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September 6, 1985 (202) 822-1215

Gary J. Edles, Esquire
Dr. W. Reed Johnson
Christine N. Kohl, Esquire
Atomic Safety and Licensing Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

In the Matter of
Metropolitan Edison Company
(Three Mile Island Nuclear Station, Unit No. 1)
Docket No. 50-289 SP
(Restart Remand on Management - Training)

Dear Chairman Edles and Administrative Judges Johnson and Kohl:

Enclosed is a letter (with enclosures) dated September 3, 1985 from Mr. Philip R. Clark, President, GPU Nuclear, to Commission Chairman Nunzio J. Palladino. The letter responds to a congressional inquiry of the NRC concerning contractor materials used during a 1983 training course conducted once at Oyster Creek. As Mr. Clark's letter reflects, the course was not taught at TMI, nor did personnel assigned to TMI attend. The objectionable statements in the course material concerning communications with the NRC are contrary to well established GPU Nuclear policy. Nevertheless, GPU Nuclear is taking a number of steps, as set forth in Mr. Clark's letter, to ensure there is no contrary message conveyed to its employees.

Sincerely,

Deborah B. Bauser
Deborah B. Bauser
Counsel for Licensee

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Enclosure
cc: Service List

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of)	
)	
METROPOLITAN EDISON COMPANY)	Docket No. 50-289
)	(Restart Remand
(Three Mile Island Nuclear)	on Management)
Station, Unit No. 1))	

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PAGE 2

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September 3, 1985

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Nunzio J. Palladino, Chairman
United States Nuclear Regulatory Commission
1717 H Street, NW
Washington, DC 20555

Dear Chairman Palladino:

I am aware from press inquiries and reports that Congressman Markey has inquired of you regarding certain materials used during a training course presented at Oyster Creek in the Fall of 1983.

Our review of the matter has developed the following information:

- o The course was developed and presented by a contractor rather than by GPU Nuclear.
- o The title of the course was "Containment System Leakage Testing". The material apparently referred to by Mr. Markey was incidental to the course purpose and not part of what GPU Nuclear expected to be covered. The material was not reviewed by GPU Nuclear prior to presentation. The entire section of the course material on this aspect is enclosed (Enclosure 1).
- o The contractor advises that the material was revised in 1983 after presentation at Oyster Creek based, in part, on the critical comments from GPU Nuclear attendees.
- o The course was given once at Oyster Creek. It was never given at TMI. Seventeen people attended. This did not include anyone assigned to TMI. However, one person in our Technical Functions Division who supports TMI as well as Oyster Creek did attend.
- o The material is contrary to well established GPU Nuclear policy. The GPU Nuclear policy on, "Employee Contact with Regulatory Agencies" concludes:

"Again, the interests of the Company, its employees, and the public are best served by an open and cooperative attitude and honesty in our interactions with the governmental agencies responsible for regulating our various activities. We expect your active support in fulfilling these aspects of our public and corporate responsibilities."

- o During General Employee Training, GPU Nuclear employees and contractors working at our plants are given instruction that company policy is to be fully open and candid with the NRC and other regulators. This instruction is repeated each year.
- o In addition, this policy is covered in other widely disseminated documents including:
 - o Corporate Objectives which state, "Continue to provide full and accurate information in a timely manner on GPUN activities and operations to the various publics of GPU; i.e., NRC, public officials, the media, the general public, employees, shareholders, and governmental agencies, so as to continue to deserve their trust".
 - o Letters to employees from corporate management, such as Enclosure 2.

We are also taking the following action:

- o Contacting each of the course attendees presently employed by GPU Nuclear to reinforce their understanding of our policy on this matter.
- o Reviewing other course material provided by the contractor to determine whether any similar problems exist. We will take any needed action.
- o Asking the contractor to provide formally his assessment of this situation and steps he has taken to prevent future similar situations.
- o Reviewing internal controls over contractor provided training and training material.

Much of this information was provided on August 31, 1985 to media representatives but, regretfully, was largely not reflected in published accounts the next day.

I will be glad to furnish additional information on this matter.

Sincerely,

P. R. Clark

P. R. Clark
President

pfk

Enclosures

cc: Thomas M. Roberts, Commissioner
James K. Asselstine, Commissioner
Frederick M. Bernthal, Commissioner
Lando W. Zech, Jr., Commissioner

LECTURE #3

INTERACTIONS WITH THE NRC

INTERACTIONS WITH THE NRC

KEY PHASES

- CONSTRUCTION PERMIT - PSAR COMMITMENTS
- OPERATING LICENSE - FSAR COMMITMENTS & TECH SPECS
- PREOPERATIONAL TEST - LOTS OF ATTENTION
- COMMERCIAL OPERATIONS - UPDATES AND PERIODIC TESTS
- OPERATING LICENSE RENEWALS - UPDATES AND PLANT MODIFICATIONS

SUBMITTALS AND UPDATES

- SARs (PSAR, FSAR) - CONTAINMENT AND SYSTEMS
- TECHNICAL SPECIFICATIONS - SUBMIT AT LEAST 6 MONTHS PRIOR TO USE (10CFR50.55a(g)(5)(ii))
- EXEMPTIONS TO 10CFR50 APPENDIX J
- RELIEF REQUESTS FOR ASME SECTION XI VALVE TESTING
- PREOP AND PERIODIC ILRT SUMMARY REPORTS (INCLUDES LLRT TESTING SUMMARY SINCE LAST ILRT)
- SECONDARY CONTAINMENT TESTING REPORT (PER TECH SPECS)
- LIAISON EVENT REPORTS (REPORTABLE OCCURRENCES)
- ASME SECTION XI REPAIR/REPLACEMENTS, AS APPLICABLE (NIS-2 FORM AVAILABLE PER W82A & LATER)

INTERACTIONS WITH THE NRC

INSPECTION AND ENFORCEMENT AUDITS

- PROGRAM COMMITMENTS (FSAR & TECH SPECS)
- RECORDS OF REQUIRED TESTS/INSPECTIONS
- PROCEDURES
- REPAIR AND REPLACEMENT ACTIONS
- INSTRUMENTATION/CALIBRATION PROGRAM

ANTICIPATING NRC ACTION/RESPONSES

- LOCAL/REGIONAL (SURVEILLANCE AND ENFORCEMENT)
 - PERSONAL INTERESTS AND KNOWLEDGE AFFECT AREAS SCRUTINIZED AND EMPHASIS
 - INSPECTOR'S PREJUDICE WILL VARY ON INTERPRETATION/APPLICATION OF REQUIREMENTS
 - NRC POSITION CAN BE "GUESSED" BASED ON EXPERIENCE
 - EXPERIENCE AT OTHER PLANTS
 - PREVIOUS INSPECTIONS
 - REGIONAL PREFERENCES MUST BE CONSIDERED
- CENTRAL OFFICE - PREPARES/REVISES REGULATIONS, REG. GUIDES; ISSUES POSITIONS

INTERACTIONS WITH THE NRC

DAY TO DAY COMMUNICATIONS (INDUSTRY EXPERIENCES)

- SHOULD THE UTILITY INFORM THE NRC OF CONTEMPLATED PROGRAM CHANGES? THIS IS DEBATABLE.
 - ALERTING NRC OPENS UP UTILITY FOR COMMENTS AND SECOND THOUGHTS.
 - SPRINGING CHANGES ON NRC HAS BENEFIT OF SURPRISE.
 - NOTE: IT SEEMS BETTER TO KEEP NRC INFORMED ON KEY ISSUES AND TO COMMUNICATE WITH THE INSPECTOR. LOG AND DOCUMENT COMMUNICATIONS.

BENEFITS: UTILITY CAN LEARN OF NRC POSITION APRIORI. IF NO REVIEW IS PERFORMED, UTILITY CAN DEFEND ACTIONS BY SAYING "THE NRC HAD SUFFICIENT TIME TO COMMENT (BUT DID NOT) . . . THIS WAS ASSUMED TO CONSITUTE TACIT APPROVAL."

INTERACTIONS WITH THE NRC

DAY-TO-DAY COMMUNICATIONS (CONTD)

- INFORMING THE LOCAL INSPECTOR
 - IT'S IMPORTANT TO KEEP LOCAL INSPECTOR INFORMED OF CURRENT DEVELOPMENTS
 - ENCOURAGE INSPECTOR TO WITNESS A TYPE C TEST, BUT . . . DON'T BE FOOLISH:

NOTE: PERFORM DEMO ON AN "EASY" VALVE WHICH HAS TRADITIONALLY NOT BEEN A "PROBLEM LEAKER"
- NRC WILL WANT TO CONCENTRATE ON PAST PROBLEM AREAS AND PET PEEVES
 - PLANT STAFF SHOULD REVIEW ALL NRC COMMENTS/PROBLEMS WITH PAST ILRTs AND ENSURE PROPER RESOLUTION
 - EXAMPLE: VALVE LINEUP (BEFORE AND AFTER TESTING; CHECK PLANT HISTORY)

INTERACTIONS WITH THE NRC

DAY 10 - DAY COMMUNICATIONS (CONTD)

- TRADITIONAL INDUSTRY APPROACH TO ILRT TESTING PROBLEMS HAS BEEN PREDICATED ON NOT STATING TO NRC:
 - WHEN THE TEST BEGAN (THUS ALLOWING FOR REPAIRS AFTER PRESSURIZATION COMMENCED)
 - THE "TYPE A" TEST FAILED (SINCE SOME SMOOTH TALKERS HAVE MANAGED TO GET OUT OF FAILURES)
 - WE'LL DO IT OVER (SINCE IT HAS BEEN POSSIBLE TO OBTAIN NRC AGREEMENT WITH SUCH STATEMENTS AS, "YOU SAW THE TEST BEFORE AND DIDN'T COMMENT; WHY THIS TIME WHEN WE'VE DONE IT EVEN BETTER?")

NOTE: DISCUSSION OF THE ABOVE EXPERIENCE SHOULD IN NO WAY INDICATE ENDORSEMENT OF ANY OF THESE OBSERVED APPROACHES.

INTERACTIONS WITH THE NRC

KEY CONSIDERATIONS IN PREPARING PROGRAM

- REVIEW PLANT DESIGN FOR INSPECTABILITY/TESTABILITY
- DETERMINE AREAS OF NONCOMPLIANCE WITH REGULATIONS, CODES, STANDARDS, ETC.
- PREPARE EXEMPTION REQUESTS FOR APPENDIX J PROGRAM (TYPE A, B & C TESTS)
- PREPARE RELIEF REQUESTS FOR ASME SECTION XI, CATEGORY A VALVE TESTING
- DISCUSS MAJOR PROGRAM CONCEPTS/CHANGES WITH NRC EARLY IN DEVELOPMENT
- PERFORM DEVELOPMENTAL AND IMPLEMENTATION TASKS AS EARLY AS POSSIBLE
- REDUCE EXCEPTIONS TO TESTING - COMPLETE PLANT MODIFICATIONS

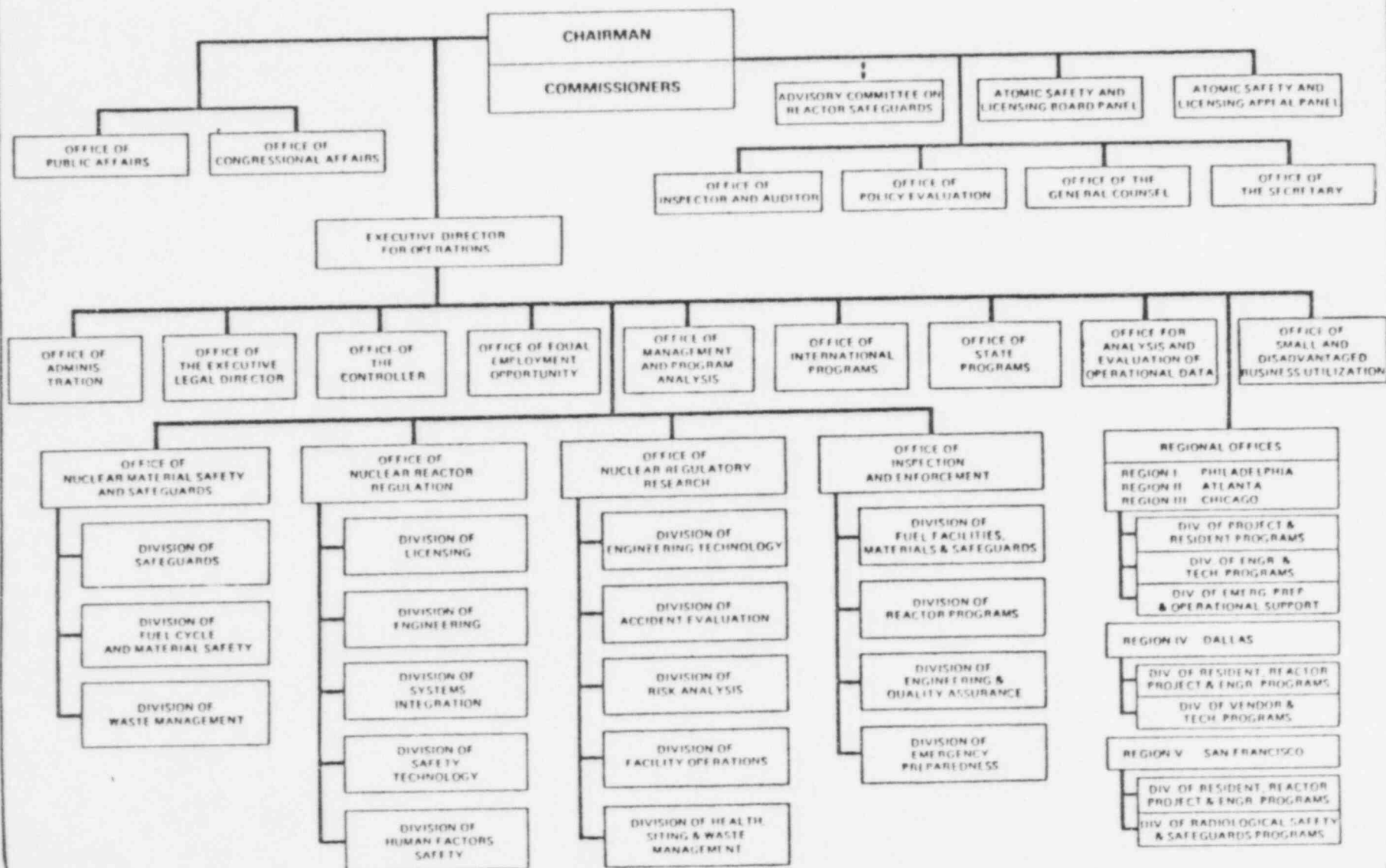
INTERACTIONS WITH THE NRC

SOME NRC POSITIONS

- ANSI 56.8 - 1981 VS. ANSI N45.4 - 1972
 - ANSI 56.8 IS NOT REQUIRED BY NRC FOR PLANTS BUILT TO ANSI N45.4
 - DEPENDING ON YOUR REGION, NRC STAFF MAY REQUIRE COMPLIANCE WITH PORTIONS OF ANSI 56.8
 - NOTE: NRC PLANS TO ACCEPT ANSI 56.8 BY REG. GUIDE
- BECHTEL TOPICAL REPORT BN-TOP-1'
 - NRC DOES NOT LIKE SHORT DURATION TESTING BUT ...
 - NRC HAS (AND IS EXPECTED TO) ACCEPT THE SHORTENED ILRT ON A CASE BASIS
- ILRT - ILRT SEQUENCE CONSIDERATION
 - NRC RECOGNIZES THAT ILRT FAILURE "HAS TEETH"
 - PUBLIC WILL BE PROTECTED IF INTEGRATED LEAKAGE IS "IN SPEC"
 - CONSIDERING ILRT BEFORE LLRT TO DETERMINE "AS FOUND" CONTAINMENT LEAKAGE CONDITION
 - REVISION TO 10CFR50 APPENDIX J CONTINUES

U.S. NUCLEAR REGULATORY COMMISSION

ORGANIZATION CHART





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December 8, 1983

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TO: GPU SYSTEM EMPLOYEES ASSIGNED TO NUCLEAR ACTIVITIES

Last week Mr. Kuhns announced changes in the Board of Directors and the Office of the President of GPU Nuclear Corporation.

I know all of you share with me deep appreciation for Bob Arnold's unstinting efforts and leadership during the nearly five years since the accident at TMI-2. That period has seen the establishment and staffing of GPU Nuclear Corporation and placed us in a sound position to push forward to reach the major goals we have set.

The changes Mr. Kuhns announced, when added to other major steps taken during the last four years, are intended to strengthen our ability to perform in a professional manner and to provide to the Nuclear Regulatory Commission a sound basis for authorizing the Restart of TMI-1 without awaiting resolution of the "open issues" identified by the Commission Staff. Action on authorizing Restart of Unit 1 is the responsibility of the NRC. We will continue to urge them to act promptly. However, as I begin my assignment as president of GPU Nuclear Corporation, I want to reemphasize the importance of meeting our responsibilities.

GPU Nuclear Corporation must continue to be fully committed to meeting all of our responsibilities. Primary among those is conducting all of our activities so as to protect the health and safety of the public and of our employees. Under our license, and our agreement with the owners of GPU's nuclear plants, GPU Nuclear Corporation and the Metropolitan Edison and Jersey Central employees assigned to our nuclear sites have that very sobering responsibility. Each of us must fully accept and devote himself or herself to meeting that responsibility. It comes directly from the fact that we have chosen to engage in nuclear power generation with its inherent potential for serious consequences to public health and safety. Our job is to assure that risk is kept acceptably low.

The owners and our Board of Directors have made clear the overriding importance they place on fulfilling that responsibility. Our Mission states:

"Manage and direct the nuclear activities of the GPU System to provide the required high level of protection for the health and safety of the public and the employees.

Consistent with the above, generate electricity from the GPU nuclear stations in a reliable and efficient manner in conformance with all applicable laws, regulations, licenses and other requirements and the directions and interests of the owners."

Many things are involved in carrying out this Mission. However, I want to draw your attention today to three which are vital. They have all been the subject of prior guidance but they deserve reemphasis.

The first is that we must set our own standards--demanding ones in keeping with the responsibility we bear. They must encompass and exceed the regulatory requirements. We must actively seek excellence.


The second is the need to have full and open communications--both within the company and between us and our regulators. In particular, problems, concerns, and uncertainties need to be identified and addressed openly. I stand ready to discuss with any of you any safety concern you believe is not being adequately addressed.

The third is rigorous and faithful adherence to all of our requirements and standards as a minimum.

Our success depends on everyone faithfully fulfilling their responsibilities. In accepting election to the position of president, GPU Nuclear Corporation, I have committed myself to the Board of Directors to do so. I ask each of you to do likewise.

The members of the GPU and GPU Nuclear Boards of Directors have promised their full support. Mr. Kintner, Executive Vice President, joins me in pledging to you our very best efforts.

Very truly yours,



P. R. Clark
President