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WASHINGTON, DC 20515

November 8, 1985

The Honorable Nunzio J. Palladino
Chairman
U.S. Nuclear Regulatory Commission
1717 H Street, N.W.
Washington, D.C. 20555

Dear Mr. Chairman:

Thank you for your response to my August 30, 1985 letter which raised concerns and questions about a training manual used by the General Physics Corporation in a course taught to General Public Utilities Nuclear (GPUN) on containment integrity. The Subcommittee's inquiry is continuing and has raised additional questions, both related and apparently unrelated, which I would like to bring to your attention.

I appreciate the efforts the Commission has made thus far to investigate this matter and look forward to your response to the four questions raised in the last paragraph of my letter. My concerns and questions focused in part on the irony that this course was taught to GPUN, the only nuclear utility ever indicted and convicted of providing false information to the federal government, and, that General Physics is also an NRC contractor. As you may recall, the General Physics training manual contained the following questionable statements:

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.

* * *

Encourage [NRC] 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"

* * *

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?")

Since writing to you about this matter, the Subcommittee has determined that a Senior Reactor Operator and Shift Supervisor who was apparently fired by GPUN for cheating on NRC operator licensing examinations at Three Mile Island directs training courses for nuclear licensees under the auspices of General Physics. This individual, known as Mr. "O" in NRC investigative reports, has been cited by the NRC's Special Master for apparent cheating on NRC reactor operator licensing examinations in 1979 in conjunction with a GPUN operator known as Mr. "VV" and in 1981 with another GPUN operator referred to as Mr. "W". With respect to the 1981 incident, the Special Master concluded:

O and W both engaged in a pattern of cheating over a period of time. They also conspired to cheat, by agreeing to do so before examinations were given. They both lied to NRC investigators during their first two interviews. When they testified in this proceeding, neither was forthright under oath. O, in particular, still fails to recognize the character of his acts.

O and W were both fired when their guilt was established....In the case of O, something stronger than dismissal will be required to convince him that the NRC licensing process is important.

It is my understanding that the findings of the Special Master with respect to Mr. O were adopted by the NRC's Atomic Safety and Licensing Board.

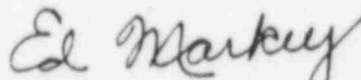
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Nevertheless, you should be aware that General Physics has expressed great confidence in Mr. O's technical expertise and integrity to the Subcommittee.

I request that your continuing investigation specifically address the propriety of Mr. O being employed for General Physics in the capacity of an instructor of nuclear utilities. Additionally, please respond to the following: (1) What, if any, character or management integrity standards, requirements or screening procedures does the Commission have for (a) licensed personnel, (b) licensee contractors, and (c) NRC contractors; (2) Does Mr. O work on any NRC contracts at General Physics and, if so, are any of them cost reimbursement contracts; (3) Does NRC know whether Mr. O participated in or was aware at the time of leak rate falsification at TMI; (4) What are NRC's rules and procedures for suspension and debarment of contractors and individuals; and (5) What is NRC's policy and practice for evaluating potential conflict of interest questions when entering into contracts with companies also under contract with licensees?

In advance, thank you for the Commission's response to the issues and questions raised above and in my August 30, 1985 letter.

Sincerely,



Edward J. Markey
Chairman