u>NO. OF SROs</u>	<u>NO. OF ROs</u>
12/83	1 + 9*	7
2/84	1	
7/84	6 + 9*	8
12/84	8	8
1985	16	16
1986	16	16

*INSTRUCTOR CERTIFICATION

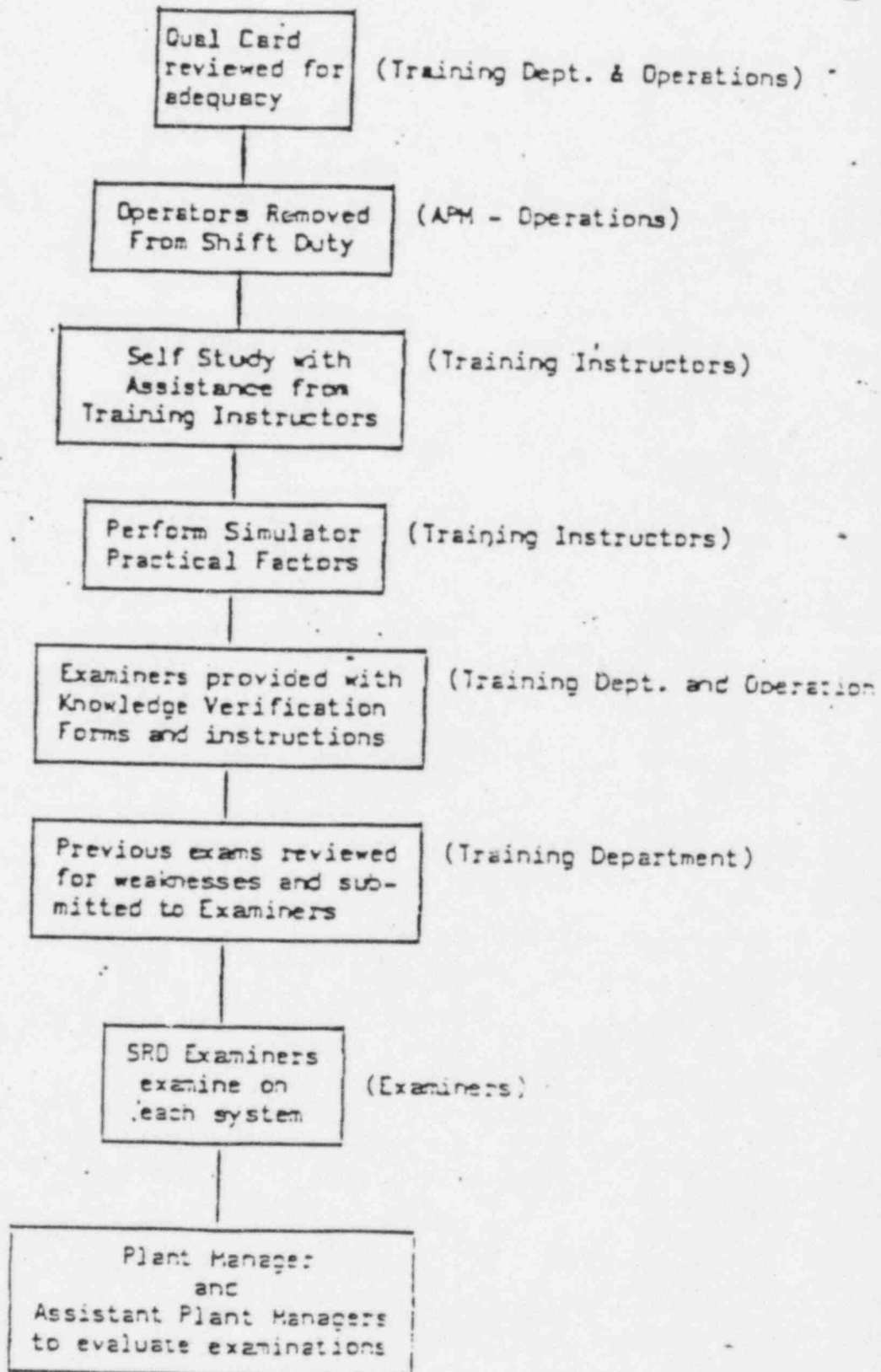
- o ALLOWING FOR ATTRITION, FAILURES AND PROMOTIONS, THE ABOVE EXAMS SHOULD RESULT IN THE FOLLOWING LICENSE STATUS.

<u>YEAR</u>	<u>SRO</u>	<u>RO</u>	<u>TOTAL</u>
1983	16*	16*	32
1984	18	22	40
1985	24	15	39
1986	29	15	44

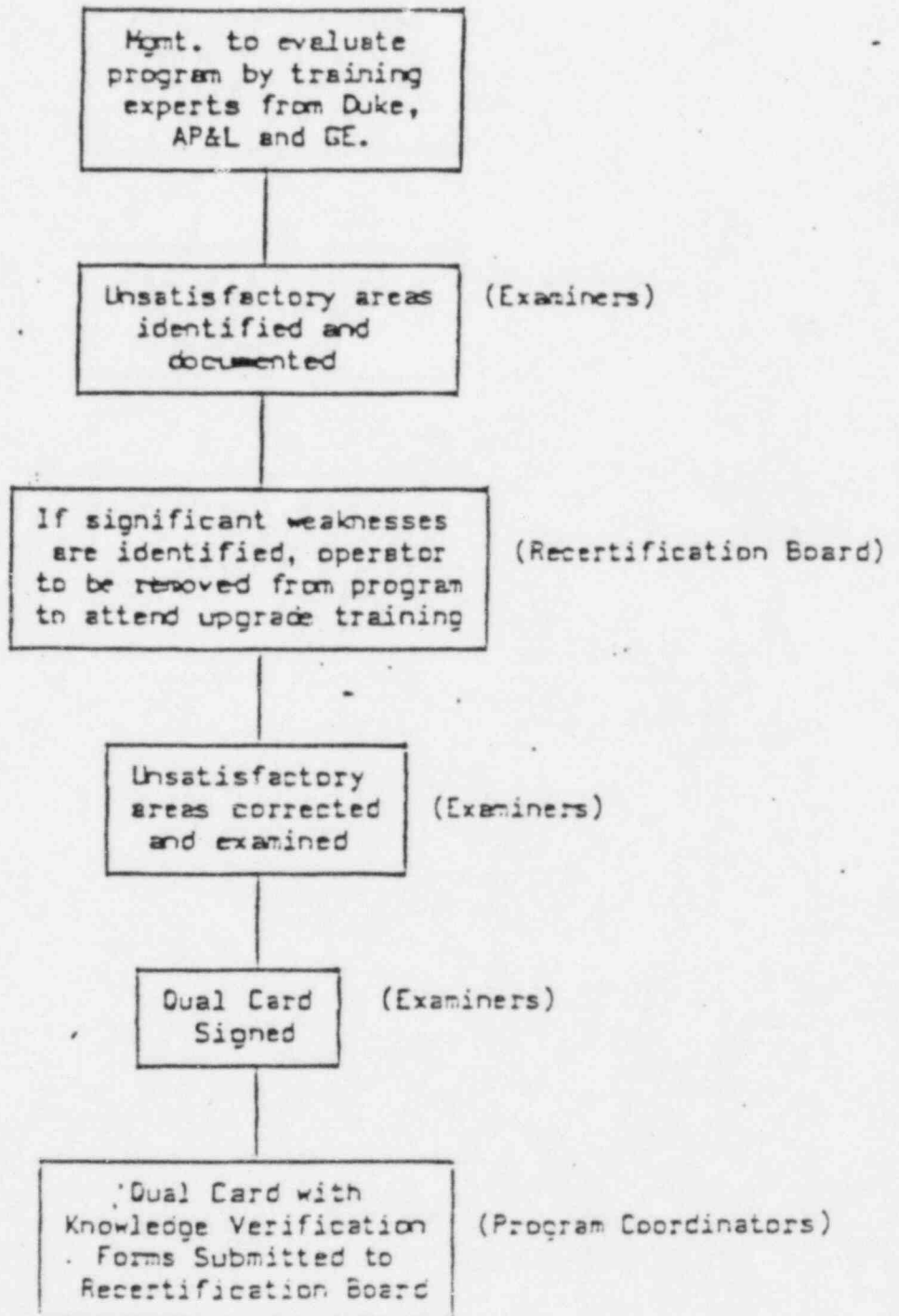
*PENDING OUTCOME OF TRAINING RECORDS REVIEW

- o SRO FOR OPERATION TRAINING SUPERVISOR
- o OPERATIONS ASSISTANT FOR TRAINING
- o PROJECT MANAGER ASSIGNED
- o TRAINING SUPPORT SUPERVISOR
- o CONSOLIDATE LOCATION OF OPERATIONS TRAINING
- o IN-PLANT OPERATIONS TRAINING CENTER
- o STA'S AND SHIFT ADVISORS TRAIN WITH SHIFT
- o CLEAR UP RESPONSIBILITIES OF TRAINING AND OPERATIONS DEPARTMENTS
- o THIRD ASSISTANT PLANT MANAGER
- o CORPORATE NUCLEAR HUMAN RESOURCE MANAGER

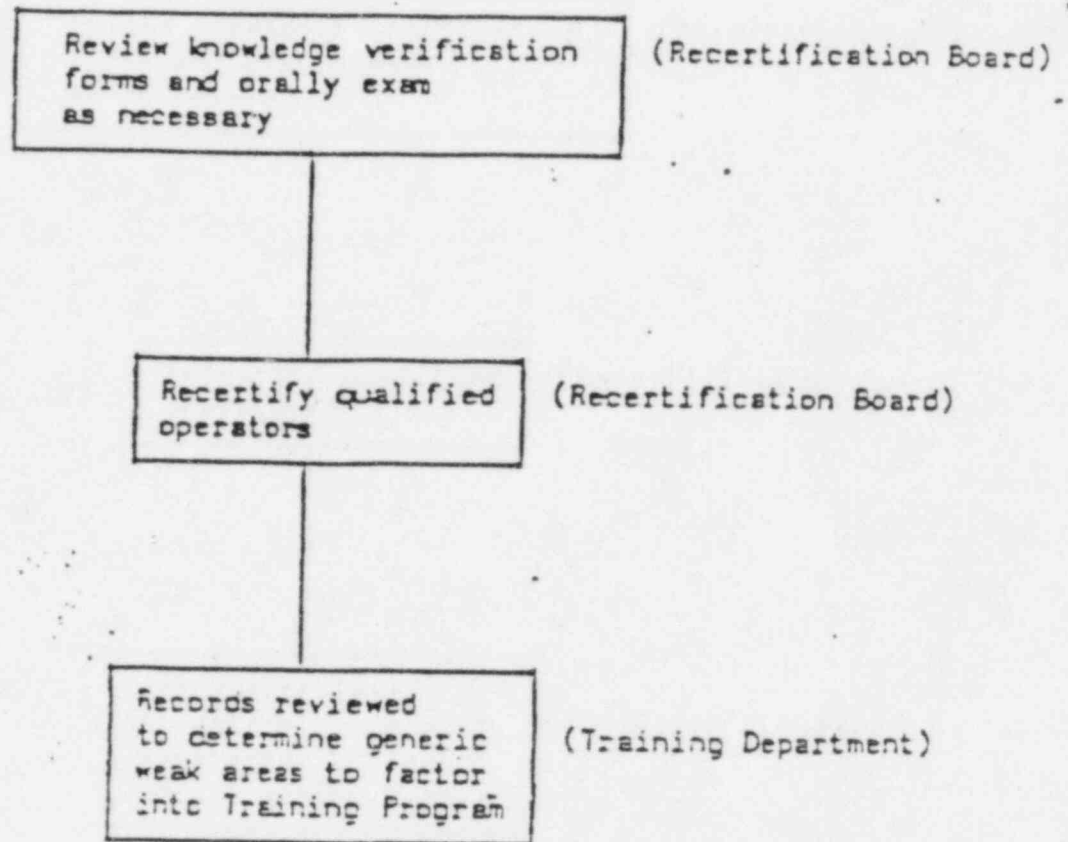
NRC LICENSED OPERATORS



NRC LICENSED OPERATORS (Cont'd)



NRC LICENSED OPERATORS (Cont'd)



Examiner Name: _____

Date: _____

SYSTEM NAME AND NO. _____

	<u>S or U</u>	Comments for Unsatisfactory
1.0 EQUIPMENT		
1.1 Purpose	_____	
1.2 Flow Path	_____	
1.3 Normal Parameters	_____	
1.4 Components	_____	
1.5 System Behavior and Response	_____	
2.0 INSTRUMENTATION		
2.1 Detector	_____	
2.2 Malfunction	_____	
2.3 Control Room Indication	_____	
2.4 Local Indication	_____	
3.0 PLANT PROTECTION		
3.1 Alarms/Setpoints	_____	
3.2 Safety System Input	_____	
3.3 Interlocks	_____	
4.0 PROCEDURES		
4.1 Normal	_____	
4.2 Abnormal	_____	
4.3 Emergency	_____	
4.4 Surveillance	_____	
5.0 (A) REACTIVITY EFFECTS	_____	
(B) THERMODYNAMICS ANALYSIS (include Heat Transfer and Fluid Flow)	_____	
6.0 ADMINISTRATIVE REQUIREMENTS		
6.1 Technical Specifications	_____	
6.2 Facility Requirements	_____	
7.0 RADIATION PROTECTION	_____	

MANAGEMENT EVALUATION

Management Reviewer _____

Date _____

Examiner _____

Examinee _____

System Examined _____

Exam Evaluation:

Satisfactory ☐

Unsatisfactory ☐

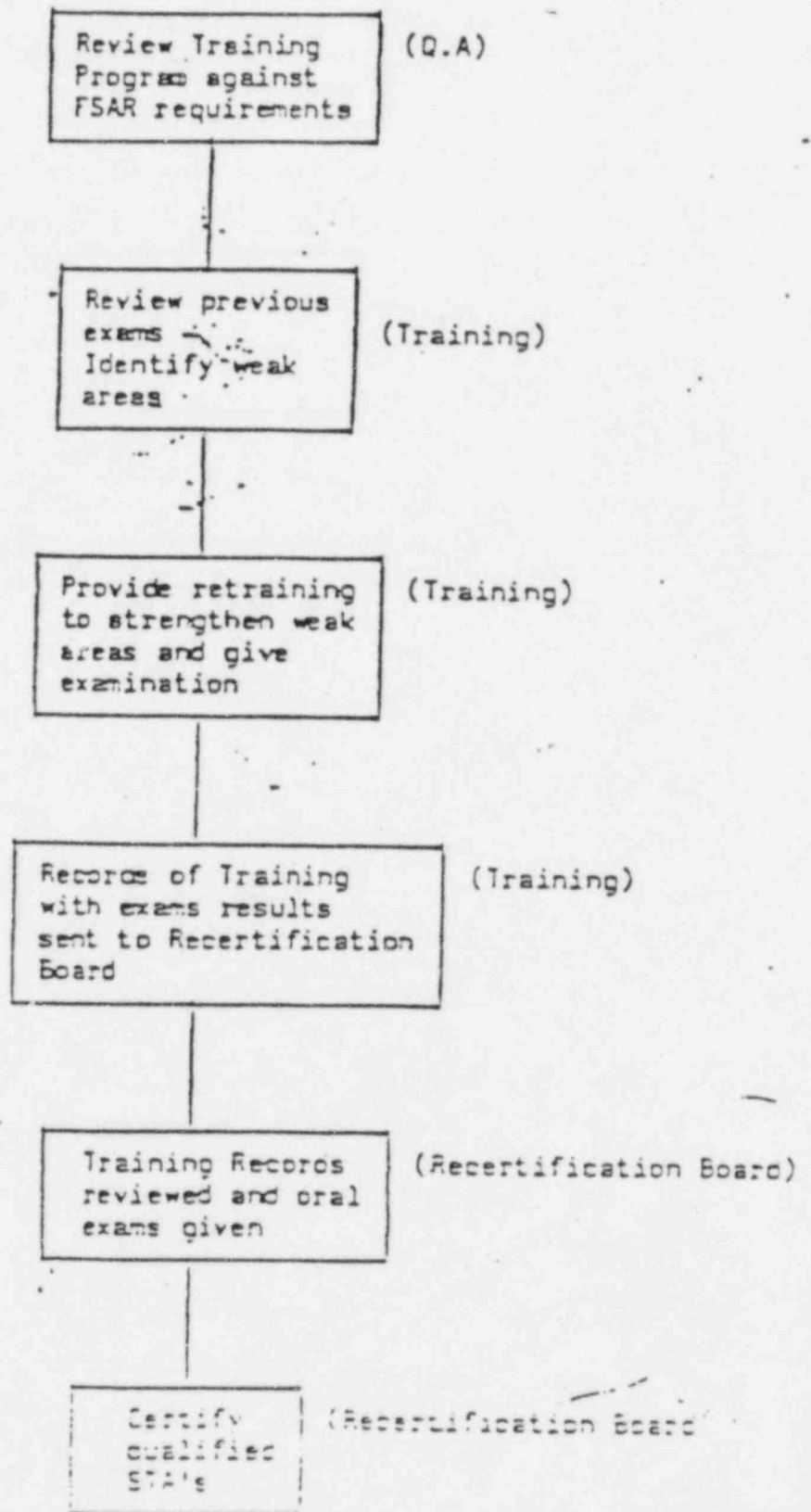
Comments: _____

(Signature)

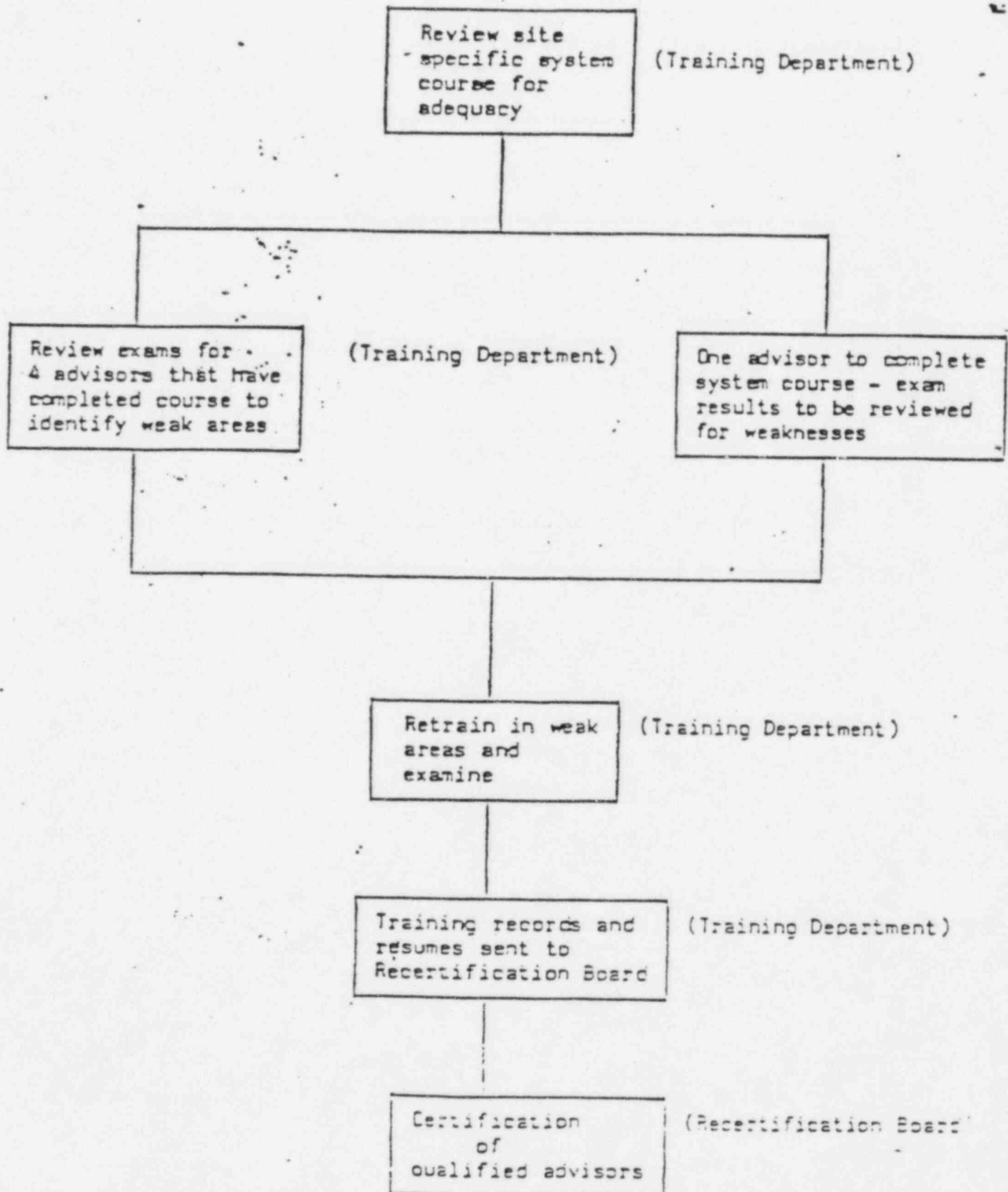
cc: Bob From

Attach copy to Knowledge Verification Form

SHIFT TECHNICAL ADVISORS



SHIFT ADVISORS



- o CORRECTIVE ACTIONS PRESENTED
- o INCLUDE BOTH SHORT-TERM AND LONG-TERM MEASURES
- o BROADER THAN RECERTIFICATION ALONE
- o RESOURCES COMMITTED TO MAKE IT HAPPEN
- o OUR PEOPLE ARE COMMITTED TO MAKE IT HAPPEN
- o MY PERSONAL COMMITMENT TO SUCCESS

- o WEEKLY PROGRESS MEETINGS
- o PROGRESS MEETING WITH MP&L PRESIDENT
- o VP - NUCLEAR ONSITE
- o QA AUDIT
- o SRC REVIEW

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Responsibility: Sr. Vice President - Nuclear

Estimated Completion Date: As soon as possible

ANALYSIS

INTRODUCTION

On October 19, 1984 Sharon Connelly, Director, Office of Inspector and Auditor (OIA), forwarded to the Commission OIA's report on how Region II (R II) handled problems of falsification of reactor operator license qualifications at Mississippi Power & Light's (MP&L) Grand Gulf (GG) facility (OIA Report). The Commission had requested OIA's investigation to respond to two issues raised in Congressman Edward Markey's letter dated July 27, 1984 (Attachment I of OIA Report) which resulted from his review of the Office of Investigation's (OI) report of March 5, 1984 on the GG matter (OI Report). The issues are:

- (1) Did R II unnecessarily or inappropriately share information with the licensee?
- (2) Did R II authorize a return to operations or allow continued operation after learning that the qualifications of reactor operators were probably falsified and the operators potentially unqualified?

OIA answered the first question affirmatively. OIA never explicitly stated a conclusion on the second question, but noted R II's knowledge of the GG operators' licensing status and the events which led to the removal of four operators from their duties. By letter from Chairman Palladino, the Commission sent the OIA report to Congressman Markey along with comments from OI and the Executive Director for Operations (EDO). EDO enclosed separate

comments from R II¹. The comments evidenced a lack of consensus among the offices on the conclusions of the report. The Commission then committed to do its own review and to respond to Mr. Markey. The Chairman directed that OGC review the record and propose for Commission consideration an appropriate response to the Congressman.

OGC has reviewed the record compiled by OIA and OI, as well as the related office comments and correspondence. Our discussion of these materials is provided in three parts. Part I is a selective synopsis of the facts to help in understanding the issues. In Parts II and III we evaluated the two issues using criteria that appear to us reasonable for that purpose. OGC's study of the questions on this basis leads it tentatively to conclude that the answer to both questions is yes.

I. General Factual Synopsis¹

In January, 1983, while on an extended outage after a brief period of criticality pursuant to a low power license, MP&L identified deficiencies in its documentation of Operator License qualifications. These deficiencies were recorded in a Plant Quality Deficiency Report (PQDR). Such reports are to be

¹A chronology of salient events is attached for the Commission's convenience (Attachment 1).

resolved within 30 days. R II said it became aware of the deficiencies in February, 1983 in a special GG training assessment -- a rare event in NRC history. The problem centered on missing and incomplete qualifications cards (QC) to which MP&L had committed itself to verify reactor operator training. The deficiencies were carried as an "unresolved item" with apparently general acceptance of the view that because there were many missing documents the deficiencies were themselves paper deficiencies and not actual training problems. According to R II's March 10, 1983 inspection report (March report), MP&L was to have resolved the matter within 30 days.

The March report, which appears as Exhibit 1 of the OI Report, reflected other training problems and failures. For example, despite requirements to provide training on facility changes, "[i]n some instances first knowledge of system changes occurred when the operators tried to operate the systems and discovered the changes." No training had been conducted on over 200 outstanding modification and design change packages. OI Report, Exhibit 1, p. 5. The March report also recorded other areas of concern. For example, instructors were unfamiliar with GG systems and could not relate specific examples to aid the students. The March report notes that "close supervision/auditing of contracted training will be necessary to ensure a consistent high level of training is achieved." OI Report

Exhibit 1, pp. 1-2. Significant problems in requalification training were also cited. Id., p. 4.

On August 12, 1983, according to R II official [REDACTED] R II agreed during a management meeting to advance the examination date for four operators to September 26 by postponing examination for another licensee. This was apparently necessary to accommodate a scheduled September 25 restart by assuring there would be sufficient operators licensed to conduct operations thereafter. MP&L had requested the change and had "assured Region II that the candidates would complete their training in an acceptable manner prior to September 26." OI Report Exhibit 6, p. 3. Notwithstanding some individual views that reflected increasing awareness of more significant problems after the March report, R II is not otherwise reported to have given the matter any further organized consideration until August 15-19, 1983. At that time it conducted a special safety inspection in anticipation of restart. [REDACTED] said that NRC staff members did "low key" the qualifications card issue (because the licensee presented it as missing documentation) and did not follow up until August. OI Report pp. 75-76.

In advance of restart, R II focused on MP&L's failure to close the unresolved matter in a timely fashion. R II was then also undergoing a change in its appraisal of the seriousness of the matter, moving toward the position that it finally adopted, that

MP&L had made material false statements (appearing in some quotations as "MFS"). Some information was given to the licensee about this change on September 23 and possibly also on August 19 -- how much or to what extent is described or recollected differently by those involved.

MP&L Vice President McGaughy told OIA interviewers that at an August 19, 1983 exit conference, [REDACTED] of R II advised him during the meeting that the deficiencies concerning the qualification cards were considered a deviation by NRC and that MP&L needed to follow up on the deviation with a letter stating what actions MP&L would take to correct it. [REDACTED] recitation of the same event adds that the licensee was then told that its behavior could potentially be a material false statement.² An R II enforcement panel met September 20 and concluded that enforcement action for material false statements should be taken. A decision on willfulness was deferred. OIA Report at 9. Within four days, by September 23, R II had essentially decided to seek an OI investigation to support enforcement decisions on material false statements.

²James P. O'Reilly, administrator of R II, gave OIA prepared testimony which agreed with [REDACTED] version. OIA's report reflects that O'Reilly provided very little personal recollection directly to its investigator. OIA Report, Attachment 8.

On September 23 MP&L officials met with R II officials in Atlanta, to discuss Agastat relay failures "and other topics of current interest." Depending on which account is believed, at or after the meeting, Vice President McGaughy displayed or disclosed a draft letter prepared for NRC on the qualification card matter. Either of his own volition or at an R II official's suggestion, McGaughy retained the draft. MP&L did not supply a written response on the qualification cards problem until after startup. That response, dated September 30, differed significantly from the MP&L draft response displayed on September 23 and ultimately provided to NRC at OIA's request during the course of its review.

R II allowed the scheduled September 25 restart, and on the following day signed the special safety inspection report. The report recognized that control room QC training requirements had not been completed by 18 licensed operators, but that license applications submitted to NRC falsely listed such training as received and completed. Moreover, the licensee knew that the applications contained incorrect information but had made no effort to correct it. OI Exhibit 2 at 12.

The enforcement matter was resolved in favor of a civil penalty against MP&L for willful material false statements. However, Mr. Markey's two questions focus on the events of late August and September with respect to actions taken and not taken by NRC's Region II. His second question asks in addition, about why

Region II allowed the plant to continue to operate and thus involves the appropriateness of Region II's failure to shut the plant down as its officials learned more in October and later about the lapses in MP&L's training system. Mr. Markey suggests that those lapses had or should have had implications for NRC's confidence in the actual qualifications of reactor operators. We turn now to examine Mr. Markey's questions separately.

II. ISSUE 1 -- Did R II Unnecessarily or Inappropriately Share Information with the Licensee

A. OIA's Findings and Conclusions

OIA's investigation found:

(1) one R II official did advise MP&L officials on August 19 that discrepancies with operator training records were considered to be a deviation and could potentially be construed as material false statements;

(2) on September 20 there were discussions in R II at which a decision was made to refer the matter as a material false statement to OI;

(3) on September 23, 1983 at least one R II official told an MP&L vice president that the discrepancies were now being considered to be a material false statement;

(4) the OI [REDACTED] believed that once there were thoughts of referral to OI there should have been no further discussion of the material false statements between R II and the licensee unless there were health and safety concerns involved (which he believed was not the case based on at least one statement to him by an R II official);

(5) the OI [REDACTED] believed that the disclosure by R II caused the objective of the investigation to be made known prematurely to MP&L, resulted in an element of preparedness by

certain MP&L officials, and to that extent compromised the investigation;

(6) R II believed then and believes now that their actions in sharing information were not improper (moreover, they contend that their actions represent common practice and are an appropriate avoidance of trickery).

OIA concluded: "Given the facts and circumstances of the September 23, 1983 disclosure, and absent any apparent exigencies, OIA believes that the disclosure was not appropriate without first coordinating with OI". (OIA noted that R II has received guidance concerning the handling of a material false statement but that it lacked specific direction on what communications to the licensee are appropriate when handling any material false statement matter being referred to OI.)³

B. Other NRC offices' Positions

OI endorsed the conclusions of OIA. It did so while making clear that OI recognized the need for a balance between the "necessary interface from regional staffs to licensees" and the protection of OI investigations from compromise. OI recognized as well that immediate health and safety concerns take priority over investigations and inspections.

³ Congressman Markey believes from his review of the OI report that the disclosure was harmful in that it led MP&L to refuse to transmit a letter prepared for R II staff.

The EDO disagreed with OIA and concluded that Question 1 must be answered in the negative "based on [his] review of Region II's comments." [Emphasis provided.] EDO supported his conclusion solely by statements that "the communication on September 23, 1984, with the licensee, was deemed appropriate by R II as part of its operational and safety responsibilities" and that OIA incorrectly concludes that there was only minimal safety concern. On the latter point, the EDO stated:

One particular point in the OIA report that requires comment is the statement that the issues were only of minimal safety concern. This is simply not correct. The competence, training, and qualification of operators, including the integrity or safety sensitivity of managers who direct their activities, are real safety questions. Whenever there are such concerns, such matters must be taken seriously and handled on a priority basis as they were in this instance.

R II said that obviously the licensee had been aware before the R II "disclosure" that the situation involved a potential material false statement; that OIA misquoted a R II official for the proposition that health and safety considerations were minimal, whereas, the opposite was true and thus the problem had high NRC safety priority; that, in effect, the problem was historical and the facts were essentially fixed and the documents largely in our possession; and that OI never earlier mentioned any concern about R II's "compromise" of its investigation and in essence, had no such concern nor any basis for it.

C. Criteria for Decision

It is undisputed that the material false statement determination was communicated by R II to MP&L on September 23. Thus the real question to be answered is not factual, but judgmental: whether that communication was unnecessarily or inappropriately made. The answer will depend on whether the communication served or disserved the interests of the public welfare and the regulatory role of the agency and whether it contravened any current policy. There are no published criteria for this judgment, but the nature of discussion by the involved offices reveals criteria that they believe are relevant. In large measure from its consideration of the responses of other offices, OGC has derived the following factors which it believes are relevant to this determination:

(1) Was the staff communication necessary or was it reasonably believed to be necessary for health and safety action at that plant?

(2) Was the communication in violation of or in compliance with any agency rule, policy or practice?

(3) Was it reasonable to believe that it would have the effect of likely compromising the investigation?

(4) Did harm flow from disclosure?

(5) If not short term health and safety, what was the purpose and the nature of the communication?

Of these considerations, the first would be dispositive if health and safety required the disclosure. If the decision on the health and safety factor does not dispose of the issue, the

Commission will need to determine what weight to give the other factors.

D. Analysis of Issue I

1. Additional Facts Relevant to Issue

Before discussing individual criteria, we detail the varying accounts of the events of Friday, September 23, 1983.

(a) As Presented by OI

Vice President McGaughy's interview with OI included no mention of the draft letter or the September 23 disclosure. He does appear to acknowledge some advice from Julian that facts about Qualifications Cards (QC) were contrary to representations made in license applications.⁴

⁴Vice President McGaughy told OI that "in early 1983 he became aware of some general record keeping problems, . . . [but that] he did not begin to learn the details of these problems until August 1983 when, in a conversation with . . . [redacted], he was asked about the QC documentation issue. He said that [redacted] informed him that some of the initial license candidates had not been issued a QC, contrary to the entry contained in their applications. He advised that he made additional inquiries regarding the content of license examination applications and found additional errors and discrepancies, all of which were reported to the NRC in October 1983." [redacted]

In [REDACTED] account to the OI investigator he disclosed that the R II chief engineer [REDACTED] "recognized the potentiality of material false statements by the licensee regarding the QC issue," but [REDACTED] "viewed" it as "a deviation" and so informed the licensee in August 1983. [REDACTED] says that at that time he also said the NRC could view the QC entry as a material false statement.

[REDACTED] instructed the licensee to notify NRC in writing regarding the matter. (The unsigned, draft letter that Vice President McGaughy brought to the September 23 discussion appears to have been prepared to satisfy that instruction.)

[REDACTED] stated that "about late August 1983 he informed the Regional Administrator of the circumstances of the QC issue as he knew them. He said the possibility of material false statements was discussed at the Regional Administrator's briefing and some consideration was given to an OI investigation; however, no firm decision was made at that time." [REDACTED]

(Although unclear, this appears to refer to some earlier date than an enforcement panel meeting on September 20.)

According to the OI's account of [REDACTED] statement, on September 23 the next discussion of the QC issue took place with the licensee, and McGaughy was advised that the matter was being regarded as one involving material false statements and therefore more serious. [REDACTED] said Vice President McGaughy had an

unsigned letter from MP&L on this occasion which addressed training record discrepancies; however, McGaughey stated, according to [REDACTED] that since the NRC was considering material false statements he wanted to make sure all application discrepancies were covered before he presented the letter to the NRC. He said that the licensee felt it had "been misled regarding the seriousness of the issue, and intended to conduct an investigation of the matter before responding to NRC."⁵

OI's Exhibits and Investigator's Note reflect a perceived peculiarity in [REDACTED] identification of a draft letter dated October 1983, which is OI exhibit 44,⁶ as the September 23 draft letter.

[REDACTED] said that MP&L "acknowledged errors and discrepancies in the initial application, including the QC entries, in a September 30, 1983 letter and again during an Oct. 12 meeting. . ."

⁶The OI Report includes the following description of exhibits:

EXHIBIT (44) is a copy of an unissued MP&L/GG letter dated October, 1983. This document references the MP&L/GG September 30, 1983 letter to the NRC identifying license examination application discrepancies. It is stated in this letter that MP&L/GG has performed a complete review of operator training files for currently licensed RO/SRO personnel and that deficiencies and discrepancies noted between applications and training files relate to incorrect duration of some courses listed on applications, missing documentation to certify courses listed on applications and incomplete or missing QCs for "the majority of licensed personnel." ...

INVESTIGATOR'S NOTE: According to [REDACTED], this letter was personally shown to him by MCGAUGHEY in September 1983 and -

[Footnote Continued]

Exhibit 44 references a September 30 letter which was apparently dated and signed a week after September 23 when the draft was displayed.

(b) As presented by OIA

OIA gave considerable attention to the September 23 letter incident. The accounts that appear in OIA's report are more elaborate and remain conflicting.

By OIA's account, Vice President McGaughy recalled that [REDACTED] and probably O'Reilly read the draft letter and [REDACTED] subsequently advised McGaughy to review it carefully. McGaughy recalls that on September 23 he and another MP&L official met with R II officials in Atlanta. After the meeting adjourned he advised [REDACTED] that he had a draft letter addressing the deficiencies with the QCs for reactor operators which he had been

[Footnote Continued]

immediately withdrawn when he (MCGAUGHY) was informed that the NRC was considering application discrepancies regarding QCs as material false statements.

EXHIBIT (45), a copy of a November 1, 1983 letter from MP&L/GG to Region II NRC, which addresses in detail the three categories of deficiencies and discrepancies identified in the unissued October 1983 letter. According to this letter the three categories of discrepancies are: incorrect course durations listed in applications, missing documentation to verify training listed in applications and incomplete or missing QCs for some license applicants.

told about at the August 19 conference. He said that [redacted] said he was glad that he brought the matter up because it was under discussion. He said that [redacted] took the letter from him and he believed that [redacted] brought the letter to Mr. O'Reilly to discuss it with him. [redacted] returned shortly thereafter and advised him that although R II had originally considered the matter a deviation it 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 a material false statement."

McGaughy said that [redacted] further advised him that MP&L should review their letter carefully and make sure it was on point because NRC was taking a closer look at the matter. [redacted] also told him that his August 19, 1983 advice that it was to be considered as a deviation may not have been correct. Moreover, McGaughy said he had not intended to submit the letter at that time because it had not been reviewed by either his immediate supervisor or the MP&L legal staff.

OIA reported that McGaughy "recalled that the draft letter listed the names of the individual operators involved with the qualifications card issue and MP&L did not want to unnecessarily place [their] names. . . 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."⁷ OIA Report, Interview at 2.

██████████ account of the September 23 meeting is somewhat different. He refers to discussions at the meeting. Nonetheless it should be noted that several other NRC officials do not recall them, nor do they appear in the notes of the meeting which were circulated and placed in the Public Document Room.⁸ Later in the interview write-up the following account is recorded:

██████████ recalled that as an afterthought to the meeting, McGaughy mentioned that he had a letter concerning MP&L's correction of the record regarding qualification cards for ROs and SROs at GGNS which had been prepared for submittal to Region II. 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 a material false statement as opposed to a deviation as it had been described at the August 19, 1983 meeting. McGaughy said that in view of the significance that was currently being noted by Region II (primarily ██████████, Richard Lewis, Director, DRP, and David Verrelli, Chief, Reactor Projects Branch #1, DRP) on the issue concerning the qualification cards, he wanted to be absolutely certain that the information provided to him by his staff was correct. McGaughy removed the letter from his briefcase to demonstrate the fact of its existence and then put the letter back in his briefcase. Region II officials present at the meeting agreed to his proposal and indicated that it

⁷The draft discussed here is apparently that displayed to ██████████. He later apparently mistakenly identified OI Exhibit 44 as the displayed draft. See supra page 14.

⁸The meeting agenda and other correspondence state repeatedly that "other topics of current interest" would be addressed. See OIA Report Exhibits to Attachment 7. Yet, the meeting summary records no other topics discussed than the one specifically designated in advance.

was a good idea in consideration of the seriousness of the matter. To [REDACTED] recollection, Region II personnel present did not read the letter nor did they make such a request from MP&L. He noted that MP&L representatives did not offer or refuse Region II representatives the opportunity to read the letter. Later, in the hallway, McGaughy advised him [REDACTED] that he 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 material false statements. He recalled that this meeting was held in Lewis' office at Region II.

OIA Report, Attachment 7 at 2-3. (Emphasis provided).

[REDACTED] focuses on Vice President McGaughy's concern whether McGaughy's staff had provided him with correct information rather than an interest in higher MP&L review, and in detail relates McGaughy's display of the letter.

Mr. O'Reilly's prepared submission states that "during a meeting in Atlanta on September 23, 1983, Region II Management Officials informed licensee management" that they were considering whether the incorrect operator licenses constituted a material false statement. Mr. O'Reilly also provided one specific piece of "live" information: "Specifically, he did not recall any discussions with [REDACTED] or any other R II staff on September 23, 1983, concerning the letter which McGaughy brought to the meeting that day." OIA Report Attachment 8.

2. Addressing the Criteria

Criterion I. Was the staff communication on September 23 regarding the material false statement decision necessary for health and safety reasons?

Both the EDO and R II Administrator take the position that the communication was appropriate in light of health and safety reasons. The EDO did not provide any specific support for his assertion. R II Administrator explained the high safety priority and the seriousness of the issues mainly by asserting that emerging facts caused Region II to force MP&L into "further and deeper investigations into their problems on a priority basis in order to provide information to the Region to make necessary safety judgments and decisions." He did not explain why it was necessary specifically to alert the licensee to consideration of the matter as a material false statement after there was a likelihood of an OI investigation. Indeed, R II's Administrator may well be correct in his expressed belief that licensees in his region are very conscious of material false statements and would have been aware of that aspect without being told. But, if that was the case, it would seem less necessary to spell out the material false statements question for the licensee. This is all the more true if [REDACTED] had informed the licensee of an material false statement possibility on August 19 as he related to OI and OIA. In that light it is also difficult to understand why MP&L's

McGaughy would have felt that they were "sandbagged" by the change to a material false statement action, as [REDACTED] reported to OIA. See supra at 17.

Moreover, numerous considerations support a view that health and safety reasons did not require divulging specifically on September 23 that NRC was considering enforcement action for material false statements.

First and perhaps most important the reactor was not then operating and were health and safety considerations perceived to be of high seriousness and top priority it would have been possible to delay startup. To the contrary, by permitting startup, R II appeared to make the assumption that even though there were known deficiencies in training, no short term health and safety issues were at stake.

John Michael Puckett, Director of R II's Enforcement and Investigative Coordination staff, told the OIA interviewer that in a mid-March meeting held at Region II, the issue of a possible material false statement was discussed and it was resolved that there was not enough information available for such a decision. Were the matter of high health and safety significance, it is difficult to understand why it was left on a back burner until

restart was imminent.⁹ Mr. Puckett's interview suggests that OIA's interpretation was correct that short term health and safety considerations did not warrant the disclosure.

Albert F. Gibson, who according to the interview report described himself as the "individual to provide input at the Regional level with respect to the competence of licensed operators" at GG, said he could not recall being specifically asked by R II about the competence of licensed operators at GG.

As we shall discuss more fully below with respect to Issue II, R II's [REDACTED] expressed his concerns in September of 1983 that perhaps licensed operators at GG were not ready for operations; however, he did not indicate that this concern elicited actions on the part of R II.

[REDACTED] does not recall anyone in R II asking him to review or verify the competence of reactor operators and senior reactor operators as a result of the information learned about training deficiencies. He appeared to confirm the lack of serious health and safety

⁹ See also [REDACTED] statement regarding "a six month delay in following up." OIA Report Attachment 7 at 3. [REDACTED] had explained to OI that R II "did not react aggressively to this problem because the licensee presented it as missing documentation rather than the failure of applicants to complete QCs." OI Report at 76.

concern so long as the plant did not exceed 5%. He said that in September he learned that some of the GG licensed operators may not have completed all of the required training. His discussion of that information did not indicate that it was communicated to or received by him in a fashion that suggested high short term health and safety interest.

R II's willingness on August 12 to advance the examination date for four GG operators to September 26, on MP&L's assurance that the candidates would complete their training in an acceptable fashion by September 26, at the least suggests some question about R II's activity in view of their growing doubts about the truthfulness of MP&L assertions regarding training. OI interviews conducted in October with the training contractor, Quadrex, were able to produce information that Quadrex had recommended that some applicants be withdrawn as not ready but that MP&L had not done so.¹⁰

Further support for the hypothesis that a health-and-safety-based need was not the moving force for R II's disclosure can be found in the meeting agenda for the September 23 meeting and the subsequently issued meeting notes. Operator license

¹⁰ Quadrex employees assured R II that they would not have signed the cards if the individuals were "totally unsafe and incompetent." [REDACTED] interview, OI Report, [REDACTED]

qualification was not mentioned as a topic then under consideration in the meeting which was called to deal with health and safety factors related to the restart of reactor operations. The topic was discussed with reference to the draft letter apparently as an afterthought and possibly only after the meeting.

Even though we have raised some questions that were not resolved by the OIA report, in sum it appears that there is sufficient basis to conclude that short term health and safety reasons were not sufficient to require R II to communicate the material false statement decision to the licensee.

Criterion II. Was the disclosure in compliance with or in violation of any agency rule, policy or practice?

OIA and OI, who both believe that the disclosure was inappropriate, acknowledge that there is currently neither a formal rule nor guidance that would govern staff decisions about disclosure of information related to wrongdoing which might subsequently be the subject of OI investigations. Moreover, here there was no question of divulging the fruits of an OI investigation because none had yet begun. Thus R II was divulging only information which it had developed.

There is also general agreement that agency policy and practice would require that health and safety considerations govern. Thus, if R II believed -- whether rightly or wrongly -- that its actions were required for safety, the disclosure would have been consistent with NRC policy. The difficulty here is that outside of R II's official statements of belief, there is no objective measure other than examining other actions taken by R II to determine whether they appear consistent with a belief that health and safety required this action. While it is the Commission itself that must make this judgment, we think on the basis of the discussion about health and safety supra that the balance tips against R II's having such a belief.

However, it appears that agency practice may well permit freer communication between region staff and the licensees than seems desirable in this instance with the advantage of hindsight. Even the OI [REDACTED] who complained about compromise acknowledged that communications between region staffs and licensees are typically more open than he would find appropriate.

R II goes beyond its contention that it is "common practice, when conducting management or enforcement meetings with the licensee, to remind the licensee of the necessity to submit accurate and factual information to NRC" and advocates a pro-communication policy. R II believes it is inappropriate to use "entrapment" or "stealth" to trick a licensee into making additional material

false statements of continuing in unsatisfactory performance for the purpose of supporting potential enforcement actions. OGC concurs with the latter principle espoused by R II, but has difficulty understanding its relevance to this matter. It could hardly be deemed trickery not to have advised MP&L that a material false statement investigation would be underway and therefore MP&L should adhere to the truth.

Moreover, R II has not explained why it is not sufficient to remind the licensee of the necessity to submit accurate information without discussing the imminence of a material false statement enforcement action. With special reference to the letter brought to R II on September 23, it would appear that R II's more general earlier warnings had availed little. As we shall discuss below, changes were made before submitting the draft which possibly avoided any additional or continuing material false statement, but it is troubling that so long as the licensee believed only a "deviation" was at issue it may have been prepared to submit some highly questionable explanations.

On balance OGC finds that this criterion tips in R II's favor in light of the uncertainty of the guidance on the communications.

Criterion III: Whether it was reasonable to believe that disclosure of consideration of material false statements would compromise the investigation.

In his post-OIA Report memorandum, Mr. O'Reilly defended R II's disclosure by pointing out that once an OI investigator arrives at a site or talks to a licensee employee, responsible officials of the licensee will soon know what is going on. In that way he believed the element of preparedness that the OI Investigator said he sensed in some of the interviews could be explained. He thought this was especially true given that the interviewees who appeared to be prepared were interviewed after some 30-odd other interviews had been conducted.

What Mr. O'Reilly states has considerable merit. This is particularly so in this case where he believed the matter at issue related in large degree to documents already in NRC files in a matter over a year old where the facts were "essentially fixed." O'Reilly memo, Nov. 5, 1984 at 2.

Indeed, OI investigators apparently openly attended a meeting on October 12, 1983 between R II and MP&L. According to [REDACTED]

Region II advised MP&L that OI was in attendance at the meeting because of the expanding scope and the training discrepancies and Region II's heightened concern about the problem. The licensee was also informed that during the preceding week Region II had discussed with

OI the possibility of regular or formal OI investigation of this matter.

If a licensee notification of a possible material false statement investigation were considered to compromise the subsequent inquiry, it is difficult to see how those investigators would collaborate in this by attending the meeting. Their willingness to attend the meeting, as well as to undertake the investigation at a later time, suggests that in the circumstances of this case there was no perceived prejudice to the investigation back in 1983.

On the other hand, there are factors which tend in the opposite direction. The bounds of wrongdoing may not be known with assurance prior to the start of an investigation.¹¹ This should temper the confidence one has that the documents of interest are already in NRC's possession. Furthermore, even conceding that much of the advantage of surprise is lost when there are many interviews to be conducted at one location, it would seem that an NRC official should reasonably avoid giving up every advantage attendant on surprise or short notice as would be done by providing notice of the intended investigation weeks before it is officially requested.

¹¹Indeed, here this soon proved not to be the case. For example problems related to training were expanded by a subsequent awareness of the inordinately speedy and concentrated ratings session of the qualifications of

Thus while we cannot say that it was totally unreasonable to assume there would be no compromise, and it appears that R II could fairly assume that compromise was not a significant factor in this case, we come down on the side that R II would have been wise to assume it was reasonable to be concerned. Nonetheless, in light of ambiguous guidance, we would grant this factor in favor of the Region. Obviously, some direction for future occasions is warranted.

Criterion IV. Did harm flow from the disclosure?

The only harm alleged by NRC personnel was the possibility that disclosure had led to "preparedness" of some MP&L management that may have compromised the investigation. However, Congressman Markey also alleged harm in that the disclosure prevented NRC from receiving the explanatory document that was prepared for it.

(1) Harm to the Investigation

The OI investigator's allegation of harm to the investigation came late in the course of events -- well after the OI report was submitted. In addition to R II's point that management would in

[Footnote Continued]

operators who were to take the September 26 examination. The timing raised questions with respect to the validity of that training.

any case have known of the investigation from the other interviews OI was conducting on site, Mr. O'Reilly relies heavily and not unreasonably on OI's failure to complain earlier. In this context he notes OI explicitly expressed satisfaction with the cooperation between it and the region. OI's participation in a meeting in advance of the investigation also signals a lack of concern that this case was subject to compromise simply by advance notice.

Ultimately, this investigation led to enforcement for willful material false statements. So it could also be argued that even if there was a questionable compromise, in the end it caused no harm. But, on the other hand, taking enforcement action does not assure that the entire extent of the underlying problems has been discovered. Here the alleged prepared state of some officials could arguably have impeded fact gathering on how widespread through management was an awareness of the falsity of MP&L's statements.

(2) Harm from preventing NRC from receiving the document.

The effect that the disclosure of possible material false statement enforcement action had on the letter that was, at a minimum, displayed to a R II official on September 23 is possibly

the most difficult matter to resolve. The accounts of the surrounding events are in conflict, and the significance, if any, of the event has received little or no attention in agency investigatory reports. The matter, however, raises a generic issue of the propriety of the regional officials participating in sessions to prepare documents for licensees to submit to those very officials or other members of the agency. Here, the question must be answered whether this nucleus of events resulted in harm and if so, what the nature of it was.

On comparison of the September 30 letter and its draft¹² it is immediately apparent that Mr. McGaughy was correct when he stated that individual names were removed. However, there were some other deletions that may be significant:

(1) on page 2 of draft with respect to the first error, that applications implied that cold operator license qualification cards had been completed, the draft had explained: "The

¹²OIA's exhibits of the draft letter and the submitted Sept. 30 letter are attached to this paper as attachments 2 and 3. OI's exhibit 44, allegedly identified by Julian as the draft letter shown him by McGaughy in September, 1983 and then withdrawn, presumably on the September 23 occasion under discussion, is attachment 4. We also attach MP&L's Nov. 1 letter of which exhibit 44 is obviously the draft. (Attachment 5).

apparent cause of this error was the inexperience of the training staff at that time which led to poor tracking for completion of qualification cards."

That sentence was deleted.

(2) Also on page 2, with respect to errors where it had been represented that various operators had certain training, the draft had explained: "The apparent cause for these errors is again attributed to the inexperience of the training staff in documenting training records."

That sentence was deleted.

(3) Also on page 2 of the draft, it was stated: "A thorough review of all license holders training records was conducted and no additional discrepancies noted."

That sentence was deleted.

Without the disclosure that NRC was considering the operator qualifications matter as involving material false statements, the licensee may have submitted the original letter as drafted. If so, the disclosure may well have avoided additional false statements to NRC. McGaughy implies that his supervisor's and legal advisor's review could have altered the letter even without

R II's alert. One can only speculate whether they would have edited out the later deleted statements even had they believed, as the drafter had, that the letter was simply explaining what had been done about a deviation.¹³ In any event, it is difficult not to conclude at a minimum that the drafter had included false statements.

One should keep in mind the timing -- restart was to occur September 25, operator examinations on an expedited schedule were marked for September 26. Indisputably, MP&L had incentive to keep matters on track.

Beyond this it is difficult to know what significance to attach to the differences in accounts. [REDACTED] informed the licensee to respond in writing to some of the operator problems on August 19, only a few days after a decision had been made to expedite some of the MP&L examinations to accommodate the imminent startup. He apparently made no special efforts to get that writing before startup or the examinations. In fact, it was his action in disclosing the MFS that apparently caused the writing not to come in until after these events. Although [REDACTED] says the letter

¹³One can also speculate whether MP&L would have sent for NRC review such a letter without supervisory and legal concurrence. But arguably the lack of concurrence would preserve the supervisor and legal counsel from the taint of prior knowledge of any attempted material false statement.

episode took place at a meeting, no one else recalls the events (except O'Reilly in a prepared statement), let alone recalling them as [REDACTED] does. (Apparently no investigator asked O'Reilly directly for his recollection of these events). In this light it is hard to know what to make of [REDACTED] identifying the October draft of the MP&L November 1 letter as the draft he was shown in September by McGaughy. The identification is all the more strange in juxtaposition with [REDACTED] statement that he had not read the letter. (The OI investigator's note seems to be identifying his awareness of the strangeness of [REDACTED] identification. However, this awareness is never mentioned up front in the report. See supra, n. 6.)

O'Reilly's strong statement about the inappropriateness of stealth, entrapment and such trickery is more understandable if we believe McGaughy's account that [REDACTED] took the letter to O'Reilly and presume that he read it. Under the circumstances of that date O'Reilly would have realized the import of MP&L's subscribing to such a document and might well have been concerned that it would be perceived as trickery to let MP&L submit it. This would particularly be true if he was accustomed to counseling MP&L on what was acceptable to NRC and if that was the purpose of MP&L's bringing the letter to the meeting.

If for the purposes of analysis, we were to assume that R II's disclosure either intentionally or inadvertently prevented MP&L -

from increasing its offense, was there any harm? Mr. O'Reilly's statements suggest that his analysis would provide "no" for an answer, and would conclude that cautioning MP&L against submittal of the letter in light of pending material false statement issues would be no more than advising them of the importance of submitting accurate statements. But that cannot be correct. It is one thing to give general warnings about the need for accuracy and even advice that scrupulous care must be given to certain types of submittals. It may be yet another thing when one sees ambiguous or inadvertent error to caution clarity. However, it seems quite a different matter to participate in preparing documents that you have required to explain to you the unacceptable events that have transpired. While it is difficult to articulate, it may be that the danger is that it will encourage lying. This may occur because if the licensee doesn't know how much the recipient of its letter knows, the licensee will be more concerned that his lie will be recognized as such, than if the proposed recipient typically advises the licensee to correct in advance of submission the matters the recipient knows or suspects are untrue. In the latter event the licensee will have less concern that additional untruths will be recognized. Alternatively stated, the deterrence purpose in assessing any material false statement penalty suffers when the licensee can count on the judge to step in and prevent the submittal that would be recognized as false and would draw the penalty.

Accordingly, OGC would find that harm is shown under this factor.

Criterion V. If not health and safety, what was the purpose and the nature of the communication?

Both OI and OIA appear to conclude that R II's disclosure did not have a health and safety purpose, as that has been defined in the context of this discussion. OGC believes they are correct as shown in our discussion of the first criterion. Yet, neither investigation appeared in any way to pursue an answer to the question of purpose. In the case of OI, the question may have been beyond the scope of its assignment. In the case of OIA, the question appears to be central to the issues before it; yet, from the interview reports, it appears that it was never asked. One reason for this could be that it was so generally acknowledged to be agency practice for this kind of disclosure to take place that it was unnecessary to ask. O'Reilly's statements regarding the openness of his practice would tend to support this view. But that support is undercut by the insistence on the nearly unexplained assertion that high priority health and safety concerns required the disclosure. It is also undercut by the lack of any contemporaneous record of the advice given at the time of disclosure and the obvious omission of discussion of the disclosure from the Sept. 23 meeting notes.

There are numerous* courses of action which could have provided a regulatory reason for the disclosure. For example, were R II to decide to delay startup they might have had a reason to explain that the decision was due to concerns about operator training by virtue of recently adopted beliefs that there had been material false statements. Or if R II had decided not to proceed with additional operator examinations in light of understandable doubts about whether MP&L had met its commitment that the operators would be adequately trained, R II might have referred to material false statement in explaining that decision. Given that MP&L had been earlier told of at least a possibility of MFS consideration, and given that R II was not planning to alter the course of startup etc., the facts as presented do not reveal a safety purpose for the disclosure. Thus, we fail to discern a significant purpose to the communication. We believe it was most likely incidental information communicated in the course of the open flow described as "agency practice."

Conclusion on Issue 1

As we have tentatively rated the factors, we conclude that the answer to the first question is that R II unnecessarily shared information with the licensee. However, this sharing was not clearly inappropriate in light of agency practice, policy or lack thereof, and the circumstances of this case.

III. ISSUE 2 -- Did R II authorize a return to operations or allow continued operation after learning that the qualifications of reactor operators were probably falsified and the operators potentially unqualified?

A. OIA's findings and conclusions

OIA's response to this issue is reprinted below in its entirety:

The investigation showed that subsequent to the initial training assessment by Region II in February 1983, the extent of the discrepancies in the training program became apparent to Region II over approximately a nine to ten month period. From the information developed by Region II during this period, the discrepancies in the training program indicated the problem was management and administration of the licensee's operator training program as opposed to the competence of the individual licensed operators. Although there were varying degrees to the severity of the discrepancies in the training program, Region II knew that the operators involved had been examined and licensed by NRC and believed there was no basis for suspension or revocation of their licenses. OIA noted that Region II officials told the licensee on August 19, 1983, that if Region II knew the training for reactor operator license candidates committed to in the licensee's Final Safety Analysis Report had not been accomplished, the operator exams would not have been conducted until the training had been completed. OIA also noted that NUREG-1021, "Operator Licensing Examiner Standards," which sets forth the eligibility requirements for reactor operator and senior reactor operator license candidates includes training prerequisites.

At the time of the September 25, 1983, restart of GGNS, Region II believed that the operators were competent. However, during a second Region II training assessment conducted from October 31 through November 4, 1983, Region II concluded that three licensed operators were deficient in their knowledge of the plant. In

addition, another licensed operator had discrepancies in his training records. Consequently, on November 4, 1983, Region II effected the removal of these four operators from their respective duties.

Finally, the problems identified with the licensed operator training culminated with Region II requiring a recertification by MP&L of the training program for the operating staff at GGNS.

B. Other NRC Offices' Position on OIA Report

OI did not comment on this issue. EDO's only comment on this issue stated: "... the facts as stated by OIA clearly support a negative conclusion." R II does not address this issue directly, nor do any of R II's comments in its memorandum seem to speak to this issue. This is perhaps because R II interprets the OIA response as supporting R II and responding no to the question.

However, Mr. O'Reilly references R II's report, which is the prepared testimony that he gave the OIA investigator and which is an exhibit attached to Attachment 8 of the OIA report. We attach it here for the Commission's convenience. Attachment 6.

C. What is the Question and what did OIA's Response Signify?

Before we proceed any further we think it useful to elaborate briefly on the nature of the question. The issue as stated contains two questions. The first is: Did R II officials authorize a return to operations, and/or allow continued operation, subsequent to learning that the qualifications of GG-

reactor operators were probably falsified? To that question, it appears from generally agreed facts that the answer is yes.¹⁴

The second question is did R II officials authorize a return to operations and/or allow continued operation subsequent to learning that the operators were potentially unqualified. Mr. Markey's letter makes it clear that he cannot understand how R II could have allowed GG to operate after determining that the adequacy of operator training was at best unknown and quite possibly inadequate.

In the sense that if operators are not correctly qualified they must be potentially unqualified, R II knew that they were potentially unqualified when it permitted restart and continued operations.

Yet, R II said it believed the operators were qualified -- based on examination and observation. So, the heart of this question is whether the probability of falsified qualifications and any other known relevant information put R II on notice that the operators could potentially be unqualified in a practical sense.

¹⁴Any reservation would be based on the word "probably." It is barely possible that word exaggerates R II's position before OI conducted its investigation. But more likely R II did then think that qualifications were falsified, as evidenced by their advice to MP&L that R II

The question may be taken one step further to ask not only whether it put R II on notice but whether it reasonably should have done so.

Read in that context, OIA's memorandum appears to challenge the R II position and implies at least a qualified affirmative answer to Issue II. In essence OIA is contradicting the position that NRC examination and licensing was sufficient assurance that the operators were qualified where the NRC program required certain training as well. OIA notes both that R II officials admitted that they would not have permitted the examinations to be conducted had they known that the training was not completed and that NUREG 1021 is clear that passing the examination is not enough and that training prerequisites are required. Moreover, OIA juxtaposes to the information that R II believed on September 25, 1983 that the operators were competent, the information that in a training assessment conducted only a month later R II was able to find three licensed operators who were incompetent, i.e., deficient in their knowledge of the plant. These operators then had to be removed along with another operator who had discrepancies in his training record. Finally OIA stated -- in oblique contradiction to the high level of assurance R II claimed

[Footnote Continued]

would proceed on the basis of material false statements, and OI was to investigate the extent of involvement and whether the material false statement was willful.

with respect to the operators' competence, that R II later determined that a total recertification of the training program was needed. Because it is a matter of judgment, not fact, OIA left it to the Commission to conclude whether the status of operator qualifications should have prevented the startup or later caused a shutdown.

D. Criteria for Decision

In determining whether R II's response to the operator qualifications problem was reasonable, the following factors appear to us to merit consideration:

- (1) What was the safety significance of the decision involved?
- (2) What facts were known?
- (3) Did the actions taken reflect reasonable consideration of NRC rules, regulations, and requirements?

1. Safety significance

Our discussion of Issue 1 addressed whether there was a health and safety reason that required disclosure of NRC's intent to go forward with enforcement based on material false statement. Here we address a different matter which is the health and safety significance of the underlying matter to the operation of the reactor. OGC fully supports the assessment of EDO and R II that the matter of operator license qualification is of high safety significance.

The EDO phrased it this way:

The competence, training and qualification of operators, including the integrity or safety sensitivity of managers who direct their activities, are real safety questions. Whenever there are such concerns, such matters must be taken seriously and handled on a priority basis ...

Accordingly this factor is not disputed and we conclude that the underlying matter required serious and priority treatment.

2. What facts were known?

According to the OI Report, a former employee of MP&L informed OI at an interview that in addition to notifying MP&L training and operations officials regarding training discrepancies, he also informed R II employee [REDACTED] of these problems in December, 1982. [REDACTED] This information is nowhere confirmed in

the report so far as we have been able to determine, nor is it elsewhere explicitly denied.

Also according to the OI Report, [REDACTED] told the investigator about his participation in the February 1983 training assessment activity. At that time he discussed with a former GG employee, the same man who claims to have given him information in December 1982, MP&L's logging of the PQDRs that related to license examination applicants. Munro said then that on his review of several applications, it became apparent to him that the licensee had possibly submitted false statements to the NRC, and he discussed this with the group leader, [REDACTED]. [REDACTED] received guidance that the matter was to be carried as an unresolved item. Later, on his return to the R II headquarters, [REDACTED] was among those who briefed the Regional Administrator, O'Reilly. [REDACTED] said he commented at that briefing that some candidates may not have completed FSAR requirements and that this was so even though their applications showed that the activity was completed. [REDACTED] said that he understood from that meeting as well that the matter would be tracked as an unresolved item.

At the time the March 10, 1983 NRC training assessment report was signed, NRC was at the least already on notice that the January 11, 1983 PQDR was not resolved. It is possible that R II staff members, individually or collectively, were aware of the

possibility of falsification, but certainly, it was known that the licensee had made no attempt to correct the questioned information on the applications. Further, no training had been conducted on over 200 design change packages. And other training related problems had been noted.

In addition, R II knew it was dealing with a facility where there had been a lower than normal pass rate on one large group of operator examinations. OIA Report Attachment 8, Exhibit 1 at 2. The fail rate could have been sufficient to render suspect the GG training and certification program where there were other indicators of possible problems.

The matter was next tangentially raised in August when the licensee requested speedup of the examination date. Apparently knowing that the candidates were not yet qualified, Region II sought, received and relied on verbal commitments that the qualifications would be fully met before the examinations.

After that came the August 15 through 19 inspection. The report of that inspection was not issued until September 26, a day after startup. We believe it is fair to assume that Region officials were fully cognizant of the information in that inspection report by the 25th, where the final concurrence and sign off came only a day later. Accordingly, it must be considered that at startup R II knew the amount and duration of training that had been

misrepresented, insofar as it was known in that report, and that licensed operators were therefore deficient in training.

Other relevant information relates to the August inspection period.

[REDACTED] a R II reactor engineer, related that he was at the facility in July and August, 1983. At that time he questioned an MP&L official about the status of the PQDR and was told that the reason it had not been closed was because the licensee had not completed the search effort. [REDACTED] said that at that time members of the NRC inspection group began to suspect that the matter was more than just a failure to document the completion of requirements by applicants. Moreover, he advised that these matters were discussed with the Regional Administrator on their return from the GG facility, presumably in late August. [REDACTED]

[REDACTED] told interviewers that during the operational readiness inspection from August 15 to September 1, they had found that "some of the training had been abbreviated." He was thus acknowledging that he knew at that time that false representations had been made regarding the extent of the training given.

Another R II employee, Gibson, provided a safety rationale for neither revoking nor suspending operators' licenses. Gibson

informed OIA that he would have spoken up if he believed that the operators were not competent. He said he had "no strong evidence" to indicate incompetence, and since there was fuel in the reactor, he thought it was prudent not to suspend or revoke.

Other R II personnel alluded to the relationship of fuel in the reactor to a suspension or revocation decision. An interview report with Beckham indicated that real consideration was given to suspension or revocation and that among the decision factors was the fact that fuel would require attention of licensed operators even while in cold shutdown. He also made the point that to off-load irradiated fuel would have required direct supervision by licensed operators. We do not know whether fewer operators would have been required and whether there would have been sufficient operators for that kind of staffing had revocations taken place. R II officials may have faced a Hobson's choice, either to blink their eyes at possible operator lack of qualification or reduce the level of safety by revoking licenses and thus reducing the complement of available licensed operators when fuel was in the reactor.

In late September, in discussions related to the September 25 restart, [REDACTED] expressed concerns that perhaps the operators were not ready. (OIA Report at 11). He could not pinpoint the deficiencies at that time but apparently had an overall uneasiness. On October 4, 1983 Region II's Administrator says

that R II learned for the first time that some required training may not have been conducted at all, apparently in contradistinction to substantially abbreviated training. During a Region II training assessment from October 31 through November 4, 1983, three licensed operators were found to be deficient in their knowledge of the plant and were removed. In addition another licensed operator was removed because of discrepancies in his training records. The qualifications of 4 of those who had taken the September 26 exams had been completed in a highly unsatisfactory manner.

On November 11, there was a meeting between R II and MP&L regarding the overall qualifications of operators at GG. On November 18 the licensee agreed to a complete recertification of the training program for the operating staff. By this time low power testing had been completed.

3. Did the actions taken in the reported factual situations reflect reasonable consideration of NRC rules, regulations and requirements?

Resolution of PQDRs

R II's original decision to permit the licensee to resolve the problem that it had itself identified is consistent with NRC enforcement policy. However, the record is clear that the

licensee and Region II were both aware that a PQDR should be resolved within 30 days. The March report revealed that this problem did not stand in isolation but that there were other significant training problems. Thus, it is questionable whether R II was reasonable in maintaining such a "low key" approach that it did nothing until August to require resolution of the PQDR. It is not possible to answer from the record why the PQDR was allowed to remain open until September 30 and how R II could continue to believe the training problem was only a documentation question after it was not resolved in a timely fashion.

Expedition of Operators' Examinations

From what we discern, additional operators were essential to MP&L's plans for operation after the September 25 scheduled restart. Nothing suggests that staff's scheduling the examinations in advance of qualification of the applicants bent the rules or practice. But R II's trust was questionable where it already had substantial reason to know that MP&L has been short-changing the training program.

Response to Operator Training Deficiency

(a) Possibility of license revocation and shutdown

To respond to the operator training deficiencies, revocation of operators' licenses or the applicant's license to operate were possible under the Atomic Energy Act and NRC rules. 10 CFR 55.10 sets forth the requirements for applications for operator licenses. (Throughout this paper we have used the term operator licenses to include senior operator licenses). Included in the information required pursuant to that section are both information on the education and pertinent experience and the details of courses of instruction and training at the facility. Applications are to be complete and accurate and signed by the applicant. See 55.10(a)(1), (6) and 7(d). Section 55.40(1) of the same part permits, but does not require revocation, suspension or modification, in whole or in part, for any material false statement in the application.

Among many alternatives that were legally available to R II was revocation of the operators licenses or suspension of those licenses until the qualifications and abilities of the operators could be verified. Revocation of the operators licenses might have made continued operations an impossibility because reactors may not be operated by unlicensed operators for safety reasons.

(b). Testing R II's reasons for not revoking
licenses

In permitting operator licensees to retain their licenses R II relied on "the results of the many examinations and evaluations performed, and on [R II's] continuing observation of satisfactory performance in the control room." O'Reilly statement, OIA Report. This reliance could be read to eviscerate any separate requirement for experience and training. In our view this was an inappropriate response to a serious and high priority safety matter. Moreover, there is nothing on the record to document the nature or standards of R II's evaluations and observations. The discovery very shortly after restart of several unqualified operators whose removal was required, would tend to show that R II's reliance had been misplaced. It is also worthy of note that after recertification training from November to February, 1984, three of 26 operators tested did not pass. OIA Report at 9. This was in addition to 4 already removed for lack of knowledge and 3 who were permitted to take the exam on September 26 but were later found to have serious problems in the manner of completion of qualification card requirements. Two had actually failed the September 26 exam.

As related above, another decision factor was apparently the need for licensed operators because there was fuel in the reactor. Nonetheless it does not appear whether suspension of the

operators in question would have reduced operator staffing levels below NRC requirements, or caused any actual safety problem that was more serious than retention of the operators with questionable qualifications. The question remains whether safety is served by permitting the questionably qualified to remain on duty.¹⁵

There was a suggestion that R II had some concerns about the unfairness to operators of revoking their licenses where they had apparently relied on the licensee, at the licensee's direction, to fill in their cards after signing. It should be noted that suspension until the matter was sorted out could in large part have softened the blow for the operators. As signers they should be expected to bear some responsibility for misrepresentations. Otherwise, NRC is sending a signal that a signature on an application has no significance.¹⁶

¹⁵ While revocation and suspension are discretionary, we believe that unless the fuel problem admitted no other solution, in a serious and high priority safety matter a need for strict conformity with NRC regulations should have been better perceived by R II.

¹⁶ In addition to the discrepancies discussed throughout this paper, OI discovered that statements of qualification were signed by the operator license applicants in advance of the completion of the statements of training, in effect rendering the signature a nullity as a guarantee of accuracy.

Far from demonstrating R II's high level of adherence to NRC regulations and procedures because of seriousness and priority of the problem, the OIA Report reveals on the part of R II a willingness to temporize in apparent subordination of the matter to the restart scheduling requirements of the licensee.¹⁷ The doubts and reservations about competence that appear in many of the interview reports and the nature of the subsequent discoveries and subsequently imposed safety requirements that followed so close on the September 25 restart date support this position.

Evaluation of Issue II

As the previous discussion reveals, the matter of operator training merited serious consideration and priority. R II's extended "low key" treatment of the matter apparently placed them in a position where serious consideration could not be accomplished within the time frame that had been established for

¹⁷ However the OI Report, and our review, was limited to the two issues raised in Mr. Markey's letter. This limited-scope review did not, and could not, take into account other actions by R II to promote safety at the GG facility. Thus we cannot express any opinion on the overall performance of R II in protecting public health and safety. In this connection, we note that we are aware of other investigations or inspections related to GG but have given them no consideration this analysis.

the startup. R II seemed to take a permissive attitude in order to permit startup and to let its uncovering of the facts and request for an OI investigation lag behind operations.

Attachments:

1. Chronology
2. OIA exhibit of draft of MP&L's
Sept. 30 letter
3. MP&L Sept. 30 letter as submitted
4. OI Exhibit 44, MP&L draft letter
5. MP&L letter of Nov. 1
6. Region II's Report as
it appears in OIA Report

ATTACHMENT 1

CHRONOLOGY

June 16, 1982	Low power (5%) license issued for Grand Gulf.
August 18, 1982	Plant went critical for a very short time then began a 13-month outage
January, 1983	Licensee formally identified qualification operator training file documentation deficiencies in a Plant Qualify Deficiency Report (PQDR) (OI Report)
February, 1983	Special GG training assessment by Region II (R II) "surfaced" operator training file documentation deficiencies (OI Report)
March 10, 1983	Training assessment report was signed. The report reflects that the QC documentation issue will be carried as an "unresolved item" pending completion of a documentation search by the licensee (OI). Unresolved items are to be resolved within 30 days (OIA)
August 12, 1983	According to [REDACTED] during a management meeting on RII, an agreement was made to advance the exam date for 4 licensees to September 26 by postponing exams for another licensee. MP&L had requested the change and had "assured RII that the candidates would complete their training in an acceptable fashion by Sept. 26."
August 15-19, 1983	R II conducted special safety inspection
August 19, 1983	Exit interview - [REDACTED] tells MP&L problem will be treated as deviation.
August 30- Sept. 11, 1983	R II conducted second part of special safety inspection.

September 20 • Enforcement panel conference - decided to pursue enforcement for MFS, willfulness was at issue.

September 23 MP&L - RII meeting in Atlanta - [REDACTED] told MP&L it would be MFS, prepared "draft-letter" retained by MP&L.

Sept. 25, 1983 Low power restart

Sept. 26, 1983 Special safety inspection signed -- "reflects that QC training requirement had not been completed by 18 licensed operators. Report further indicates that the Cold License Operator QC was listed as training received and completed on license applications submitted to NRC and these applications contained in or known by the licensee to be incorrect, but which licensee made no effort to correct" (OI)

Sept. 30, 1983 MP&L Letter (final of draft displayed Sept. 23) -- licensee acknowledged that some formal training including QCs, listed as completed on Sept. 3, 1981 initial application had not been accomplished by some applicants.

Oct. 12, 1983 GG officials met with Region 2 to discuss results of the licensee conducted investigation.

Oct. 18, 1983 O'Reilly formally requested investigative assistance from OI

ATTACHEMENT 2



MISSISSIPPI POWER & LIGHT COMPANY
Helping Build Mississippi

9/15/81

Regional Administrator, Region II
U. S. Nuclear Regulatory Commission
101 Marietta Street N.W., Suite 3100
Atlanta, Georgia 30303

Attention: Mr. Bruce Wilson

Dear Mr. Wilson:

SUBJECT: Grand Gulf Nuclear Station
Units 1 and 2
Dockets Nos. 50-416 and 50-417
Reference AECM-81/002
File 0765/0260/0272/0092
Applications for Operators and
Senior Operators's Licenses
AECM -

In the license application letter to Mr. Paul Collins, subject title Application for Operator's and Senior Operator's Licenses, AECM-81/002 dated September 3, 1981, two errors were made in the enclosed applications for some of the license candidates. These errors were documented in accordance with plant procedures.

The first error applies to Enclosure (2) line item seven, Formal Training, which implied that cold license operator qualification cards had been completed. MP&L's review indicates that the personnel listed below did not complete a qualification card as indicated in section seven of AECM-81/002.

[REDACTED]

MP&L has reviewed this error in detail and has determined that it is neither necessary nor practical to require the above listed personnel to retroactively complete a qualification card at this time. This determination is based on their successful completion of the initial training

MISSISSIPPI POWER & LIGHT COMPANY
Page 2

program and subsequent licensing, successful completion of the yearly requalification program, and experience gained at the plant since 1981.

The apparent cause of this error was the inexperience of the training staff at that time which led to poor tracking for completion of qualification cards.

The Training Staff has initiated permanent corrective action to prevent similar occurrences. A new training instruction, Licensed Operator Training Program Implementation, 14-S-02-6, has been issued. This procedure specifies the method to be used by each license candidate to complete the qualification card. In addition, it also specifies the required completion period. The instruction also promulgates a new checklist for the training staff's use. This checklist includes a line item that will provide documentation that the qualification cards and required training was completed and an entry made in the appropriate training record.

The second error applies to Enclosure(2) line item seven formal training, which implies that cold license candidate [REDACTED] had received a Heat Transfer and Thermo Review Course and that candidate [REDACTED] had received the following training:

25 days Plant Operation Courses
6 days Reactor Physics, Core Thermo, and Radcon.

[REDACTED] did not attend the course specifically titled Heat Transfer and Thermo Review. However, he received similar training in physics, core thermo, radcon, heat transfer and fluid flow by his participation in a 14 day Presimulator course in July 1980 and a 5 day Mitigation of Core Damage course in September 1981.

[REDACTED] did not formally sit for the above listed courses. In his assignment as an operations instructor, he was involved in teaching each of these courses.

The apparent cause for these errors is again attributed to the inexperience of the training staff in documenting training records.

The Training Staff has initiated permanent corrective action to prevent similar occurrences. Procedure 14-S-02-6 has been issued and provides a checklist to include a line item that required training for license applicants was completed and appropriate entries made in the training record.

A thorough review of all license holders training records was conducted and no additional discrepancies were noted.

The two items discussed above have been reviewed by the Plant Staff and it has been determined that these items have no impact on the safe operation of Grand Gulf Nuclear Station.

MISSISSIPPI POWER & LIGHT COMPANY ~~APCH~~ Page 3

This information is being provided in order to clear discrepancies between what was originally submitted in the license applications and what is actually documented in the individual training records.

Sincerely,

J. P. McGaughey

JPM/DLE/mhb

cc: Mr. J. B. Richard
Mr. G. B. Taylor
Mr. R. B. McGhee
Mr. T. B. Conner

Mr. Richard C. DeYoung, Director
Office of Inspection & Enforcement
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. J. P. O'Reilly, Regional Administrator
Office of Inspection & Enforcement
U. S. Nuclear Regulatory Commission
Region II
101 Marietta St., N.W., Suite 3100
Atlanta, Georgia 30303

Mr. Donald Beckham
Operator License Branch
Division of Reactor Licensing
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

ATTACHMENT 3



MISSISSIPPI POWER & LIGHT COMPANY

Helping Build Mississippi

P. O. BOX 1540, JACKSON, MISSISSIPPI 39205

September 30, 1983

U.S. Nuclear Regulatory Commission
Region II
101 Marietta St., N.W., Suite 2900
Atlanta, Georgia 30303

Attention: Mr. Bruce Wilson

Dear Mr. Wilson:

SUBJECT: Grand Gulf Nuclear Station
Units 1 and 2
Docket Nos. 50-416 and 50-417
License No. NPF-13
Reference: AECM-81/002
File: 0765/0260/0272/0092
Applications for Operator's and
Senior Operator's Licenses
AECM-83/0629

In the license application letter to Mr. Paul Collins, subject title Application for Operator's and Senior Operator's Licenses, AECM-81/002 dated September 3, 1981, errors were made in the enclosed applications for some of the license candidates. These errors were discovered by MP&L's training staff upon review of the applications, after which time the training staff initiated a Plant Quality Deficiency Report (PQDR, 7-83) to track the matter to resolution. The PQDR was brought to the attention of NRC representatives during a special training assessment conducted by [REDACTED] and his team on February 15-17, 1983, and was carried as an unresolved item in the NRC's report (50-416/83-06 and 50-417/83-03). The unresolved item was later discussed with the NRC's [REDACTED] while the NRC's operational readiness review was in progress.

The errors, which were the subject of the PQDR, were that some of the personnel listed in Enclosure 1 to the referenced letter did not complete a Cold License Operator Qualification Card, although it was indicated that they had completed the qualification card in their license applications, Item 7 of Enclosure 2 to the same letter. MP&L has reviewed in detail the circumstances which resulted in these errors, and has determined that it is neither necessary nor practical to require the operators, who had not completed a qualification card, to do so at this time. This determination is based on the fact that these people have successfully completed the initial training program, have received their licenses, have successfully completed the yearly requalification program, and have gained operational experience at the plant since 1981.

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Member Middle South Utilities System

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The training staff has initiated permanent corrective action to prevent similar occurrences in the future. A new training instruction, Licensed Operator Training Program Implementation, 14-S-02-6, has been issued. This procedure specifies the method to be used by each license candidate to complete the qualification card. In addition, it also specifies the required completion period. The instruction also promulgates a new checklist for the training staff's use. This checklist includes a line item that will provide documentation that the qualification cards and the required training were completed and requires an entry to be made in the appropriate training record after the training has been completed.

Furthermore, during its investigation of the errors, which were the subject of the PQOR, MP&L determined that other errors had been made in the list of formal training, Item 7 of the Application, Enclosure 2 to AECM-81/002, for certain of the applicants. These additional errors were that the license applications for some of the applicants indicated that a specific training course had been successfully completed by the applicant, when in fact, the course had not been completed, but it appears that in each case the subject matter of the course had been successfully covered by other training received by the applicant. MP&L is continuing its detailed review of each application, which has been submitted to the NRC, and of the supporting training records to verify the accuracy of each submittal. MP&L will submit to your office a complete verification of each applicant's records, identifying and resolving each discrepancy by October 21, 1983.

The training staff has initiated permanent corrective action to prevent similar occurrences. Procedure 14-S-02-6 has been issued and provides a checklist to include line items verifying that required training for license applicants has been completed and requires appropriate entries to be made in the training records after training courses have been completed.

The discrepancies discussed above have been reviewed by the Plant Staff and it has been determined that these items have no impact on the safe operation of Grand Gulf Nuclear Station. This letter is being provided in order to notify you of discrepancies between what was originally submitted in the license applications and what is actually documented in the individual training records.

MP&L appreciates the importance of this matter and since the time when the errors in the Applications were first discovered, it has given additional management direction to the preparation of Operator and Senior Operator License Applications and has established procedures to ensure that these types of errors do not occur in the future.

Sincerely,

John M. Longley Jr. / Gene Sealey

JPM:lm

cc: (See Next Page)

BEE2

cc: Mr. J. B. Richard
Mr. E. B. McGhee
Mr. T. B. Conner
Mr. G. B. Taylor

Mr. Richard C. DeYoung, Director
Office of Inspection & Enforcement
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. J. P. O'Reilly, Regional Administrator
U.S. Nuclear Regulatory Commission
Region II
101 Marietta St., N.W., Suite 2900
Atlanta, Georgia 30303

Mr. Donald Beckham
Operator License Branch
Division of Reactor Licensing
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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BEEJ

03276190V

cc: Mr. A. Zaccaria
Mr. R. S. Trichovic
Mr. C. D. Wood
Mr. J. F. Endson, Jr.
Mr. T. E. Cloninger
Mr. T. E. Reeves
Mr. C. K. McCoy
Mr. J. W. Yelverton
Mr. A. R. Smith
Mr. A. G. Wagner -
Mr. C. C. Hayes
Mr. M. D. Houston -
Mr. J. F. Pinto
Mr. L. F. Daughtery
Mr. M. D. Archdeacon
Mr. L. F. Dale
Mr. A. C. Pearson (2)
Mr. A. S. McCurdy
Mr. D. L. Hunt (GMS)
Mr. J. G. Cesare
Middle South Services Nuclear Activities
File (LITS) (2)
File (Plant)
File (Project) [5]

ATTACHMENT 4



MISSISSIPPI POWER & LIGHT COMPANY

Helping Build Mississippi

P. O. BOX 1640, JACKSON, MISSISSIPPI 39205

JAMES P. McGAUGHY, JR.
VICE PRESIDENT

October , 1983

U. S. Nuclear Regulatory Commission
Region II
101 Marietta Street, N. W.
Suite 2900
Atlanta, Georgia 30303

Attention: Mr. J. P. O'Reilly, Regional Administrator

Dear Mr. O'Reilly:

SUBJECT: Grand Gulf Nuclear Station
Unit 1
License No. NPF-13
Docket No. 50-416
Applications for Operators
and Senior Operators License
AECM-83/

Mississippi Power & Light Company notified you by letter, AECM-83/0629, dated September 30, 1983, of errors made in previously submitted applications for Operator's and Senior Reactor Operator's Licenses. This subject was also discussed with you in your Atlanta office on October 12, 1983. This letter summarizes the problems discussed and our proposed actions to resolve this matter.

MP&L performed a complete review of training records for all currently licensed Reactor Operators and Senior Reactor Operators at Grand Gulf, and identified discrepancies between the license application and the training records. A complete list of identified problems associated with each application is enclosed (Enclosure 1). The discrepancies can be categorized into three general problem areas:

(1) Training duration (length of course) was not as long as indicated on the application. The following discrepancies were identified in this area:

(a) Several applications listed one week of Mitigation of Core Damage which was actually only four days long. Letter AECM-81/330, dated August 28, 1981, from MP&L to Harold Denton, committed to 80 hours of Mitigation of Core Damage. Although only thirty-two hours of documented training was given in this module, much of the material normally covered in the Mitigation of Core

Damage Course is taught in other courses. The eight week Grand Gulf Technology or Systems Course includes modules on fuel, neutron monitoring and vessel instrumentation. Individual courses in Heat Transfer and Fluid Flow, Emergency Procedures, and Chapter 15 of the FSAR are taught in individual course and are major topics in the Mitigation of Core Damage Course. After completing the above noted courses, a major portion of the Mitigation of Core Damage Course is a repeat and can be covered in a short time span. A review was conducted of the course material and exams for this four-day course and substantiated that the material was adequately covered. No further action is deemed necessary for this discrepancy. The present course is given over a two week period.

- (b) Several applications listed a thirteen day Plant Operations Course addressing the FSAR, IOI's and EPP's and a seven day Plant Operation's Course addressing Technical Specifications which was given as a combined fifteen day course. The thirteen days specified were actually taught in ten days and the seven day course was taught in five days. The course was placed in the Training Records as a fifteen day course. The duration of these courses were adequate and the required material was covered in the shorter courses. No further action is deemed necessary for these courses.
- (c) Several applications listed a twelve day simulator refresher, but was accomplished in ten days. The dates that the training was to be accomplished was shown on the application as 11/12-11/23/82. These applications were submitted in October 1982, indicating this was scheduled training to be completed. Only ten days of training was performed. The two week simulator refresher was of adequate length, thus no further action is proposed on this issued.
- (d) Several applications listed a 13 day Plant Operations Course which was actually 12 days. The twelve day course adequately covered the required material thus no action for this item is deemed necessary.
- (e) One application listed a fourteen day simulator refresher training course which the records indicate was thirteen days. The course was satisfactorily completed and the application should have indicated thirteen days. No further action is deemed necessary for this item. This application also noted a one week Mitigation of Core Damage (Brunswick, CP&L), but the training records indicate 32 hours of training was received. No further action is required for this item as justified in Item (1a) above. The material covered nor the exam was reviewed as this course was at CP&L.

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- (f) One application listed a one day QA Indoctrination Course which only lasted one hour. This was an error in the application as the training records clearly indicate the one hour course. This material can be satisfactorily addressed in this time frame; thus, no additional actions are deemed necessary.
 - (g) Three applications listed a six week Heat Transfer and Fluid Flow Course. A three week course was entered twice in these applicants training records, and when the application was prepared, the duplicate courses were shown on the application as six weeks. The Training Records for these individuals have been corrected. The three week course adequately address this material, and no further action is deemed necessary for this item.
- (2) Documentation does not exist to substantiate certain training listed on the applications. The following discrepancies were identified in this area:
- (a) Several applications listed a six day Reactor Physics, Core Thermo and Radcon Course. There are no records that document this course. Each of these applicants had other training in each of these subjects. Both the MP&L and NRC exams test this area. Due to these two factors, no additional training is deemed necessary to address this training.
 - (b) Several applications listed a three day Heat Transfer and Fluid Flow Course, yet documentation does not substantiate this training. Each of these applicants had other training which adequately addresses this material. This material is also well-covered on MP&L and NRC exams; thus, no further training is deemed necessary.
 - (c) One applicant listed a five day Mitigation of Core Damage Course. His training records indicate he attended a total of four days but did not take the exam. This applicant will be required to review the material and pass an exam covering the course material.
 - (d) One applicant listed a twelve week Cold License Training Course/Grand Gulf Technology on three different applications. The training records indicate that he did not obtain a passing grade on week 10 of this course. Prior to his third application, he did satisfactorily complete a twenty-one week License Operator Exam Preparation Course which covered this material. No further training is deemed necessary.
 - (e) One applicant listed a seven day Plant Operations Course covering Technical Specifications and a five day Plant

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Operations Course covering Technical Specification on his original application in September 1981. He did not pass the exam on the seven day course and there is no record of attendance for the five day course. He did not pass his NRC exam, and submitted another application in October 1982, which eliminated the seven day and five day courses. There is no record of this applicant being trained in the Tech Specs. He will be required to review this material and satisfactorily pass an exam.

- (f) One application listed a twelve week Grand Gulf Technology - Cold License Training Course. There are no records to verify week 11 or 12, and week 9 is incomplete. This same application listed a three week Heat Transfer and Fluid Flow Course, but there are no records to verify this. This training material was covered in a later twenty-one week License Operator Exam Preparation Course, which he satisfactorily completed. No further action is deemed necessary for this discrepancy.
- (g) One application listed a two week pre-simulator course, but there is no record to verify this. This applicant failed the NRC exam. Another application has been submitted for this applicant to take the NRC exam in December 1983. He has successfully passed a two and one-half week simulator refresher course since the first application. No further action is deemed necessary for this discrepancy.
- (h) Several applications listed self study retraining or reviews. This self study retraining was performed after the individuals had failed the NRC exam. These individuals had already completed all required training to take the NRC exam thus, no further training was required. This study was to meet the individuals needs. No records are maintained for this type study. This is considered satisfactory but is documented in this report due to the entry on the application.
- (i) One applicant listed several courses on his application that he was given credit for teaching rather than taking. There was no notation on the application to this fact. His training records will be updated to indicate this. Credit for teaching is considered adequate, and no further action is deemed necessary.
- (j) One application that was submitted in 1982 had several problem areas. MP&L withdrew this application at that time due to the individual's training not being complete, and he was not given a NRC exam. No further action is deemed necessary for this item.

- (3) For the majority of licensed personnel, Qualification Cards were not completed, or cannot be located, as required by the FSAR and as indicated on the license applications. In addition, the Qualification Cards that were completed during this time frame did not include a Practical Factors sections as required by the FSAR.

The Practical Factors Section portion of the Qual Card has been established for each licensed operator. Records of completed surveillances were reviewed and for those surveillances that had been performed by, or under the direction of a licensed operator, that operator's Qual Card was signed off as satisfactorily completing that practical factor. The Operation's Superintendent has authorized specific Senior Reactor Operators to sign off the additional practical factors. This authorization was based on the SRO's past experience and/or exposure to the surveillance procedure. Each licensed operator is in the process of completing this practical factors section prior to full power licensing.

The Knowledge Factors portion of the Qual Card is presently being reviewed. Where documented training exists to substantiate the Knowledge Factor has been previously reviewed in other training, his Qual Card will be updated and credit taken for this previous training. Where areas exist that training cannot be substantiated, then the Knowledge Factor portion will be satisfactorily completed.

The majority of the problems noted in this report are the result of training record problems that occurred prior to and during 1981. There has been a vast improvement in the training records since that time. The NRC application form has helped to eliminate application errors. For future applications, the preparer will sign a cover sheet stating that the records have been reviewed to substantiate the training listed on the application. The Operation's Training Supervisor or Training Superintendent will independently verify the information and sign a similar statement.

The investigation and identification of these problems was performed by our Training Department. I have requested our Quality Assurance organization perform a completely independent review of these records for added assurance that every problem has been identified. This audit is in progress and should be completed during the week of October 24, 1983.

I hope that this information will resolve your concerns of this problem.

Yours truly,

J. P. O'Reilly MISSISSIPPI POWER & LIGHT COMPANY

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ATTACHMENT 5