



RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) / PRIVACY ACT (PA) REQUEST

2000-0014

7

RESPONSE TYPE  FINAL  PARTIAL

REQUESTER

Maria Webb

DATE

JUL 12 2000

PART I. -- INFORMATION RELEASED

No additional agency records subject to the request have been located.

Requested records are available through another public distribution program. See Comments section.

APPENDICES Agency records subject to the request that are identified in the listed appendices are already available for public inspection and copying at the NRC Public Document Room.

APPENDICES K Agency records subject to the request that are identified in the listed appendices are being made available for public inspection and copying at the NRC Public Document Room.

Enclosed is information on how you may obtain access to and the charges for copying records located at the NRC Public Document Room, 2120 L Street, NW, Washington, DC.

APPENDICES K, L Agency records subject to the request are enclosed.

Records subject to the request that contain information originated by or of interest to another Federal agency have been referred to that agency (see comments section) for a disclosure determination and direct response to you.

We are continuing to process your request.

See Comments.

PART I.A -- FEES

AMOUNT \* You will be billed by NRC for the amount listed. None. Minimum fee threshold not met.
\$ You will receive a refund for the amount listed. Fees waived.

\* See comments for details

PART I.B -- INFORMATION NOT LOCATED OR WITHHELD FROM DISCLOSURE

No agency records subject to the request have been located.

Certain information in the requested records is being withheld from disclosure pursuant to the exemptions described in and for the reasons stated in Part II.

This determination may be appealed within 30 days by writing to the FOIA/PA Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Clearly state on the envelope and in the letter that it is a "FOIA/PA Appeal."

PART I.C COMMENTS (Use attached Comments continuation page if required)

SIGNATURE - FREEDOM OF INFORMATION ACT AND PRIVACY ACT OFFICER

Carol Ann Reed [Signature]

**RESPONSE TO FREEDOM OF INFORMATION  
ACT (FOIA) / PRIVACY ACT (PA) REQUEST**

2000-0014

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**PART II.A -- APPLICABLE EXEMPTIONS**

APPENDICES

**L**

Records subject to the request that are described in the enclosed Appendices are being withheld in their entirety or in part under the Exemption No.(s) of the PA and/or the FOIA as indicated below (5 U.S.C. 552a and/or 5 U.S.C. 552(b)).

Exemption 1: The withheld information is properly classified pursuant to Executive Order 12958.

Exemption 2: The withheld information relates solely to the internal personnel rules and procedures of NRC.

Exemption 3: The withheld information is specifically exempted from public disclosure by statute indicated.

Sections 141-145 of the Atomic Energy Act, which prohibits the disclosure of Restricted Data or Formerly Restricted Data (42 U.S.C. 2161-2165).

Section 147 of the Atomic Energy Act, which prohibits the disclosure of Unclassified Safeguards Information (42 U.S.C. 2167).

41 U.S.C., Section 253(b), subsection (m)(1), prohibits the disclosure of contractor proposals in the possession and control of an executive agency to any person under section 552 of Title 5, U.S.C. (the FOIA), except when incorporated into the contract between the agency and the submitter of the proposal.

✓ Exemption 4: The withheld information is a trade secret or commercial or financial information that is being withheld for the reason(s) indicated.

✓ The information is considered to be confidential business (proprietary) information.

The information is considered to be proprietary because it concerns a licensee's or applicant's physical protection or material control and accounting program for special nuclear material pursuant to 10 CFR 2.790(d)(1).

The information was submitted by a foreign source and received in confidence pursuant to 10 CFR 2.790(d)(2).

✓ Exemption 5: The withheld information consists of interagency or intraagency records that are not available through discovery during litigation. Applicable privileges:

Deliberative process: Disclosure of predecisional information would tend to inhibit the open and frank exchange of ideas essential to the deliberative process. Where records are withheld in their entirety, the facts are inextricably intertwined with the predecisional information. There also are no reasonably segregable factual portions because the release of the facts would permit an indirect inquiry into the predecisional process of the agency.

Attorney work-product privilege. (Documents prepared by an attorney in contemplation of litigation)

✓ Attorney-client privilege. (Confidential communications between an attorney and his/her client)

Exemption 6: The withheld information is exempted from public disclosure because its disclosure would result in a clearly unwarranted invasion of personal privacy.

✓ Exemption 7: The withheld information consists of records compiled for law enforcement purposes and is being withheld for the reason(s) indicated.

(A) Disclosure could reasonably be expected to interfere with an enforcement proceeding (e.g., it would reveal the scope, direction, and focus of enforcement efforts, and thus could possibly allow recipients to take action to shield potential wrongdoing or a violation of NRC requirements from investigators).

✓ (C) Disclosure would constitute an unwarranted invasion of personal privacy.

(D) The information consists of names of individuals and other information the disclosure of which could reasonably be expected to reveal identities of confidential sources.

(E) Disclosure would reveal techniques and procedures for law enforcement investigations or prosecutions, or guidelines that could reasonably be expected to risk circumvention of the law.

(F) Disclosure could reasonably be expected to endanger the life or physical safety of an individual.

OTHER (Specify)

**PART II.B -- DENYING OFFICIALS**

Pursuant to 10 CFR 9.25(g), 9.25(h), and/or 9.65(b) of the U.S. Nuclear Regulatory Commission regulations, it has been determined that the information withheld is exempt from production or disclosure, and that its production or disclosure is contrary to the public interest. The person responsible for the denial are those officials identified below as denying officials and the FOIA/PA Officer for any denials that may be appealed to the Executive Director for Operations (EDO).

DENYING OFFICIAL	TITLE/OFFICE	RECORDS DENIED	APPELLATE OFFICIAL EDO SECY IG
Guy P. Caputo	Director, Office of Investigations	Appendix L	✓

Appeal must be made in writing within 30 days of receipt of this response. Appeals should be mailed to the FOIA/Privacy Act Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, for action by the appropriate appellate official(s). You should clearly state on the envelope and letter that it is a "FOIA/PA Appeal."

**APPENDIX K  
RECORDS BEING RELEASED IN THEIR ENTIRETY**

<b><u>NO.</u></b>	<b><u>DATE</u></b>	<b><u>DESCRIPTION/(PAGE COUNT)</u></b>
1.	3/13/97	Exhibit 1 to OI Case 3-97-013, Investigation Status Record (2 pages)
2.	Undated	Exhibit 2 to OI Case 3-97-013, Steam Generator Replacement Contract Time-Line (2 pages)
3.	8/1/96	Exhibit 4 to OI Case 3-97-013, Memorandum to E. Gorden, M-K, from A. Artayet, M-K, Subject: Delegation of Authority for the Point Beach SGRP (2 pages)
4.	Undated	Exhibit 5 to OI Case 3-97-013, Welding Procedure Specification (7 pages)
5.	1/1/97	Exhibit 6 to OI Case 3-97-013, Letter to T. Zarges, M-K, from W. Zimmerman, Hartford Insurance, Subject: 1996 Management Review of QA Program (3 pages)
6.	1/15/97	Exhibit 7 to OI Case 3-97-013, Quality Finding Report (11 pages)
7.	10/30/97	Exhibit 9 to OI Case 3-97-013, Memorandum to R. Paul, OI, B. Clayton, EICS/RIII, from J. Hopkins, OAC/RIII, Subject: ALJ Recommended Decision (12 pages)
8.	8/7/97	Exhibit 10 to OI Case 3-97-013, Report of Interview of W. Zimmerman, Hartford Insurance (31 pages)
9.	9/16/97	Exhibit 11 to OI Case 3-97-013, Report of Interview of C. Ballaro (28 pages)
10.	12/3/97	Exhibit 13 to OI Case 3-97-013, Report of Interview of E. Gorden, M-K (44 pages)
11.	12/3/97	Exhibit 14 to OI Case 3-97-013, Report of Interview of M. Bingham, M-K (42 pages)
12.	1/8/98	Exhibit 20 to OI Case 3-97-013, Report of Interview of T. Zarges, M-K (25 pages)
13.	11/4/96	Exhibit 22 to OI Case 3-97-013, Memorandum to File, from A. Walcutt, M-K, Subject: Point Beach Charpy V Notch Testing Program (Att.-Summary of Weld Tests Done, History of WPS Qualifications for PB SGRP (12 pages)

14. 4/23/97 Exhibit 23 to OI Case 3-97-013, Memorandum to H. Clayton, EICS/RIII, from R. Paul, OI, Subject: M-K Alleged Discrimination Against a Corporate Welding Engineer for Raising Welding Concerns (OI Case No. 3-97-013) (2 pages)
15. 2/28/97 Exhibit 24 to OI Case 3-97-013, Memorandum to File, from A. Walcutt, M-K, Subject: Evaluation of Potential Part 21 As Described in IOC (6 pages)
16. 1/30/97 Exhibit 25 to OI Case 3-97-013, E-mail to K. Tobin, M-K, from D. Edleman, M-K, Subject:: Group Welding Engineer (2 pages)
17. 3/20/97 Exhibit 26 to OI Case 3-97-013, Affidavit of D. Edleman, M-K (2 pages)
18. 3/20/97 Exhibit 29 to OI Case 3-97-013, Affidavit of L. Pardi, M-K (2 pages)
19. 1/28/97 Exhibit 30 to OI Case 3-97-013, Memorandum to T. Zarges, M-K, from A. Walcutt, M-K, Subject: 1996 Management Review (3 pages)
20. 10/31/97 Exhibit 31 to OI Case 3-97-013, Letter to K. Ashmus, Esq., from S. Bell, Esq., Subject:: Artayet v. M-K (5 pages)
21. Undated Exhibit 33 to OI Case 3-97-013, Quality Program Resolution Sgt Ltd. (2 pages)
22. 6/18/96 Exhibit 34 to OI Case 3-97-013, M-K QA Manual (128 pages)
23. 12/22/97 Exhibit 35 to OI Case 3-97-013, Memorandum to OI Case File, from J. Ulie, OI, Subject: Memorandum of Telephone Discussion with Mr. Max Bingham (2 pages)
24. Undated Notice of Significant Meeting (2 pages)
25. 3/23/97 E-mail to J. Lee, NRR, from J. Hopkins, OAC/RIII, Subject: Heads Up (1 page)
26. 3/24/97 Fax sheet transmitting letter to Chief Administrative Law Judge, from L. Rogozinski, Esq., Subject: M-K v. Artayet (2 pages)
27. 3/27/97 E-mail to J. Lee, NRR, from J. Ulie, OI, Subject: Coordination of CI Interview (1 page)
28. 6/6/97 Letter to R. Edmister, Esq., from S. Bell, Esq., Subject: Artayet v. M-K (2 pages)
29. 6/27/97 Memorandum to B. Berson, RIII, from R. Paul, OI, Subject: M-K Corporation: Alleged Discrimination Against a Corporate Welding Engineer for Raising Welding Concerns (1 page)
30. 7/8/97 Letter to W. Zimmerman, Hartford Insurance, from J. Ulie, OI, Subject: Attempts to Contact (1 page)

31. 9/5/97 E-mail to J. Hopkins, OAC/RIII, from J. Ulie, OI, Subject: M-K (1 page)
32. 10/31/97 Fax sheet transmitting letter to K. Ashmus, Esq., from S. Bell, Esq., Subject: Artayet v. M-K (3 pages)
33. 11/21/97 Memorandum to OI Case File, from J. Ulie, OI, Subject: Memorandum of Telephone Discussion with A. Artayet (Att.-Fax Cover Sheet, 9/18/97 Memorandum to File, from A. Walcutt, M-K, 9/15/97 Memorandum to Distribution, from D. Edleman, M-K, Organization Chart, I/P Division Project Offices (7 pages)
34. 1/7/98 Letter to M. Bingham, M-K, from J. Ulie, OI, Subject: Telephone Documentation (1 pages)
35. 2/10/98 Fax sheet transmitting letter to R. Edmister, Esq., from S. Bell, Esq., Subject: Artayet v. M-K (3 pages)
36. 3/18/99 Letter to M. Connors, DOL, from R. Paul, OI, Subject: Backup Information (1 page)
37. Various Investigation Status Record (2 pages)

**APPENDIX L  
RECORDS BEING WITHHELD IN PART**

<b><u>NO.</u></b>	<b><u>DATE</u></b>	<b><u>DESCRIPTION/(PAGE COUNT)/EXEMPTIONS</u></b>
1.	2/6/98	Memorandum to A. Beach, RIII, from R. Paul, OI, Subject: Morrison Knudsen Corporation: Alleged Discrimination Against the Corporate Welding Engineer (OI Case No. 3-98-013) (Att.-Report of Investigation) (27 pages) <b>(EX. 5 &amp; 7C)</b>
2.	4/11/97	Exhibit 3 to OI Case 3-97-013, Interview with A. Artayet (214 pages) <b>(EX. 4 &amp; 7C)</b>
3.	11/12/97	Exhibit 12 to OI Case 3-97-013, Interview with P. Evans (41 pages) <b>(EX. 7C)</b>
4.	Undated	Exhibit 15 to OI Case 3-97-013, Interview with Administrative Law Judge and M. Cepkauskas, M-K (18 pages) <b>(EX. 7C)</b>
5.	Undated	Exhibit 16 to OI Case 3-97-013, Interview with Administrative Law Judge and D. Edleman, M-K (31 pages) <b>(EX. 7C)</b>
6.	Undated	Exhibit 17 to OI Case 3-97-013, Interview with Administrative Law Judge and L. Pardi, M-K (47 pages) <b>(EX. 7C)</b>
7.	Undated	Exhibit 19 to OI Case 3-97-013, Interview with Administrative Law Judge and A. Walcutt, M-K (18 pages) <b>(EX. 7C)</b>
8.	Undated	Exhibit 21 to OI Case 3-97-013, Interview with Administrative Law Judge and K. Tobin, M-K (12 pages) <b>(EX. 7C)</b>
9.	12/19/95	Exhibit 27 to OI Case 3-97-013, Performance Appraisal of A. Artayet (5 pages) <b>(EX. 7C)</b>
10.	12/23/96	Exhibit 28 to OI Case 3-97-013, Performance Appraisal of A. Artayet (5 pages) <b>(EX. 7C)</b>
11.	3/20/97	AMS Cover Sheet with OI Phone Message from A. Artayet (1 page) <b>(EX. 7C)</b>
12.	4/21/97	Case Chron (6 pages) <b>(EX. 7C)</b>
13.	4/21/97	Letter to J. Ulie, OI, from S. Bell, Attorney, Subject: Artayet/M-K (Atts.-1/22/97 Memo to A. Walcutt, M-K, from A. Artayet, M-K, Subject: Concerns, *Classified Ad for Welder) (3 pages) <b>(EX. 7C)</b>
14.	5/7/97	Letter to J. Ulie, OI, from S. Bell, Attorney, Subject: Artayet/M-K (1 page) <b>(EX. 7C)</b>
15.	10/15/97	Fax from A. Artayet Summarizing Work Week (9 pages) <b>(EX. 7C)</b>

# EXHIBIT 1

K/1

INVESTIGATION STATUS RECORD

Case No.: 3-97-013 Facility: MORRISON KNUDSEN CORP.  
Cleveland, OH

Allegation No.: RIII-97-A-0035 Case Agent: ULIE

Docket No.: N/A Date Opened: 03/13/97

Source of Allegation: ALLEGER (A)

Notified by: OAC:RIII (HOPKINS) Priority: HIGH

Category: IH Case Code: RP

Subject/Allegation: ALLEGED DISCRIMINATION AGAINST A CORPORATE  
WELDING ENGINEER FOR RAISING WELDING CONCERNS

Remarks: 10 CFR 50.7

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Monthly Status Report:

03/13/97: On February 18, 1997, Alain ARTAYET, a Corporate Welding Engineer (CWE) for Morrison Knudsen (MK), filed an employment discrimination complaint with the U.S. Department of Labor (DOL). ARTAYET said he was responsible for providing oversight to welding performed in nuclear power plants where MK performed construction services. On January 1, 1997, Hartford Steam Boiler Inspection and Insurance Company (Hartford) transmitted to MK a quality assurance (QA) audit which identified that certain welding procedures used by MK at Point Beach Nuclear Power Plant (Point Beach) were not in compliance with applicable welding codes and standards. ARTAYET's review of the Point Beach welding procedures following and as a result of the Hartford QA audit concluded that 14 of 18 welding procedures used by MK at Point Beach failed to meet relevant QA standards. On January 14, 1997, ARTAYET was informed that the MK Vice President of the Power Division was "unhappy" with the contents of his report and that ARTAYET was "expendable" as MK's CWE. On January 15, 1997, ARTAYET was asked to review MK's Field Welding Procedure Manual for the D.C. Cook Nuclear Power Plant. ARTAYET identified deficiencies in this manual and completed an internal MK document for 10 CFR Part 21 notification. Later, on January 15, 1997, ARTAYET was summoned to a meeting with an MK manager where he was informed that the CEO (of MK's Power Division), had made a decision to fire ARTAYET from his position as CWE. On February 7, 1997, ARTAYET accepted a non-nuclear position at an MK project in Parkersburg, West Virginia. ARTAYET reported to the MK project in Parkersburg, West Virginia, on February 11, 1997. On March 13, 1997, an ARB was held on this issue and OI was asked to initiate an investigation to determine if ARTAYET was discriminated against. STATUS: FWP ECD (90 DAY): 06/97

# EXHIBIT 2

K/2

**STEAM GENERATOR REPLACEMENT CONTRACT**

**CONTRACT AWARDED TO MORRISON KNUDSEN IN AUGUST 1994**

**A NOVATION AGREEMENT TRANSFERRED THE CONTRACT TO SGT LTD  
IN SPRING 1995.**

**SGT LTD MOBILIZED CONSTRUCTION AND ENGINEERING RESOURCES  
TO THE SITE DURING BOTH THE 1994 AND 1995 FALL UNIT 2 REFUELING  
OUTAGES TO TAKE CONTAINMENT FIELD MEASUREMENTS**

**SGT ESTABLISHED FULL TIME PRESENCE AT PBNP IN SPRING OF 1995**

**SGRP REFUELING OUTAGE COMMENCED IN EARLY OCTOBER 1996**

**SGT LTD DEMOBILIZED FROM SITE IN EARLY MARCH 1997**

**SGT LTD PERSONNEL RETURNED TO PBNP IN MID JUNE 1997 TO  
COMPLETE SITE RESTORATION ACTIVITIES AND TO SUPPORT "HOT  
GAP" MEASUREMENTS.**

**FINAL HOT GAPS COMPLETED IN MID - AUGUST 1997. SGT  
PERMANENTLY DEMOBILIZED FROM SITE.**

EXHIBIT 2

PAGE 1 OF 1 PAGE(S)

# EXHIBIT 4

K/3



DATE: August 1, 1996

TO: Eugene Gorden

FROM: Alain Artayet *AA*

SUBJECT: DELEGATION OF AUTHORITY FOR THE POINT BEACH SGRP

**THIS DOCUMENT IDENTIFIES  
AN ALLEGER**

This IOC is written to delegate you my authority, as Group Welding Engineer, for the preparation and qualification of Welding Procedure Specifications (WPS's) under the provisions of ASME Section III and IX, and MK's Quality Assurance Manual (QAM) for the PB SGRP. As required by the MK QAM, this delegation shall not be redelegated by you. The test coupons for qualifying the WPS's are to be welded under your supervision and control.

This delegation includes certification of MK's Procedure Qualification Records when directed to do so by phone by either myself or Mr. Andy Walcutt, Group Quality Director, if I cannot be contacted.

All original project WPS's, signed PQR's, purchase requisitions, purchase orders, C of C/CMTR for base and weld metal, PWHT strip charts, test weldment data reports, and independent laboratory test reports shall be sent to the GWE for filing. This includes all revisions.

While I am delegating my authority, I am not delegating my responsibility. This delegation for the PB SGRP stands until recinded in writing by me.

cc: M. Bingham  
M. Hendricks  
A. Walcutt  
QA Records File

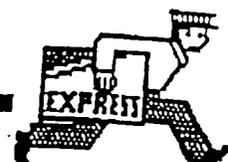
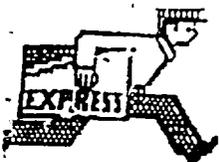
*for welding  
procedure qualificat*

END

**THIS DOCUMENT IDENTIFIES  
AN ALLEGER**

# EXHIBIT 5

K/4



# TELECOPY MESSAGE FROM WASH-WKS

PLEASE DELIVER THE FOLLOWING PAGE(S) TO:  
 NAME: Rusty Gordon  
 LOCATION: \_\_\_\_\_  
 PHONE NUMBER: \_\_\_\_\_

CONFIDENTIALITY NOTE

The documents accompanying the facsimile transmission contain information from DuPont Engineering Polymers which is confidential and/or legally privileged. The information is intended only for the use of the individual or entity named on this transmission sheet. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited and that the documents should be returned to DuPont Engineering Polymers immediately. In this regard, if you have received this facsimile in error, please notify us by telephone immediately so that we can arrange for the return of the original documents.

*REVIEW OF  
MASTER INDEX  
DATED 14-OCT-96  
(11/14/97)*

TELECOPY FROM:  
 NAME: Alain Artajet  
 LOCATION: MK Washington Works  
 PHONE NUMBER: 304-863-2226  
 DATE: 11/6/96 FAX NUMBER: 414-755-6673  
 TOTAL: 6 PAGES (INCLUDING COVER SHEET)

If total document is not received, please call \_\_\_\_\_  
 SPECIAL COMMENTS: \_\_\_\_\_

**INFORMATION ONLY**

IS THIS FAX CONFIDENTIAL?  
 THEN CALL THE RECIPIENT BEFORE YOU SEND  
 TO MAKE SURE THEY ARE WAITING  
 ON THE OTHER END !

• KNOWLEDGE IS OUR FUTURE ... PIP IS OUR GUARANTEE •

EXHIBIT 5  
 1 of 6 PAGE(S)





MORRISON KNUDSEN CORPORATION  
1500 West 3<sup>rd</sup>. Street, Cleveland, Oh 44113

# WELDING PROCEDURE SPECIFICATION

ASME IX Page 1 of 3

WPS NO. FC/1.1-1 PB	Revision 0	Date 9/17/96	Revision N/A	Date N/A	Revision N/A	Date N/A	Revision N/A	Date N/A
Supporting PQR No. FC/1.1-Q1	Revision 0	Date 3/1/96	Supporting PQR No. N/A			Revision N/A	Date N/A	
Supporting PQR No. N/A	Revision N/A	Date N/A	Supporting PQR No. N/A			Revision N/A	Date N/A	

**WELDING PROCESS (ES)**

GTAW     SMAW     FCAW     GMAW     Short Circuiting Transfer  
 Globular Transfer     Spray Transfer     Manual     Semi-Automatic  
 Other    N/A     Machine     Automatic

ASME Section I     ASME Section III     ASME Section VIII     ANSI B31.1     ANSI B31.3  
 Other    N/A

**JOINT DESIGN (QW-402)**

Groove     Compound Angles     Open Butt     Backing Ring     Fillet/Sockets     Consumable Insert  
 Nonmetallic/Nonfusing Metal Retainers     Back Weld     Buttering     Cladding     Other    N/A

**BASE METALS (QW-403)**

P-Numbers 1	Group Numbers (when req'd) All	Backing Material P-1	Diameter Range <u>6" max.</u> All	Fillet <u>no PWHT</u> All <u>1 1/2" max.</u> other compon
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OR  
Specification Type and Grade to Specification Type and Grade N/A need 3/16" min. OR  
Chemical Analysis and Mechanical Properties to Chemical Analysis and Mechanical Properties N/A

**THICKNESS RANGE**

ASME I N/A	ASME III <u>3/16" - 0.625"</u> N/A	ASME VIII Division 1 N/A	ASME IX .1875" to 8.0"	ANSI B31.1 N/A
ANSI B31.3 N/A		Other * For use with non-impact applications only.		

**FILLER METALS (QW-404) POSITION (QW-405)**

Specification Number SFA-5.20	F-No. 6	A-No. 1	AWS Classification No. <u>E71-T1</u> <u>E71T-1</u>	Size of Filler .045" & 1/16"	Position of Groove All
Specification Number N/A	F-No. N/A	A-No. N/A	AWS Classification No. N/A	Size of Filler	Welding Progression <input checked="" type="checkbox"/> Uphill <input type="checkbox"/> Downhill
Insert Spec. Number N/A	F-No. N/A	A-No. N/A	AWS Class. No. of Consum. Inset N/A	Group No. N/A	Shape of Insert N/A
Filler Metal Chemical Composition N/A		Electrode Flux Composition N/A		Supplemental Filler/Powder None	
Flux Composition N/A		Particle Size N/A		Other N/A	

**THICKNESS OF DEPOSITED WELD METAL QUALIFIED (QW-451)**

Process FCAW	Max. Per Pass .375"	Total Qualified <u>0.625" max</u> 750" Maximum	Process N/A	Max. Per Pass N/A	Total Qualified N/A
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**PREHEAT (QW-406)**

Preheat Temperature Min. 50 Deg. F	Interpass Temp. (Max.) 600 Deg. F	Preheat Maintenance None	Monitoring Pyrometer or Tempstick	Other N/A
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**POSTWELD HEAT TREATMENT (QW-407)**

Temperature (Min. or Range) None	Time at Temperature Range N/A	Thickness Range N/A	Other N/A
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**GAS(ES) (QW-408)**

Shielding & % Composition Argon (75%) CO2 (25%)	Flow Rate (cfh) 10-60	Backing and % Composition Argon-Welding Grade (if used)	Flow Rate (cfh) 3-45	Trailing & % Composition None	Flow Rate (cfh) N/A
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INFORMATION ONLY

EXHIBIT



MORRISON KNUDSEN CORPORATION  
1500 West 3<sup>rd</sup>. Street, Cleveland, Oh 44113

# WELDING PROCEDURE SPECIFICATION

ASME IX Page 1 of 3

WPS NO. GT-SM/1.8-1 PB	Revision 0	Date 9/17/96	Revision N/A	Date N/A	Revision N/A	Date N/A	Revision N/A	Date N/A
Supporting PQR No. GT-SM/1.8-Q1	Revision 0	Date 4/10/91	Supporting PQR No. GT/1.8-Q1			Revision 0	Date 4/10/91	
Supporting PQR No. N/A	Revision N/A	Date N/A	Supporting PQR No. N/A			Revision N/A	Date N/A	

### WELDING PROCESS (ES)

GTAW     SMAW     FCAW     GMAW     Short Circuiting Transfer     Manual     Semi-Automatic  
 Globular Transfer     Machine     Automatic  
 Other    N/A     Spray Transfer

ASME Section I     ASME Section III     ASME Section VIII     ANSI B31.1     ANSI B31.3  
 Other    N/A

### JOINT DESIGN (QW-402)

Groove     Compound Angles     Open Butt     Backing Ring     Fillet/Sockets     Consumable Insert  
 Nonmetallic/Nonfusing Metal Retainers     Back Weld     Buttering     Cladding     Other    N/A

### BASE METALS (QW-403)

P-Numbers 1 to 8	Group Numbers (when req'd) All	Backing Material P-1 to P-8	Diameter Range 6" max. All	Fillet 3/4" max. All
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OR  
 Specification Type and Grade to Specification Type and Grade    N/A

OR  
 Chemical Analysis and Mechanical Properties to Chemical Analysis and Mechanical Properties    N/A

<b>THICKNESS</b>	ASME I 0.75" * 1/16" to 8.0"	ASME III 0.625" * 1/16" to 8.0"	ASME VIII Division 1 * 1/16" to 8.0", 1.5"	ASME IX * 1/16" to 8.0"	ANSI B31.1 0.750" * 1/16" to 8.0"
<b>RANGE</b>	ANSI B31.3 N/A    Other * For the GTAW process only. For the SMAW process, the range is 3/16" to 8.0"				

### FILLER METALS (QW-404)

Specification Number SFA-5.9	F-No. 6	A-No. 8	AWS Classification No. ER309 or ER309L	Size of Filler 1/16" - 1/8"	Position of Groove All
Specification Number SFA-5.4	F-No. 5	A-No. 8	AWS Classification No. E309 or E309L	Size of Filler 3/32" - 5/32"	Welding Progression <input checked="" type="checkbox"/> Uphill <input type="checkbox"/> Downhill
Insert Spec. Number None	F-No. N/A	A-No. N/A	AWS Class. No. of Consum. Insert N/A	Group No. N/A	Shape of Insert N/A

Filler Metal Chemical Composition    N/A    Electrode Flux Composition    N/A    Supplemental Filler Powder    None  
 Flux Composition    N/A    Particle Size    N/A    Other    N/A

### THICKNESS OF DEPOSITED WELD METAL QUALIFIED (QW-451)

Process GTAW	Max. Per Pass .250"	Total Qualified 8.0"	Process SMAW	Max. Per Pass .375"	Total Qualified 8.0"
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### PREHEAT (QW-406)

Preheat Temperature Min. 50 Deg. F	Interpass Temp. (Max.) 350 Deg. F	Preheat Maintenance None	Monitoring Pyrometer	Other N/A
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### POSTWELD HEAT TREATMENT (QW-407)

Temperature (Min. or Range) None	Time at Temperature Range N/A	Thickness Range N/A	Other N/A
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### GAS(ES) (QW-408)

Shielding & % Composition Argon - Welding Grade	Flow Rate (cfh) 5-45	Backing and % Composition Argon - Welding Grade (if used) See Note 1	Flow Rate (cfh) 3-45	Trailing & % Composition None	Flow Rate (cfh) N/A
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INFORMATION ONLY



MORRISON KNUDSEN CORPORATION  
1500 West 3<sup>rd</sup>. Street, Cleveland, Oh 44113

WELDING PROCEDURE SPECIFICATION

No. FC/3.3-1 PB Rev. 0

ASME IX

Page 2 of 3

ELECTRICAL CHARACTERISTICS (QW-409)

Current and Polarity	Amperage Range	Wire Feed Speed (ipm)	Voltage Range	Travel Speed Range (ipm)	Heat Input Range (kj/in)	Figure Number (See Following Page)	Welding Process	Filler Metal Size (in.)
DCRP	130-325	150-400	19-30	7.75 Minimum	* 76.1	1	FCAW	.045"
DCRP	220-400	150-350	21-34	10.75 Minimum	* 76.1	1	FCAW	1/16"

Pulsating Current -  GTAW  GMAW SFA/AWS -5.12-EWTh-2 (2% Thoriated Tungsten) Sizes of Tungsten  
 YES  NO  N/A  YES  N/A  Other \_\_\_\_\_ N/A

TECHNIQUE (QW-410)

String or Weave Bead Both	Bead Width (Max.) 3/4"	Oscillation (Mech. Only) N/A	Dwell Time (Mech. Only) N/A	Frequency (Mech. Only) N/A	Gas Cup/Nozzle size 1/2" to 1"		
Contact tube to Work Distance <u>3/8" to 1/4"</u>	Initial & Interpass Cleaning Brush, Chip, Hammer, or Burr	Vacuum Chamber N/A	Other <u>Electrode Stickout-1/2" - 1"</u>	Multipass or Single pass (per side) Multiple Pass Welding Only	Single or Multiple Electrodes Single	Peening Not Permitted	Method of Back Gouging Mechanical and/or Thermal

ADDITIONAL NOTES

Notes:

1) When working with Non-Impact tested materials, the preheat can be <sup>168 min</sup> 150 Deg. F minimum and the interpass temperature may be 500 Deg. F Maximum.

2) When the base material thickness (T) is over 2", the minimum holding time at temperature shall be 2 hours plus 15 minutes for each additional inch over 2".

\* Heat Input of 76.1 kilo-joules/inch shall not be violated. To ensure this does not happen, multiply your highest amps x highest volts x 60 and divide by your lowest travel speed. This will be your joules/inch.

*conflict*

INFORMATION ONLY

EXHIBIT 5

PAGE 4 OF 6 PAGE(S)



MORRISON KNUDSEN CORPORATION  
1500 West 3<sup>rd</sup>. Street, Cleveland, Oh 44113

# WELDING PROCEDURE SPECIFICATION

ASME IX Page 1 of 3

WPS NO. FC/1.8-1 PB	Revision 0	Date 9/16/96	Revision N/A	Date N/A	Revision N/A	Date N/A	Revision N/A	Date N/A
Supporting PQR No. FC/1.8-Q1	Revision 1	Date 9/25/96	Supporting PQR No. N/A			Revision N/A	Date N/A	
Supporting PQR No. N/A	Revision N/A	Date N/A	Supporting PQR No. N/A			Revision N/A	Date N/A	

**WELDING PROCESS (ES)**

GTAW     SMAW     FCAW     GMAW     Short Circuiting Transfer  
 Globular Transfer     Spray Transfer     Manual     Semi-Automatic  
 Other    N/A     Machine     Automatic

ASME Section I     ASME Section III     ASME Section VIII     ANSI B31.1     ANSI B31.3  
 Other    N/A

**JOINT DESIGN (QW-402)**

Groove     Compound Angles     Open Butt     Backing Ring     Fillet/Sockets     Consumable Insert  
 Nonmetallic/Nonfusing Metal Retainers     Back Weld     Buttering     Cladding     Other    N/A

**BASE METALS (QW-403)**

P-Numbers 1 to 8	Group Numbers (when req'd) All	Backing Material P-1 or P-8	Diameter Range 6" max. Att see NB-2300	Fillet 3/4" max. Att see NB-2300
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OR  
Specification Type and Grade N/A OR  
Chemical Analysis and Mechanical Properties to Specification Type and Grade N/A

**THICKNESS RANGE**

ASME I .1875" to .750"	ASME III 0.625" to 1.0"	ASME VIII Division 1 .1875" to 1.0"	ASME IX .1875" to 1.0"	ANSI B31.1 .1875" to .750"
ANSI B31.3 N/A	Other N/A			

**FILLER METALS (QW-404) POSITION (QW-405)**

Specification Number SFA-5.22	F-No. 6	A-No. 8	AWS Classification No. E309LT-1 or E309T-1	Size of Filler .035" thru 1/16"	Position of Groove All
Specification Number N/A	F-No. N/A	A-No. N/A	AWS Classification No. N/A	Size of Filler N/A	Welding Progression <input checked="" type="checkbox"/> Uphill <input type="checkbox"/> Downhill
Insert Spec. Number N/A	F-No. N/A	A-No. N/A	AWS Class. No. of Consum. Insert N/A	Group No. N/A	Size of Insert N/A
Filler Metal Chemical Composition N/A			Electrode Flux Composition N/A	Supplemental Filler/Powder None	
Flux Composition N/A			Particle Size N/A	Other N/A	

**THICKNESS OF DEPOSITED WELD METAL QUALIFIED (QW-451)**

Process FCAW	Max. Per Pass .375"	Total Qualified 1" Maximum	Process N/A	Max. Per Pass N/A	Total Qualified N/A
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**PREHEAT (QW-406)**

Preheat Temperature Min. 50 Deg. F	Interpass Temp. (Max.) 350 Deg. F	Preheat Maintenance None	Monitoring Pyrometer	Other N/A
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**POSTWELD HEAT TREATMENT (QW-407)**

Temperature (Min. or Range) None	Time at Temperature Range N/A	Thickness Range N/A	Other N/A
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**GAS(ES) (QW-408)**

Shielding & % Composition Argon (75%) CO2 (25%)	Flow Rate (cfh) 10-50	Backing and % Composition Argon-Welding Grade (if used)	Flow Rate (cfh) 3-45	Trailing & % Composition None	Flow Rate (cfh) N/A
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MORRISON KNUDSEN CORPORATION  
1500 West 3<sup>rd</sup>. Street, Cleveland, Oh 44113

# WELDING PROCEDURE SPECIFICATION

ASME IX Page 1 of 3

WPS NO. GM/1.1-5 PB	Revision 0	Date 9/17/96	Revision N/A	Date N/A	Revision N/A	Date N/A	Revision N/A	Date N/A
Supporting PQR No. GM/1.1-Q5	Revision 0	Date 8/28/96	Supporting PQR No. N/A			Revision N/A	Date N/A	
Supporting PQR No. N/A	Revision N/A	Date N/A	Supporting PQR No. N/A			Revision N/A	Date N/A	

**WELDING PROCESS (ES)**

GTAW    SMAW    FCAW    GMAW    Short Circuiting Transfer    Manual    Semi-Automatic  
 Other   N/A    Globular Transfer    Machine    Automatic  
 ASME Section I    ASME Section III    ASME Section VIII    ANSI B31.1    ANSI B31.3  
 Other   N/A

**JOINT DESIGN (QW-402)**

Groove    Compound Angles    Open Butt    Backing Ring    Fillet/Sockets    Consumable Insert  
 Nonmetallic/Nonfusing Metal Retainers    Back Weld    Buttering    Cladding    Other   N/A

**BASE METALS (QW-403)**

P-Numbers 1	Group Numbers (when req'd) All	Backing Material P-1	Diameter Range <u>All</u> 6" max.	Fillet <u>All</u> 3/4" max. <i>needed</i> <u>All</u> 1/2" max. <i>ca power</i>
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OR  
 Specification Type and Grade N/A  
 to Specification Type and Grade \_\_\_\_\_  
 OR  
 Chemical Analysis and Mechanical Properties N/A  
 to Chemical Analysis and Mechanical Properties \_\_\_\_\_

<b>THICKNESS</b>	ASME I .0625" to .750"	ASME III 0.625" to .750"	ASME VIII Division 1 .0625" to .750"	ASME IX .0625" to .750"	ANSI B31.1 .0625" to .750"
<b>RANGE</b>	ANSI B31.3 N/A	Other * For use with non-impact applications only.			

**FILLER METALS (QW-404) POSITION (QW-405)**

Specification Number SFA-5.18	F-No. 6	A-No. 1	AWS Classification No. * ER70S-X	Size of Filler .035" thru 1/16"	Position of Groove All
Specification Number N/A	F-No. N/A	A-No. N/A	AWS Classification No. N/A	Size of Filler N/A	Welding Progression <input checked="" type="checkbox"/> Uphill <input type="checkbox"/> Downhill
Insert Spec. Number N/A	F-No. N/A	A-No. N/A	AWS Class. No. of Consum. Insert N/A	Group No. N/A	Shape of Insert N/A
Filler Metal Chemical Composition N/A			Electrode Flux Composition N/A	Supplemental Filler/Powder None	
Flux Composition N/A			Particle Size N/A	Other * ER70S-3, 4 or 6 is acceptable for use.	

**THICKNESS OF DEPOSITED WELD METAL QUALIFIED (QW-451)**

Process GMAW	Max. Per Pass .375"	Total Qualified .750" Maximum	Process N/A	Max. Per Pass N/A	Total Qualified N/A
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**PREHEAT (QW-406)**

Preheat Temperature Min. 50 Deg. F	Interpass Temp. (Max.) 600 Deg. F	Preheat Maintenance None	Monitoring Pyrometer	Other N/A
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**POSTWELD HEAT TREATMENT (QW-407)**

Temperature (Min. or Range) None	Time at Temperature Range N/A	Thickness Range N/A	Other N/A
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**GAS(ES) (QW-408)**

Shielding & % Composition Argon (95%) CO2 (5%)	Flow Rate (cfh) 10-50	Backing and % Composition Argon-Welding Grade (if used)	Flow Rate (cfh) 3-45	Trailing & % Composition None	Flow Rate (cfh) N/A
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INFORMATION ONLY

EXHIBIT 2

# EXHIBIT 6

K/S



Chicago Office  
The Hartford  
Steam Boiler Inspection  
and Insurance Co.

2445 Warrenville Road, Suite 500  
Lisle, Illinois 60532  
Tel: (708) 955-1866  
Fax: (708) 955-1867

**RECEIVED**

**JAN 06 1997**

**MK-Ferguson Group  
Quality Management Department**

January 1, 1997

Thomas H Zarges, President & CEO  
Morrison Knudsen Corporation  
1500 West 3rd Street  
Cleveland, Ohio 44113 - 1406

**SUBJECT:** 1996 Management Review of the Morrison Knudsen Corporation's Quality Assurance Programs.

Dear Mr. Zarges;

As requested in your letter dated 16 December 1996, a Management Review of the Morrison Knudsen corporate Quality Assurance Programs was conducted on 30 & 31 December 1996. The management review took place at your Cleveland office, located at 1500 West 3rd Street, Cleveland, OH 44113.

The purpose of this audit was to evaluate the status and effectiveness of the Morrison Knudsen Corporation Quality Assurance Manual, 10 CFR50 Appendix B / NQA - 1 manual.

This audit was conducted on 30 & 31 December 1996 by interviewing management and other personnel and selectively examining objective evidence in the form of procedures, instructions and records. The scope was limited to the software items relative to corporate some project activities.

Personnel contacted during this Management Review are as follows:

Andrew Walcutt, Group Quality Director  
Alain Artayet, Group Welding Engineer  
Bruce Kovacs, Senior Quality Engineer  
Stacey Lambert, Document Control Specialist

At the conclusion of the Management Review the following findings and observations were noted:

**Findings:**

1. No training matrix was available for 20 August 1996.
2. Corporate WPS GT - SM 3.3 Q2 limits the heat input for the GTAW process, the Point Beach WPS was written exceeding the corporate guidelines.
3. There was no letter of delegation for the WPS's signed by Paul Evans.
4. Site specific WPS was generated without a corporate WPS and corporate QGD review and approval (WPS GTM 1.1-3PB)

EXHIBIT \_\_\_\_\_



Observations:

1. WPS GTM 1.1-3 PB. PQR lists the required WPS as GT -SM 1.1-1PB
2. The QAM requires at least one audit to be performed annually by each lead assessor the records did not show any audit being conducted by Mr. Beckley for the period of March 1995 through March 1996.

The closing meeting was held on 31 December 1996. The results of the audit were discussed with Mr. Andrew Walcutt, Group Quality Director and Mr. Alain Artayet, Group Welding Engineer. Overall the Quality Assurance Programs as documented and implemented, with the exception of the above findings, were found to be adequate and effective.

If you have any questions or if I can be of any further assistance please do not hesitate to call me at 216-521-0508 or fax 216-521-0565.

Sincerely,

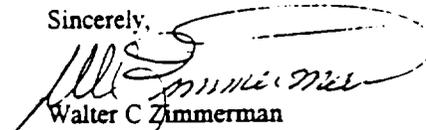
  
Walter C Zimmerman  
Lead Auditor

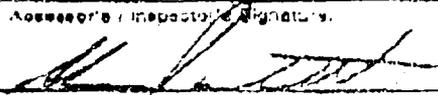
EXHIBIT 6

PAGE 2 OF 2 PAGE(S)

# EXHIBIT 7

K/6

QA 004

 <b>MORRISON KNUDSEN CORPORATION</b> 1900 West 3rd Street, Cleveland, OH 44113		Form Source <b>QUALITY ASSURANCE INSTRUCTION</b>	
Form Title <b>QUALITY FINDING REPORT</b>		Department No. <b>036</b>	Form Page 1 of 2
Assessment or Vendor Surveillance Report Number: <b>C-98-022</b>		QFR Number: <b>QFR - 01</b>	Form No. <b>QA 18.1-3</b>
		Form Revision Date <b>03-Jan-95</b>	
Assessment or Vendor Surveillance Report Number: <b>C-98-022</b>		QFR Number: <b>QFR - 01</b>	Date: <b>15-Jan-97</b>
<b>COMPLETED BY MK ASSESSOR / INSPECTOR</b>			
Organization / Project: <b>MK Corporate</b> <b>Project No. 4621- Point Beach SGRP</b>		Person Contacted: <b>A.J. Walcutt</b>	
Referenced Requirements (Section Number, Paragraph Number, etc.)			
<ol style="list-style-type: none"> <li>ASME Section III QA Manual Paragraph 3.2.4 requires that Project specific WPS's be based on Corporate PQR's/WPS's.</li> <li>ASME Section III QA Manual Paragraph 3.2.3 specifies that Corporate PQR's/WPS's are approved by the Group Welding Engineer.</li> <li>ASME Section III QA Manual paragraph 3.2.4 requires that Project specific WPS's be based on Corporate PQR's/WPS's, and Paragraph 3.2.3 requires Corporate PQR's/WPS's to be approved by the GWE/QGD.</li> </ol>			
FINDING - Include Specific Requirement(s) Violated:			
<ol style="list-style-type: none"> <li>Contrary to the requirements specified in Item 1 above, the Point Beach Project specific WPS (WPS No. GT-SM/3.3-2PB) exceeds the heat input limits specified by Corporate WPS No. GT-SM/3.3-3 (Management Assessment finding 2).</li> <li>Contrary to the requirements specified in Item 2 above, there was no letter from the GWE delegating Mr. Paul Evans the authority to sign PQR No. GT-SM/1.1-Q5 Rev. 0 on the date the PQR was signed. The sign-off indicates that it was made for the PWE. (Management Assessment finding 3).</li> <li>Contrary to the requirements specified in Item 3 above, Project specific WPS No. GTM/1.1-3PB was generated without a Corporate WPS being issued. (Management Assessment finding 4).</li> </ol>			
Note: As a result of these three (3) findings a review of all Point Beach generated WPS's and the one (1) PQR has been performed by MK Corporate Quality. Additional findings were noted. All findings, including those listed above, are identified in Attachment 1. Responses are to be identified in terms of the Attachment 1 numbering scheme. (Attachment 1 consisting of eight (8) pages).			
Response Due Date: <b>31-Jan-97</b>		Assessor's / Inspector's Signature: 	

QA Form No.

**EXHIBIT 7**

Attachment 1

QFR-No. C-96-022-01

**REVIEW OF ALL POINT BEACH SGRP WPS's**

In response to QFR No. 01 issued as the result of the annual management review No. C-96-022, all (total of 18) ASME Section III Point Beach SGRP Welding Procedure Specifications (WPS's) distributed by this project have been reviewed. Based on this review, the following WPS's require some form of action. This review was performed under the scope of ASME Section IX - 1995 edition with no addenda and ASME Section III - 1986 edition with no addenda.

**1.0 WPS-No. FC/1.1-1 PB (Rev. No. 0, dated 9/17/96)**

- 1.1 This WPS is marked with an "X" to permit its use under the scope of ASME Section III, but the thickness range limit, as required by NB/NC-2311(a), is not described.

**ACTION-** The project is to identify if this WPS was used under the scope of ASME Section III. If used on ASME III work, confirm that the thickness ranges of the material where the WPS was used (based on the applicable PQR) were within Code limits.

- 1.2 The filler metal AWS Classification No. listed on the WPS is E71-T1. E71T-1 is the proper filler metal designation described in the appendix of the SFA-5.20 weld filler metal specifications. This is an editorial mistake which does not impact the integrity of the weld(s).

**ACTION-** The project is to confirm that this WPS is no longer in use.

**2.0 WPS-No. FC/1.8-1 PB (Rev. No. 0, dated 9/16/96)**

The PQR-Rev. No. 1 is dated 9/25/96, and the WPS Rev. No. 0 is dated 9/16/96. The revision date of the WPS should either be the same date as the PQR or later. This is an editorial mistake which does not impact the integrity of the weld(s).

**ACTION-** The project is to confirm that this WPS is no longer in use.

THIS DOCUMENT CONTAINS UNCLASSIFIED INFORMATION

Attachment 1

QFR-No. C-96-022-01

**3.0 WPS-No. FC/3.3-1 PB (Rev. No. 0, dated 9/6/96)**

- 3.1 As an essential variable, ASME Section IX QW-406.1 permits a decrease of 100°F from the preheat temperature used during procedure qualification. The maximum qualified preheat, as recorded on the PQR, is 268°F. Therefore, the minimum preheat permitted to be used without requalification of this WPS is 168°F. Note 1 of the WPS permits the use of a minimum preheat of 150°F.

**ACTION-** The project is to confirm that this WPS was not used or, if used, that the minimum preheat was not lower than 168°F.

- 3.2 There is a conflict between the contact tube to work distance (CTWD) range of 3/8" to 3/4" (a nonessential variable required by ASME Section IX, QW-410.8) and the electrode stickout range of 1/2" to 1" (not required by ASME IX) described in this WPS. CTWD is defined in ASME Section IX, QW-490 (which references AWS 3.0), as the distance between the end of the contact tube (usually located inside the gas nozzle) to the workpiece. Electrode stickout is defined as the distance between the end of the gas nozzle and the tip of the flux-cored wire.

An electrode stickout of 1" exceeds the maximum CTWD of 3/4". This is a nonessential variable in which a change may be made in the WPS without requalification.

**ACTION-** The project is to confirm that this WPS is no longer in use.

Attachment 1

QFR-No. C-96-022-01

- 4.0 WPS-No. FC/1.1-1 PB (Rev. No. 0, dated 9/17/96),  
FC/1.8-1 PB (Rev. No. 0, dated 9/16/96),  
GM/1.1-5 PB (Rev. No. 0, dated 9/17/96), and  
GT-SM/1.8-1 PB (Rev. No. 1, dated 11/23/96)

ASME Section III NB/NC-2311(a) requires notch toughness testing for carbon steel thicknesses greater than 5/8", as a supplementary essential variable. The above project WPS's were qualified without notch toughness requirements, as indicated in the respective supporting PQR(s). One, or a combination of weld joint figures 5 and 9 are marked with an "X", and these figures permit the use of these WPS's on heavywall butt joints with thicknesses greater than 3/4". WPS-No. FC/1.8-1 PB, GM/1.1-5 PB and GT-SM/1.8-1 PB indicate thickness ranges of 3/16" - 1", 1/16" - 3/4" and 1/16" - 8", respectively, for ASME Section III.

**ACTION-** The project is to confirm that the above 4 WPS's were not used on thicknesses greater than 5/8", as specified in NB/NC-2311(a).

- 5.0 WPS-No. GT-SM/1.1-1 PB (Rev. No. 4, dated 11/28/96)

5.1 ASME Section III Table NB/NC-4622.7(b)-1 exempts PWHT for thicknesses of 1/2" and less. This WPS was revised to permit welding on carbon steel with or without the use of PWHT. The WPS permits welding on thicknesses of 3/16" to 8". The WPS fails to indicate that exemption from PWHT only applies for thicknesses of 1 1/2" and less. By Code, PWHT for thicknesses over 1 1/2" is an essential variable.

**ACTION-** The project is to confirm that this WPS was not used on thicknesses greater than 1 1/2", without the use of PWHT.

5.2 Revision 3 and earlier revisions of this WPS (with no PWHT) required a maximum heat input of 28.8 kJ/in. for the GTAW process for thicknesses between 5/8" and 1 1/2". The GTAW portion of the WPS for Revision 4 has maximum heat input values of 43.2, 44.8 and 47.4 kJ/in. for thicknesses between 5/8" and 1 1/2" for applications to be used with or without the use of PWHT. When a WPS is to be used for both PWHT conditions (each as essential variable), the WPS must describe the limitations of both PWHT and no PWHT applications. Revision 4 of this WPS fails to indicate the maximum heat input limitation of 28.8 kJ/in. for the GTAW process to be used on thicknesses between 5/8" and 1 1/2" without the use of PWHT.

**ACTION-** The project is to confirm that this WPS was not used with heat inputs higher than 28.8 kJ/in. on thicknesses between 5/8" to 1 1/2" without PWHT.

Page 3 of 8

Morrison Knudsen

EXHIBIT 7

PAGE 4 OF 10 PAGE(S)

Attachment 1

QFR-No. C-96-022-01

**6.0 WPS-No. GT-SM/1.8-1 PB (Rev. No. 1, dated 11/23/96)**

The filler metal SMAW process AWS Classification Numbers listed on the WPS are E309 or E309L. E309-15 or -16 and E309L-15 or -16 are the proper filler metal designation described in the SFA-5.4 weld filler metal specifications. This is an editorial mistake which does not impact the integrity of the weld(s).

**ACTION-** The project is to confirm that this WPS is no longer in use.

**7.0 WPS-No. GTM/1.1-2 PB (Rev. No. 1, dated 12/02/96)**

**7.1** ASME Section III Table NB/NC-4022.7(b)-1 exempts PWHT for thicknesses of 1 1/2" and less. This WPS permits welding on carbon steel without the use of PWHT. The WPS permits welding on thicknesses in the range of 1/16" to 8". The WPS fails to indicate that exemption from PWHT only applies for thicknesses of 1 1/2" and less. PWHT for thicknesses over 1 1/2" is an essential variable.

**ACTION-** The project is to confirm that this WPS was not used on thicknesses greater than 1 1/2" without the use of PWHT.

**7.2** This project WPS was not prepared based on a corporate WPS in accordance with MK's QAM paragraph 3.2.4. For program compliance purposes, continued use of this WPS on a project will require development of a corporate WPS and revision of this WPS.

**ACTION-** The project is to confirm that this WPS is not being used. Corporate is to generate a corporate WPS.

**8.0 WPS-No. GTM/1.1-3 PB (Rev. No. 1, dated 12/03/96)**

**8.1** The test report no.132449 dated November 27, 1996 for PQR-No. GT-SM/1.1-Q5 indicates that the welding procedure qualification test specimens were tested by Bodycote Taussig, Inc. Bodycote Taussig, Inc. was not on MK's Approved Suppliers List, as required by the MK QAM paragraphs 5.2.1 and 9.2.3.

**ACTION-** Corporate is to perform an assessment of Bodycote Taussig, Inc. to verify that they have continued implementation of the Taussig's QA program.

Attachment 1

QFR-No. C-96-022-01

8.2 Mr. Paul Evans certified PQR-No. GT-SM/1.1-Q5 for Mr. Eugene Gordon on 11/27/96. Certification of this PQR was performed before the 12/5/96 delegation IOC-No. M-QM-96-091 that delegated Mr. Evans the authority by the Group Welding Engineer. This IOC was requested to be issued by the GQD on 12/5/96. Delegation is permitted by MK's QAM paragraphs 9.2.4 and Section 0.4 for "Individual Titles," but certification of a PQR should be performed after completion of the written delegation letter. This is a program control issued and not a technical issue.

**ACTION-** The project is to confirm that this WPS is not being used.

8.3 The test report no. 132449 written by Bodycote Taussig, Inc. indicates that ER70S-2 filler metal was used with the GTAW process for welding the test coupon. This is contrary to the ER70S-6 filler metal, which is recorded on PQR-No. GT-SM/1.1-Q5 (Rev. 0) for the GTAW process.

**ACTION-** The project needs to obtain a corrected test report from Bodycote Taussig, Inc., and submit the corrected test report to the Group Quality Director.

8.4 This project WPS was not prepared based on a corporate WPS in accordance with MK's QAM paragraph 3.2.4. The Group Quality Director (GQD) and Group Welding Engineer (GWE) have not approved this combination of WPS and PQR.

**ACTION-** This project WPS and original PQR need to be submitted to the GQD for processing. For program compliance purposes, this WPS and PQR combination will be approved by the GQD and GWE prior to closure of QFR-01 for Management Review No. C-96-022.

8.5 PQR-No. GT-SM/1.1-Q5 references project specific WPS-No. GT-SM/1.1-1 PB. Unknown at the time of the 1996 management assessment performed on 12/30-31/96, WPS-No. GT-SM/1.1-1 PB was revised on 11/28/96 to include this PQR as a supporting document for permitting PWHT (see paragraph 5.3, above). It is not required to have a PQR referencing all of the WPS's that it is supporting. The PQR is acceptable as written.

No action is required on this item.

EXHIBIT 7  
PAGE 6 OF 10 PAGE(S)

## Attachment 1

QIR-No. C-96-022-01

- 8.6 As requested in the above IOC-No. M-QM-96-091 and QAI-11.2 para. 4.5.1, the project has not submitted a copy of the project's purchase order and test weldment data sheet, as applicable. A faxed copy of the independent test laboratory report has been received.

**ACTION-** The project is to submit this information to the Group Quality Director in accordance with MK's ASME QA manual paragraph 3.2.4 and QAI-11.2.

- 9.0 WPS-No. FC/1.1-1 PB (Rev. No. 0, dated 9/17/96),  
 FC/1.8-1 PB (Rev. No. 0, dated 9/16/96),  
 GM/1.1-5 PB (Rev. No. 0, 9/17/96),  
 GT-SM/1.1-1 PB (Rev. No. 4) *with ER70S-2 or 3 & no charpy-V notch.*  
 GT-SM/1.8-1 PB (Rev. No. 1, dated 11/23/96), and  
 GTM/1.1-2 PB (Rev. No. 1) *only para. 9.2 applies for fillet weld throat*

- 9.1 ASME Section III NB/NC-2311(a) requires notch toughness testing for pipe diameters greater than 6" NPS. "All" pipe diameters are permitted to be welded with these WPS's. These WPS's are qualified without notch toughness requirements for carbon steel. This is a supplementary essential variable that is applicable in this instance.

**ACTION-** The project is to confirm that these WPS's were not used on diameters greater than 6" NPS.

- 9.2 For components other than vessels, ASME Section III Table NB/NC-4622.7(b)-1 permits exemptions from PWHT for certain fillet weld throat thicknesses depending on nominal thicknesses (see NB/NC-4622.3), maximum carbon content, and minimum preheat. "All" fillet weld sizes are permitted to be welded with these WPS's. These WPS's are qualified without postweld heat treatment (PWHT) for carbon steel. These WPS's permit welding fillet weld throat thicknesses greater than that permitted by the table indicated above.

**ACTION-** The project is to confirm that these WPS's were not used on fillet weld throat thicknesses greater than that permitted by Table NB/NC-4622.7(b)-1.

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Attachment 1

QFR-No. C-96-022-01

- 10.0 WPS-No. GT/8.43-1 PB (Rev. No. 0, dated 9/17/96),  
GT-SM/43.43-1 PB (Rev. No. 1, dated 11/23/96), and  
GTM/43.43-1 PB (Rev. No. 0, dated 11/22/96)

In accordance with ASME Section IX, QW-404.5 (last paragraph), the A-number designation may also be by reference to the AWS classification (where such exists), the manufacturer's trade designation (in this case, Inco 52 and 152), or other established procurement documents. The A-number designation for these WPS's should be addressed, and not as either "None" or "N/A". In this case, it is required that the filler metal manufacturer's trade designation of "Inco 52 and 152, as applicable" be used on these WPS's for A-number designation. This error does not affect the integrity of welds made with these WPS's, but for program and Code compliance purposes, continued use of these WPS's on a project will require modification of these WPS's to fully comply with ASME Section IX.

**ACTION-** The project is to confirm that these WPS's is no longer in use.

- 11.0 WPS-No. GT-SM/1.3-1 PB (Rev. No. 2, dated 11/19/96),  
GT-SM/3.3-2 PB (Rev. No. 2, dated 11/18/96), and  
GT-SM-BU/1.3-1 PB (Rev. No. 1, dated 11/23/96)

MK's QAM, paragraph 3.2.4, requires that project specific WPS's be prepared "based on the corporate WPS". Therefore, a corporate WPS accompanied each of the PQR's that were submitted to the project. Currently and past MK PQR forms do not identify the use of all combinations of applicable essential and supplementary essential variables established by the PQR. For this reason, since 1989 MK has coupled WPS's with the applicable supporting PQR.

When notch toughness is required, the maximum heat input values established by the corporate WPS and by qualification are considered supplementary essential variables. The maximum heat input value described in the corporate WPS's were exceeded for one or a combination of welding processes on each of the above project WPS's. Project changes to essential variables and supplementary essential variables require requalification.

- A) The SMAW heat inputs of 83.7 and 85.8 kJ/in. for WPS-No. GT-SM/1.3-1 PB exceed the maximum heat input value of 82.9 kJ/in. described in the corporate WPS-No. GT-SM/1.3-1 (supported by PQR-No. GT-SM/1.3-Q1).

**ACTION-** The project is to confirm that this WPS is no longer in use (see Note 1, below).

Attachment 1

QFR-No. C-96-022-01

B) The GTAW heat inputs of 67.2 and 73.3 kJ/in. for WPS-No. GT-SM/3.3-2 PB exceed the maximum heat input value of 64.7 kJ/in. described in the corporate WPS-No. GT-SM/3.3-3 (supported by PQR-No. GT-SM/3.3-Q2).

**ACTION-** The project is to confirm that this WPS is no longer in use (see Note 1, below).

C) The GTAW heat inputs of 57.6, 67.2 and 73.3 kJ/in. and SMAW heat inputs of 79.2, 83.7 and 85.8 kJ/in. exceed the maximum heat input value of 43.3 kJ/in. for GTAW and 54.3 kJ/in. for SMAW described in the corporate WPS-No. GT-SM-BU/1.3-1. In this case, the supporting PQR-No. GT-SM-BU/1.3-Q1 has lower heat input values for both GTAW and SMAW processes than that described on the project WPS.

**ACTION-** The project is to confirm that WPS-No. GT-SM-BU/1.3-1 PB was not used on the Point Beach SGR project.

**Note 1:** The above project WPS's have a supporting PQR with a higher heat input value than that described by the corporate WPS (except for WPS-No. GT-SM-BU/1.3-1 PB).

The project WPS heat input values are below some of the heat input values listed on the PQR, but are higher than the values listed in the corporate WPS. The reason for this discrepancy is where corporate selected the heat input value to be used versus where the project selected the value to be used.

The corporate maximum heat input values were selected by the GWE in accordance with ASME Section III, NB/NC-4330 using the procedure qualification test weldment data sheets, and direction provided by Interpretation No. IX-92-69. Based on the heat input in the removal locations of the welding process weld passes tested, the GWE selected the maximum heat input indicated on each of the corporate WPS's to be used when generating project specific WPS's.

For the 1986 Edition and earlier versions of the Code, it could be interpreted that the Code did not clearly define where the maximum heat input value had to be selected. As an "intent" inquiry, Interpretation IX-92-69 does provide the required clarification and it is good practice to comply with such inquiries. However, Code Interpretation IX-92-69 is not part of the 1986 Code and compliance with it is not required.

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# ULMER & BERNE LLP

ATTORNEYS AT LAW

Internet Address  
http://www.ulmer.com

Bond Court Building  
1300 East Ninth Street, Suite 900  
Cleveland, Ohio 44114-1583  
Fax (216) 621-7488

Columbus Office  
58 East Broad Street, Suite 1980  
Columbus, Ohio 43215-3506  
Fax (614) 228-8561  
Telephone (614) 228-8400

(216) 621-8400

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# EXHIBIT 9

k/7



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION III  
801 WARRENVILLE ROAD  
LISLE, ILLINOIS 60532-4351

October 30, 1997

MEMO TO: R. Paul, OI RIII  
B. Clayton, EICS Officer

FROM: J. Hopkins, OAC *J. Hopkins 10/30/97*

SUBJECT: ALJ RECOMMENDED DECISION AND ORDER (Dated 10/28/97)  
AMS File No. RIII-97-A-0035 (Morrison-Knudsen); OI Case 3-97-013

On 10/30/97, the CI's attorney FAXed a copy of the ALJ's decision to RIII (attached). The 10/28/97 decision is to reinstate the CI. The respondent (Morrison-Knudsen) has 15 days from 10/28 to object.

Attachment: as stated

cc w/attachment:  
AMS File No. RIII-97-A-0035 (Morrison-Knudsen)

cc w/o attachment:  
B. Berson

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PAGE 1 OF 11 PAGE(S)

CASE NO. 3-97-013



OCT 28 1997

CASE NO. 97-ERA-34

In the Matter of

ALAIN ARTAYET  
Complainant

**THIS DOCUMENT IDENTIFIES  
AN ALLEGER**

v.

MORRISON KNUDSEN CORPORATION  
Respondent

Appearances:

Steven D. Bell, Esq.  
Lynn R. Rogozinski, Esq.  
For the Complainant

Keith A. Ashmus, Esq.  
Heather L. Areklett, Esq.  
For the Respondent

BEFORE: DANIEL L. LELAND  
Administrative Law Judge

RECOMMENDED DECISION AND ORDER

This case arises under the employee protection provisions of the Energy Reorganization Act of 1974 (ERA), 42 U.S.C. § 5851, which prohibits Nuclear Regulatory Commission Licensees from discharging or otherwise discriminating against an employee who has engaged in activity protected under the Act. Alain Artayet (complainant) filed a complaint under the Act on February 18, 1997, which was investigated by the Occupational Safety and Health Administration and found to be without merit. Complainant made a timely request for a hearing before an administrative law judge, and a hearing was held before the undersigned in Cleveland, Ohio on June 11 and 12, 1997. Complainant's exhibits (CX) 5, 6, 12, 20, 26, 51, 52, and 53, and respondent's exhibits (RX) A-L were admitted into evidence. At the close of the hearing the parties were given sixty days to submit briefs, and the due date for filing briefs was later extended to September 22, 1997. Both parties filed timely briefs.

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AMC RE 77 4-0035

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## Summary of the Evidence

Complainant holds a Bachelor of Science Degree in Welding Engineering from Ohio State University and began working at Morrison Knudsen Corporation (respondent) in June 1988 as a Corporate Welding Engineer, also called Group Welding Engineer (GWE). (TR 33) Respondent is an international engineering and construction company which performs work on nuclear power plants among others. The GWE is located in respondent's Quality Assurance Department. (TR 33) The head of the Quality Assurance Department is Tom Zarges, the Division Executive is Lou Pardi, and the Group Quality Director is Andrew Walcutt, complainant's immediate superior. (TR 35; CX 52) The quality assurance program is required by 10 CFR 50. (TR 34) In 1995, respondent and Duke Engineering Services formed a company called SGT Ltd. which replaces steam generators at nuclear power plants and which has its own quality assurance program. (TR 38; CX 53) The president of SGT Ltd. is Martin Cepkauskas and the Group Quality Director is Andrew Walcutt to whom complainant reported. (TR 39) As GWE, complainant was responsible for oversight of the activities of Project Welding Engineers (PWE) and qualifying welding procedures. (TR 41)

In 1995, SGT Ltd. was awarded a contract to replace two steam generators at the Point Beach Unit Two nuclear power plant in Two Rivers, Wisconsin. (TR 43) The project required a large amount of welding. (TR 44) In May 1996, Max Bingham, the project manager, asked complainant to help develop the welding procedures to be used at Point Beach. (TR 45-46) Bingham wanted complainant to delegate the qualification of the welding procedures at Point Beach to the PWE, Eugene "Rusty" Gorden. (TR 46) Qualification of welding procedures was the function of the GWE. (TR 60-63) Complainant at first refused because he was unfamiliar with Gorden's technical capabilities. (TR 47) Complainant then began the process of qualifying the welds at a site in Memphis, Tennessee in May or June 1996. (TR 49) In July 1996, Bingham again asked complainant to delegate qualification of the welds at Point Beach to Gorden and complainant's refusal to do so angered Bingham. (TR 50-51) Complainant then acquiesced in the delegation of the remaining welds which Gorden accomplished in Chicago. (TR 53)

Complainant emphasizes that the PWE, not the GWE, was responsible for developing the site-specific welding procedures to be used at Point Beach. (TR 55, 65-66; see also CX 51; RX C 1, p. 1; § 9.2.5) The GWE was responsible for submitting generic welding procedures to the PWE who tailored them to the needs at Point Beach. (TR 55) Gorden was supposed to send the site-specific welding procedures to complainant for review but he failed to do so despite complainant's request to see them. (TR 56-57) At the end of October 1996, complainant for the first time reviewed the site-specific welding procedures written by Gorden and found five of them to be unacceptable. (TR 57) On November 6, 1996, complainant sent a fax to Gorden identifying the deficient welding procedures and calling Gorden's attention to the codes of the American Society of Mechanical Engineers. (TR 58-60; CX 6) Gorden, however, ignored complainant's comments. (TR 62) Complainant stated that he informed Walcutt of the problems in the welding procedures for Point Beach but Walcutt felt that as the Hartford Insurance Company audit was coming up on December 30-31, 1996, nothing should be done to correct the problems. (TR 70)

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(Walcutt denies that complainant informed him of the welding deficiencies at Point Beach or that Walcutt told him to take no action. (TR 247)). Complainant's offer to work with Gorden to remedy the welding problems was also assertedly rejected. (TR 71)

During the week of December 16, 1996, complainant states that Pardi met with him and removed him from nuclear responsibilities for steam generator replacement citing complainant's personality conflicts with Cepkauskas and Bingham. (TR 72) (Pardi denied that this meeting ever took place or that he removed complainant from his supervision of welding at nuclear power plants at this time. (TR 163)) Walcutt asked complainant to prepare for the upcoming Hartford audit and complainant informed him that the audit would reveal deficiencies in the welding procedures at Point Beach. (TR 75-76) The audit was performed on December 30-31, 1996, and on January 6, 1997, Hartford issued a report finding fault with the Point Beach welding procedures. (TR 76-77, 79-80; RX D 1) Upon reading the audit report Walcutt asked complainant to review all the welding procedures for Point Beach. (TR 80) Complainant reviewed the Point Beach welding procedures and wrote an eight page report which he gave to Walcutt on January 14, 1997 who in turn delivered a copy to Pardi and Bingham. (TR 80-81; see CX 12) On the morning of January 15, Walcutt also asked complainant to prepare a report on the welding procedures at the D. C. Cook project. (TR 83-84) Complainant informed Walcutt that there were deficiencies in the D. C. Cook project which were similar to those at Point Beach. (TR 85-86)

Later on the morning of January 15, complainant was summoned to the office of Drew Edleman, complainant's administrative superior, who told complainant that he was being removed from the GWE position because of personality conflicts with Cepkauskas and Bingham. (TR 86) After his removal as GWE complainant continued to work on his report on D. C. Cook and submitted a report on the welding deficiencies at that facility on January 22, 1997. (TR 87, 264-267; CX 20) Complainant was transferred to Parkersburg, WV on February 7, 1997 as an area field engineer on the night shift. (TR 88) Since that date, he has been living away from his family in Cleveland and has been unable to participate in his children's school activities. (TR 88) Complainant has incurred approximately \$10,000 in attorney fees in connection with this litigation. (TR 89)

Louis E. Pardi, whose title is executive vice president of respondent's Power Division, testified that he relied on the complainant to be respondent's welding expert in all matters, particularly qualification of welds, development of corporate welding procedures, and solving welding problems that arose on specific sites. (TR 156, 159) He recalled being told that there was friction between complainant and project personnel at Point Beach regarding qualification of welds and specific welding requirements. (TR 159-160) Pardi remembered seeing a memo from the complainant that drop weight testing was not required at Point Beach which is contrary to what he stated about the D. C. Cook project. (TR 161) In his testimony, Cepkauskas also mentioned the friction between complainant and site personnel and the memo regarding drop weight testing and that he informed Pardi of this. (TR 146, 147) Neither Pardi nor Cepkauskas could produce the memo and Pardi admitted that he had not read the memo. (TR 150, 190) After

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being informed of the welding deficiencies found in the Hartford audit, Pardi decided to remove complainant as GWE. (TR 161) As complainant was not in Pardi's chain of command, Pardi told Edleman about the findings in the audit, and after rejecting the idea of relieving complainant only of his jurisdiction over nuclear facilities, they decided to relieve complainant of his duties as GWE. (TR 163-164) The final decision to terminate complainant was made on January 15. (TR 164; see also TR 204-206) Complainant's memorandum regarding Point Beach was considered when the decision was made. (TR 196-197) Pardi averred that the decision to remove the complainant was based on his friction with the project personnel, his determination not to use drop weight testing, and the Hartford audit. (TR 165-166)

Andrew Walcutt is the Group Quality Director for the respondent and was complainant's supervisor. (TR 235-236) He stated that the GWE is responsible for development of the corporate welding program, adherence to the welding codes, providing technical advice to project personnel, and qualification of welding procedures. (TR 236) He recalled a meeting complainant and he had with Gorden in November or December 1995 where an agreement had been reached between complainant and Gorden, but complainant changed his mind the next day. Walcutt told complainant that he should not go back on his word. (TR 237-238) Walcutt also referred to a meeting in July 1996 among Bingham, complainant and himself in which Bingham expressed dissatisfaction with complainant's performance, particularly his delegation of qualifying welds to some one who was not working at Point Beach. (TR 241-242) In the Fall of 1996, Pardi told Walcutt that he had lost confidence in complainant because he failed to recommend drop weight testing. (TR 242-243) Walcutt later found, however, that complainant had not taken this position. (TR 243-244, 281-282) Walcutt also stated that the failure of the welds in Memphis was caused by a discrepancy in testing requirements and was not solely complainant's fault. (TR 244-245) The witness denied that complainant told him that Gorden had failed to respond to his criticisms of the site-specific welds at Point Beach, or that he ordered complainant not to remedy any deficiencies. (TR 247)

Following the Hartford audit, Walcutt instructed complainant to review all the site-specific welding procedures at Point Beach. (TR 250) On January 28, 1995, Walcutt wrote a memo to Tom Zarges (RX D) stating in part that the errors found in the audit could have been prevented by effective communication between the GWE and the PWE. (TR 254) Complainant was not solely responsible for the problems found by the audit and Gorden also contributed to the breakdown in communications. *Id.* Walcutt recommended that Gorden be replaced as PWE. (TR 254-255) The witness was told by complainant that D. C. Cook had similar problems to those at Point Beach, but he did not ask complainant to investigate D. C. Cook. (TR 256) No mention of complainant's review of the D. C. Cook project was made to Pardi, Edleman, or Zarges. (TR 256-257) Walcutt acknowledged that complainant's reassignment to Parkersburg occurred after he wrote the memo about D. C. Cook, but he denies that there was any connection. (TR 261, 265, 266-267)

Gorden developed the site specific welding procedures for Point Beach and in so doing he changed the corporate welding procedures, which was a violation of respondent's quality

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assurance program. (TR 270-272) Walcutt told Pardi and Cepkauskas that the problems in Point Beach's welding procedures identified by complainant were not his fault. (TR 274) Complainant always performed competently and professionally as a welding engineer, but had problems communicating. (TR 275) The only valid reason to remove complainant from his position was his failure to communicate with the project team. (TR 294) This problem was not mentioned, however, in complainant's evaluation in December 1996. (See RX G, see also TR 231-232)

## Findings of Fact and Conclusions of Law

42 U.S.C. § 5851 provides that:

- (1) No employer may discharge any employee or otherwise discriminate against any employee with respect to his compensation, terms, conditions, or privileges of employment because the employee...
  - (A) notified his employer of an alleged violation of this chapter or the Atomic Energy Act of 1954;
  - (B) refused to engage in any practice made unlawful by this chapter or the Atomic Energy Act of 1954, if the employee has identified the alleged illegality to the employer;
  - (C) testified before Congress or at any Federal or State proceeding regarding any provision (or proposed provision) of this chapter or the Atomic Energy Act of 1954;
  - (D) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this chapter or the Atomic Energy Act of 1954, ... or a proceeding for the administration or enforcement of any requirement imposed under this chapter or the Atomic Energy Act of 1954, as amended;
  - (E) testified or is about to testify in any such proceeding or,
  - (F) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other manner in such a proceeding or in any other action to carry out the purpose of the Atomic Energy Act of 1954, as amended.

To establish a prima facie case of discrimination under § 5851, the complainant must show: (1) his employer is subject to the Act; (2) the complainant engaged in protected activity; (3) the complainant was subject to adverse employment action; (4) his employer was aware of the protected activity when it took the adverse action, and (5) an inference that the protected activity was the likely reason for the adverse employment action. *Zimm v. University of Missouri*, 93-ERA- 34 and 36 (Sec'y, January 18, 1996). See also *Carroll v. U. S. Dept. of Labor*, 78 F. 3d

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352 (8<sup>th</sup> Cir. 1996). If the complainant proves a prima facie case, the burden of production shifts to the employer to articulate a legitimate nondiscriminatory reason for the adverse action. *Carroll*, 78 F. 3d at 356. Where the employer articulates a legitimate nondiscriminatory reason for the adverse action, the complainant has the ultimate burden of persuading that the reasons articulated by his employer were pretextual, either by showing that the unlawful reason more likely motivated the employer or by showing that the proffered explanation is unworthy of credence. *Nichols v. Bechtel Construction Co.*, 87-ERA-44 (Sec'y, October 26, 1992), *Carroll*, *supra*, *Kahn v. U. S. Secretary of Labor*, 64 F. 3d 271, 278 (7<sup>th</sup> Cir. 1995).

Complainant alleges three separate adverse employment actions taken as a result of his protected activity: (1) his removal from jurisdiction over nuclear power plants in December 1996 as a result of his finding of welding deficiencies at Point Beach, (2) his removal as GWE on January 15, 1997 resulting from his January 14, 1997 report on the Point Beach welding problems, and (3) his reassignment to Parkersburg, WV following his report on the flaws in the welding procedures at D. C. Cook. It is necessary to determine if complainant has made a prima facie case as to each of these incidents.

Respondent concedes that is subject to the Act. Moreover, complainant's performance of quality assurance functions constitutes protected activity under the Act. See *Mackowiak v. University Nuclear Systems, Inc.*, 735 F. 2d 1159, 1163 (9<sup>th</sup> Cir. 1984), *Bassett v. Niagara Mohawk Power Co.*, 86-ERA-2 (Sec'y, July 9, 1986). With regard to the first allegation of retaliation, Pardi denied that a meeting with complainant took place in December 1996 in which he removed him from his nuclear responsibilities and his version is supported by the testimony of Edleman and Walcutt. Assuming that Pardi did remove complainant from jurisdiction over nuclear power plants and that this constitutes adverse employment action, the evidence is not persuasive that Pardi knew about complainant's protected activity prior to the meeting and that his removal was in retaliation for his protected activity. I reach the same conclusion regarding complainant's report on the D. C. Cook project. Walcutt credibly testified that he never told Zarges, Pardi, or Edleman of complainant's report on the welding deficiencies at D. C. Cook, and therefore, his reassignment to Parkersburg could not have been in retaliation for his report. Therefore, complainant has failed to make out a prima facie case with regard to these two incidents.

I reach a different conclusion with regard to complainant's removal as GWE and subsequent reassignment to Parkersburg. Respondent argues that Pardi and Edleman had already decided to replace complainant as GWE before they were aware that he drafted the report on the Point Beach welding deficiencies on January 14, but I do not find Pardi's testimony to be credible on this point. Furthermore, the adverse employment action, i.e., complainant's actual removal from his position as GWE, did not take place until January 15, one day after Pardi was given the report on Point Beach. Therefore, I find that respondent was aware of complainant's protected activity when he was replaced as GWE. Respondent also maintains that complainant's removal as GWE and reassignment to a different position in Parkersburg was not an adverse employment action because he was not discharged and there was no decrease in pay. However, complainant's

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new position in Parkersburg as an area field engineer does not have the corporate responsibilities involved in his prior position as GWE and is clearly less prestigious. *See DeFord v. Secretary of Labor*, 700 F. 2d 281, 287 (6<sup>th</sup> Cir. 1983). *See also McMahan v. California Water Quality Control Board, San Diego Region*, 90-WPC-1 (Sec'y, July 16, 1993), in which it was held that a transfer was an adverse action in that it prevented the complainant from performing supervisory duties and field enforcement which he preferred. Respondent also argues that "relocation is a way of life" at Morrison Knudsen and that respondent maintains facilities much further from Cleveland than Parkersburg to which complainant could have been reassigned. The fact that complainant could have been sent to more remote locations has no significance, however, as complainant's reassignment from Cleveland to Parkersburg has clearly inconvenienced him and separated him from his home and family in Cleveland. I therefore conclude that complainant's removal as GWE and his subsequent reassignment to an inferior job in Parkersburg constitute adverse employment action. Finally, complainant's removal from the position as GWE within twenty four hours after he engaged in protected conduct raises the inference as a matter of law that his removal was in retaliation for his protected activity. *Couty v. Dole*, 886 F. 2d 147, 148 (8<sup>th</sup> Cir. 1989). Complainant has therefore made out a prima facie case.

Respondent has cited as the reasons for complainant's removal and reassignment his overall performance as GWE, more specifically his recommendation that drop weight testing not be used, the deficiencies found in the Hartford audit, and his friction with on-site personnel. Complainant therefore has the burden of proving that these reasons are pretextual. *Kahn*, 64 F. 3d at 278.

The drop weight testing excuse clearly lacks credibility. Pardi testified of seeing a memo shown to him by Cepkauskas regarding the drop weight testing but could not recall the content of the memo. Cepkauskas was unable to produce the memo. Walcutt testified that complainant had never recommended that drop weight testing not be used thereby indicating that Pardi's asserted loss of confidence in complainant was based on an erroneous premise. Pardi also blamed the welding defects noted in the Hartford audit on complainant, but Walcutt, who has far more technical knowledge than Pardi regarding the welding requirements, stated that Gorden was responsible for these errors as it was his obligation to develop the site-specific welding procedures. Gorden actually changed the corporate welding procedures complainant had sent him in violation of the respondent's quality assurance program. When complainant discovered the unacceptable welding specifications devised by Gorden, he informed him of the deficiencies and tried without success to have Gorden remedy them. Moreover, Walcutt informed Pardi that the deficiencies cited in the audit were not complainant's fault, which indicates that Pardi knew that complainant was not to blame and removed him anyway. Walcutt stated that complainant always acted in a competent and professional manner as a welding engineer. Thus the first two articulated reasons for removing complainant are clearly pretextual.

Walcutt asserted that the only valid reason for removing complainant as GWE was his failure to communicate with project personnel. Initially, I find it difficult to accept that complainant would be relieved of his duties for this relatively insignificant reason. There is

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EXHIBIT 9

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certainly no evidence in the record that this so called "friction" with on site personnel was so persistent or egregious that it affected the efficiency of respondent's construction work. It would also appear that the cause of much of the "friction" was complainant's insistence on not delegating the qualification of the welds to Gorden, whose competence he questioned, apparently with good reason. Some of the "friction" also resulted from complainant's strict adherence to the standards in respondent's quality assurance program and the natural tension that may have taken place with the project personnel who were attempting to adhere to precise schedules. As the court in *Mackowiak* observed, "contractors regulated by § 5851 may not discharge quality control inspectors because they do their job too well." *Mackowiak*, 735 F. 2d at 1163. Finally, I note that Walcutt did not discuss complainant's communication problems in the performance evaluation completed in December 1996 only twenty-three days before he was removed as GWE allegedly for this reason. If complainant's failure to communicate had been such a serious problem, it would have been cited in his performance appraisal. Therefore, I conclude that this purported reason was also pretextual.

As complainant has made out a prima facie case and proven that respondent's purported reasons for the adverse employment action were pretextual, I conclude that respondent has violated § 5851. Complainant is therefore entitled to reinstatement to his position as GWE and reimbursement for attorney fees.

Recommended Order

Morrison Knudsen Corporation is ORDERED to:

(1) Reinstatement complainant to the position of Group Welding Engineer at its office in Cleveland, Ohio and to the same compensation, terms, conditions, and privileges of employment he previously had, and

(2) Reimburse complainant for the reasonable cost of attorney fees he has expended in pursuing his complaint.

Within thirty (30) days of the date of this decision and order, complainant's counsel shall submit a fully supported fee application detailing his hourly fee, the number of hours expended on this proceeding, and any associated litigation expenses. Respondent will have fifteen (15) days to respond with any objections.



DANIEL L. LELAND

Administrative Law Judge

DLL/lab

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FILE NO. 3-97-013

NOTICE: This Recommended Decision and Order and the administrative file in this matter will be forwarded for final decision to the Administrative Review Board, United States Department of Labor, Room S-4309, Frances Perkins Building, 200 Constitution Avenue, N.W., Washington, DC 20210. The Administrative Review Board was delegated jurisdiction by Secretary Order dated April 17, 1996, to issue final decisions in employee protection cases adjudicated under the regulations at 29 C.F.R. Parts 24 and 1978. See 61 Fed. Reg. 19978 and 19982 (1996).

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ULMER & BERNE LLP  
ATTORNEYS AT LAW

Internet Address  
http://www.ulmer.com/

Bond Court Building  
1300 East Ninth Street, Suite 900  
Cleveland, Ohio 44114-1583  
Fax (216) 621-7488

Columbus Office  
88 East Broad Street, Suite 1980  
Columbus, Ohio 43215-3506  
Fax (614) 228-8561  
Telephone (614) 228-8400

(216) 621 8400

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CASE NO. 3-97-013

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ALSO PRESENT:

MR. CHARLES M. LYONS,  
Counsel  
The Hartford Steam Boiler  
Inspection and Insurance Co.  
One State Street  
P.O. Box 5024  
Hartford, CT 06102-5024

MR. JERRY SCHAPKER,  
Reactor Inspector  
U.S. Nuclear Regulatory Commission  
Region III

P-R-O-C-E-E-D-I-N-G-S

(9:20 a.m.)

SPECIAL AGENT ULIE: Today's date is August 7th, 1997 at approximately 9:20 a.m. Central Daylight Savings time.

For the record this is an interview of Walter Zimmerman, last name spelled Z-i-m-m-e-r-m-a-n. This interview is being conducted at the Hartford Steam Boiler Inspection and Insurance Company, Midwest Regional Office, located at 2443 Warrenville Road, Lisle, Illinois, 60532.

Present at this interview are Mr. Chuck Lyons, last name spelled L-y-o-n-s, an attorney with the Hartford Steam Boiler Inspection and Insurance Company; Mr. Jerry Schapker, last name spelled S-c-h-a-p-k-e-r, who is a reactor inspector with the United States Nuclear Regulatory Commission, Region III office; and Joseph M. Ulie, last name spelled, U-l-i-e, Special Agent with the United States Nuclear Regulatory Commission, Office of Investigation.

As agreed this interview is being reported by court reporter Ron LeGrand, Jr. Also present, accompanying Mr. LeGrand is Mary Fritz who is a court reporter receiving in service training specific to NRC OI interviews.

The subject matter of this interview concerns

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1 an NRC investigation initiated to determine if Mr. Alan  
2 Artayet, last name spelled A-r-t-a-y-e-t was discriminated  
3 against for raising safety concerns.

4 Mr. Zimmerman, if you would please stand and  
5 raise your right hand.

6 (Witness sworn.)

7 SPECIAL AGENT ULIE: Please be seated.

8 WALTER ZIMMERMAN,

9 was called as a witness herein, having been first duly  
10 sworn, was examined and testified as follows:

11 EXAMINATION

12 SPECIAL AGENT ULIE: First off, Mr. Zimmerman,  
13 do you wish Mr. Lyons to be present during this interview?

14 MR. ZIMMERMAN: Yes, I do.

15 SPECIAL AGENT ULIE: Will your testimony be  
16 inhibited by Mr. Lyons' presence?

17 MR. ZIMMERMAN: No.

18 SPECIAL AGENT ULIE: Do you feel that you  
19 would suffer any adverse consequences from Hartford Steam  
20 Boiler Inspection and Insurance Company if you would have  
21 elected not to have Mr. Lyons here?

22 MR. ZIMMERMAN: No.

23 SPECIAL AGENT ULIE: Mr. Lyons, if you would  
24 please state for the record your full name, position,  
25 company name and purpose for being here.

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1 MR. LYONS: Charles M. Lyons. My title is  
2 counsel, Hartford Steam Boiler Inspection and Insurance  
3 Company, Hartford, Connecticut. My purpose in being here  
4 is I always try to be present when an employee is  
5 subpoenaed or his testimony or her testimony is sought by  
6 any government agency or any private party.

7 SPECIAL AGENT ULIE: Do you represent the  
8 individual on his behalf as well as the company for  
9 purposes of this interview?

10 MR. LYONS: I haven't really consulted him as  
11 an attorney/client matter. I really am here in my  
12 capacity as counsel for Hartford Steam Boiler.

13 SPECIAL AGENT ULIE: Mr. Zimmerman, for the  
14 record, please provide your full name.

15 MR. ZIMMERMAN: Walter Charles Zimmerman.

16 SPECIAL AGENT ULIE: I spelled it correctly?

17 MR. ZIMMERMAN: Yes.

18 SPECIAL AGENT ULIE: What is your academic  
19 background? Did you have any college?

20 MR. ZIMMERMAN: High school, vocational  
21 school.

22 SPECIAL AGENT ULIE: Special training with  
23 respect to the duties that you perform for Hartford Steam  
24 Boiler Company?

25 MR. ZIMMERMAN: Yes. National Board training

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1 and endorsements for the different classifications that we  
2 hold.

3 SPECIAL AGENT ULIE: Could you identify what  
4 your certifications or classifications are?

5 MR. ZIMMERMAN: I hold the N, the S, the IS,  
6 the I and the B endorsement through National Board.

7 SPECIAL AGENT ULIE: Do those individual  
8 letters stand for words or terms?

9 MR. ZIMMERMAN: Yes, they do. The N is for  
10 nuclear inspections; the S is Nuclear Supervisor; the I is  
11 for In Service Inspector; the IS is for In Service  
12 Supervisor; and the B is for Non-Nuclear Supervisor.

13 SPECIAL AGENT ULIE: Are you an employee or  
14 contractor to Hartford Steam Boiler Inspection and  
15 Insurance Company?

16 MR. ZIMMERMAN: I am an employee.

17 SPECIAL AGENT ULIE: What are the dates of  
18 your employment?

19 MR. ZIMMERMAN: May 5th, 1978 to the present.

20 SPECIAL AGENT ULIE: What position do you  
21 currently hold?

22 MR. ZIMMERMAN: Inspector.

23 SPECIAL AGENT ULIE: When you were hired on  
24 with the company have you held other positions since you  
25 began with the company?

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1 MR. ZIMMERMAN: The main title is inspector.

2 SPECIAL AGENT ULIE: How long have you been in  
3 this current position as inspector?

4 MR. ZIMMERMAN: 19 and a half years.

5 SPECIAL AGENT ULIE: What duties are involved  
6 in your position?

7 MR. ZIMMERMAN: Fabrication inspection, boiler  
8 pressure vessel inspection, nuclear in service inspection,  
9 audits, vendor audits. That's about it.

10 SPECIAL AGENT ULIE: What was your  
11 professional association with Morrison Knudsen?

12 MR. ZIMMERMAN: Morrison Knudsen has a  
13 contract with HSB to provide management audits and I was  
14 performing a management audit on behalf of HSB.

15 SPECIAL AGENT ULIE: When you say HSB, that's  
16 an acronym for Hartford Steam Boiler Company?

17 MR. ZIMMERMAN: Yes, it is.

18 SPECIAL AGENT ULIE: Can you elaborate a  
19 little bit more on why Hartford Steam Boiler Company  
20 conducts reviews at companies such as Morrison Knudsen?

21 MR. ZIMMERMAN: Mainly we do ANSI 626 Title  
22 audits which are required twice a year. Hartford also,  
23 being a service company, one of our services is that we do  
24 vendor audits and we also do manufacturing audits for  
25 companies that want to contract with us, where they do not

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1 have the personnel available, and that was the case with  
2 Morrison Knudsen.

3 SPECIAL AGENT ULIE: For purposes of the  
4 interview, since not everyone is familiar with the  
5 acronyms, ANSI, could you identify that?

6 MR. ZIMMERMAN: A-N-S-I is American National--  
7 I can't. I don't know it.

8 SPECIAL AGENT ULIE: Do you know, Jerry?

9 MR. SCHAPKER: -- Institute.

10 SPECIAL AGENT ULIE: Thank you.

11 SPECIAL AGENT ULIE: What requires the type of  
12 review that you did at Morrison Knudsen?

13 MR. ZIMMERMAN: Under the quality assurance  
14 program, Morrison Knudsen is required to do an internal  
15 management audit of their program, and that's where  
16 they've come back and contracted with Hartford to provide  
17 that service.

18 SPECIAL AGENT ULIE: Is it your understanding  
19 that the Morrison Knudsen quality assurance program you  
20 review is the same quality assurance program used by  
21 Morrison Knudsen at their nuclear power plant job sites?

22 MR. ZIMMERMAN: To the best of my knowledge,  
23 yes.

24 SPECIAL AGENT ULIE: Do you generally provide  
25 copies of your findings and observations to the Nuclear

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1 Regulatory Commission?

2 MR. ZIMMERMAN: No, we file our letters with  
3 our customer.

4 SPECIAL AGENT ULIE: And then would it be the  
5 customer's responsibility, if there was any further  
6 notification for whatever reason, that they would file it  
7 with the agency?

8 MR. ZIMMERMAN: Yes. Yes.

9 SPECIAL AGENT ULIE: Based on your knowledge  
10 are any findings from your reviews ever required to be  
11 provided to the Nuclear Regulatory Commission directly?

12 MR. ZIMMERMAN: Not to the best of my  
13 knowledge.

14 SPECIAL AGENT ULIE: If you would take a  
15 moment and confirm that the copy of the audit that I was  
16 given as your audit is the complete copy of the report.

17 MR. ZIMMERMAN: Yes, it is.

18 SPECIAL AGENT ULIE: Just for the record let  
19 me identify this. This is a two page document. It's  
20 dated January 1st, 1997. The name listed being from  
21 Walter C. Zimmerman addressed to Thomas Zarges, Z-a-r-g-e-  
22 s, president and CEO of Morrison Knudsen Corporation.  
23 Feel free to reference that for the next questions I'll be  
24 asking.

25 MR. ZIMMERMAN: Okay.

1           SPECIAL AGENT ULIE: Is there any reason why  
2 the report is not signed by you?

3           MR. ZIMMERMAN: This is a copy. The original  
4 is signed and it's in their possession. I do not know  
5 where this came from.

6           SPECIAL AGENT ULIE: You normally do sign it?

7           MR. ZIMMERMAN: Yes, we have to. Yes.

8           SPECIAL AGENT ULIE: Do you know when the  
9 report was actually sent to Morrison Knudsen?

10          MR. ZIMMERMAN: Within a week of the January  
11 1st date.

12          SPECIAL AGENT ULIE: Please state for the  
13 record when and where you conducted this particular review  
14 or audit.

15          MR. ZIMMERMAN: This audit was conducted at  
16 Morrison Knudsen's corporate office which is located at  
17 1500 West 3rd Street, Cleveland, Ohio.

18          SPECIAL AGENT ULIE: And what were the dates?

19          MR. ZIMMERMAN: The dates of the audit, it was  
20 conducted on the 30th and 31st of December, 1996.

21          SPECIAL AGENT ULIE: Is the term management  
22 review, that's talked about there, is that a defined term  
23 for your organization?

24          MR. ZIMMERMAN: No. The management review,  
25 that's under the QA program, the quality assurance program

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1 of Morrison Knudsen. They are required to do a management  
2 review or a management audit. Again, they have contracted  
3 with Hartford to provide that.

4 SPECIAL AGENT ULIE: Is there any difference  
5 or distinction between the terms management review versus  
6 inspection or audits?

7 MR. ZIMMERMAN: Inspection, yes. But the  
8 management audit is the same as any audit, be it nuclear  
9 or non-nuclear.

10 SPECIAL AGENT ULIE: What would be the  
11 difference between an inspection and an audit?

12 MR. ZIMMERMAN: An inspection is where you  
13 would go in and if the company was fabricating an item or  
14 component you would actually be doing the inspections as  
15 required by the ANSI codes and/or standards. An audit is  
16 where you're looking at the implementation of the quality  
17 assurance program.

18 SPECIAL AGENT ULIE: Was your review  
19 considered to be routine or special?

20 MR. ZIMMERMAN: Routine.

21 SPECIAL AGENT ULIE: Have you conducted this  
22 type of review previously at Morrison Knudsen?

23 MR. ZIMMERMAN: I've accompanied Lou Dykstra  
24 on this audit before.

25 SPECIAL AGENT ULIE: So the answer is yes?

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1 MR. ZIMMERMAN: Yes.

2 SPECIAL AGENT ULIE: On how many occasions?

3 MR. ZIMMERMAN: Maybe three, four times.

4 SPECIAL AGENT ULIE: Do you recall approximate  
5 time frames?

6 MR. ZIMMERMAN: Normally it's once a year.  
7 Approximate dates are the end of the year, this time of  
8 the year.

9 SPECIAL AGENT ULIE: Was this the first time  
10 that you conducted this type of review on your own at  
11 Morrison Knudsen?

12 MR. ZIMMERMAN: Yes.

13 SPECIAL AGENT ULIE: So then you had been  
14 there on three previous years. Were they all  
15 consecutively?

16 MR. ZIMMERMAN: Yes.

17 SPECIAL AGENT ULIE: Do you conduct other  
18 types of reviews relative to the nuclear power industry?

19 MR. ZIMMERMAN: Yes.

20 SPECIAL AGENT ULIE: If you would, provide a  
21 summary or an overview of what they're called or the types  
22 of reviews?

23 MR. ZIMMERMAN: I provide ANSI 626 audits.  
24 They're required twice a year on any nuclear facility.  
25 I've conducted those at various nuclear sites and/or

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1 manufacturers.

2 SPECIAL AGENT ULIE: Okay. So there's two  
3 types, that ANSI 626 and this type of review?

4 MR. ZIMMERMAN: Yes.

5 SPECIAL AGENT ULIE: Was there an ANSI number  
6 you gave this particular review?

7 MR. ZIMMERMAN: That was ANSI 626.0, which is  
8 now QAI-1. That requires that any nuclear manufacturer N  
9 stamp holder is required to have an audit of their program  
10 twice a year.

11 SPECIAL AGENT ULIE: Okay. And that's not the  
12 type of audit, though, that you did that's in this report,  
13 right?

14 MR. ZIMMERMAN: No. This report is a  
15 requirement of the N certificate holder's quality  
16 assurance program.

17 SPECIAL AGENT ULIE: Very good. I understand.  
18 This one has an annual frequency where the other one you  
19 talked about had a bi-annual?

20 MR. ZIMMERMAN: Yes.

21 SPECIAL AGENT ULIE: The report identifies  
22 four individuals by name that you contacted during the  
23 review. If you would, please identify those four  
24 individuals and any others you interface with during the  
25 review.

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1 MR. ZIMMERMAN: Okay. Andrew Walcott is the  
2 group quality director. He's the one in charge of the  
3 quality program. Alan Artayet is the corporate welding  
4 person. Bruce Kovacs is senior quality engineer and also  
5 Stacey Lambert was just the document control specialist.  
6 Those were the only ones.

7 SPECIAL AGENT ULIE: Andy Walcott, he's the  
8 one that would have responsibility for the quality  
9 assurance program?

10 MR. ZIMMERMAN: Yes, he has overall  
11 responsibility.

12 SPECIAL AGENT ULIE: Beneath him, do you know  
13 who reports to him?

14 MR. ZIMMERMAN: Alan Artayet, Bruce Kovacs and  
15 Stacey Lambert.

16 SPECIAL AGENT ULIE: They all report to him?

17 MR. ZIMMERMAN: Right.

18 SPECIAL AGENT ULIE: Do they all have varying  
19 functions or responsibilities as part of that program, do  
20 you know, or are they the same?

21 MR. ZIMMERMAN: No. Andy, having overall  
22 responsibility; Alan Artayet was mainly with welding;  
23 Bruce Kovacs is mainly with the documentation control as  
24 far as generating and initiating; and Stacey is the clerk  
25 per se as far as filing records, so on and so forth and

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1 updating.

2 SPECIAL AGENT ULIE: Very good. As far as the  
3 acronyms that are in the report, if you can, the second  
4 paragraph has a term NQA-1.

5 MR. ZIMMERMAN: Okay.

6 SPECIAL AGENT ULIE: Can you identify what NQA  
7 is?

8 MR. ZIMMERMAN: NQA is nuclear quality  
9 assurance. NQA are the requirements for nuclear quality  
10 assurance programs.

11 SPECIAL AGENT ULIE: Down in number two of  
12 your findings, WPS, is that welding procedure  
13 specifications?

14 MR. ZIMMERMAN: Yes, it is.

15 SPECIAL AGENT ULIE: What about GT?

16 MR. ZIMMERMAN: GTAW is gas tungsten arc  
17 welding.

18 SPECIAL AGENT ULIE: And what about that  
19 SM3.3Q2?

20 MR. ZIMMERMAN: That is just an identification  
21 by Morrison Knudsen.

22 SPECIAL AGENT ULIE: And then GTAW process?  
23 That's the gas tungsten?

24 MR. ZIMMERMAN: Gas tungsten arc welding.

25 SPECIAL AGENT ULIE: And then down in finding

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1 number four, GQD?

2 MR. ZIMMERMAN: Group quality director.

3 SPECIAL AGENT ULIE: And right after that,  
4 GTM1.1-3B?

5 MR. ZIMMERMAN: That's their numbering for the  
6 welding, WPSs by Morrison Knudsen.

7 SPECIAL AGENT ULIE: Okay. Do you know what  
8 that GTM stands for?

9 MR. ZIMMERMAN: It stands for gas tungsten  
10 welding.

11 SPECIAL AGENT ULIE: Okay. On the next page,  
12 observations, PQR list?

13 MR. ZIMMERMAN: That's procedure  
14 qualification.

15 SPECIAL AGENT ULIE: And then right at the end  
16 there, GT-SM again?

17 MR. ZIMMERMAN: Again, that is their  
18 nomenclature for their WPSs and PQRs.

19 SPECIAL AGENT ULIE: All right. And then  
20 lastly the number two observation, QAM?

21 MR. ZIMMERMAN: Quality assurance manual.

22 SPECIAL AGENT ULIE: If you would go through  
23 each of the findings and the observations and indicate  
24 what actions if any were expected or required of Morrison  
25 Knudsen.

1 MR. ZIMMERMAN: The findings require them to  
2 respond and them to take corrective action. The  
3 observations are just that. They're observations where  
4 there's a possible or potential or it might be a typo or  
5 something like that. It wasn't really a major or minor  
6 finding in any sense.

7 SPECIAL AGENT ULIE: If you would go right  
8 down the findings, one through four. Did you receive a  
9 response?

10 MR. ZIMMERMAN: I have seen a response for it,  
11 yes, and it was corrected.

12 Number one, it says no training matrix was  
13 available for August 20, 1996. Their quality assurance  
14 manual requires them to have a training matrix, and  
15 they'll produce it. If I'm not mistaken it's quarterly  
16 but I'm not 100 percent.

17 SPECIAL AGENT ULIE: Let me ask this. Do you  
18 have that copy with you?

19 MR. ZIMMERMAN: No, I do not. I don't have  
20 it.

21 SPECIAL AGENT ULIE: Mr. Lyons, would you  
22 happen to have the response from Morrison Knudsen?

23 MR. LYONS: I do not.

24 SPECIAL AGENT ULIE: That would be something  
25 we would like to obtain a copy of.

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1 MR. ZIMMERMAN: You would have to go to  
2 Morrison Knudsen to get that because it was their records  
3 and it was just their response that they have and they  
4 showed me how they corrected it.

5 SPECIAL AGENT ULIE: They showed it but they  
6 didn't provide you a copy?

7 MR. ZIMMERMAN: I didn't require a copy. I  
8 didn't ask for a copy.

9 SPECIAL AGENT ULIE: Let me just be clear.  
10 You don't have a copy in your possession?

11 MR. ZIMMERMAN: I do not have a copy of it in  
12 my possession.

13 MR. LYONS: I have asked for all documents  
14 related to this.

15 SPECIAL AGENT ULIE: Fine. I understand.  
16 Go ahead. To the best of your knowledge --

17 MR. ZIMMERMAN: To the best of my recollection  
18 they did not have a matrix. It was a requirement of the  
19 manual, so what they had to do was come back and issue the  
20 matrix or issue a non-conformance report.

21 SPECIAL AGENT ULIE: All right. Number two?

22 MR. ZIMMERMAN: On number two the corporate  
23 WPS limits the heat input for the GTAW process, and what  
24 this was, is again under the corporate manual, the  
25 corporate manual has addenda into it and they're using the

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1 corporate with the site specific addenda and the site  
2 specific addenda requires all WPSs to be written off of  
3 the corporate WPSs and within the guidelines of the  
4 corporate WPS.

5           When we did a review of these WPSs, this one  
6 WPS, the heat inputs used by the Point Beach were outside  
7 the guidelines of the corporate WPS.

8           SPECIAL AGENT ULIE: Would this finding have  
9 required Morrison Knudsen to requalify the procedure?

10           MR. ZIMMERMAN: No, it would not.

11           SPECIAL AGENT ULIE: Why?

12           MR. ZIMMERMAN: The heat input was a non-  
13 essential variable, did not require it. But it did  
14 require a revision to the corporate WPS, which had taken  
15 place and expanded on the heat input ranges.

16           SPECIAL AGENT ULIE: All right. Move onto  
17 number three.

18           MR. ZIMMERMAN: Number three, there was no  
19 letter of delegation for the WPS signed by Paul Evans.  
20 Again, this was Point Beach WPS. By their quality manual  
21 they have to designate or delegate certain persons or  
22 certain individuals as welding personnel. There was no  
23 letter on file for Mr. Evans, and that has been rectified.

24           SPECIAL AGENT ULIE: Number four?

25           MR. ZIMMERMAN: Number four, the site specific

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1 WPS was generated without the corporate WPS. What this  
2 is, again under the quality assurance manual, because the  
3 site is working under the corporate manual, it's specific  
4 in that they can write WPSs but they can only be written  
5 off of corporate WPSs. With this one, there was no  
6 corporate WPS for that process.

7 SPECIAL AGENT ULIE: Were any of these  
8 findings considered code violations?

9 MR. ZIMMERMAN: Basically they were manual  
10 violations. With the heat input, the heat input on number  
11 two would be a code violation only in the sense that it is  
12 a non-essential. The code says put it down and more by  
13 their manual, but the code requires the manual.

14 SPECIAL AGENT ULIE: You used that term  
15 before, non-essential. What was the last word that you  
16 said?

17 MR. ZIMMERMAN: Variable.

18 SPECIAL AGENT ULIE: Non-essential variable.  
19 Thanks.

20 Is there any binding agreement on Morrison  
21 Knudsen with anyone else that you're aware of requiring  
22 corrective action on any of these findings?

23 MR. ZIMMERMAN: Not to my knowledge.

24 SPECIAL AGENT ULIE: If I understood your  
25 definition on the observations, none of those would be

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1 considered code violations, is that correct?

2 MR. ZIMMERMAN: Let me take a look at them.

3 Again they were manual. Number one was just a typo.

4 Number two was the records, the files had not been update

5 to reflect Mr. Beckley's assessments.

6 SPECIAL AGENT ULIE: So had the work actually

7 been done for number two but the paper didn't catch up to

8 his work?

9 MR. ZIMMERMAN: That's true.

10 SPECIAL AGENT ULIE: I think you mentioned it

11 before, but if you would say it one more time. What's the

12 distinction between a finding and an observation?

13 MR. ZIMMERMAN: First off, any audit that we

14 do, anything that we see we have to report. A finding is

15 where there is a deficiency in the quality program or a

16 code violation. An observation is an area where when we

17 look at the documentation, it may be a typo, it may be

18 something where they have back up documentation, but the

19 files, in this case, they're just not up to date. It's a

20 place for improvement.

21 SPECIAL AGENT ULIE: Am I correct in saying

22 that an observation would have less safety significance

23 than a finding?

24 MR. ZIMMERMAN: Yes.

25 SPECIAL AGENT ULIE: Who did you meet with to

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1 discuss your findings?

2 MR. ZIMMERMAN: Mr. Artayet and Mr. Walcott.

3 SPECIAL AGENT ULIE: If you would, to the best  
4 of your recollection, go through what was said, how you  
5 conduct your meetings, how that particular meeting went.

6 MR. ZIMMERMAN: As with any other audit, the  
7 first thing we do is we have our opening meeting. We go  
8 through, we have a check list that we utilize for doing  
9 these audits. The check list utilized is the Morrison  
10 Knudsen corporate check list because this audit is being  
11 performed for them.

12 At the end of the meeting, we sit down and we  
13 discuss the findings, have a closing meeting. And that in  
14 turn is followed by generating the letter and sending it  
15 to the customer.

16 SPECIAL AGENT ULIE: During your audit did you  
17 meet privately with anyone else?

18 MR. ZIMMERMAN: No.

19 SPECIAL AGENT ULIE: What kind of feedback and  
20 remarks were discussed as a result of your findings?

21 MR. ZIMMERMAN: Positive feedback in that they  
22 saw where the problems were, said yes they would take care  
23 of them and they would look into them and see if they  
24 could get them corrected.

25 SPECIAL AGENT ULIE: Who did you receive that

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1 positive feedback from?

2 MR. ZIMMERMAN: Both Andrew Walcott and Alan  
3 Artayet.

4 SPECIAL AGENT ULIE: As a result of your  
5 findings was any Morrison Knudsen staff assigned to take  
6 action?

7 MR. ZIMMERMAN: That I really don't know.

8 SPECIAL AGENT ULIE: In your presence I meant.

9 MR. ZIMMERMAN: No, not in my presence. No,  
10 no.

11 SPECIAL AGENT ULIE: In your own opinion how  
12 significant were your findings?

13 MR. ZIMMERMAN: Minor. I did not feel that  
14 they were of a major consequence.

15 SPECIAL AGENT ULIE: With respect to the  
16 number two finding relevant to Point Beach, if you would--  
17 I think you talked about it a little bit, but if you would  
18 just reiterate the significance.

19 How would that affect the plant or work that  
20 was already done at the plant?

21 MR. ZIMMERMAN: Again, I really don't know  
22 because I'm only looking at the manual from the corporate  
23 end of it and what they have as far as corporate  
24 guidelines. All I was seeing is what was being done or  
25 what was not done per the manual.

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1                   How it affects the site, I really don't know.  
2 I'm not involved with it.

3                   MR. SCHAPKER: Did the PQR cover the WPS? Was  
4 that included in your review?

5                   MR. ZIMMERMAN: Yes, it was. Yes, it was.

6                   MR. SCHAPKER: So the PQR was actually  
7 performed included the variables that were in the WPS?

8                   MR. ZIMMERMAN: Yes.

9                   MR. SCHAPKER: Okay. It was just that the  
10 corporate portion of the manual required them to -- in  
11 other words, they didn't follow the guidelines included in  
12 their corporate manual?

13                   MR. ZIMMERMAN: Right.

14                   MR. SCHAPKER: That was the finding.

15                   MR. ZIMMERMAN: On the corporate WPS, yes.

16                   MR. SCHAPKER: Okay.

17                   SPECIAL AGENT ULIE: In your opinion were any  
18 of the findings reportable to the Nuclear Regulatory  
19 Commission?

20                   MR. ZIMMERMAN: At the time of my audit, I did  
21 not feel that they were.

22                   SPECIAL AGENT ULIE: Did you notice anything  
23 out of the ordinary among the Morrison Knudsen staff  
24 during your review? That's basically an open-ended  
25 question.

1 MR. ZIMMERMAN: No, I did not.

2 SPECIAL AGENT ULIE: Were any comments made  
3 regarding Mr. Artayet that you recall?

4 MR. ZIMMERMAN: No.

5 SPECIAL AGENT ULIE: Or Mr. Walcott?

6 MR. ZIMMERMAN: No.

7 SPECIAL AGENT ULIE: Did you meet with any  
8 senior level managers above Mr. Walcott's level or have  
9 any conversations with them, maybe not a formal meeting?

10 MR. ZIMMERMAN: Not that I can remember.

11 SPECIAL AGENT ULIE: Did you have any  
12 involvement in Mr. Artayet's job position change, through  
13 discussions or otherwise that you know of?

14 MR. ZIMMERMAN: No.

15 SPECIAL AGENT ULIE: Jerry, do you have any  
16 further questions?

17 MR. SCHAPKER: No.

18 SPECIAL AGENT ULIE: Mr. Lyons, anything you'd  
19 like to add?

20 MR. LYONS: No.

21 SPECIAL AGENT ULIE: Okay. Mr. Zimmerman,  
22 I'll o/open it up to you. Is there any comment that you  
23 would like to make relevant to what the NRC is looking  
24 into in this?

25 THE WITNESS; No, none at all.

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1                   SPECIAL AGENT ULIE: Then I just have two  
2 closing questions.

3                   MR. ZIMMERMAN: Okay.

4                   SPECIAL AGENT ULIE: Have I threatened you in  
5 any manner or have we threatened you in any manner or  
6 offered you any rewards in return for this statement?

7                   MR. ZIMMERMAN: No, you have not.

8                   SPECIAL AGENT ULIE: Have you give your  
9 statement freely and voluntarily?

10                  MR. ZIMMERMAN: Yes, I have.

11                  SPECIAL AGENT ULIE: Then this interview is  
12 concluded at approximately 9:50 a.m. Thank you.

13                                   (Whereupon, the interview was  
14                                   concluded at 9:50 a.m.)

15

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C E R T I F I C A T E

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

Name of Proceeding: INTERVIEW OF WALTER ZIMMERMAN

Docket Number: N/A

Place of Proceeding: LISLE, ILLINOIS

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and, thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings.

*[Handwritten signature]*

RON LeGRAND  
Official Reporter  
Neal R. Gross and Co., Inc.

JUL-25-1997 11:01

The Hartford Steam Boiler Inspection and Insurance Co.



One State Street  
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Hartford, Connecticut 06102-5024  
(860) 722-1866

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RE: Deposition of W. Zimmerman

Other Information

*Here is the report.*

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6560 REV 10/95 (LAW)

EXHIBIT 10

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JUL-25-1997 11:48

CASE NO. 3-97-013

January 1, 1997

Thomas H Zarges, President & CEO  
Morrison Knudsen Corporation  
1500 West 3rd Street  
Cleveland, Ohio 44113 - 1406

SUBJECT: 1996 Management Review of the Morrison Knudsen Corporation's Quality Assurance Programs.

Dear Mr. Zarges:

As requested in your letter dated 16 December 1996, a Management Review of the Morrison Knudsen corporate Quality Assurance Programs was conducted on 30 & 31 December 1996. The management review took place at your Cleveland office, located at 1500 West 3rd Street, Cleveland, OH 44113.

The purpose of this audit was to evaluate the status and effectiveness of the Morrison Knudsen Corporation Quality Assurance Manual, 10 CFR50 Appendix B / NQA - 1 manual.

This audit was conducted on 30 & 31 December 1996 by interviewing management and other personnel and selectively examining objective evidence in the form of procedures, instructions and records. The scope was limited to the software items relative to corporate some project activities.

Personnel contacted during this Management Review are as follows:

Andrew Walcutt, Group Quality Director  
Alain Artayet, Group Welding Engineer  
Bruce Kovacs, Senior Quality Engineer  
Stacey Lambert, Document Control Specialist

At the conclusion of the Management Review the following findings and observations were noted:

Findings:

1. No training matrix was available for 20 August 1996.
2. Corporate WPS GT - SM 3 3 Q2 limits the heat input for the GTAW process, the Point Beach WPS was written exceeding the corporate guidelines.
3. There was no letter of delegation for the WPS's signed by Paul Evans.
4. Site specific WPS was generated without a corporate WPS and corporate GQD review and approval (WPS GTM 1.1-3PB)

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EXHIBIT 10

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CASE NO 7 - 97 - 013

Observations:

1. WPS GTM 1.1-3 PB, PQR lists the required WPS as GT-SM 1.1-1PB
2. The QAM requires at least one audit to be performed annually by each lead assessor the records did not show any audit being conducted by Mr. Beckley for the period of March 1995 through March 1996

The closing meeting was held on 31 December 1996. The results of the audit were discussed with Mr. Andrew Walcutt, Group Quality Director and Mr. Alain Artsyet, Group Welding Engineer. Overall the Quality Assurance Programs as documented and implemented, with the exception of the above findings, were found to be adequate and effective.

If you have any questions or if I can be of any further assistance please do not hesitate to call me at 216-521-0508 or fax 216-521-0565.

Sincerely,

Walter C Zimmerman  
Lead Auditor

JUL-14-1997 13:23

P.03

JUL-25-1997 11:49

TOTAL P.03

EXHIBIT 10 P.03

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# EXHIBIT 11

K/9



P-R-O-C-E-E-D-I-N-G-S

1  
2 INVESTIGATOR ULIE: Today's date is September  
3 16, 1997 at approximately 1:10 p.m., Eastern Daylight  
4 Time.

5 For the record, this is an interview of Mr.  
6 Charles Ballaro, last name spelled B-a-l-l-a-r-o, who was  
7 formerly employed by Morris Knudson Corporation.

8 This interview is being conducted at the  
9 Hampton Inn Hotel located at 2111 Tabor Drive. Street  
10 name is spelled T-a-b-o-r. Rock Hill, South Carolina.  
11 The zip code is 29730, in room number 523.

12 Present at this interview is Joseph Ulie, last  
13 name spelled U-l-i-e, Special Agent with the United States  
14 Nuclear Regulatory Commission, Office of Investigations.  
15 As agreed, this interview is being recorded by Joseph Ulie  
16 and will be transcribed at a later date.

17 The subject matter of this interview concerns  
18 an NRC investigation initiated to determine if Mr. Alan  
19 Artayet, last name spelled A-r-t-a-y-e-t, was  
20 discriminated against for raising a safety concern.

21 Would you please stand and raise your right  
22 hand?

23 Do you swear that the information that you are  
24 about to give is the truth, the whole truth, and nothing  
25 but the truth, so help you God?

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1 MR. BALLARO: I do.

2 INVESTIGATOR ULIE: Please be seated.

3 And since we're recording this, if you could  
4 speak up as we go just to make sure the tape's picking it  
5 up.

6 The first question, if you would, provide your  
7 full name.

8 MR. BALLARO: It's Charles W. Ballaro.

9 INVESTIGATOR ULIE: Okay. And are you  
10 currently employed?

11 MR. BALLARO: No, sir.

12 INVESTIGATOR ULIE: What were your dates of  
13 employment with Morris Knudson Corporation?

14 MR. BALLARO: I believe it was around the 6th  
15 of September to the 14th of December of 1996.

16 INVESTIGATOR ULIE: And what was your position  
17 that you held?

18 MR. BALLARO: Welding Engineer.

19 INVESTIGATOR ULIE: And where were you  
20 stationed?

21 MR. BALLARO: At Point Beach.

22 INVESTIGATOR ULIE: And that's Point Beach  
23 Nuclear Plant, correct?

24 MR. BALLARO: Point Beach Nuclear Plant in  
25 Wisconsin. Two Rivers I think.

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1 INVESTIGATOR ULIE: And can you provide a  
2 summary or just an overview of what your duties entailed?

3 MR. BALLARO: Okay, sure. When I got there,  
4 what I did was test welders on both day shift and night  
5 shift. And then we got through with the testing. I was  
6 put permanently on the night shift and monitored the  
7 welding activities.

8 My primary job was the girth welds for the  
9 steam generators and the main steam piping, and also  
10 whatever needed -- I'd oversee the welding on the loop  
11 pipe and on the rest of the welds.

12 INVESTIGATOR ULIE: Go ahead, continue on.  
13 Anything else to add or was that pretty much what you did?

14 MR. BALLARO: Also reviewed the welder  
15 certifications and the well requisition to make sure  
16 welders were qualified for the job. And that's basically  
17 probably what it was. And then we did the work packages  
18 to make sure the weld procedures were put in there, and  
19 just basically that was about it.

20 INVESTIGATOR ULIE: It sounds like there was a  
21 lot of work assignments you were --

22 MR. BALLARO: Yeah, it was. There was only  
23 really -- for a long time, there was just two of us on the  
24 night shift for that whole project. And then, later on, a  
25 third party was put on, Paul Evans was put on and he

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1 helped us out.

2 At times, I guess, MK's policy is that every  
3 fourth week -- you're entitled to a trip home. So when  
4 the other person, he goes on leave, I had the whole thing  
5 by myself. So it got pretty busy a lot of times.

6 INVESTIGATOR ULIE: Now Paul Evans, is his  
7 last name spelled E-v-a-n-s?

8 MR. BALLARO: Yes.

9 INVESTIGATOR ULIE: And can you spell Barry's  
10 last name?

11 MR. BALLARO: I think it's D-i-p-z-l-e-r.

12 INVESTIGATOR ULIE: Okay, good.

13 MR. BALLARO: D-i-p-z-l-e-r.

14 INVESTIGATOR ULIE: And since you were there  
15 from September to December of '96 and you had all these  
16 assignments, had you worked in the welding area prior to  
17 working at Morris Knudson?

18 MR. BALLARO: Yes sir, I've been --

19 INVESTIGATOR ULIE: Why don't you give a  
20 little background on your --?

21 MR. BALLARO: Well, I've been a superintendent  
22 with Fluor Daniels for, probably out of the last 18 years,  
23 ten years out of that, other times I've just been Piping  
24 and Welding Superintendent. I've been a welding engineer  
25 on two different times at -- one time at Wolf Creek. Did

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1 a lot of welding instruction, instructing, test  
2 supervisor, test shop supervisor. So within the last 18  
3 years.

4 And then prior to that, I served a welding  
5 apprenticeship. And the last 40 years has basically been  
6 welding.

7 INVESTIGATOR ULIE: So as far as total number  
8 of years that you said you have welding experience, how  
9 many years would that be approximately?

10 MR. BALLARO: I started welding in 1957. Say  
11 40 years.

12 INVESTIGATOR ULIE: All right.

13 MR. BALLARO: And mostly it's been nuclear.

14 INVESTIGATOR ULIE: For the Point Beach job,  
15 who was your supervisor?

16 MR. BALLARO: It's a hard thing to say because  
17 when I got there, Rusty Gordon was my supervisor. When I  
18 went on night shift, Barry Dipzler was sort of our lead.  
19 He was my lead and I took directions from him. During the  
20 course of that time, I actually worked more directly with  
21 -- oh, I can't think of his name now, but I'll think of  
22 it.

23 I can't think of it right this minute.

24 INVESTIGATOR ULIE: Can you spell Rusty's last  
25 name?

1 MR. BALLARO: I think it's G-o-r-d-o-n.

2 INVESTIGATOR ULIE: What title did Rusty have?

3 MR. BALLARO: I think Rusty was the Project  
4 Welding Engineer. That was his title.

5 INVESTIGATOR ULIE: And what was your title?

6 MR. BALLARO: Welding engineer.

7 INVESTIGATOR ULIE: Welding engineer.

8 All right, and then who does Rusty report to?

9 MR. BALLARO: That's a hard question. I would  
10 think Rusty was supposed to report to Chris McDonald.

11 INVESTIGATOR ULIE: How do you spell Chris's  
12 name?

13 MR. BALLARO: I think it's M -- I think it's a  
14 little small c -- D-o-n-a-l-d.

15 INVESTIGATOR ULIE: McDonald. And what was  
16 Chris McDonald --

17 MR. BALLARO: Chris was the project -- let's  
18 see, I wouldn't know, construction engineer or something  
19 like that. He was over all the engineers anyhow.

20 INVESTIGATOR ULIE: Okay. And who did Chris  
21 report to?

22 MR. BALLARO: I would say Chris would have to  
23 report to Max --

24 INVESTIGATOR ULIE: Max Bingham?

25 MR. BALLARO: Max Bingham; yes, sir.

1 INVESTIGATOR ULIE: Okay. And is Mr.  
2 Bingham's last name spelled B-i-n-g-h-a-m?

3 MR. BALLARO: Uh-huh.

4 INVESTIGATOR ULIE: Okay, all right. And then  
5 do you know his title or what --

6 MR. BALLARO: I believe he was the project  
7 manager. He was the head man on the job.

8 INVESTIGATOR ULIE: Okay. Was there a Marty  
9 Cepkauskas, or I believe Cepkauska -- was he on the  
10 project at that time?

11 MR. BALLARO: Let me see if I can make it out.

12 INVESTIGATOR ULIE: That's just my handwriting  
13 spelling of it.

14 MR. BALLARO: Oh, I'm not familiar with that  
15 person.

16 INVESTIGATOR ULIE: That's fine.

17 MR. BALLARO: He probably was there. Like I  
18 say, I didn't go in the office that much.

19 INVESTIGATOR ULIE: Sure, okay.

20 And as far as other workers that you worked  
21 with, were there -- you mentioned a Paul Evans. Was he a  
22 welding engineer also?

23 MR. BALLARO: Yes, Paul was the -- the way I  
24 understand it, he was supposed to be the welding engineer,  
25 the head welding engineer out there. That's the way it

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1 was explained to me. But it seemed like Rusty resumed  
2 those responsibilities and Paul was never given that full  
3 responsibility of that job.

4 INVESTIGATOR ULIE: And was there anyone else  
5 that -- was there a Bruce Kovacs at all?

6 MR. BALLARO: Don't really know him, no.

7 INVESTIGATOR ULIE: Okay. All right, well as  
8 far as your association with Alan Artayet, what was that  
9 association?

10 MR. BALLARO: Well, I met Alan met back in '93  
11 and we was doing a demonstration with Block Technical  
12 Services in Shaw, North Carolina. And Alan came into the  
13 demo, demonstration, and I met him there and we kind of  
14 kept in touch. And I said if you ever need any -- you  
15 know, good people, let me know -- you know, keep me in  
16 mind.

17 So we just kept that relationship going and  
18 then he -- I did work for him at a job in Pennsylvania.  
19 But it wasn't a nuclear job. It was a piping job though,  
20 and I sort of liked welding engineer. Now, Alan, now this  
21 is where a lot of this came in. And Alan -- I don't have  
22 an education, formal education. I'm not a graduate  
23 welding engineer.

24 Okay, so Alan never would really -- and I  
25 agree with him consent that I was a Welding Engineer.

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1 But, I have to give -- we worked it out. But in his mind,  
2 in his opinion, which I agree, he's a graduate Welding  
3 Engineer. That's his education. And he felt that -- if  
4 he didn't have that education, he surely shouldn't be  
5 considered someone that has bottom line signature

6 INVESTIGATOR ULIE: He felt that you shouldn't  
7 be approved it or --

8 MR. BALLARO: Right, right, in other words.

9 INVESTIGATOR ULIE: Okay.

10 MR. BALLARO: So anyway, he couldn't stay on  
11 this job at Penn State. He couldn't be there all the  
12 time. So he said you go out there and you oversee the  
13 job. If you have any questions or on codes and  
14 interpretations you get back to me, and I agreed. I said  
15 I think that's the way it should be.

16 Right? He's got to interpret the code better  
17 than I can.

18 I worked that job from about -- I don't know,  
19 about six weeks or from the end of May until about the 4th  
20 of July.

21 INVESTIGATOR ULIE: Okay.

22 MR. BALLARO: The job went real well. And I  
23 worked real well with Alan. I found him really to be  
24 cooperative and a real gentleman to work with.

25 INVESTIGATOR ULIE: Was he knowledgeable?

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1 MR. BALLARO: Very knowledgeable. The people  
2 -- I met other people, and there was -- Roger Bowens. I  
3 worked with him out there. And they were there all the  
4 time. And they thought highly of Alan. And the person  
5 for the company that hired Alan also thought highly of  
6 Alan and these were all engineers. So --

7 INVESTIGATOR ULIE: And these were all  
8 engineers?

9 MR. BALLARO: They spoke on the same level. I  
10 don't have no education, but in 40 years, I've been around  
11 a lot of people. And I kind of know who knows what and  
12 who doesn't know what.

13 INVESTIGATOR ULIE: Who's trying to pull the  
14 wool over your eyes?

15 MR. BALLARO: Right. There's a lot of people  
16 that think they know what they're doing, but -- now  
17 another thing about Alan -- I'll say this about him, I  
18 think he's got a lot of -- high integrity for a person.

19 He's overly conservative on some things but I  
20 believe if you followed him -- you might spend a few extra  
21 dollars but I'd say he'd keep you out of trouble.

22 INVESTIGATOR ULIE: Okay, while you were  
23 working at Point Beach, were you involved in discussions  
24 then with others that regarded Alan?

25 MR. BALLARO: Yes, I sure have. And I'll tell

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1 you the truth. Everybody in that trailer, to be honest  
2 with you, didn't have a kind word for Alan. It was a  
3 pretty bad situation there, that whole trailer. Actually,  
4 they had nothing to say about his character, but they did  
5 not agree with his welding.

6 INVESTIGATOR ULIE: And everybody that's in  
7 the trailer?

8 MR. BALLARO: Okay, the name's you want; Paul  
9 Evans, which -- Alan was the reason he was there. He  
10 helped me get that job. There was Dan Shapiro. He was in  
11 that trailer. Barry Dipzler was in the trailer. Don  
12 Huckster or Hopper, and also a Jackie Barrett, and also --  
13 of course, there was Alan or Rusty.

14 INVESTIGATOR ULIE: And was Max?

15 MR. BALLARO: No, Max was over with the -- I  
16 don't know what you'd call it, but the head trailer with  
17 all the construction managers and construction engineers.  
18 It had to be managers.

19 INVESTIGATOR ULIE: So they were in a separate  
20 trailer?

21 MR. BALLARO: Separate trailer, yes.

22 INVESTIGATOR ULIE: Upper level management.

23 Okay, go ahead then. What kind of discussions  
24 or comments were being made about Alan?

25 MR. BALLARO: Well, when I got there, I was

1 kind of surprised to hear comments about Alan. It was  
2 just -- it was really a lot over the PQR's (Procedure  
3 Qualification Requests). And that Alan had run some and  
4 they failed, which I don't know, I'm not sure if that's  
5 his fault or not, but there were some that failed.

6           They said the ones he run weren't suitable for  
7 the job and that they had to rerun a lot of those PQR's  
8 over again and that it cost thousands and thousands of  
9 dollars errors were his mistakes, the PQR's. For some  
10 reason, they thought they weren't feasible for that job.

11           INVESTIGATOR ULIE: So generally, they were  
12 bad mouthing him?

13           MR. BALLARO: Yes, that was my thing was that  
14 they were and I'm not. For me, I'm not going to get into  
15 it with those people because, like I say, I'm not really a  
16 qualified Welding Engineer.

17           If they want to call me that for what I do in  
18 the field. I'll go out and oversee the welding -- see  
19 that it's done right and that the procedures were  
20 followed.

21           INVESTIGATOR ULIE: Do you know, was he  
22 someone that had a degree in welding engineering?

23           MR. BALLARO: I don't think so because that  
24 was another. Comments were made once or twice about Alan  
25 thinking he knew it all because he was a graduate Welding

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1 Engineer from Ohio State. I think he went to Ohio State.  
2 And that he was always saying that if you didn't graduate  
3 from Ohio State, you didn't know nothing about Welding  
4 Engineer.

5 I want to get back to what I said originally  
6 about him when I first worked with Alan. Alan felt that  
7 way about it. If you didn't -- if you weren't a graduate  
8 of Welding Engineer. And I was -- I'm thinking he would  
9 never really recognize Rusty as a Welding Engineer, and I  
10 think that's where a lot of the hard feelings came in.

11 INVESTIGATOR ULIE: Did you get the impression  
12 that these kinds of comments had been occurring before you  
13 had even gotten there?

14 MR. BALLARO: Oh, definitely, because they  
15 referred back to the PQR's, and this was before I got  
16 there. They talked about previous PQR's. It was a bad,  
17 bad situation.

18 I want to remark to you on this thing  
19 here, while all of this was occurring I felt like I would  
20 have liked to call Alan and tell him, but on the other  
21 hand, I didn't want to be a rat. I didn't want it to get  
22 back in stories. I didn't want the guys I worked with  
23 thinking I'm going back to Alan and telling.

24 As a matter of fact, I think I've only spoken  
25 to Alan one time since I was on that job, and he was

1 talking to Paul Evans at the time. And I said Paul, is  
2 that Alan on the phone? I said let me talk to home. So I  
3 spoke right there in front of Paul Evans so he could hear  
4 what I was saying to the guy.

5 And I can honestly say that I never called  
6 Alan until I was through with that job.

7 INVESTIGATOR ULIE: Okay. And as far as why  
8 these guys were bad mouthing Alan, what would be a reason  
9 that you would surmise?

10 MR. BALLARO: Sometimes it's just professional  
11 jealousy. And a lot of times welding is not a black and  
12 white world. There's a lot of gray areas in there. And I  
13 might say I interpret the code one way and Alan might  
14 interpret it the other way. It's not always the same way.

15 And as far as the other guys, I mean, they're  
16 basically what I am, you know what I mean. They came up  
17 the same way I did and I don't know. I just find it kind  
18 of hard -- difficult to challenge someone who has a degree  
19 and intelligence.

20 INVESTIGATOR ULIE: Did you feel that type of  
21 discussion -- was it going up the chain or was it coming  
22 down from the top down to the bottom of the chain?

23 MR. BALLARO: Well, I at first -- I just  
24 thought it was just a typical construction bitching, you  
25 know, I mean about different things. You know, because I

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1 had been through this before. I've been through it with  
2 other companies, with other engineers.

3 And corporate -- and actually, the corporate  
4 man and the person on-site don't get along that good  
5 because they're in two different worlds. And the guy on  
6 the construction job, he's got to make that job work.  
7 Sometimes it's kind of hard really to critique your  
8 procedures, but it always gets worked out.

9 You call the guy in and you show the guy what  
10 the problem is, why you can't work on these things, let's  
11 try to find another way, you know?

12 INVESTIGATOR ULIE: Yes.

13 MR. BALLARO: That never took place. But to  
14 my knowledge, Alan never ever went on that job. So in my  
15 opinion, if I was Rusty or Max, if I had that problem, I  
16 would have had Alan on that job. This is what we got.  
17 You've got to figure out a way per code to work this job.  
18 But it was never done that way.

19 Bad mouth Alan, and then eventually like I  
20 said at first it probably stayed in that trailer, but it  
21 finally leaked out and to Max on up the chain.

22 INVESTIGATOR ULIE: Okay. But basically it  
23 was going from the trailer back --

24 MR. BALLARO: It started through the trailer  
25 upwards. It didn't come down.

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1 INVESTIGATOR ULIE: Okay, I got you. All  
2 right.

3 MR. BALLARO: Because here's a guy Max  
4 Bingham, he's a pretty nice guy. He treated people very  
5 good. The men, the craft. I thought a lot of the guy the  
6 way he treated people. A nice guy. He tried to be fair  
7 with everybody. If there was a conflict he bent over  
8 backwards for the people but I don't think he knew that  
9 much about welding. He might have been a welding engineer  
10 himself but I don't think so.

11 So he going to take what Rusty tells him.  
12 Chris is also a good guy, but I think he's going to listen  
13 to Rusty. That's my honest opinion.

14 INVESTIGATOR ULIE: Do you know if these  
15 remarks were conveyed to the MK Office in anyway?

16 MR. BALLARO: I would have no way of knowing.  
17 The only thing that I could tell you about that would be  
18 that I know.

19 Well. I'll tell you the truth, Paul Evans  
20 mentioned that he was, well I'm not going to say he was  
21 offered the job but that there was a possibility of a  
22 Corporate Welding Engineer's position and becoming free  
23 and becoming available. I remember even telling Paul,  
24 I've been around this business a long time, I've never  
25 seen anyone take down a corporate guy. Putting yourself

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1 out like that you know what I mean. I was even shocked  
2 that that guy even considered taking the job. But he did  
3 say that they were working on that.

4 INVESTIGATOR ULIE: Who did Paul say he talked  
5 to or told him that he had a problem?

6 MR. BALLARO: Rusty. I'd say he talked to  
7 Rusty.

8 Also, I'm not going to say this for sure, but  
9 I think Max also was in on it. But I shouldn't use that  
10 term but he may have been involved in it anyway.

11 INVESTIGATOR ULIE: What time frame was this  
12 discussion with Paul telling you this?

13 MR. BALLARO: Okay, this was way towards the  
14 end of the job. I'm going to say this had to be -- I want  
15 to say like the last week in November to the middle of  
16 November, to the end of the job. It was towards the end  
17 of the job though. Within the last three weeks of the job  
18 that this started coming around.

19 INVESTIGATOR ULIE: Were you and Paul at the  
20 trailer or were you out on --

21 MR. BALLARO: Oh, no; we were in the trailer.  
22 We talked about it in the trailer, because this was toward  
23 the end of the job. I said, Paul, what are you going to  
24 do? He said he wanted to get some place where he wasn't  
25 traveling, he didn't want to run here and there. And he

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1 said yes, there is a possibility I might get the --  
2 talking about the Corporate Welding Engineer's -- job. I  
3 said, you're talking about Alan's job. He said yes. I  
4 said they're not going to get rid of Alan. There's no way  
5 they're going to get rid of Alan. I said why would they  
6 get rid of Alan?

7 And that's how it went. That was toward the  
8 end of the job. That was in the trailer, because Paul  
9 came out on nights with us.

10 INVESTIGATOR ULIE: And Paul said it was Rusty  
11 who was the guy he got this from, he was talking to --

12 MR. BALLARO: Right.

13 INVESTIGATOR ULIE: All right, anything else  
14 along those same lines that, other than that one time, was  
15 there any sort of continuing -- even though it was toward  
16 the end of the job?

17 MR. BALLARO: No, that was about it. You  
18 know, that's what --

19 INVESTIGATOR ULIE: Did Paul -- was he still  
20 on the job when you left?

21 MR. BALLARO: I think -- no, I'm thinking me  
22 and Paul left the same day. Yes, I think it was like  
23 December 14th was our last day.

24 INVESTIGATOR ULIE: Are you sure?

25 MR. BALLARO: Oh, something happened there.

1 I'll tell you this. And then I did find out it was toward  
2 the end of the job. And then I found out it was within  
3 the last week. I said Paul, what's the deal? What's  
4 going on? Are you going to stay with MK or what's the  
5 deal? He said well, it doesn't look like I'm going to get  
6 that job, they have someone else in mind for that job. I  
7 shouldn't say that, but he said he wasn't going to get  
8 that job.

9 I can't remember what he said but he said he  
10 wasn't going to get that job. I don't know if he said  
11 they have someone else in mind or what. But he said he  
12 wasn't going to get that job.

13 INVESTIGATOR ULIE: Was he a degree'd welding  
14 engineer?

15 MR. BALLARO: No, no. Paul's a pretty sharp  
16 guy, but no, he wasn't. He kind of remarked about Alan,  
17 you know what I mean? But he tried to ridicule the gut, I  
18 mean I just don't know.

19 INVESTIGATOR ULIE: Okay. Along these same  
20 lines, were there any reasons that were mentioned on why  
21 there was the potential that Alan's position was going to  
22 change or that his job was in jeopardy? Anything from  
23 Paul or anything?

24 MR. BALLARO: No, sure wasn't. That was  
25 about, basically it was over the PQR's and the money that

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1 Alan cost them, but I say that the conversation Rusty  
2 might have had with Alan and there was something or Alan  
3 wasn't cooperating with them. I don't know anything about  
4 that. That was basically all I heard. I remember  
5 thinking, no way, no way.

6 INVESTIGATOR ULIE: I'll make the next one the  
7 same kind of question in a different way, but let me just  
8 ask it accordingly. Did you ever overhear anyone remark  
9 the reason for Alan's position change realizing it didn't  
10 (inaudible) -- you had actually left before it actually  
11 happened.

12 MR. BALLARO: So I don't know. Like I said, I  
13 don't know. And as I said, the only thing I would know  
14 about would be the PQR's that they just complained over  
15 and over again about the PQR's. You know, they just  
16 weren't suitable for Point Beach and that they cost them  
17 just thousands and thousands of dollars.

18 INVESTIGATOR ULIE: Was there any sort of  
19 discussion because of the conflict that was -- that the  
20 project people were having at least from their standpoint  
21 with Alan that because of that, they were going to try,  
22 you know, to make a decision on?

23 MR. BALLARO: I don't know of anything on that  
24 level. Like I said, the only level I know of was in that  
25 trailer. Other than that -- outside that trailer, I

1 couldn't say anything about any discussions. I never even  
2 overheard anything like Max said this or Max said that. I  
3 have no idea what Max said.

4 INVESTIGATOR ULIE: With regard to any of the  
5 project people and in particular Rusty seems to be the one  
6 because he was the Site Project Welding Engineer, did you  
7 know -- what he was saying, was he passing on  
8 misinformation to his supervisors in any way from your  
9 standpoint, from where you sat?

10 MR. BALLARO: Well, the only thing I could say  
11 about that is only my opinion and it's easy to see Rusty's  
12 opinion was different from Alan's. He might have regarded  
13 what Alan was doing as wrong. With regard to the PQR's  
14 that's basically what it was, I'm sure he must have told  
15 Max that Alan's full of shit. He doesn't know what he's  
16 talking about. You know what I mean?

17 INVESTIGATOR ULIE: Were there any of these  
18 PQR's that were current ones that you were involved in? I  
19 was just wondering of your opinion.

20 MR. BALLARO: Oh, nothing that Alan was  
21 involved with. There were other PQR's and I asked why do  
22 we need these PQR's, we already got them. I said we even  
23 got corporate welding procedures. Why are we running, not  
24 welding procedures, but we already got corporate welding  
25 procedures. MK's already got the quality program why

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1 can't we just use the existing quality procedures. I  
2 don't know.

3 INVESTIGATOR ULIE: All right, is there  
4 anything I haven't asked you related to this subject of  
5 Mr. Artayet's discrimination complaint that you feel is  
6 relevant or you would just like to offer, any other  
7 comments, anything that I haven't asked of you?

8 MR. BALLARO: No, I -- just the only thing I  
9 would say is that when I was through with the job, I  
10 called Alan just to thank him for helping me get out  
11 there. This was just a week or two later.

12 INVESTIGATOR ULIE: After you had left?

13 MR. BALLARO: After I had left. And Alan said  
14 well, you know, I don't have -- I'm not the corporate  
15 welding engineer anymore. I said what. He said, yes,  
16 they fired me for that stuff out there. Alan said they  
17 fired me for this and that.

18 He said he was really hurt by it. I said Alan  
19 I didn't know this was going to happen, I'm sorry, but  
20 that's the way Rusty badmouthed you so much. He said  
21 would you make a deposition or whatever? He said would  
22 you talk to my lawyers? I said, I would be glad to do  
23 what I could, but I can only tell the truth. He said,  
24 that's all I want you to do is tell the truth.

25 INVESTIGATOR ULIE: Do you remember if that

1 was before Christmas or after Christmas?

2 MR. BALLARO: That would only be 11 days after  
3 I got through, so it would have to be -- I'd say it was  
4 more -- I can't honestly say. That's too close to call  
5 that.

6 INVESTIGATOR ULIE: Okay.

7 MR. BALLARO: I can get my phone bill and  
8 find out.

9 INVESTIGATOR ULIE: Could you say if it was  
10 before New Years or after the New Year?

11 MR. BALLARO: I would say it would have to be  
12 probably before New Years.

13 Oh, wait; I'll tell you when it was. I  
14 remember sending those guys I worked with, in PA a card.  
15 It might have been just after Christmas, New Year's,  
16 somewhere in there.

17 INVESTIGATOR ULIE: All right. Anything else?  
18 That's real good. Anything else that --

19 MR. BALLARO: No, not that I can recall  
20 clearly. Like I said, I think Alan got a bad deal here.  
21 This thing could have been settled, in my opinion, if they  
22 would have called Alan out on the job and talked to him.  
23 But i just think it was a witch hunt for Alan. A witch  
24 hunt to get Alan. That's my honest opinion Joe. Let's  
25 face it Joe, me and you got a problem wouldn't you just

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1 say, Charlie, come on in here, let's talk about this.

2 That wasn't really done.

3 All it was, was Alan this is what I want you  
4 to do and Alan being overly conservative said no, we're  
5 not going to do that. he probably said here's what we're  
6 going to do.

7 INVESTIGATOR ULIE: In any of your discussions  
8 with Alan, were there any other projects that he was  
9 having problems with; or in your discussions at the site,  
10 had they made any comments like he has some trouble at  
11 some other sites?

12 MR. BALLARO: No, sure didn't.

13 INVESTIGATOR ULIE: That was it?

14 MR. BALLARO: I worked with Alan out in PA.  
15 God, I wish I could -- Alan could give you the name of the  
16 guy we worked for. They were very pleased with the job  
17 and they had some big problems with the pipe and the welds  
18 were cracking. Well, it was another subject.

19 INVESTIGATOR ULIE: Rusty would he talk to --  
20 was his normal chain of command -- heading up to --

21 MR. BALLARO: His normal chain of command was  
22 Chris McDonald; but to my -- I honestly believe that he  
23 never bothered with Chris. He went right to Max. Because  
24 I know this for a fact, that he made remarks about Chris  
25 McDonald. And Chris wanted me to do this, but I went to

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1 Max, I didn't know. And there was also one time when I  
2 looked at his log to look at the work for that day and on  
3 nights. And there was also something in there that Chris  
4 wanted him to do, work with people but I felt they needed  
5 time off so I just gave them time off.

6 This guy, in my opinion, you can get so big  
7 and Max would be in his pocket. You know what I'm saying?  
8 This guy's not just going to just report to his  
9 supervisor. You get so high, he just jumps over him and  
10 goes to the next guy.

11 That's just the way I feel about it. Rusty,  
12 in my opinion, really -- he did things around the trailer  
13 I thought were wrong. There was no smoking allowed.  
14 Rusty smoked on the job all of the time. We had girls in  
15 that office. Rusty was supposed to be setting an example  
16 for everyone.

17 INVESTIGATOR ULIE: All right, I just have two  
18 closing questions. Have I threatened you in any manner or  
19 offered you any rewards in return for this statement?

20 MR. BALLARO: No, sir.

21 INVESTIGATOR ULIE: Have you given your  
22 statement freely and voluntarily?

23 MR. BALLARO: Yes, sir.

24 INVESTIGATOR ULIE: Then this interview is  
25 concluded at approximately 1:55 p.m.

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Thank you.

Off the record.

(Whereupon, the proceedings were concluded at

1:55 p.m.)

C E R T I F I C A T E

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

Name of Proceeding: INTERVIEW OF CHARLES BALLARO

Docket Number: N/A

Place of Proceeding: ROCKY HILL, SOUTH CAROLINA

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission transcribed by me from recorded tapes provided by the Nuclear Regulatory Commission, and that the transcript is a true and accurate record of the foregoing proceedings to the best of my belief and ability.

*Christine E. Allen*

CHRISTINE ALLEN  
Transcriber  
Neal R. Gross and Co., Inc.

# EXHIBIT 13

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C O N T E N T S

WITNESS	EXAMINATION
EUGENE GORDEN	
BY MR. ULIE	3

E X H I B I T S

NUMBER	IDENTIFIED
[None.]	

## P R O C E E D I N G S

[2:15 p.m.]

MR. ULIE: Today's date is December 3rd, 1997, at approximately 2:15 p.m. Eastern Time.

For the record, this is an interview of Mr. Gene Gorden, last name spelled G-o-r-d-e-n. This interview is being conducted at the St. Lucie Nuclear Power Plant located at Hutchinson Isle in Florida in a building outside the protected area referred to as the Boathouse.

Present at this interview are Mr. Dick Edmister, last name spelled E-d-m-i-s-t-e-r, an attorney with Morrison Knutson Corporation, and Joseph M. Ulie, last name spelled U-l-i-e, special agent with the United States Nuclear Regulatory Commission Office of Investigations.

As agreed, this interview is being recorded by Joseph Ulie and will be transcribed at a later date.

The subject matter of this interview concerns an employment discrimination complaint filed with the Nuclear Regulatory Commission by Mr. Allan Artayet, last name spelled A-r-t-a-y-e-t.

Mr. Gorden, if you would please stand and raise your right hand.

Whereupon,

EUGENE GORDEN,

an Interviewee, was called for examination and, having been

1 first duly sworn, was examined and testified as follows:

2 MR. ULIE: Please be seated.

3 Mr. Gorden, do you wish Mr. Edmister to be present  
4 during this interviews?

5 THE INTERVIEWEE: Yes, I do.

6 MR. ULIE: And do you feel that you would suffer  
7 any adverse consequences from your employer if you would  
8 have elected not to have Mr. Edmister here?

9 THE INTERVIEWEE: None whatsoever.

10 MR. ULIE: Will your testimony be inhibited by Mr.  
11 Edmister's presence?

12 THE INTERVIEWEE: None whatsoever.

13 MR. ULIE: And do you understand that Mr. Edmister  
14 also represents Morrison Knutson Corporation?

15 THE INTERVIEWEE: Yes, I do.

16 MR. ULIE: And Mr. Edmister, if you would please  
17 state your full name, title, company name and purpose for  
18 your presence here today loud enough so that the recorder  
19 can pick it up.

20 MR. EDMISTER: My name is Richard R. Edmister,  
21 E-d-m-i-s-t-e-r. My title is associate general counsel.  
22 I'm employed by Morrison Knutson. I represent the company  
23 and Gorden -- I'm sorry -- Rusty Gorden, and it's understood  
24 that there is no conflict of interest between Rusty Gorden  
25 and the company, and if any should develop, that I would

1 continue to represent the company in the event of a company  
2 and we will break and discuss it.

3 MR. ULIE: Very good.

4 MR. EDMISTER: Thank you.

5 EXAMINATION

6 BY MR. ULIE:

7 Q Mr. Gorden, for the record, if you would please  
8 provide your full name.

9 A Eugene Carroll Gorden, nickname Rusty.

10 Q And who are you employed by?

11 A Morrison Knutson.

12 Q And are you also employed by SGT?

13 A Yes.

14 Q And is SGT an acronym?

15 A Yes, for Steam Generating Team.

16 Q Okay. And can you explain to the best of your  
17 understanding the relationship between Morrison Knutson and  
18 SGT?

19 A We're 50 percent partner in a joint venture.

20 Q And can you be a little more -- elaborate just a  
21 little bit more as far as the joint venture. Is it  
22 specifically the steam generator replacement type activities  
23 or is there other --

24 A To the best of my knowledge, so far, all the work  
25 has been around steam generator replacement projects, but it

1 is not solely in that area. We can do other work and are  
2 actively seeking other types of work, if that's sufficient.

3 Q The steam generator work is nuclear related; is  
4 that correct?

5 A Yes.

6 Q Okay. And for purposes of this interview, if I  
7 use the term SGT or an acronym MK for Morrison Knutson, do  
8 you foresee any problem with that?

9 A No.

10 Q Okay. You understand what I'm talking about?

11 A Yes.

12 Q And if for whatever reason you think there should  
13 be a distinction between MK or SGT, if you would, just --

14 A Sure.

15 Q -- identify it.

16 And prior to MK, where were you employed?

17 A I worked for Portland General Electric at Trojan  
18 Nuclear Plant in Ranier, Oregon, and I also did some  
19 consulting work under my own name.

20 Q And other than MK, where else did you gain your  
21 welding experience?

22 A Growing up on a farm, learning how to weld,  
23 college, and other odd jobs before I got into heavy  
24 construction working in welding.

25 Q Do you have any specific certifications or

1 qualifications in the welding area that you could identify?

2 A Certified AWSQC1 welding inspector. It's been  
3 expired for several years. I never sought to reinstate it.  
4 I've not done much inspection in years. But other than  
5 that, no.

6 Q As far as the college you referenced, is there a  
7 degree or was that just --

8 A A degree in industrial management from Morgan  
9 Institute of Technology that I got two years ago. Most of  
10 my experience and education has been working in the nuclear  
11 field.

12 Q Okay. Were any of the college courses -- did they  
13 involve welding activities at all or --

14 A Yes. In -- I'm going to go back a few years here  
15 -- approximately '75, '76, the course of study I was in was  
16 industrial processes which was in welding technologies, and  
17 I went through a two-year course in that.

18 Q Okay. Very good.

19 What are the dates of your employment with MK or  
20 SGT?

21 A There's been two periods of employment with them,  
22 one dating from early 1980 to 1989 and then I rejoined the  
23 company --

24 [Pause.]

25 Q Approximate if you don't know exactly.

1 A Approximately August of '95 to the present time.

2 Q What projects have you worked at -- for MK and the  
3 approximate time frame that you worked those projects?

4 A I worked at Wipps Nuclear Plant in Satsa,  
5 Washington, 1980 and '81; at Point Beach Unit 1 steam  
6 generator replacement in '82; was assigned to Browns Ferry  
7 BWR pipe replacement in '83; went to Vermont Yankee, BWR  
8 pipe replacement, in '84 and '85, Vermont Yankee; went to DC  
9 Cooke in Michigan '86, '87; then Point Beach Unit 2, the  
10 most recent, in '86.

11 Q '96?

12 A I mean '96. And now here at St. Lucie.

13 Q What position do you currently hold?

14 A Instruction engineering manager.

15 Q And what position did you hold prior to your  
16 current position?

17 A Welding engineering positions. My most recent  
18 prior to this job was project welding engineer at Point  
19 Beach Nuclear Plant.

20 Q And how long were you in the project welding  
21 engineer position?

22 A I've held that position for two different  
23 projects, Donald C. Cooke and Point Beach Unit 2.

24 Q So the D.C. Cooke was the '86-'87 time frame --

25 A Yes.

1 Q -- approximately, and Point Beach was the 1996  
2 time frame?

3 A Yes.

4 Q And what duties are involved in the project  
5 welding engineer position?

6 A Primary responsibilities are for administration of  
7 the welding program on site, all aspects of the welding  
8 program, procurement of filler materials, qualification of  
9 procedures, qualification of the welders, generation of all  
10 welding regulated documentation, answering any Code-related  
11 questions involved with welding, monitoring field welding  
12 activities.

13 Q Okay. And does that include, then, the site  
14 specific welding procedure specifications and the supporting  
15 procedure qualification records?

16 A Yes.

17 Q And if I use the term -- acronyms, again WPS or  
18 PQRs, --

19 A Yes, that's --

20 Q -- understand that I'll be talking --

21 A Very much so.

22 Q -- about those. And if I talk just WPS, I'm  
23 really relating not only to the welding procedure  
24 specifications, but also to the procedure qualification  
25 records that support them. So if we get into real detail --

1 A Sure.

2 Q -- where you believe they should be separated, let  
3 me know.

4 A To a certain extent, they will need to be, --

5 Q Okay.

6 A -- depending on what the question is --

7 Q Okay.

8 A -- because there is a clear line of distinction  
9 between the two.

10 Q Okay. You let me know. Right now, I'm going --  
11 my line of questioning will be encompassing both.

12 A Okay.

13 Q All right. But if you feel it's necessary to  
14 separate them --

15 A Sure.

16 Q -- just please identify that. Thank you.

17 Who was your supervisor and his position during  
18 the Point Beach project?

19 A Chris MacDonald. He was the construction  
20 engineering manager for the Point Beach project.

21 Q And who was his supervisor, if you know?

22 A Max Bingham.

23 Q Do you know what Max' position was during the --

24 A He was project manager.

25 Q What group or position employees reported to you?

1           A     Welding engineers. I also functioned as the  
2 project engineer, so I had direct responsibility for normal  
3 construction engineers, also.

4           Q     Okay. Separate from welding engineering?

5           A     Yes.

6           Q     What was your association with Mr. Artayet?

7           A     I'm not sure I understand.

8           Q     If the -- being that he was the corporate welding  
9 engineer, did you have a business association with him like

10 --

11          A     Oh. Yes. Most assuredly.

12          Q     Okay.

13          A     His responsibility was the generation  
14 qualification of the procedure qualification records, PQRs,  
15 and providing them to the site for utilization at the site,  
16 and from there, we developed the site-specific WPSes for  
17 implementation at the site.

18          Q     Had you worked with him prior to the Point Beach  
19 project?

20          A     I had some minor association with Mr. Artayet at  
21 the very end of the DC Cooke project. I believe that's when  
22 Mr. Artayet first went to work for MK. There was very  
23 little. Mainly it was questions asked by him about certain  
24 code questions and his getting familiar with Morrison  
25 Knutson Company.

1 Q If you would, just describe your involvement in  
2 the process to qualify the site specific welding procedure  
3 specifications and the supporting PQRs for the Point Beach  
4 project.

5 A I didn't have direct responsibility for the  
6 qualification of the procedures. That was under the purview  
7 of Mr. Artayet. We took the corporate PQRs and developed  
8 our site-specific WPSes.

9 Q Okay. If you would, start out kind of like in a  
10 time line, if you could go with what occurred first when you  
11 were first involved in the Point Beach project.

12 A Okay.

13 Q Do you recall the time frame and what your  
14 involvement --

15 A August of '95 is approximately when I came on  
16 board, and from there, it was basically getting familiar  
17 with the project, determining what the project needs were  
18 for welding procedures and then corresponding with Mr.  
19 Artayet for providing the procedure qualifications for  
20 those.

21 Q Was the contract already awarded at that time?

22 A Yes, it was.

23 Q Okay. And had the project received the corporate  
24 WPSes and PQRs at that point?

25 A There may have been one or two there, but the bulk

1 of them, no.

2 Q Okay. When was your first time you were actually  
3 on site or did you -- when you started in August '95, you  
4 actually started at Point Beach?

5 A Yes. I started at the site in August.

6 Q In your own words -- I've got specific questions  
7 that I'll ask of you.

8 A Uh-huh.

9 Q I just thought I would ask you in your own words  
10 if you could just talk me through, then, the process that --  
11 for August of '95, the process with respect to qualifying  
12 the site-specific welding procedure specifications and the  
13 supporting PQRs that went with that.

14 A Okay. Just a basic overview of how the process  
15 works?

16 Q Right. Like you were saying in August of '95, and  
17 not just how it works, but actually what actually occurred,  
18 and if there's differences between how it's supposed to work  
19 versus how it did work, please point that out.

20 A Okay.

21 Q Starting with where you got involved in the  
22 project and you were getting yourself up to speed, I guess.

23 A Yes. Basically, I spent the latter part of '95  
24 going through the contract and site-specific requirements  
25 and just getting general knowledge of the project. Around

1 the first of the year is when I really started getting into  
2 what welding procedures would be required on the job.

3 Q And this is 1996 we're talking, the first of the  
4 year. Okay.

5 A And then having conversations with Mr. Artayet on  
6 what our job requirements were and, because I had not dealt  
7 with him before, going through the corporate welding manual  
8 and what the requirements were, basically getting re-trained  
9 again on what all the requirements were.

10 At that time, we started identifying what  
11 procedures would be required and requesting if there was  
12 previously qualified PQRs at the project -- or corporate  
13 level that would support us, getting those sent in and being  
14 able to develop the site-specific WPSes first that we were  
15 really interested in was for supporting the ASME survey, and  
16 we ended up having a PQR that was not used on the site for  
17 any site welding, but it -- because it didn't support the  
18 site requirements and Westinghouse requirements that we had  
19 to deal with, but it was a good demonstration of our  
20 corporate welding program and site development.

21 After that, we went into the requesting and  
22 getting the normal PQRs from corporate. We generated a  
23 list, and I -- I don't remember the specific time frame that  
24 we generated the list of the required WPSes, but we -- it  
25 was-- and I'm trying to rely on memory here -- approximately

1 a dozen anticipated needs we had identified to Allan to be  
2 able to support the site.

3 From there, we were informed by Allan that a  
4 majority of them would have to be qualified and I recognized  
5 at that time that corporate really didn't have the resources  
6 in house to be able to do that at the corporate level, so I  
7 tried to convince him to let us do it at the site level  
8 because we had the resources available to be able to run the  
9 welded coupon and have it tested and then have Mr. Artayet  
10 complete the PQR at the corporate level and certify it and  
11 send it to us -- more of I guess a convenience and being  
12 able to actually control our destiny somewhat and get them  
13 in a timely manner.

14 Q Can you explain for my benefit, as far as the test  
15 coupon, I'm under the impression that test coupon ends up  
16 being a procedure qualification, right?

17 A Yes, it does. Basically what you take is two  
18 pieces of metal and weld them together under a controlled  
19 and documented environment. It's then sent out to a test  
20 lab for destructive testing to code requirements and client  
21 requirements, if you will, and that's the basis of a  
22 procedure qualification.

23 Q Okay. And then once that procedure qualification  
24 record is written, that's an actual document?

25 A Yes, it is.

1 Q And then how does it become a welding procedure  
2 specification?

3 A Actually, at that point, there was disagreement  
4 between Mr. Artayet and myself. His view was that a PQR was  
5 supported by a WPS and I had always learned throughout my  
6 experience in the industry that a WPS was supported by PQRs.  
7 We had a difference of opinion there.

8 But the PQR, once it's certified by him, then it  
9 was sent to the site and we developed site-specific WPSes,  
10 wrote them to the client's satisfaction and our -- and to  
11 meet our requirements.

12 Q I didn't mean to interrupt you then. You were  
13 continuing on, and I'm not sure where you were in that  
14 process, but --

15 A I think we were discussing the -- trying to get  
16 the delegation for us to be able to weld the procedures at  
17 the site, because we had access to craft and equipment and  
18 filling materials and everything required to do it, and  
19 there was a lot of hesitancy on Allan's part and I think the  
20 statement that Allan had made to me at that time was that --  
21 he says, I don't know that you are qualified to be able to  
22 perform this function, and he said, until I satisfy myself  
23 that you are, I can't delegate it to the site level.

24 Q What time frame are we talking here?

25 A This was early -- early in the year, probably

1 March, April time frame.

2 Q Of '96?

3 A Yes, of '96.

4 Q And was this in person or was this over the phone?

5 A No, it was over the phone.

6 Q Okay.

7 A Most of the correspondence we had was either  
8 through the mail or over the phone.

9 Q All right.

10 A From there, like I say, we generated a list of  
11 what we foresaw as our requirements early on in the project  
12 and sent them to Allan for supplying PQRs and/or doing the  
13 qualifications.

14 In one correspondence I had with him over the  
15 phone, I was trying to tie him down to a time frame of when  
16 I could anticipate getting the PQRs so I could schedule  
17 around that to make sure I could support developing the  
18 WPSes in a timely manner, and he made the statement that  
19 because of job demands of other projects, that it was going  
20 to take longer than anticipated.

21 And I had a problem with that in that I needed to  
22 get them developed, written and approved and implemented so  
23 that we could get welders trained, go through our mock-ups  
24 so that they were well versed in them well before the  
25 project started, so I didn't have people out there that

1 weren't real knowledgeable of the procedures and making  
2 mistakes, and that was very important to us, that mistakes  
3 not be made.

4 In talking with Allan, he said he had made  
5 arrangements to -- I believe it was go to Memphis. There  
6 was a project that was being run down there that he was  
7 familiar with and there were some people that he was  
8 familiar with down there to run procedures, which I told him  
9 as long as it supports our schedule, I have no problem with  
10 that.

11 Q How critical was it to meet the project schedule?

12 A This was more my own schedule. It's always  
13 critical to meet a project schedule as far as being able to  
14 have your procedures in place to do the work, but it was  
15 equally important to me to have them in place and reviewed  
16 and approved and -- so that I could use them for training  
17 and everybody was familiar with them. It just makes good  
18 sense ALARA-wise to have them in place and everybody  
19 familiar. So the soonest I could get them, that gives me a  
20 time frame to be able to get people used to them and ask  
21 questions, make changes as people -- because I've never gone  
22 into a project where we haven't made some small  
23 modifications to site requirements.

24 Q What do you recall is your schedule versus his  
25 schedule on that particular subject?

1           A     I needed a quick turnaround, and I think the --  
2     and here, I'm going on memory again.  What was written down  
3     was approximately a month, I believe, to be able to get --  
4     once a procedure was identified, to be able to do the  
5     welding and all the testing and certification, the PQR and  
6     get it back to the site level.

7                     With twelve of them, I was concerned that -- with  
8     the timely manner of being able to turn them around.

9           Q     Now, was that back in the March-April of '96 time  
10    frame --

11          A     Yes, sir.

12          Q     -- that you're talking?  That was during that  
13    conversation --

14          A     Yes.

15          Q     -- time period?

16                     Okay.  You were looking to have a month or  
17    thereabout turnaround and he was saying he wouldn't be able  
18    to meet that time schedule?  Is that --

19          A     No.  I think the month was the approximate  
20    turnaround time that he had specified normal.  Of course,  
21    now, that was based on, if you will, requesting a PQR.

22          Q     Okay.  For one PQR --

23          A     Right.

24          Q     -- he was estimating that one month's time would  
25    be needed to --

1 A Right.

2 Q -- qualify it?

3 A Yes.

4 Q I see.

5 A I understand -- I became concerned because we were  
6 requesting far more than one.

7 Q For twelve, right.

8 A And my concern was him having the resources to be  
9 able to do that.

10 Q When was the work actually going to start that it  
11 was anticipated that you were going to have to physically  
12 have these procedures completed for the project?

13 A My mind's a blank. August, end of August for  
14 actual implementation and use in the field.

15 Q Okay.

16 A I was trying to get them at least three months  
17 ahead of that to have them in place.

18 Q Did you ask your management for corporate or for  
19 Mr. Artayet to support or to lead the site-specific WPS  
20 qualification process?

21 A I'm not sure I understand the question.

22 Q Okay.

23 A Did I ask my management to have him --

24 Q Yes. Would you have asked either Mr. MacDonald or  
25 Mr. Bingham --

1           A     Most of the time, I dealt directly with Allan at  
2 corporate.

3           Q     Okay.

4           A     That was a direct line of communication. I didn't  
5 have to go through my boss or the project manager; I dealt  
6 directly with Mr. Artayet. And a lot of times, if I  
7 couldn't get a hold of him, I talked directly to Andy  
8 Walcott, his boss, who is the corporate quality manager.

9           Q     Do you know if your management, whether it be Mr.  
10 Bingham or Mr. MacDonald, had requested Mr. Artayet be  
11 involved in the qualification process for the WPSes --

12          A     Specific conversations, no. I always kept them  
13 abreast. They were aware, and I know they shared my  
14 concern. And what exact conversations they had at the  
15 corporate level, I really couldn't comment on, so I'm not  
16 real sure what transpired.

17          Q     Were you delegated responsibility to qualify the  
18 site-specific WPSes and PQRs?

19          A     Eventually.

20          Q     And what time was that? Both orally and in  
21 writing time frame.

22          A     Myself, I don't believe there was ever a  
23 delegation for me personally to perform that. The welding  
24 engineers I had working for me at the site level were  
25 delegated the authority to perform the qualifications.

1 Well, let me take that back. I think -- no, that  
2 was -- that was for here that I was never given that  
3 delegation.

4 Q My understanding was that there was an August 1st  
5 letter that you did receive from --

6 A Yes, I believe there was one that delegated me.  
7 I'm trying to remember if there -- if there was other  
8 delegations on that. I know I was specifically delegated,  
9 but I don't remember the other names, if any. I know there  
10 was one instance where one of my engineers signed a  
11 document, but it was not a delegation [inaudible.]

12 Q Okay. Well, here, let me show you -- this is an  
13 August 1st, '96 document addressed to you from Mr. Artayet,  
14 and what's the subject or the title on that?

15 A Delegation of Authority for Point Beach  
16 [Inaudible].

17 Q Okay. And take a moment to read that over. Tell  
18 me when you feel that I can ask you questions about it.

19 A Right. Yeah, I remember this letter.

20 Q Okay. So were you -- based on this letter, were  
21 you delegated the responsibility to qualify the  
22 site-specific PQRs?

23 A Yes.

24 Q Okay. And was there any other letter during the  
25 project that you were given, specifically for the Point

1 Beach project, relative to the site-specific qualification  
2 process?

3 A Specifically, I couldn't say that I remember any  
4 other, and I boned up for this by going back through letters  
5 and stuff, but I can't say that I remember any that are  
6 specifically addressing delegation.

7 Q Okay. Now, even though this letter is dated  
8 August 1st, what was actually the time frame or the  
9 conversation that took place that led up to this August 1st?  
10 Were you actually given authority, you know, over the phone  
11 or in person or anything like that prior to the August 1st  
12 time frame?

13 A I can't say specifically I remember a verbal --  
14 it's possible that Allan and I had talked and that he had  
15 said that he -- or Telecon authorized me to do certain  
16 activities.

17 Q Okay. But you don't remember?

18 A No, I don't remember specifically.

19 Q Okay. What was the responsibility of corporate or  
20 Mr. Artayet based on this memo to you?

21 A His specific responsibility? Based on his memo to  
22 me, what I was doing was actually performing the welding of  
23 the coupons and supplying him with all of the supporting  
24 documentation for him to be able to put together the  
25 procedure qualification record and certify it and supply it

1 back to me for writing site-specific WPSes.

2 Q Was corporate required to get a copy of all that  
3 documentation for review purposes or for filing purposes or  
4 --

5 A Review and filing.

6 Q Okay. And did you do that, then, at some point,  
7 actually submit in a package or did you --

8 A Yes.

9 Q -- piecemeal it?

10 A Yes. Well, it was -- it was piecemealed. I  
11 wouldn't say everything was put together in a neat package.  
12 Because of the time frame, it was assumed that we would get  
13 something.

14 I seem to recall that there was a purchase order  
15 for testing that we weren't real timely on. Other than  
16 that, I don't specifically remember anything. But it was  
17 --as we got information, it was sent to Allan.

18 Q Where did you do the testing that you did for the  
19 PQRs, the test coupons?

20 A On the site. Now, that was the welding portion of  
21 it. The testing, we ended up sending out to a test lab.

22 Q So prior -- you said as you would complete work,  
23 you would send it off, the documentation?

24 A The coupons, we would -- we would ship off to test  
25 lab, and I believe we waited for the test results to come

1 back and then we would send a form that Allan had generated,  
2 a procedure qualification test data form I think it was  
3 called, and the test lab results, and --

4 Q How many time did you send packages, if you will,  
5 to corporate or to Mr. Artayet?

6 A Boy, I couldn't give you a specific number.

7 Q Was it more than once?

8 A Oh, yes. Yeah. I mean, each time when we would  
9 run one, and we didn't -- we didn't run all twelve at once;  
10 it was -- they pretty much followed. We would run one or  
11 two at the same time, and so that documentation would  
12 follow, and then as we would complete, then we would forward  
13 on more.

14 Q And how many groups, then, were there that you  
15 would --

16 A I'm going to guess somewhere around eight.

17 Q All right. And how often did you speak with  
18 Allan? You said you spoke directly with him? During the  
19 Point Beach project.

20 A During the Point Beach project -- earlier on, I  
21 spoke -- I was probably the principal person that spoke with  
22 Allan and then as I brought welding engineers on that took  
23 over some of that responsibility, I let them deal directly  
24 with Allan, and -- because I had other responsibilities that  
25 also took my time.

1 Q All right. Would you identify who some of these  
2 other welding engineers were?

3 A I had a gentleman by the name of Barry Ditzler,  
4 was a welding engineer who worked for me; Don Huffstodt,  
5 who's project welding engineer here; Paul Evans, that was a  
6 welding engineer that worked for me. Those were the main  
7 individuals that dealt with Allan at the project there.

8 Q Okay. And could you spell their last name if you  
9 --

10 A Evans, E-v-a-n-s; Huffstodt is H-u-f-f-s-t-o-d-t;  
11 Ditzler is D-i-t-z-l-e-r.

12 Q Okay. And did you have concerns with Mr. Artayet  
13 specifically during the Point Beach project?

14 A Yes. Specific concerns about procedure  
15 qualification testing requirements. One particular concern  
16 was testing requirements of a procedure qualification  
17 coupon. We had a difference of opinion in what the  
18 requirements were for testing a base material prior to  
19 welding on it.

20 I believe his opinion was and he had stated that  
21 the test lab had told him that nobody performs this type of  
22 test, but it's a drop weight test that's required by ASME  
23 Code. And he wanted to test the base material before we  
24 welded on it, and in my experience, it was always done after  
25 you had done the welding, and I had a tough time convincing

1 him that that was the appropriate way to perform the  
2 testing, and I had to get the -- have correspondence with  
3 Westinghouse and other individuals because if we had a  
4 debate over an issue, it was usually if I didn't have  
5 support from someone other than myself, then it didn't have  
6 much weight with him.

7 Q Now, was it during the Point Beach project that  
8 was the first time you had concerns or did you have concerns  
9 prior to Point Beach based on --

10 A I never had any dealings with him other than minor  
11 conversations and questions only at Cooke. So Point Beach  
12 was my first real dealings with Allan.

13 Q Okay. And that's why I asked. You mentioned at  
14 the end of the Cooke project, you --

15 A Right.

16 Q -- had some involvement, and --

17 A That was just purely more conversational, getting  
18 acquainted over the phone, asking minor questions. It  
19 really had no bearing on the job that I was aware of at that  
20 time.

21 Q All right. And then during the Point Beach  
22 project other than this one specific example, are there  
23 other issues that were brought up during that time period?

24 A I had one other issue with procedures being  
25 qualified in Memphis. I called and asked -- or I didn't

1 call specifically; I think I had one of my guys call and ask  
2 a question about a temper bead procedure that was being  
3 qualified there and making sure that they had covered the  
4 code requirement for making of electrodes prior to welding  
5 on the coupon. There are very specific requirements in ASME  
6 Section 3. And the feedback that I got was that they had  
7 not performed the making of electrodes and had to go back  
8 and redo the coupon, and I had a very specific concern with  
9 delegation to someone that I was not familiar with and their  
10 qualifications and I expressed that to Allan, but he was  
11 comfortable with them so I pretty much had to rely on his  
12 comfort level with them because I needed them done.

13 And the timeliness of the qualifications became a  
14 concern. I think that's what eventually led to this August  
15 1st delegation, being able to do them at the site level.

16 Q So a third issue was the time line aspect of  
17 qualifying the PQRs?

18 A Yes. Because that's never a quick process once  
19 the site specifics are developed for them to go through the  
20 code review and approval process. It always takes some  
21 time.

22 Q Okay. I'm on -- I believe this first concern, I  
23 had a couple of questions I wanted to ask. Did Mr. Artayet  
24 ever in writing or orally inform you that the SHARPY V-notch  
25 impact testing or drop weight testing was not required?

1           A     Yes.  Verbally on the drop weight testing, the  
2 weld metal in a procedure qualification, yes, and that was  
3 what led to our disagreement in that area.

4           Q     Okay.  And what was -- give me the circumstances  
5 that surrounding it and the time period.

6           A     Well, all of the -- and I'm sorry I can't be real  
7 specific, time period, it was all in that, and we juggled  
8 with several, so I can't draw a specific time period, but it  
9 was all just prior to this -- this letter and it was dealing  
10 with code requirements.

11          Q     So it was prior to August of '96 time frame?

12          A     Yes.

13          Q     Okay.

14          A     And it had to do with the actual testing of the  
15 procedure qualification for welding on the generators and  
16 how the coupons were actually testing and how a drop weight  
17 test applied to it, and then what the SHARPY requirements  
18 were on that, and I had gotten a copy of the purchase order  
19 that was written by Allan to -- I think it was Triangle  
20 Engineering, was the ASL, approved suppliers list test lab  
21 that was used by corporate.  And I saw on there that they  
22 were doing post-weld heat treatment and drop weight testing  
23 of unwelded coupons, and I asked why we were doing that, and  
24 I was told that was the requirement, is that you test -- you  
25 post-weld heat treat the coupon, do your drop weights on

1 that, and that's what you use for your SHARPYS in testing  
2 the procedure, and I disagreed with that approach and my  
3 understanding was that you welded the coupon, did your  
4 post-weld heat treat, then did your drop weight testing and  
5 your SHARPYS, and I felt that was the way -- and that's what  
6 we had done on previous projects to meet code requirements.

7 Q Now, separate from -- this was a phone  
8 conversation that you had --

9 A Yes.

10 Q -- discussed this with Mr. Artayet?

11 A Several times.

12 Q Okay. And was there ever documentation that you  
13 actually were sent or given from him?

14 A I don't remember specific documents that were sent  
15 back and forth. Typically I deal verbally and I like to  
16 have a relationship with people where I don't have to write  
17 everything down and send letters, so I didn't write a lot of  
18 things down as far as correspondence went.

19 Q I didn't know, though, if this was a significant  
20 enough, contrary to what had been done in past practice,  
21 based on your experience, that, you know, you would have  
22 asked for some back-up documentation to support what he was  
23 telling you or --

24 A No, other than -- I mean, because pretty much he  
25 was the one that controlled the corporate PQR development,

1 what the requirements were, so, I mean, I couldn't override  
2 that, but I just kept expressing my concern over it and I  
3 ended up calling some individuals at Westinghouse and giving  
4 him their names so that he would deal with them.

5 To me, the correspondence route wasn't effective  
6 because of the time line involved with sending  
7 correspondence back and forth and I wasn't concerned about  
8 documenting anything; it was more, get the job done, get the  
9 qualifications so they met code.

10 Q Did you inform anyone in your chain of command --

11 A Yes, I --

12 Q -- about this?

13 A -- definitely kept my boss and project manager  
14 well aware of what was going on.

15 Q Okay. So that would be Chris MacDonald being your  
16 boss --

17 A Yes.

18 Q -- and --

19 A And Max.

20 Q -- the project manager being Max Bingham?

21 A Yes.

22 Q Okay. And that was relative to the -- what you  
23 just explained with respect to drop weight testing --

24 A Yes.

25 Q -- concerns and the SHARPY V-notch testing and so

1     forth.   Okay.

2                 But you don't remember actually seeing a piece of  
3     paper that discussed or that said what Mr. Artayet had  
4     described to you?

5                 A     I know Allan -- there was a question about where  
6     actually SHARPY impact specimens were taken out of coupons,  
7     and Allan had sent a copy of an interpretation, an ASME Code  
8     interpretation to me to justify his position on it.  We had  
9     some discussions about that and the relevancy of an  
10    interpretation.  Other than that specific document, I don't  
11    really recall.

12                Q     Okay.  And just so we're clear, for the record,  
13    ASME is A-S-M-E?

14                A     Yes.

15                Q     The acronym?

16                A     Yes.

17                Q     And that's American Society of Mechanical  
18    Engineers?

19                A     Mechanical Engineers, yes.

20                Q     Okay.  During the project, at least initially, did  
21    confusion exist as to what welding rod tensile strength was  
22    needed for the project?  Do you recall that?

23                A     There was -- yes, there was some issues that we  
24    had with Westinghouse, and when we originally wrote up the  
25    requirements for site welding, it was based purely on what

1 we saw as code requirements, and then as we dealt deeper  
2 with Westinghouse, they had some very specific requirements  
3 dealing with tensile strengths of filler materials. There  
4 were several filler materials that they requested a far  
5 higher tensile strength other than what we had actually  
6 requested of Allan, so we made some -- we had to make some  
7 changes to meet the Westinghouse requirements.

8 So there were changes that were given to Allan  
9 based on what Westinghouse requirements were, and we had  
10 quite a lengthy negotiation with Westinghouse going back and  
11 forth on what the actual requirements were and being able to  
12 get filler materials tested that met their requirements.

13 We ended up making several changes because what we  
14 thought would meet wouldn't meet, so then we had to -- now  
15 we have to use a different filler material, so we actually  
16 had manufacturers testing filler material until we'd find  
17 one that would meet Westinghouse requirements.

18 Q Do you remember what time frame this was when all  
19 this discussion was ongoing about this?

20 A Actually, it started before the August time frame  
21 and actually ran into when we were doing the testing on site  
22 ourselves. It affected both Allan's ability to qualify the  
23 procedures and ours.

24 Q I see. So this issue did have an impact somewhat  
25 on the --

1 A Sure.

2 Q -- PQRs that Allan had initially tried to qualify?

3 A Yes. Now, that -- that was ones that dealt  
4 principally with welding of P3 base materials associated  
5 with the generator which -- I'm trying to think -- I think  
6 there were approximately four PQRs that dealt in that area  
7 where we had P1 to P3 qualifications and P3 to P3 multiple  
8 processes, and it pretty much affected all of those, which  
9 was like say about four. There was other stainless to  
10 stainless procedures, the normal P1 to P1 procedures that  
11 were not really affected by that.

12 Q Okay. Are high tensile strength materials  
13 considered an essential variable?

14 A High tensile strength materials.

15 Q And this is my lack of understanding in the  
16 welding area, so this is for information, I'm asking if --

17 A I would have to say, just based on the statement  
18 high tensile strength materials an essential variable, I'd  
19 say no.

20 Q Okay.

21 A But I rarely rely on my memory; I always go back  
22 and look at the code book. But it doesn't ring familiar to  
23 me.

24 Q I was wondering, did a problem also exist in  
25 qualifying the Point Beach site-specific WPSes and PQRs

1 because certain essential variables changed? Disregard that  
2 about the high tensile strength, but just --

3 A No. The biggest --

4 Q -- the fact of this --

5 A The biggest effect was the filler material itself.

6 Q Okay.

7 A And we had actually run several coupons that were  
8 no longer good anymore because the filler material didn't  
9 meet the -- not code requirements, but the specification  
10 requirements from the manufacturer.

11 Q Okay. Now, was the filler material a separate  
12 item from the high --

13 A High tensile strength materials?

14 Q Yes.

15 A Actually, I think for this conversation, that's --  
16 they're one in the same because --

17 Q Okay.

18 A -- we were looking at high tensile strength filler  
19 materials. The base material was the base material. I  
20 mean, we knew what we had to qualify, we knew what they  
21 were, so that never changed, that was always the same.

22 Q All right. So with regard to what would have had  
23 an effect on qualifying the Point Beach site-specific PQRs,  
24 it was this high tensile strength/filler material?

25 A Yes.

1 Q That's all part of it. Okay. Understood.

2 All right. During the project, what was said  
3 about the corporate welding engineer position becoming  
4 available? What do you recall?

5 A I actually didn't know that it was becoming  
6 available until we were done with the project and in close  
7 out aspects of it.

8 Q What time frame are you -- are you referring to?

9 A Christmas time. I mean, just prior to me leaving.

10 Q You don't remember any conversations prior to that  
11 on this very specific subject?

12 A On the corporate welding engineer position being  
13 available?

14 Q Yes, sir. Back to the October time frame?  
15 November?

16 A I would have to say the first that I was familiar  
17 with it was -- it was in December.

18 Q Okay.

19 A Specifically when in December, I'm not sure.

20 Q Okay.

21 A But I don't recall knowing October, November time  
22 frame.

23 Q Go ahead, then, if you would, just describe best  
24 you can what you recall about what was said about that,  
25 about it -- the position becoming available. Who brought it

1 up to you? What was the --

2 A I couldn't tell you specifically who brought it up  
3 to me. All I knew of it is a rumor. I mean, nobody in a  
4 position of authority over me said hey, did you know. It  
5 was a rumor in the trailer that that position may become  
6 available.

7 Q Were you offered the corporate welding engineer  
8 position or asked about that possibility?

9 A No.

10 Q Who was it that you recall first mentioning that  
11 the corporate welding engineer position might become  
12 available?

13 A I would have to say one of the guys in my trailer.  
14 I don't remember a specific individual.

15 Q All right. Now, let me understand. I mean, you  
16 were the project welding engineer, so basically you were the  
17 lead welding engineer, correct?

18 A Yes.

19 Q So were they hearing it from you or were you  
20 hearing it from them, talking about welding --

21 A No, I was actually hearing it from the guys in the  
22 trailer.

23 Q And these are all --

24 A The welding engineers.

25 Q -- welding engineers that would actually be below

1 you?

2 A There were actually a couple quality individuals  
3 that were in the trailer also, but it was mainly from the  
4 welding engineers.

5 Q Where did they hear it, then? I mean, where was  
6 this all --

7 A To be quite honest, I don't know for sure where  
8 the rumor started at.

9 Q Hang on one second.

10 [Pause.]

11 Q Go ahead. You don't know where the rumor started?

12 A My understanding --

13 [END OF SIDE A]

14 [SIDE B]

15 Q [In progress] -- that I have is that they were  
16 hearing -- it was rumors and they were hearing it from you.

17 A Well, I know I did not start the rumor. I know we  
18 discussed it because of our --

19 Q Who did you discuss it with?

20 A It would have been Paul Evans, Barry Ditzler,  
21 [inaudible], and I know we did discuss it with them, and I  
22 know -- I remember thinking at that time that we did have an  
23 individual there well suited for that position -- Mr. Evans.  
24 [Inaudible.]

25 Q Well, why was it being said that the position was

1 potentially going to become available?

2 A Specifics, I don't -- I couldn't tell you  
3 specifics of why it was going to become available.

4 Q Did you have any discussions on this particular  
5 subject with any of your supervisors, whether it be Mr.  
6 MacDonald or Mr. Bingham?

7 A I'm sure I must have, but I don't recall a  
8 specific instance, but I'm sure I had to have had.

9 Q But you weren't offered the position yourself?

10 A That's my recollection. I think maybe in gest,  
11 somebody might have mentioned me and my return was that I  
12 was not interested.

13 Q Did you request your management to stop Mr.  
14 Artayet from working on the Point Beach project or to reduce  
15 his influence on the project at any time during the project?

16 A [Inaudible.]

17 Q Yes, sir. Did you request your management to stop  
18 Mr. Artayet from working on the Point Beach project or to  
19 reduce his influence on the project at any time during the  
20 project?

21 A Specifically to stop his participation on that  
22 project, no. I know I expressed concerns with my management  
23 over the effects of his influence on the project, but to  
24 stop it, no. There was no one else to perform that  
25 function.

1 Q If you would repeat for me -- I'm sorry, I missed  
2 what you said -- you talked to your management, and what was  
3 it you said to them?

4 A Expressing my concerns with the ability to meet  
5 the project requirements in the time frame associated with  
6 the qualifications.

7 Q Had you discussed with Mr. Bingham, Mr. Cepkauskas  
8 or Mr. Pardi the possibility of removing Mr. Artayet from  
9 the corporate welding engineer position?

10 A Me?

11 Q Yes, sir.

12 A No. [Inaudible.]

13 Q Do you recall receiving a fax from Mr. Artayet in  
14 November -- I believe it was November 6th -- with welding  
15 procedure specification sheets?

16 A Marked-up with comments?

17 Q Yes, sir. Here, let me show you a copy. Take  
18 your time and take a look. It's five sheets with a -- five  
19 WPS sheets with a fax cover sheet. Take your time and look  
20 that over. Is there a date?

21 A 11/6/96.

22 Do I remember receiving this? Yes.

23 Q Okay. If you would, just generally characterize  
24 the content of those five WPS sheets. What are they telling  
25 you?

1 A Comments that Allan had on site-specific WPSes.

2 Q Okay. Comments being he had concerns with those  
3 WPSes?

4 A Yes.

5 Q And what action was taken as a result?

6 A What action? I do remember writing up a response  
7 to -- I believe I responded to all of his comments.

8 Q Okay. And who did you respond to?

9 A [Inaudible.]

10 Q Directly?

11 A I believe -- I believe so. I know we had some  
12 lengthy discussions -- I wouldn't say discussions, but some  
13 debate on the issue of the six-inch diameter [inaudible].

14 Q Was the response in writing or was that verbal,  
15 oral?

16 A I know I discussed some of these. Let me back up  
17 for just a minute here.

18 Q Sure.

19 A I believe the response to these, I had Mr. Evans  
20 [inaudible] response [inaudible] faxed to Allan, but I know  
21 I was involved in the discussions on some of the comments.  
22 [Inaudible].

23 Q How did it end up? What was the conclusion on  
24 these? Did you agree with his comments or disagree --

25 A Not on all of them, no, I did not agree with them.

1 Q But on certain of them, you did?

2 A I would have to say certain of them, I did, but  
3 the majority of them, I did not agree.

4 Q Okay. And when Mr. Evans responded, did Mr.  
5 Artayet respond back? Do you recall what ended up  
6 happening?

7 A It sure would be unlike Allan not to respond back.  
8 He was very good about documenting and making responses. I  
9 think on several of the issues, we agreed to disagree with  
10 what the requirements were. None of the disagreements, in  
11 my opinion, were even remotely associated with code  
12 violations. They were more philosophy type questions on  
13 what should be on a WPS versus actual code requirements.

14 Q That's fine. Is there anything else you care to  
15 add about these sheets?

16 A No, not really.

17 Q Okay. Is there anything else that you care to add  
18 on this subject that we've been discussing all along with  
19 respect to the Point Beach project and Mr. Artayet?

20 A No. [Inaudible.]

21 MR. ULIE: Mr. Edmister, is there anything you  
22 would like to add on the record.

23 MR. EDMISTER: [Inaudible.]

24 MR. ULIE: Okay. I just have two closing  
25 questions.

1           Have I threatened you in any manner or offered you  
2 any rewards in return for this statement?

3           THE INTERVIEWEE: No, sir.

4           MR. ULIE: Have you given your statement freely  
5 and voluntarily?

6           THE INTERVIEWEE: Yes.

7           MR. ULIE: Then the interview is concluded at  
8 approximately 3:15 p.m.

9           [Whereupon, at 3:15 p.m., the interview was  
10 concluded.]

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# EXHIBIT 14

K/11



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WITNESS

EXAMINATION

MAX BINGHAM

BY MR. ULIE

4

E X H I B I T S

NUMBER

IDENTIFIED

[None.]

## P R O C E E D I N G S

[3:35 p.m.]

MR. ULIE: Today's date is December 3rd, 1997, at approximately 3:35 p.m. Eastern Time.

For the record, this is an interview of Mr. Max Bingham, last name spelled B-i-n-g-h-a-m. This interview is being conducted at the St. Lucie Nuclear Power Plant located at Hutchinson Isle in Florida in a building outside the protected area referred to as the Boathouse.

Present at this interview are Mr. Dick Edmister, last name spelled E-d-m-i-s-t-e-r, an attorney with Morrison Knutson Corporation, and Joseph M. Ulie, last name spelled U-l-i-e, Special Agent with the United States Nuclear Regulatory Commission Office of Investigations.

As agreed, this interview is being recorded by Joseph Ulie and will be transcribed at a later date. The subject matter of this interview concerns an employment discrimination complaint filed with the Nuclear Regulatory Commission by Mr. Allan Artayet, last name spelled A-r-t-a-y-e-t.

Mr. Bingham, would you please stand and administer the oath.

Whereupon,

MAX BINGHAM,

an Interviewee, was called for examination and, having been

1 first duly sworn, was examined and testified as follows:

2 MR. ULIE: Please be seated. And if you could  
3 speak up. You did acknowledge --

4 THE INTERVIEWEE: Yes.

5 MR. ULIE: -- say yes?

6 THE INTERVIEWEE: Okay.

7 EXAMINATION

8 BY MR. ULIE:

9 Q If you would, let me first ask, do you wish Mr.  
10 Edmister to be present during this interview?

11 A Yes, I do.

12 Q And do you feel that you would suffer any adverse  
13 consequences from your employer if you would have elected  
14 not to have Mr. Edmister here?

15 A No, I don't.

16 Q And will your testimony be inhibited by Mr.  
17 Edmister's presence?

18 A No, it will not.

19 Q And do you understand that Mr. Edmister also  
20 represents Morrison Knutson?

21 A Yes, I do.

22 MR. ULIE: And Mr. Edmister, if you would please  
23 state your full name, title, company name and purpose for  
24 your presence here today.

25 MR. EDMISTER: My name is Richard R. Edmister,

1 E-d-m-i-s-t-e-r, associate general counsel for Morrison  
2 Knutson Company. I represent the company and Max Bingham  
3 here. Mr. Bingham understands that I primarily represent  
4 the company as a personal allegiance, and in the event of a  
5 conflict, that we will break and discuss it and that I will  
6 continue to represent the company.

7 MR. ULIE: Very good.

8 BY MR. ULIE:

9 Q Mr. Bingham, for the record, if you would just  
10 provide your full name?

11 A It's Max J. Bingham, B-i-n-g-h-a-m.

12 Q And are you employed by SGT?

13 A I am employed by Morrison Knutson. SGT is a  
14 partnership between ourselves and Duke Engineering &  
15 Services Company.

16 Q Very good. For purposes of our discussion, we use  
17 -- can I use the terms MK, that you understand that to be  
18 Morrison Knutson, --

19 A Right.

20 Q -- and SGT --

21 A Yes.

22 Q -- interchangeably?

23 A Yes. Yes.

24 Q If for whatever reason you feel we should make a  
25 distinction, you just --

1 A All right.

2 Q -- state that.

3 And what are your dates of employment that you've  
4 been employed with MK?

5 A Oh, I first went to work for them in January of  
6 1970. I had about a six-week break in service in '71, and  
7 then I went back in April of '71 and continuous since then.

8 Q And what was your position during the Point Beach  
9 project?

10 A I was the site project manager.

11 Q And is that your current position here at St.  
12 Lucie?

13 A Project director here.

14 Q And during the Point Beach project, who was your  
15 supervisor and his title?

16 A Martin -- Martin Cepkauskas.

17 Q Can you spell his last name?

18 A C-e-p-k-a-u-s-k-a-s.

19 Q Okay.

20 A He was project director, and he's also president  
21 of SGT.

22 Q And who reported to you in their position during  
23 the Point Beach project? By position --

24 A Basically, it was all of the site staff, which  
25 included the construction engineering organization, the

1 business office, project controls, planning and scheduling  
2 types of training, [inaudible] and safety.

3 Q What was your association with Mr. Artayet?

4 A Well, he was at that point in time, and I guess  
5 still is, a corporate welding engineer.

6 Q And with respect -- when did you first become  
7 acquainted with him professionally?

8 A I actually -- probably along about 1988, I had a  
9 phone call or two with him. I'm trying to think. I think I  
10 actually met him in person probably in early 1989, probably  
11 the January time frame, maybe December of '88.

12 Q And was that related to any specific MK project?

13 A Actually, I've been transferred into the Cleveland  
14 office, so that's -- but my discussions with him --  
15 [inaudible] was at DC Cooke, and he had just -- I think he  
16 had just came on board as a corporate welding engineer about  
17 then.

18 Q And the project at DC Cooke, would that also have  
19 been a steam generator replacement --

20 A That's correct.

21 Q -- project?

22 A But to my knowledge, I don't think he ever came on  
23 site.

24 Q Okay. Who was involved in the process to qualify  
25 the Point Beach site specific welding procedure

1 specifications and the supporting procedure qualification  
2 records?

3 A Oh, at Point Beach, I know Allan did some of them.  
4 I know that some of them, he delegated to the site. I  
5 couldn't tell you which ones.

6 Q And when you say delegated to the site --

7 A He delegated for actually running the PQR to the  
8 site, but then it still had to go back through corporate for  
9 his final review and approval.

10 Q The person that he would have delegated it to,  
11 would that have been Rusty Gorden?

12 A Yes.

13 Q Or Gene Gorden?

14 A Yes.

15 Q Do you remember the time frame at all on when Mr.  
16 Artayet was involved versus when Mr. Gorden was involved?

17 A Well, I think Mr. Artayet was involved the whole  
18 duration, but I believe that delegation came probably -- I'm  
19 trying to think -- it's probably either June or July time  
20 frame.

21 Q Yes. I don't mean to make it a guessing game  
22 here. I have a document that's dated August 1st of '96 --

23 A Okay.

24 Q -- from Mr. Artayet to Mr. Gorden. Would this be

25 --

1 A That -- yes. Yes.

2 Q Do you know if -- verbally, were there any  
3 directions given prior to August 1st that related to this  
4 delegation, you know, that the -- the written document was  
5 coming later, but that --

6 A I do know that there was discussions about that  
7 fairly early in July, but exactly whether there was verbal  
8 delegation, I couldn't say for sure, but I do know that  
9 there were discussions about that in late June, early July  
10 time frame.

11 Q Okay. But the August 1st, '96 document that you  
12 just looked at that -- its subject is delegation of  
13 authority for the Point Beach --

14 A Right.

15 Q -- steam generator replacement project -- that did  
16 formalize that delegation?

17 A That's correct.

18 Q Okay. And how did Allan or Mr. Artayet become  
19 involved in the Point Beach project, to the best of your  
20 recollection?

21 A Well, any time we have one of these projects, of  
22 course, your corporate welding engineer becomes involved.  
23 Any time you have any welding, you have to go back to the  
24 corporation to get your procedure qualifications, WPSes. So  
25 at that time, what you do is you go back to corporation, you

1 tell them the types of -- what you need, and find out if  
2 they've got it or they're going to have to qualify your  
3 procedures.

4 Q Did anyone from the site, including yourself,  
5 request Mr. Artayet to be involved at any particular phase  
6 or --

7 A The first time I think Allan came to the site was  
8 sometime in the fall of '95. We had actually mobilized to  
9 the site just a couple months before that, and I'm trying to  
10 think -- it would probably be along about the October time  
11 frame maybe, it could be in the November -- I just don't  
12 recall -- of '95, about a year before the outage.

13 Q I didn't ask before, but how long -- when did you  
14 actually go on site yourself at Point Beach?

15 A I made a few trips probably about June, started to  
16 -- well, I had actually come in to some meetings prior to  
17 that even when we were going back proposing on the work.  
18 But I had become full time pretty much up there in July of  
19 '95. I actually commuted back and forth and then I believe  
20 I rented a place about September, around the first of  
21 September, so I didn't do much commuting after that.

22 Q Were you ever given any direction from Mr.  
23 Cepkauskas on who should qualify the Point Beach site  
24 specific welding procedure specifications --

25 A No.

1 Q -- and the PQRs?

2 A No. It was always my understanding that that's a  
3 corporate responsibility, so --

4 Q Did you wish Mr. Artayet to delegate to Mr. Gorden  
5 to qualify the Point Beach site-specific welding procedure  
6 specs and the PQRs?

7 A If you're asking me in the time frame that he  
8 actually delegated it, yes, I did.

9 Q Okay. Prior to that?

10 A Prior to that, I really just -- all I wanted was  
11 the welding procedures.

12 Q You wanted the bottom line --

13 A Yeah. I just wanted to get the welding  
14 procedures.

15 Q Whatever would work for the project is what you  
16 were looking for?

17 A Right. What I -- when I wanted them was as early  
18 as we could get them so I could go through all of the  
19 training of the craft and everything. It's been my  
20 experience the earlier you can get them on the site, the  
21 better off you are, because there are several approvals that  
22 have to occur after we get them on site.

23 Q Did you ever meet with Mr. Artayet to discuss the  
24 qualification of the Point Beach site-specific WPSes and  
25 PQRs?

1           A     I know we had -- I know we had some discussion in  
2     October of '95, and I know we had some further discussion,  
3     but I'm trying to think when that would have occurred. I  
4     don't remember whether he came back in the spring or whether  
5     it was in the summer of '96.

6           Q     And if you would, what happened in October '95 --

7           A     Well, in October of '95, we were, of course,  
8     developing our quality execution procedures, and so Allan  
9     came up and him and Rusty sat down, tried to write -- have  
10    some input into the procedures so we could get all those  
11    written. Now, these are not the welding procedures; these  
12    are the quality execution procedures. So I know he was  
13    there then, and, of course, we went through the procedure  
14    qualification. I believe, although I couldn't swear to it,  
15    I think he actually had input into or actually reviewed and  
16    approved those procedures, but I wouldn't dare say for sure.

17          Q     Okay. I'm not familiar with the term quality  
18    execution procedures, so -- I'm familiar with PQRs being the  
19    procedure --

20          A     The real difference between that is your quality  
21    execution procedures is the governing -- they're the  
22    motherhood type document, they govern how you do -- how  
23    you're actually going to control your welding, how you're  
24    going to develop PQRs. In our case, it would be WPSes.

25          Q     Okay.

1           A     It's -- it's your site welding procedures that are  
2 -- what type of welding history card you're going to use,  
3 those sort of things. It's more of a paper thing than an  
4 actual procedure qualification like a weld procedure.

5           Q     All right. You clarify for me -- my understanding  
6 is the PQRs support the WPSes.

7           A     That's correct.

8           Q     All right. And then this document that you're  
9 referring to, the quality execution --

10          A     They're -- they're the required procedures under  
11 10 CFR 50.

12          Q     Okay.

13          A     And our ASME manual.

14          Q     Okay. And ASME being A-S-M-E --

15          A     Correct.

16          Q     -- for purposes of the record. And where would it  
17 fit? Where would these quality execution records fit with  
18 relation to the --

19          A     They're --

20          Q     -- to the PQRs and the WPSes?

21          A     The PQRs are developed under a corporate ASME or  
22 10 CFR 50 auspices.

23          Q     Okay.

24          A     Our procedures just -- they're the ones that tell  
25 you how to write a work instruction, how to put it in, what

1 your weld history card should look like, what type of  
2 information has to be on them. They do take the information  
3 out of the corporate manuals and put them in the site  
4 procedure. They're really a site procedure.

5 Q Okay. The quality execution record is more --  
6 would be correlated to the WPSes?

7 A Correct.

8 Q Okay. All right. I understand what you're  
9 saying. My thinking coming into this --

10 A Right.

11 Q -- was that there was, if you will, corporate  
12 WPSes and corporate PQRs, and then once a project got  
13 started, there was a development of site-specific WPSes and  
14 PQRs.

15 A No. No.

16 Q Okay.

17 A There's really only one PQR.

18 Q Okay.

19 A They all have to be developed under the corporate  
20 program, now, whether you do it through delegation on the  
21 site or whether the corporation actually does the actual  
22 running of the coupons to perform that test. Now, you will  
23 have a site-specific WPS that takes the information on that,  
24 but that still has to be approved by the corporation. Then  
25 you have the governing quality program, the programmatic

1 type procedures is what these QEPs are.

2 Q And the acronym is QEB?

3 A Quality execution procedures, yes.

4 Q Oh, P. QEP.

5 A Right.

6 Q Okay. That's fine. Just so I can follow along as  
7 we go.

8 So I explained my understanding, so as I ask you  
9 questions, that's --

10 A I could actually look at -- find some here and let  
11 you look at them so you could get a better understanding for  
12 that.

13 Q That's fine. Just for purposes of our discussion  
14 here, so we each understand --

15 A Right.

16 Q -- where we're coming from, so when I ask you  
17 questions, I'm actually -- if I say site specific, I'm  
18 talking --

19 A WPS or PQR.

20 Q -- WPS or PQR, but you can translate that into  
21 your terminology, the QEP.

22 A Well, actually, the WPS or the PQR, it's pretty  
23 clear to me what they are.

24 Q Okay.

25 A The QEP is just another document --

1 Q Okay.

2 A -- that also has input on the welding.

3 Q All right. Now, if I understood you correctly,  
4 you said that although there is a corporate WPS and a  
5 site-specific WPS, and the QEP is considered to correlate to  
6 WPS for the site purpose, you said that there was only one  
7 PQR, and is there a name for the -- and the PQR is a  
8 corporate document?

9 A PQR is what they call a procedure qualification  
10 record. That is a corporate document, yes.

11 Q Okay. What do you consider then to be an  
12 equivalent to a -- what would be the site-specific for the  
13 corporate PQR? That's what I'm trying to understand.

14 A I'm not sure that -- in my own mind, I'm not sure  
15 that there is a site equivalent because I think there -- a  
16 PQR all has to be blessed by the corporation.

17 Q Okay.

18 A A WPS, which takes the information off the PQR,  
19 that's generated at the site level or could be generated,  
20 but it still has to be approved by the corporate.

21 Q Okay.

22 MR. EDMISTER: Excuse me. Don't bang the table  
23 because --

24 THE INTERVIEWEE: Oh, I'm sorry. I was --

25 MR. ULIE: That's okay.

1 THE INTERVIEWEE: I talk with my hands.

2 MR. EDMISTER: It's probably going to muffle your

3 --

4 THE INTERVIEWEE: I'm sorry.

5 MR. ULIE: That's fine.

6 Was there anything else you wanted to --

7 MR. EDMISTER: No.

8 MR. ULIE: Okay. No problem. No problem.

9 THE INTERVIEWEE: You know how it is when you --

10 MR. ULIE: Right.

11 BY MR. ULIE:

12 Q With respect to the PQR -- my question was going  
13 to be, with respect to the test coupons --

14 A Right.

15 Q -- when you actually --

16 A That is the PQR.

17 Q That is the PQR. Okay.

18 A That's the specimen that you develop the PQR from,  
19 yes.

20 Q Okay. But if you're on a project and you have  
21 corporate PQRs but you don't have -- you find at a  
22 particular project that you need to do some additional  
23 testing because you don't have it all, all of the proper  
24 documents in your corporate PQR, you would run these  
25 additional test coupons, correct, to come up with additional

1 --

2 A Normally what you would do is go back to the  
3 corporation and have that happen through the corporation or  
4 through a delegated -- a delegation authority.

5 Q Okay. All right.

6 A And that's my understanding of how that works.

7 Q That's fine. But it is a PQR, and that eventually  
8 then gets worked into a WPS, right?

9 A That's correct.

10 Q Okay. All right. All right.

11 We were talking about -- you had met in October  
12 '95 and in July of -- approximately July or summer of '96.

13 A Yes. I know Allan was on site a couple of times.  
14 I can't recall whether was there three times or twice. I  
15 just can't remember.

16 Q All right. And you summarized the October '95  
17 visit.

18 A Right.

19 Q Now, if you would, the summer '96 time frame when  
20 he came out here?

21 A I just don't really remember much about that.

22 Q Who came at that time, do you remember? Was it  
23 Allan by itself or --

24 A I don't know if he came -- in the summer, we were  
25 going through what we call an ASME audit. You know, that's

1 where they take our stamps and take that down to the site  
2 level.

3 Q Okay.

4 A And I know Andy Walcott came and -- or ANI came.  
5 I'm not sure if Allan was there at that time.

6 Q And let's -- just for the record, Andy Walcott,  
7 that was Mr. Artayet's supervisor --

8 A Correct.

9 Q -- at that time?

10 A And also our corporate quality director.

11 Q Okay. And then the ANI, that would be the --

12 A Authorized nuclear inspector, [inaudible].

13 Q Okay. And do you recall who that was?

14 A Yeah, I know his name, but I -- I know his name as  
15 well as I'm sitting here, but I can't think of it.

16 Q Walter Zimmerman?

17 A No.

18 Q No? I can't help you, either. I think I've seen  
19 it, but I can't --

20 A I know who it is; I just can't think of his name.

21 Q All right. That's fine.

22 But with respect, then, to the discussion that  
23 took place -- or what was the purpose of his visit, do you  
24 recall?

25 A Well, actually, when you have N stamps in the

1 corporation and then you're going to do a job that requires  
2 the use of those N stamps, they have an outside -- they have  
3 -- you go through an extensive audit of your program to see  
4 that your program works, and that occurred I believe in  
5 July, probably of '95.

6 Q '95 or '96?

7 A '96. I'm sorry.

8 Q Okay.

9 A And there were several team members that came with  
10 them. There's -- there's five or six people that normally  
11 show up on one of those audits, and they watch you implement  
12 your program.

13 Q So that was the purpose that --

14 A Right.

15 Q -- Mr. Walcott and Mr. Artayet --

16 A Yeah.

17 Q -- were here for, then?

18 A I'm not -- I really am not sure whether Allan was  
19 there at that time or not. I just -- it seems like he was,  
20 but he may not have been.

21 Q All right. Well, my question that led in there,  
22 what I'm really trying to understand, were there -- other  
23 than the October '95 time frame meeting that you held with  
24 Mr. Artayet, were there any other meetings that he was  
25 involved in related to the procedure qualification process?

1           A     There could have been, but I -- I don't recall  
2 any. I don't think Allan came to the site an awful lot.

3           Q     And was that by accident or is that common? Can  
4 you give me any perspective on that?

5           A     I don't know that it's uncommon or --

6           Q     Okay. Since you left it kind of open, I thought I  
7 would ask.

8                     All right. With respect to SHARPY BNOCH impact  
9 testing or drop weight testing --

10          A     Uh-huh.

11          Q     -- did Mr. Artayet ever in writing or orally  
12 inform you that this type SHARPY BNOCH impact testing or the  
13 drop weight testing was not required?

14          A     Yes. In fact, there was a memo that he put out,  
15 and I -- I don't have that memo anymore. I don't know --  
16 that was one -- I don't even recall exactly what PQR it was  
17 against, but that was one that we felt that, yes, SHARPY  
18 impact -- or drop weight testing was required, and, in fact,  
19 it was.

20          Q     Now, is it common knowledge, if you will, within  
21 the welding industry that a person that's knowledgeable or,  
22 you know, that has general experience in the welding area  
23 would know that?

24          A     I would certainly think --

25          Q     In your opinion.

1           A     In my opinion, a corporate welding engineer  
2 certainly would know that.

3           Q     So did that seem odd or unusual?

4           A     Yes, it did.

5           Q     You actually remember seeing, though, a memo --

6           A     I actually had a copy of it, and I don't -- I  
7 don't know what I did with it. I thought -- because once in  
8 a while, what I do is I just stick things and you kind of  
9 hang onto them until you say, well, I don't need that  
10 anymore and you get rid of it.

11          Q     Do you remember who it was -- was it from Mr.  
12 Artayet or was it from someone else? Do you remember the to  
13 and the from and the date, the time frame, that sort of  
14 thing?

15          A     I don't remember -- I definitely remember it was  
16 from Allan. I don't remember whether it came to Rusty or  
17 whether it was to someone else. I just don't recall that.  
18 But I would say timing wise, probably -- it would have had  
19 to have been when we were developing the PQRs and the bulk  
20 of them were developed in the August time frame. So my  
21 guess it's probably August, September time frame of '96.

22          Q     Let me ask of you the task to do a search and see  
23 if you can come up with that document.

24          A     Yeah, I will. I've moved -- you know, what's  
25 happened to me, I've moved so many times, I've got stuff

1 from Tennessee and Idaho and here in Florida in storage, and  
2 I -- I'm sure someplace I've got it. I'm going to find it  
3 and I'd love to send that to you.

4 Q Okay. What would be -- obviously I would like to  
5 get it as soon as possible. What's the time frame that you  
6 think you would be able to do such a search?

7 A Oh, I can go over to my storage here in -- first  
8 day off I get, and I'll -- and I'll do that. I'm not going  
9 back --

10 Q Within 30 days, do you think you could --

11 A I'm not going back to Idaho probably until  
12 February, so -- and I really hadn't planned on going to  
13 Tennessee until about that time.

14 Q At this point, though, you don't know if you have  
15 it.

16 A No.

17 Q You would search your records --

18 A But i can tell you, I can definitely tell you that  
19 letter does exist, and there are several people that've seen  
20 that because there was several people shocked by the letter,  
21 including Marty.

22 Q Okay. During the Point Beach project, what do you  
23 recall hearing about the corporate welding engineer position  
24 becoming available?

25 A I don't -- I -- if there was anything like that,

1 the only discussion I ever heard about that was one time,  
2 Andy Walcott mentioned that Allan was awful busy, and I  
3 think at that time, there was some discussion about maybe he  
4 needed more resources. But I don't -- I mean, that's the  
5 extent of that discussion.

6 Q In what time frame was that?

7 A Oh, I don't know. That's probably -- probably was  
8 pushing to get them PQRs developed; probably spring of '95.  
9 And we was talking about, hey, we need to get somebody doing  
10 that, and Andy was telling me that Allan was spread pretty  
11 thin.

12 Q So tell me, in the manner in which you recall, you  
13 know, what was said about that subject, how was it said to  
14 you rather than --

15 A I don't think it was anything like they was going  
16 to -- that the position was coming available more -- more  
17 than, hey, we've got a lot to do, we've got to have more  
18 resources, maybe we have to bring more welding engineers in.

19 Q Okay.

20 A I mean, it was more of a discussion along those  
21 lines.

22 Q So what you remember is, it was going back to at  
23 least the '95 time frame, possibly spring time frame --

24 A Probably more spring '96.

25 Q Oh, spring of '96?

1 A Right.

2 Q Okay.

3 A And it was about the time that we was wanting to  
4 get the procedures developed, and I was saying, hey, we need  
5 to get these procedures developed, we've got to get them to  
6 the site, it's time to move on. We've just got to do  
7 something.

8 Q Were you pursuing with either your management or  
9 Mr. Artayet's management that the project was going to be  
10 delayed or we're getting behind schedule and we need to get  
11 more --

12 A I was very concerned about welding procedures, and  
13 they weren't coming as fast as I thought they -- could  
14 reasonably expect them to. I mean, if you start thinking of  
15 a job the size of a generator replacement and you're still  
16 developing weld procedures 60 days before the project,  
17 that's late by any stretch of the imagination. They should  
18 have been developed, in my opinion, by -- the target date  
19 that I wanted them all developed was April of -- no later  
20 than April.

21 Q Of '96.

22 A Of '96. Which gives you time to make sure you've  
23 got all your weld rod bought and it's delivered on site, and  
24 -- and that just didn't happen.

25 Q When did they actually get completed the

1 qualifications?

2 A To give you an exact date, I couldn't, but it was  
3 relatively short before the outage before they was all  
4 approved.

5 Q Was it October time frame when the actual project  
6 started or --

7 A The plant went off line October 5th, as I recall.

8 Q And about how much before that, then, are we  
9 talking?

10 A We have different procedures. I think there were  
11 13 or 14 procedures. There may have been more than that.  
12 So you had some of them developed earlier, but the last of  
13 them were developed real late. I'm thinking literally on  
14 the -- knocking on the door of the outage.

15 Q So the latter part of September or --

16 A Yes. Right. Before the rest of them was  
17 approved.

18 Q Okay. Separate, though, from those discussions  
19 that you remember about the -- in the spring of '96 time  
20 frame as far as talking to Mr. Walcott that additional  
21 resources needed to take place, you don't remember anything  
22 in the fall of '96 time frame that --

23 A Yes. Allan was on site, yes. He was.

24 Q Okay. As far as discussions about that position,  
25 though, his position or the corporate welding engineer's

1 position becoming available --

2 A No. There wasn't any discussion about that,  
3 certainly not with him, and I hadn't -- there wasn't any  
4 rumors out there that I had heard of.

5 Q Did you personally have any discussions with any  
6 of the welding engineers on this subject?

7 A The only thing I did is, to be real honest with  
8 you, I was wanting to get some additional resources in  
9 there, and I did talk to one guy because I thought the best  
10 thing we could do is get some more resources in there and  
11 ask him if he would be interested.

12 Q And who was that?

13 A Paul Evans probably.

14 Q Okay. So it was from the perspective of adding  
15 onto the current corporate welding engineer --

16 A Right.

17 Q -- versus in place of the corporate welding  
18 engineer?

19 A At that point in time, what I was trying to do was  
20 convince the corporation to either -- we had to do something  
21 to develop procedures faster. If we had to get more  
22 resources in there, then maybe, you know, the group needed  
23 to add some people.

24 Q And who in your management chain were you  
25 discussing this with?

1           A     Oh, I was actually talking to, on site, with  
2 Marty.

3           Q     Okay. And Marty being Mr. Cepkauskas?

4           A     Cepkauskas, right.

5           Q     And he was the project director, I believe you  
6 said?

7           A     Correct. Now, whether that ever went anyplace or  
8 not, I don't know.

9           Q     Okay. Did you have any conversations yourself  
10 personally with corporate, anyone from corporate directly?

11          A     On that particular subject, I don't recall ever  
12 having one.

13          Q     Were you ever present when Marty was speaking to  
14 anyone from corporate?

15          A     No. Not about that --

16          Q     For this subject?

17          A     No.

18          Q     Did you request from your management to have Mr.  
19 Artayet stopped from working on the Point Beach project or  
20 to reduce his influence on the project at any time during  
21 the project?

22          A     No, I don't recall ever saying that. I -- what I  
23 was very concerned about is the procedures wasn't getting  
24 completed, and I needed somebody to do something. As far as  
25 him coming up there, he could come up any time he wanted.

1 It's pretty tough for a project person to stop a corporate  
2 guy, so I don't even attempt.

3 Q Had you discussed with Mr. Cepkauskas or Mr. Pardy  
4 the possibility of removing Mr. Artayet from the corporate  
5 welding engineer position?

6 A Not in those exact terms, no.

7 Q All right. In what terms?

8 A I don't recall ever saying we ought to remove him  
9 from corporate welding engineer; I said, we've got to do  
10 something different to get procedures out of corporate  
11 office in a lot more timely fashion if we're going to  
12 support the work.

13 Q And this is referring back to when you were having  
14 discussions about adding additional welding engineers --

15 A Well, yeah, and then even -- even after that,  
16 because once we got it to the site, it put us in a real --  
17 we're just -- I mean, we're 60 days, 60, 90 days away from  
18 shutdown, and I had to divert now at this point in time site  
19 resources to concentrate on something that I felt should  
20 have been done, and I wasn't happy about it. I really  
21 wasn't.

22 Q And who did you have these discussions with?

23 A Oh, I don't know. We had several. You know, when  
24 you've got different people at the site, they ask you how  
25 it's going; you -- you -- I couldn't exactly say who that

1 would be.

2 Q Are you referring -- I mean --

3 A It may have been --

4 Q -- from a corporate standpoint or --

5 A It could have been. I can tell you, I did let Lou  
6 know that I wasn't happy with not getting the procedures out  
7 in a timely fashion. I'm sure I did because we had a  
8 project readiness review out there and that was one of the  
9 things that I was most concerned about, as well as our  
10 people that came in and did the project readiness review  
11 --hey, you're way behind on your procedures. And it was --  
12 it was obvious to anybody that those procedures were way  
13 behind the curve.

14 Q And when was that project readiness status  
15 meeting?

16 A It probably would have been the August, September  
17 time frame.

18 Q Of '96?

19 A Correct. But I -- I -- it's no secret, I was not  
20 happy about it.

21 Q All right. Anything else along those lines that  
22 you want to add?

23 A I can't think of anything other than just when  
24 you're a field person, you depend on the corporation and the  
25 people at the corporate office to support the field with all

1 the necessary paperwork, PQRs and things like that. When  
2 that doesn't occur, you certainly voice your discontent back  
3 up through the corporation, and I would do the same again.

4 Q I'll show you a document, it's a fax memo. The  
5 coversheet is dated January 14th, '97. It's from Mr.  
6 Walcott to you, and the subject is draft of open issues,  
7 open item issues, is that correct? What's the subject  
8 there? Why don't you just read off --

9 A Attached current draft of the issues raised as a  
10 result of our review of the Point Beach WPSes. Anything  
11 with an E to the left is an editorial issue. I see no  
12 benefit in -- this is '97. Right.

13 Q Why don't you take a moment. There's one -- I  
14 believe there's seven pages attached to the cover page, so  
15 there's a total of eight pages with it. Take a moment, look  
16 that over.

17 A Right.

18 Q Tell me when you feel that I can ask you some  
19 questions that you think you will be able to respond to.

20 A If you ask me technical questions, I'm probably in  
21 trouble, but yeah, I -- I don't know if this is the exact  
22 copy, but it looks like it probably is.

23 Q All right. Well, that's my first question. Do  
24 you recall receiving this fax?

25 A Yeah, I do. I recall seeing it, because I had

1 --it wasn't took long after I came down here. I think I got  
2 here like on the 6th of January.

3 Q And do you recall if it was sent on the date that  
4 it's dated or --

5 A I -- I couldn't recall that. If it's a draft, I  
6 don't know.

7 Q Not to get into a real depth of technical  
8 question, but generally speaking, does the information  
9 contain potential ASME Code issues? Is that what's in  
10 general being discussed for some --

11 A I know that there were a number of questions that  
12 were raised, and I do know that our corporation did a very  
13 thorough, thorough review of all those issues, and it was my  
14 understanding that, from the site down here, I got very  
15 little involvement in that. That was handled pretty much at  
16 the corporate level, and it's my understanding that all  
17 those issues have been visited and everything has been  
18 resolved, and --

19 Q Understanding -- and I see from the cover letter  
20 it talks about some of these are considered to be editorial.

21 A Editorial, right.

22 Q But the others that aren't really talked about in  
23 the cover letter, that's why I was asking, are those more of  
24 a technical or the Code issues?

25 A To be honest with you, where I'm not a welding

1 expert or a Code expert, I'm leery of --

2 Q That's fine. If you don't know, then you can so  
3 state it. But let me ask, was it your understanding the  
4 reason that these open issues were being sent to the site  
5 was for follow-up because it had some effect, technical --  
6 there were technical concerns?

7 A Well, there were certainly questions. I don't  
8 know that it was technical concerns. I don't know that I'd  
9 say that. I do know that there were some questions that was  
10 raised, and at that point in time, because we were just  
11 going through project close-out up there, we had -- I think  
12 in some cases we had some of the documents being transferred  
13 to Cleveland and probably maybe had some copies of -- maybe  
14 individuals had copies of some of the PQRs and WPSes they  
15 had brought with them. I didn't bring any of that stuff  
16 with me. We normally have a turnover at the end of the  
17 project, and that's the last I'd see it.

18 Q What action occurred as a result of your receiving  
19 this document?

20 A As far as I know, the action occurred -- Andy  
21 Walcott kind of took the leadership role in that or the head  
22 role in trying to resolve all of those issues to the  
23 satisfaction of everybody involved, and that's pretty much  
24 -- I didn't spend a lot of time on that, but it was my  
25 understanding that those issues had been resolved. I

1 understand there was a thorough, in-depth review of  
2 everything and we're satisfied -- we're satisfied that those  
3 welds are quality welds and meet the Code.

4 Q Okay. And my question is actually more for the  
5 project. What did you do here on site as far as receiving  
6 this document? Did you inform your management? Did you do  
7 --

8 A My management already knew that. About the same  
9 time as that memo came to me, there is no doubt in my mind  
10 it probably went to maybe others.

11 Q Okay.

12 A Because --

13 Q And how do you know that? Who are you referring  
14 to? You know, give me a little more specifics.

15 A Well, I certainly know when you have welding  
16 issues like that, that probably reverberates out through the  
17 company, because Andy doesn't report to me and I don't know  
18 who all he distributed that because that's a draft, and I --  
19 I don't know if I've even got the original back here. I  
20 may, but I don't know if I do or not.

21 Q I understand what you're saying, but I want you to  
22 be very specific as far as your -- your specific actions is  
23 what I'm asking, okay, not who else Andy may have contacted.

24 A Oh, I certainly notified Marty. Marty was made  
25 aware of that, Marty being who I report to.

1 Q All right. And what happened when you informed  
2 him? What did he say, you know, what was going to happen?

3 A Well, I knew what -- what he wanted to do was get  
4 to the bottom of it, and I know they had some people look at  
5 that. I don't know if Rusty went up to Cleveland or not. I  
6 don't recall, but he may have, I just don't remember. But I  
7 do know that there was a lot of people came in and looked at  
8 that and they took it very seriously.

9 Q And first I'm working my way up the chain and I  
10 was going to go -- my latter questions go back down the  
11 chain of command. But I -- so when you talked to Marty --

12 A I have to -- I'm sure Marty talked to his  
13 superiors. There isn't any doubt -- the problem I've got is  
14 I don't know what the time frame was.

15 Q Right.

16 A And around the 14th of -- January 14th, I don't  
17 know if I got that memo on that date, but I certainly know  
18 at some point in time, all of our management was made aware  
19 of this. You know, whether it was on the 14th of January or  
20 if that memo was actually sent to me a week later, I don't  
21 know, or two weeks later. But when that memo came, we  
22 certainly made the right people aware of it.

23 Q Okay. And as far as any specific action that you  
24 remember being taken here, based on your discussions with  
25 your supervisor, can you elaborate or specify --

1           A     Well, what we wanted to do was see what the  
2 results of this was, and I -- and the corporation kind of  
3 take -- took the lead. Andy took the lead of trying to go  
4 down through all of these Code issues and make sure that he  
5 had everything resolved. And I do know that I did get  
6 follow up correspondence where those issues was resolved. I  
7 wouldn't be surprised -- he probably had some discussions  
8 with Hartford Steam Boiler and others. So --

9           Q     Do you know specifically -- you had mentioned  
10 Rusty. Did Mr. Cepkauskas request or direct Mr. Gorden to  
11 get involved in reviewing what these issues were to provide  
12 input to Mr. Walcott or -- you know --

13          A     I don't --

14          Q     -- I'm still trying to understand --

15          A     I don't remember exactly how that happened, but I  
16 do know at that point in time, Rusty had the on-site  
17 procedures, or copies of them. He did not have the original  
18 ones here. And he -- no doubt that he probably got involved  
19 in that.

20          Q     Okay. You say here. Was January 14th -- were the  
21 Point Beach group already --

22          A     A lot -- a lot of the people was.

23          Q     I see. Okay.

24          A     We kind of finished -- my last day there -- I left  
25 Point Beach on the 26th of December.

1 Q Okay.

2 A And I think that's probably about the time that  
3 Rusty left and came down here. It was probably about that  
4 same time frame. There were others that stayed behind for  
5 another month or so, and I do remember that it was probably  
6 January or February time frame when this thing came about,  
7 and I do know that, yeah, Rusty certainly had a copy of  
8 that, if that's the one that -- I'm sure that -- I'm sure we  
9 got -- I'm sure that somebody's got the actual memo that was  
10 sent. A draft, I'm always leery, if that is a draft, on  
11 whether I got that draft or not.

12 Q When your fax sheets come in, do you actually get  
13 a printout, if you will, a date and a time when it's  
14 received? Can I add that to my list as a second document,  
15 would be that fax coversheet or --

16 A Yeah, I can -- I -- if I've got a copy of that,  
17 I'll certainly give it to you.

18 Q All right.

19 A What is that? What number is that? MAW97007.

20 Q Okay. Do you have anything else that you care to  
21 add? I'm just opening it up to you based on our discussion  
22 of the Point Beach project and its relevance to Mr. Artayet  
23 and --

24 A No. I -- the only thing I wanted to say is I -- I  
25 really felt very strongly that we had to get -- the PQRs was

1 not delivered in a timely fashion. I could never understand  
2 exactly why not. I felt the corporation could have done  
3 better. I was surprised when I seen a letter talking about  
4 drop weight testing not being required on the PQR. That's  
5 certainly a Code requirement and I would have expected that  
6 Mr. Artayet would have known that. And I was not very happy  
7 with his performance, I can honestly tell you that. That's  
8 all I've got.

9 Q Okay. Why don't you just recap your unhappiness.

10 A Primarily, it was because he was not getting the  
11 PQRs developed in a timely fashion. I didn't feel our site  
12 was getting the proper attention.

13 Q Now, were you getting input from anyone else other  
14 than what you, you know, yourself had contact with corporate  
15 or with --

16 A Well, I talked to -- I talked to Andy Walcott on  
17 several occasions, telling him that I was very concerned  
18 about these procedures, we needed to do something. They  
19 wasn't coming very rapidly and we needed to do something,  
20 get somebody -- either bring them to the site and we do them  
21 down there or do something, that we just couldn't not do  
22 them.

23 Q All right.

24 A So --

25 Q So that was the source, was -- of your concern

1 with --

2 A Yes.

3 Q -- Mr. Artayet had to do with those -- the  
4 procedures and the delay --

5 A Right.

6 Q -- that that was causing you at the site --

7 A That's correct.

8 Q -- on the project. Okay. All right.

9 Let me just recap the two documents that I've  
10 asked you to look for -- that's that memo on the drop weight  
11 testing --

12 A Right.

13 Q -- that you believe you received. You don't know  
14 who it was from, though, or --

15 A I know Allan Artayet originated it. I don't  
16 recall exactly whether it was to -- who it was to.

17 Q Whether he sent it, though, to the project or --

18 A I -- I don't recall.

19 Q Okay.

20 A I just don't recall. But I do know I seen it --

21 Q All right.

22 A -- because I know that Marty wrote a little note  
23 across the darn thing and said that he was surprised that  
24 our corporate welding engineer wouldn't know that --

25 Q Would say that.

- 1 A Yeah.
- 2 Q Okay.
- 3 A Very explicitly.
- 4 Q All right. The second document is the actual  
5 faxed document.
- 6 A Right.
- 7 Q If you have the original, that's --
- 8 A This MAW97007?
- 9 Q Yes. And that --
- 10 A Right.
- 11 Q -- correlates to the January 14th memo from Mr.  
12 Walcott --
- 13 A I may still have that one.
- 14 Q -- to you. Okay.
- 15 MR. EDMISTER: And the number?
- 16 MR. ULIE: The number on it is M-AW-97-007.
- 17 BY MR. ULIE:
- 18 Q Okay. I just have two closing questions.
- 19 A Okay.
- 20 MR. ULIE: Mr. Edmister, do you have anything you  
21 would like to put on the record?
- 22 MR. EDMISTER: No.
- 23 MR. ULIE: Okay.
- 24 BY MR. ULIE:
- 25 Q Two questions for you, Mr. Bingham. Have I

1 threatened you in any manner or offered you any reward in  
2 return for this statement?

3 A No, you haven't.

4 Q Have you given your statement freely and  
5 voluntarily?

6 A Yes, I have.

7 MR. ULIE: Okay. Then this interview is concluded  
8 at approximately 4:20 p.m. Eastern Time. Thank you.

9 We're off the record.

10 [Whereupon, at 4:20 p.m., the interview was  
11 concluded.]

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# EXHIBIT 20

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

-----x  
IN THE MATTER OF: :  
INTERVIEW OF THOMAS ZARGES :  
(CLOSED) :  
-----x

Morrison Knudsen Corporation Office  
MK-Ferguson Plaza  
1500 West 3rd Street  
Cleveland, OH

Thursday, January 8, 1998

The above-entitled matter came on for interview,  
pursuant to notice, at 1:00 p.m.

BEFORE:

JOSEPH ULIE, Investigator

ANN RILEY & ASSOCIATES, LTD.  
Court Reporters  
1250 I Street, N.W., Suite 300  
Washington, D.C. 20005  
(202) 842-0034

EXHIBIT 20  
PAGE 1 OF 24 PAGE(S)

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C O N T E N T S

WITNESS	EXAMINATION
THOMAS ZARGES	
BY MR. ULIE	4

E X H I B I T S

NUMBER	IDENTIFIED
[None.]	

## P R O C E E D I N G S

[1:00 p.m.]

1  
2  
3 MR. ULIE: Today's date is January 8, 1998 at  
4 approximately 1:00 p.m. Eastern time. For the record this  
5 is an interview of Mr. Thomas Zarges, last name spelled  
6 Z-A-R-G-E-S. This interview is being conducted at the  
7 Morrison Knudsen Corporation Offices located at the MK  
8 Ferguson Plaza, 1500 West 3rd Street in Cleveland, Ohio.  
9 Present at this interview are Ms. Heather Areklett, last  
10 name spelled A-R-E-K-L-E-T-T, an attorney and Joseph M.  
11 Ulie, last name spelled U-L-I-E, Special Agent with the  
12 United States Nuclear Regulatory Commission Office of  
13 Investigations. As agreed, this interview is being recorded  
14 by court reporter Ms. Miranda Miller. The subject matter of  
15 this interview concerns an employment discrimination  
16 complaint filed with the Nuclear Regulatory Commission by  
17 Mr. Alan Artayet, last name spelled A-R-T-A-Y-E-T.

18 Mr. Zarges if you would please stand and raise  
19 your right hand while I administer the oath.

20 Whereupon,

21 THOMAS ZARGES,

22 the Interviewee, was called for examination and, having been  
23 first duly sworn, was examined and testified as follows:

24 And Mr. Zarges, if you -- do you wish Ms. Areklett  
25 to be present during this interview?

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Washington, D.C. 20005  
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1 MR. ZARGES: Yes, thank you.

2 MR. ULIE: And will your testimony be inhibited  
3 for any reason by Ms. Areklett's presence?

4 MR. ZARGES: No.

5 MR. ULIE: And Ms. Areklett, if you would please  
6 state your full name, title, law firm and purpose for your  
7 presence here today.

8 MS. AREKLETT: My name is Heather Areklett. I am  
9 an associate attorney at Thompson, Hine & Flory, Cleveland,  
10 Ohio. My purpose is to represent Mr. Zarges and MK.

11 DIRECT EXAMINATION

12 BY MR. ULIE:

13 Q Okay, Mr. Zarges, for the record if you'd provide  
14 your full name?

15 A My name is Thomas H. Zarges. I'm the President  
16 and CEO of the engineering construction group here at MK.

17 Q Okay. And what's your academic background with  
18 respect to any college degrees?

19 A I have a Bachelor of Science in Engineering from  
20 the Virginia Military Institute.

21 Q And your position, you said, is president?

22 A Yes.

23 Q And how long have you held that position?

24 A Six years.

25 Q And what business association exists between

1 Morrison Knudsen and the Steam Generator Team?

2 A We're a joint venture. It's a 50/50 venture  
3 company established with Duke Engineering Services.

4 Q For purposes of the names Morrison Knudsen and the  
5 Steam Generator Team or their acronyms MK and SGT, I'm gonna  
6 use those names interchangeably but if you, for what ever  
7 reason, believe that you should call particular attention to  
8 one of the companies feel free to do so.

9 A All right.

10 Q If you would provide an overview of the types of  
11 services that MK provides at nuclear power plants.

12 A Our services really have been in two types over  
13 the six years that I've been here. One is deconvent  
14 contamination and decommissioning. And these are for plants  
15 that have been removed from service. We have had several  
16 assignments in doing that, the largest of them at Fort Saint  
17 Vrain in Colorado for public service of Colorado. And that  
18 job completed about a year and a half ago. And in addition  
19 to that we do steam generator replacements. We've done  
20 several of those prior to my tenure here, six years hence.  
21 And since I've been here we've done two of them. One of  
22 them at WEPCO and one just completed at Saint Lucie, for  
23 Florida Power and Light. Both of those were done with SGT.  
24 The D and D work is not done with SGT.

25 Q And WEPCO that's an acronym?

1 A Wisconsin Electric Power Company.

2 Q Okay. That would be Point Beach Nuclear Plant?

3 A Yes. Mm-hmm.

4 Q Okay. And other than Saint Lucie Nuclear Power  
5 Plant, is MK currently contracted at any of the other  
6 nuclear facilities?

7 A No. We have negotiations in progress for future  
8 work but we have no other contracts pending right now.

9 Q Okay. What are the plans for future that you are  
10 aware of currently?

11 A We, working as SGT with Duke, are going to  
12 continue to bid steam generator replacements as they come up  
13 from the utility industry. Those generally are competitive  
14 procurements and so it's unknown how many of those we'll  
15 win, but we assume that we'll bid on one or two a year. We  
16 have a pending negotiation with Baltimore Gas and Electric  
17 for Calvert Cliffs.

18 Q Calvert Cliffs?

19 A That will involve two units if the utility decides  
20 to replace both. Those negotiations have been underway for  
21 several months and we hope that they'll complete sometime  
22 here in the first quarter of '98. We also have some D and  
23 D, decontamination and decommissioning programs that are  
24 being bid or are underway, I guess the largest of those  
25 being bid now is Big Rock Point for Consumer's Energy.

1 We've been doing other nuclear work in a D and D arena as a  
2 subcontractor, one at Humboldt Bay and then for  
3 Westinghouse, at Walt's Mill, one of their test reactors  
4 that's inactive.

5 Q Okay. What association does MK have with the  
6 Hartford Steam Boiler Inspection and Insurance Company?

7 A They're are independent assessor and inspector of  
8 our quality programs.

9 Q Why did Hartford Company personnel conduct an  
10 audit at MK during December 1996 time frame?

11 A We, and I guess, I specifically, request them to  
12 come in at regular intervals generally yearly, and to review  
13 our program and let us know if they see any significant  
14 findings that we need to address.

15 Q On that specific December 1996 audit, did you have  
16 any involvement during that audit yourself?

17 A I wasn't interviewed during the audit. I  
18 typically am there for the exit interview and then receive  
19 the results of the audit.

20 Q Were you briefed on the audit findings and  
21 observations?

22 A I was briefed during the exit interview, I  
23 believe, and I got a written record of their audit findings.

24 Q From your perspective, knowing that you don't have  
25 it in front of you, how significant did you find the

1 findings and the observations from that audit?

2 A Well, I saw them as mostly procedural violations.  
3 As I looked at them and was briefed on them, I didn't see  
4 any technical issues or execution issues but I did see a  
5 series of procedural issues that we needed to address.

6 Q The term execution, I'm familiar with technical  
7 and --

8 A Work in the field --

9 Q Okay.

10 A -- that might have been a problem or noncompliant  
11 in one way or another. And by work, I mean physical work.

12 Q Do you know if the Hartford Company did perform an  
13 audit during 1997 here at MK?

14 A Yes.

15 Q When did you first become aware of concerns that  
16 involved Mr. Artayet that led to his removal as the  
17 corporate welding engineer?

18 A I think as we were doing Point Beach, although it  
19 wasn't a concern, there was some concern about the welding  
20 procedures being delivered on time so that training could be  
21 done and so that the program could get underway. But that  
22 sometimes happens. Not all of our programs are run entirely  
23 on schedule and often there are issues regarding schedule  
24 and delivery of procedures. So I didn't see it at the  
25 moment as a particular huge problem but it was a concern.

1 Q Can you give me a general time frame of when those  
2 discussions took place or when you became aware?

3 A I guess that would have been summer of last year.

4 Q Summer of '97?

5 A '96, I'm sorry.

6 Q '96. Yeah, okay. Right, we're in a new year.

7 A We got another year to think about.

8 Q Right. And let me try to focus to, for your  
9 benefit, the time frame that I'm looking would be about the  
10 January '97 time frame and prior to that time frame.

11 A Okay.

12 Q Whatever would be.

13 A Mm-hmm.

14 Q Versus any time since January 1997.

15 A Right.

16 Q Okay. I'll be specific as we go along if I'm  
17 going to talk about another time frame.

18 A Okay.

19 Q I'll call that out. But right now that's the time  
20 frame that I'm talking about so your time period from when  
21 you started on up, if you will, till January '97. So, the  
22 summer '96 time frame -- and who do you remember having a  
23 discussion --

24 A I remember it in a general project review. You  
25 know, we were reviewing where we stood with some of the

1 preoutage activities and whether we were or had been  
2 correctly prepared. I can't honestly remember at the moment  
3 whether that was a prior issue or a current issue, but I  
4 knew that among several things that we were thinking about  
5 for preoutage and being prepared to do the work, that that  
6 was one of them on the list.

7 Q Okay. And again, how was it characterized to you  
8 as far as, relate that back to me then, the importance of  
9 that coming to you when I asked the question of when did you  
10 first become aware of concerns that involved Mr. Artayet  
11 that led to --

12 A Simply an action item regarding scheduling. It  
13 wasn't something that I had to fix, it was something that  
14 the project and the operations staff seemed to be dealing  
15 with.

16 Q Okay. And the action item being that there were  
17 problems as far as scheduling or getting the welding  
18 procedures done for Point Beach; did I understand it right?

19 A Right.

20 Q All right. And then what other conversations  
21 subsequently do you remember having on this subject?

22 A I don't think I had any other conversations until  
23 the results of the audit by Hartford came to my attention  
24 and several of the findings that they brought to our  
25 attention were about welding procedures.

1 Q And do you recall the time frame of that?

2 A It was in December or January --

3 Q Okay.

4 A -- of '97.

5 Q December of '96, January '97?

6 A Right. Mm-hmm.

7 Q All right. And if you would then, the best to  
8 your recollection just describe what you recall of what  
9 those discussions were, who was involved?

10 A Well, I think there were several findings. Some  
11 of them were I guess modest procedural findings about  
12 training matrices and whether or not some of the training  
13 that our personnel received were recorded correctly. But  
14 others were about inconsistencies between some of the  
15 welding procedures between corporate welding procedures,  
16 project welding procedures, and how they were either  
17 resolved or how those inconsistencies were found during the  
18 audit.

19 Q And who was having this discussion with you or  
20 briefing you on this?

21 A I think the exit interview, and I can't remember  
22 if I spoke to him directly, was Len Dykstra, if I remember  
23 right, from Hartford. He's our representative and then I  
24 had these discussions with Andy Walcott as well.

25 Q Were you the individual who made the decision to

1 remove Mr. Artayet from the corporate welding engineer  
2 position?

3 A No, I had the recommendation given to me that he  
4 be removed. I think that was provided to me by Drew  
5 Edelman, who administratively was in charge of the quality  
6 group at that time.

7 Q Okay. So he would have been Andy Walcott's boss  
8 or supervisor?

9 A Right. Mm-hmm.

10 Q And do you remember the approximate time frame  
11 again of that discussion with Mr. Edelman?

12 A I think it was in January.

13 Q Of '97?

14 A I think so, yeah.

15 Q And it would have been subsequent to the audit?  
16 To the Hartford audit?

17 A Yes.

18 Q Was Mr. Artayet's supervisor, Mr. Walcott,  
19 involved in the decision-making process?

20 A I assume he was, yes. Though I don't know that  
21 for a fact.

22 Q And when you say that Mr. Edelman came to you for  
23 a recommendation, could you elaborate a little bit, the best  
24 you can, what you recall from the conversation?

25 A Well, he told me that he had planned to take him

1 out of that job and told me the reasons for coming to that  
2 conclusion and I guess I could have overturned it at that  
3 time if I felt compelled to do so but I certainly was  
4 prepared to go with his judgment.

5 Q Okay. And that -- to follow a question that I  
6 have, did he come to you to inform you that a decision had  
7 made, or did he come to tell you that to get your approval?  
8 From --

9 A I think he told me what he had decided to do. It  
10 was clear that if I wanted to reverse it I could have.

11 Q And did he identify that anyone else was involved  
12 in this process, this decision-making process?

13 A I don't recall.

14 Q Do you recall anyone else involved in the  
15 decision-making process yourself?

16 A No.

17 Q Do you remember if Mr. Artayet was removed as the  
18 corporate welding engineer on the same date that you had the  
19 discussion with Mr. Edelman?

20 A I don't know if he was informed on the same day or  
21 not.

22 Q Was there any specific plan of action with regard  
23 to when or how Mr. Artayet would be removed as the corporate  
24 welding engineer that was discussed with you?

25 A No, except that he would be told by Drew. I'm

1 sure that that was to be the case. Other than that, no.

2 Q What were the reasons given at that time, when Mr.  
3 Edelman came to you with the recommendation for Mr.  
4 Artayet's removal, that he provided?

5 A Well, I think there were several. You know, among  
6 them was kind of a general observation that there was a lot  
7 of dysfunction in putting the welding program together  
8 between Alan and a series of project people. And that it  
9 was apparent that the working relationship was a tough one.  
10 And I think the other instance was that the one area of  
11 responsibility that we look to make sure he was handling was  
12 in the welding procedures and if there was an area that was  
13 highlighted in the Hartford audit it was certainly that.  
14 And I think the combination of those two areas, the obvious  
15 difficulties in the working relationship that he had formed  
16 with the people that he needed to work with continuously and  
17 then the problems with the welding procedures, you know,  
18 were probably the two piled on one another that drove him to  
19 the conclusion that he ought to take him out of that  
20 position.

21 Q Those Hartford audit findings, I didn't ask, but  
22 those were related to Point Beach; is that correct?

23 A Yes. That was the only nuclear job that we had  
24 underway and I guess the -- what got me a little bit as well  
25 was the fact that we don't have that large a book of work in

1 the nuclear industry going on concurrently that we should  
2 have let the single project that we were doing have any  
3 holes in it at all as far as coordinating the procedures are  
4 concerned. It should have been airtight. The work load  
5 wasn't -- shouldn't have been a factor.

6 Q Okay. And as part of -- and I'm trying to use  
7 your words, the general dysfunction between -- within the  
8 procedures or between the site personnel, MK site personnel  
9 and Mr. Artayet, or the quality group and the Hartford  
10 audit, did the deficiencies include the Point Beach welding  
11 procedures that were raised by Mr. Artayet? Was that all  
12 part of the Hartford audit results that you were just  
13 referring to?

14 A I believe they were, yeah. Mm-hmm.

15 Q And did you personally have any problems with Mr.  
16 Artayet's performance prior to Mr. Edelman making that  
17 recommendation to you in January?

18 A Only that I knew that there was a degree of  
19 fiction and the -- it was a tough working relationship for  
20 everybody involved.

21 Q Prior to Mr. Edelman coming to you?

22 A Yeah, I was aware of that, but not directly. Not  
23 firsthand aware of it, just through rumblings and second and  
24 thirdhand information.

25 Q Okay. And separate from that summer of '96

1 status-type meeting or general review meeting you talked  
2 about?

3 A No.

4 Q That would be the meeting you're referring to  
5 where you heard some rumblings and --

6 A Yeah.

7 Q -- secondhand information?

8 A Yes. Mm-hmm.

9 Q Okay. Do you remember specifically, though, who  
10 discussed that type of information with you? Or was  
11 discussed at the meeting and maybe not discussed directly to  
12 you?

13 A It would have been a broad meeting, yeah, with  
14 project -- well, with the whole project team was there and  
15 the operation staff so I don't remember exactly who brought  
16 it up and how we discussed it.

17 Q This may be somewhat of a repeat question, but if  
18 you would either repeat or try to answer it the best you can  
19 for me. As far as your specific involvement in Mr.  
20 Artayet's removal as the corporate welding engineer, would  
21 you just summarize what involvement, if any or to what  
22 extent, you had?

23 A Sure. I wasn't part of any of the specific  
24 deliberations about whether he should stay or go, but when  
25 Drew brought to me what he had concluded, that he ought to

1 replace him and put him somewhere else and told me his  
2 rationale for it, it all seemed to me to be objective, it  
3 seemed to align with some of the general things that I had  
4 heard and I thought that he was in the best position to  
5 judge how to handle the situation. And I saw him looking  
6 for an improvement in the situation and concluded that it  
7 was a good recommendation. It was a sound recommendation.

8 Q Did you approve of that decision then?

9 A I acknowledged it. I don't know that he came to  
10 me for approval.

11 Q Okay. Again, he came to you with the  
12 recommendation and you had the opportunity since you were  
13 senior, if you will, to Mr. Edelman, but you felt  
14 comfortable with that decision --

15 A Yes.

16 Q -- or you didn't feel there was need to reverse  
17 that decision?

18 A That's right.

19 Q And at the time, did you offer an opinion one way  
20 or the other to Mr. Edelman on this specific subject?

21 A I don't think so, except that, you know, his  
22 general description of how he came to the conclusion to  
23 remove him and his description of the events and the issues  
24 that he thought he needed to solve all sounded to me  
25 objective and correct.

1 Q Okay. And did Mr. Edelman identify to you any of  
2 the site personnel or the site personnel's management, being  
3 people such as Mr. Pardee that had any involvement and input  
4 to him for making that decision?

5 A No, I think he pretty much presented it as his  
6 conclusion.

7 Q All right. Now, the time frame I'm moving on to  
8 the latter part of '97.

9 A Mm-hmm.

10 Q Why was Mr. Artayet laid off from MK when he was  
11 working at the DuPont Washington Works facility?

12 A Well, I wasn't involved in that and I only heard  
13 about it after the fact and, you know, in asking the  
14 question I was told that he was being offered another  
15 assignment but refused any other assignment except to return  
16 to his job prior to being sent down to Parkersburg, which  
17 was group welding engineer back in Cleveland.

18 Q So you weren't --

19 A After refusing any other job, we didn't reoffer  
20 him that same job and he chose not to work.

21 Q But the decision had already been made to  
22 terminate him prior to your -- to anyone coming to you

23 A Right.

24 Q -- with that; is that correct?

25 A That's correct. Now, when I asked about it, I

1 mean, it was phrased to me as nobody decided to terminate  
2 him, he just refused to take any other assignment and we  
3 weren't in a position to offer him his old job again.

4 Q Okay. I understand what you're saying. I asked  
5 the question just because of knowing that there was an  
6 employment discrimination complaint that had been filed with  
7 Department of Labor, I didn't know where in the chain of  
8 command that you may or may not have been asked --

9 A Oh.

10 Q -- and that's why I asked --

11 A Yeah.

12 Q -- if you were, because of that. What's Mr.  
13 Artayet's current status with MK?

14 A He's back performing as a welding engineer.

15 Q And when you say as a welding engineer, is it as a  
16 corporate welding engineer or separate --

17 A Well, we call them a group welding engineer but,  
18 you know, we're reorganizing our quality department in the  
19 wake of Andy Walcott taking on a new assignment. We're  
20 replacing him and we've put the welding people now into the  
21 power division, fundamentally, because that's where most of  
22 their work winds up. It's in our power programs and in  
23 nuclear power programs, to be specific. But also spread  
24 throughout other divisions and we talked about that quite a  
25 bit since Lou Pardee is probably the most technically

1 proficient welding engineer that we have in the executive  
2 ranks, decided that that's where it belongs.

3 Q For my own clarification and for other NRC  
4 personnel that will have a need to know to review the  
5 transcript, could you -- you talked about the power division  
6 --

7 A Right.

8 Q -- could you talk a little bit maybe in broad  
9 picture what other division is there?

10 A Sure.

11 Q What does the power division deal with or what  
12 area?

13 A We have really four divisions working in our  
14 group. Two of which are very much involved in mechanical  
15 construction and use welding extensively. One is called the  
16 industrial process group. That's our largest business unit  
17 and that has to do with chemical plants, industrial plants,  
18 pharmaceutical plants, refineries, both in engineering and  
19 construction. And then there's our power group which does  
20 both fossil plants and nuclear plants and some process work  
21 as well, but predominantly as a constructor. I guess the  
22 relationship of the two in terms of size of work per year is  
23 that our industrial power group is somewhere over 300  
24 million a year and our power group is around 50 or 60  
25 million dollars a year in annual work. So our IP group is

1 about six times the size of our power group.

2 Q And the current structure of the company, then,  
3 with respect to what was the quality group and could you  
4 explain that -- how that affected -- the welding expertise  
5 was contained within the quality group?

6 A Yeah. I guess we had some thinking to do early in  
7 forming this group about whether or not welding engineers  
8 really ought to be part of engineering or field engineering  
9 or whether they ought to be put in a position in the company  
10 where they weren't affiliated with a division but could  
11 serve the group at large. And in thinking about that, we  
12 thought the quality position was such a group. It was a  
13 staff position, therefore it wasn't contained in any one of  
14 our industry-focused divisions and the people there could  
15 broadcast their services broadly throughout the whole  
16 company. And so we organized our welding specialty as part  
17 of the quality group to sort of allow it to have a broader  
18 range of view throughout all of our projects. I don't know  
19 if before I came it was part of the engineering group or  
20 not, but that was certainly part of our debate. Should it  
21 be in with the engineers, you know, as a chargeable,  
22 billable engineering specialty, or should it be part of a  
23 staff group which wasn't affiliated with operations and  
24 could serve every operation sort of equally.

25 Q And so now the power division is considered the

1 engineering group or engineering site?

2 A Yeah, at least as far welding expertise is  
3 concerned because, as we've said, most of the welding  
4 specialties and most of the critical work in welding really  
5 is done in that group and particularly on the nuclear side.  
6 And also, I think, because it's got the degree of technical  
7 supervision there, and since its executive has a strong  
8 welding engineering background to deal with technical issues  
9 as they come up.

10 Q All right. Is there anything that I haven't asked  
11 you that you feel is relevant to the subject matter that  
12 we've been talking about that you would like to either  
13 comment or make a statement?

14 A I don't think so.

15 Q Okay.

16 MR. ULIE: Ms. Areklett, is there anything you  
17 would like to add or put on the record that you feel is  
18 relevant?

19 MS. AREKLETT: No.

20 MR. ULIE: Okay. Then I just have two closing  
21 questions.

22 BY MR. ULIE:

23 Q Have I threatened you in any manner or offered you  
24 any rewards in return for this statement?

25 A No.

1           Q     Have you given your statement freely and  
2 voluntarily?

3           A     Yes.

4           MR. ULIE:   Then this interview is concluded at  
5 approximately 1:30 p.m.

6                   [Whereupon, at 1:30 p.m., the interview was  
7 concluded.]

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REPORTER'S CERTIFICATE

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

NAME OF PROCEEDING: INTERVIEW OF  
THOMAS ZARGES (CLOSED)

DOCKET NUMBER:

PLACE OF PROCEEDING: Cleveland, OH

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings.

Miranda Miller

Miranda Miller

Official Reporter

Ann Riley & Associates, Ltd.

# EXHIBIT 22

K113

M-AW-96-175

DATE: November 4, 1996  
TO: File  
FROM: A. J. Walcutt  
SUBJECT: Point Beach Charpy V Notch Testing Program

*Drop weight Three*

*Heat affected zone*

Alain Artayet's review of the ASME Code found that the Code did not define where to take the sample's for Charpy V Notch testing. Two options were in the weld metal or in the base metal. Paul Evans and Alain agreed that Alain should call around to see, in the absence of Code rules, if there was any industry consensus on this issue.

One of the people Paul suggested that Alain call was a Mr. Paul Norris, Georgia Power and Light's Senior Welding Engineer at Hatch and a member of the Section IX subcommittee. In response to a question of where to take the Drop Weight Test samples, Paul Norris stated that it was his opinion that since Westinghouse had already set their design basis Nil-ductility Transition Temperature (RTNDT) at +10F, there was no need to test the material to establish this RTNDT. All you would have to do is prove that your materials had a lower NDT than that required by design.

*and Eugene Gordon*

As part of his review of research results, Alain discussed Mr. Norris's opinion with Paul Evans. Alain indicated that he found it interesting but not conservative in light of industry "consensus". Alain told Paul that Drop Weight Testing could be done in either the base or weld metal, but since base material is bought based on test reports generated by the Material Manufacturer, we should do our tests in the weld metal.

*(along with discussion from Eugene Gordon)*

As part of this process Alain also contacted Marv Carpenter of Westinghouse Pensacola. This discussion identified that Westinghouse's standard practice was to do their Charpy V-Notch testing at +55F and not the +10F temperature they were requiring SGT to test at. This information, along with Westinghouse's reasons for not liking the FCAW welding process were also passed on to Paul and used by SGT to obtain more reasonable requirements from Westinghouse.

END

TO: *EO JONCE*  
FAX No. *304-863-2731*

*EO, PLEASE HAVE ALAIN READ THIS AND CALL ME.*

M-AW-96-174

DATE: November 4, 1996  
TO: File  
FROM: A. J. Walcutt  
SUBJECT: Summary of Weld Tests Done  
by MK Corporate for SGT Pt. Beach

The following weld tests were conducted in Memphis, with the following results:

Test Priority No.	Essential Variable Change by SGT After Memphis Test	Memphis Results
1 GTAW	Yes PWHT reduced from 24hrs to 12 hrs	Failed - 24 hour coupon Charpy V Notch test by 1 to 8 ft/lbs.  12 hour coupon never tested.
2	N/A	Placed on hold by SGT - Never welded/tested
3 SMAW	Yes PWHT reduced from 24hrs to 12 hrs	Passed Note, not used, SGT welded a combined GTAW/SMAW Coupon to replace this Test and Test No. 5
4 SMAW	No Change	Passed
5 GTAW	Yes PWHT reduced from 24hrs to 12 hrs  Filler Material changed from ER100S-1 to ER80S-D2	Failed sidebend testing - LOF Coupon had passed Radiography  <i>12 hour coupon never tested</i>

To File

M-AW-96-174

6 GTHW	Yes Filler Material changed from ER100S-1 to ER80S- D2	Placed on hold by SGT after welding started. Test coupon never completed or tested.
7 GTAW	Yes Change in shielding gas	Failed - Sidebend testing - LOF  Coupon had passed Radiography
8 SMAW GTAW	Yes Change PWHT time from 8 to 12 hours.  Filler Material changed from ER100S-1 to ER80S- D2	Failed - GTAW failed in the WMZ during Charpy-V Notch testing at 55F  Passed - Tensile and bend tests
9	N/A	Placed on hold by SGT after welding started. Test coupon never completed or tested.
10 SMAW GTAW	No Change	Passed
11 GMAW	No Change	Passed Change by Cleveland to correct gas mixture prevented test failure.

END

## HISTORY OF WPS QUALIFICATIONS FOR PB SGRP

### GENERAL STATEMENTS

Original request by SGT for review of what history or active WPS's MK has on file was received in Cleveland on 5/7/96. On 5/15/96 letter was written by SGT (received in Cleveland on 5/20/96) to outline priority levels to be used by Cleveland for testing 11 WPS's out of 21 total originally requested by SGT. From 5/20/96 and on, these priority numbers were used by Cleveland to track all procurement, documentation, welding activities, and testing for each of the 11 WPS's to be qualified. Between 6/7-11/96, 6 currently active WPS's were sent by Cleveland to SGT (in overnight mail) to cover 10 of the above WPS's not requiring qualifications. On 6/12/96 SGT was ready for 21 known WPS's (11 using priority no.) to be used by the SGT for the PB SGRP (except for 2 WPS's that were requested by SGT in 9/96).

On 6/12/96, the SGT was ready to initiate the preparation of 11 project specific WPS's (yet to be qualified, but with known end use, parameters, limitations and variables) and documents such as Work Packages and Weld Data Card using 21 known WPS's with MK's current QA and welding computer forms/programs. These welding computer forms/programs have been successfully used on the Fort St-Vrain (a nuclear project), and all other non-nuclear projects (including welders, foremens, welding supervisors, etc...). Note, no training (other than reading MK's Material Joining Standards Manual, MJSM) was provided to MK's non-nuclear Project Welding Representatives (no budget).

Before 7/7/96, a delay in procedure qualification (although we work around it) of approximately 1.5 to 2 weeks was created by the SGT because of the uncertainty to use ER100S-1 (originally planned) versus ER111S-1 for TIG and MIG welding process (affecting 4 out of 11 WPS's to be qualified). Priorities 2, 5, 6 and 8 were impacted.

After talking to Marv Carpenter of Westinghouse Electric (WE) during the week of 5/13/96 Code committee meetings in Louisville, KY; he told me why they did not like FCAW and later told me how they actually tested welding procedures for SG at higher +55°F temperatures for charpy V-notch. He told me to call Ben Hood and Bill Fisher (both of WE) for further information. This information was passed onto Paul Evans. This provided help to the SGT to discuss with WE testing at higher temperatures of +55°F for charpy V-notch (instead of +10°F agreed earlier by SGT) and +10°F RT<sub>NDT</sub> drop testing (instead of MK establishing the nil-ductility transition temperatures). This information was immediately passed onto Paul Evans; a huge help from Cleveland, but unnoticed by others.

At the request of SGT, actual 11 WPS and PQR numbers were given via facsimile on August 9, 1996. Recognize that narrow groove technology was never lost for loop welds, but uncertainty for methods of process to be used for girth welds varied from manual FCAW to hot wire TIG and back to manual FCAW. Understanding that manual SMAW and GTAW were also needed as contingency plan for possible repairs on loop and girth welds. Testing by Taussig was much faster than TEI (lost shipping time).

Rusty did not agree with Paul Evans' and my code interpretation for having to only test for charpy-V notch after failure of notch toughness specimens. This interpretation excludes retesting of tensile and bend specimens, and preventing additional costs and delays. Two WPS's failed charpy V-notch testing (Priority 1 & 8), but entirely new coupons with essential variable changes (i.e., PWHT and using ER80S-D2 which is a lower tensile strength and less brittle filler metal instead of ER100S-1) were used that made it easier to pass the notch toughness tests.

Priority #1 for GMAW-Spray was never qualified or welded by either Memphis and SGT. Therefore, only 10 WPS's were actually attempted for qualification.

DETAILS OF TESTING FOR EACH WPS

- PRIORITY #1 = SGT used WPS-No. FC/3.3-1 and PQR-No. FC/3.3-Q1 welds and tested by PB SGT using 12 hours PWHT. The following changes were made by SGT and Cleveland:

1. ESSENTIAL VARIABLE CHANGE - From original 24 hour PWHT request by PB SGT to 12 hours (easier to pass notch toughness, and
2. Before beginning of test coupon welding. Cleveland changed from 100% Argon shielding gas (requested by SGT) to the proper 75% Argon + 25% CO<sub>2</sub> shielding gas mixture for FCAW (Cleveland prevented further delays and costs, but unnoticed by others).

Two coupons welded by Memphis; one for 12 hours and one for 24 hours PWHT, and both coupons shipped to Triangle Engineering Inc. TEI, on 8/17/96. TEI test report for 24 hour PWHT was completed on 8/12/96, and tensile and bends passed. However, 24 hour PWHT at +55°F charpy V-notch test specimens did not pass 1 ft-lbs absorbed energy and 35 mils lateral expansion requirements (missed by 1 to 8 ft-lbs). The use of slightly lower heat input (which would not impact production rates) could insure acceptable results, however SGT did not want to take the time and risk?

CASE NO. 3-97-013

EXHIBIT 22  
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Note 1: Retesting for Charpy-V notch was the only testing required by code for 24 hour PWHT. Rusty did not agree with Paul Evans' and my code interpretation for having to only test for charpy-V notch after failure of notch toughness specimens. This interpretation excludes retesting of tensile and bend specimens, and preventing additional costs and delays.

Note 2: Eventhough 12 hours test coupon was completed by Memphis; no tensile, bend and charpy-V testing was performed at +55°F.

SGT welded their own coupon and changed PWHT to 12 hours, eventhough Memphis already had a coupon completed. SGT changed PWHT soak time to 12 hrs to allow for better acceptable charpy V-notch results (possibly learned from results of 24 hrs PWHT), and after permission from Westinghouse. Test coupon submitted to Taussig for testing on 8/21/96, test report completed on 8/29/96 and received in Cleveland on 9/3/96, and completed WPS + PQR sent from Cleveland to PB in overnight mail on 9/4/96.

- PRIORITY #2 = ON HOLD IN MEMPHIS, AND WAS NEVER WELDED/TESTED

- PRIORITY #3 (SGT later combined with Priority 5) = SGT used WPS-No. GT-SM/3.3-3 and PQR-No. GT-SM/3.3-Q2 welded and tested by PB SGT using 12 hours PWHT. The following changes were made by SGT:

- 1) **ESSENTIAL VARIABLE CHANGE** - From original 24 hour PWHT request by PB SGT to 12 hours (easier to pass notch toughness), and
- 2) From 1 coupon for each SMAW and GTAW (as originally requested by SGT for Priorities 3 and 5, respectively) to combining both GTAW and SMAW on one coupon (**which was good move by SGT to minimize time and cost**). At the time of welding in Memphis, it was decided by Memphis and SGT to continue using one coupon for SMAW, because priority 4 for GTAW was on HOLD in Memphis pending final decision of ER100S-1 vs. ER110S-1.

One SMAW coupon was welded by Memphis for 24 hours PWHT, and PWHT completed by TEI on 7/18/96. Triangle Engineering (TEI) test report was completed on 7/19/96, and tensile and bends passed for 24 hour PWHT. 24 hour PWHT at +10°F charpy V-notch test specimens passed on 7/22/96, and passed again for +55°F 8/9/96. Heat input was at 37.8 - 50.4 kJ/in for SMAW.

Note 1: Priority 5 with GTAW using ER100S-1 for 24 hr PWHT failed the side bend tests on 8/14/96 because of lack of fusion near the root pass. LOF was not detected during RT by a Level II inspector of an independent test lab. (SEE PRIORITY 5 FOR FURTHER INFORMATION AND CHANGES BY SGT)

SGT welded their own coupon using both GTAW (changed filler metal from ER100S-1, as originally requested by SGT, to ER80S-D2 for Priority 5) and SMAW on one coupon and changed PWHT to 12 hours, eventhough Memphis already had a 24 hour PWHT coupon completed and accepted for SMAW. Test coupon submitted to Taussig for testing on 8/20/96, test report completed on 8/29/96 and received in Cleveland on 9/3/96, and completed WPS + PQR sent from Cleveland to PB in overnight mail on 9/4/96. Heat input was at 66.3 max. for SMAW but qualified at lower 12 hour PWHT using lower tensile strength and less brittle filler metal of ER80S-D2 for GTAW.

- PRIORITY #4 = SGT used WPS-No. SM-TBR/3.3-1 and PQR-No. SM-TER 3.3-11 welded and tested by Memphis with no PWHT. No changes were made by SGT.

One SMAW coupon was welded by Memphis with no PWHT. Triangle Engineering (TEI) test report was completed on 8/21/96 for tensile and side bends, and BMZ/HAZ charpy V-notch at +55°F. Heat input was at 35.5 Kj/in max. for SMAW. Completed WPS + PQR sent from Cleveland to PB in overnight mail on 9/8/96.

- PRIORITY #5 (SGT later combined with Priority 3) = Test coupon welded by Memphis using GTAW with ER100S-1 for 24 hr PWHT was sent to TEI on 7/17/96, and failed the side bend tests on 8/14/96 because of lack of fusion near the root pass. LOF was not detected during RT by a Level II inspector of an independent test lab. GTAW test coupon for 12 hour PWHT was completed by Memphis and sent to TEI on 7/17/96, but never tested for tensile, side bends and charpy V-notch at +55°F.

Priority 3 and 5 were combined by SGT on one test coupon to make WPS-No. GT-SM/3.3-3 and PQR-No. GT-SM/3.3-Q2 welded and tested by PB SGT using 12 hours PWHT. The following changes were made by SGT:

1. **ESSENTIAL VARIABLE CHANGE** - From original 24 hour PWHT request by PB SGT to 12 hours (easier to pass notch toughness)
2. **Formed coupon** for each SMAW and GTAW (as originally requested by SGT for Priorities 3 and 5, respectively) to combine both GTAW and SMAW on one coupon, and

- 3) **ESSENTIAL VARIABLE CHANGE** - Using ER80S-D2 instead of ER100S-1 as originally requested by SGT (easier to pass notch toughness).

Triangle Engineering (TEI) test report was completed on 8/14/96, but not used. Test coupon submitted to Taussig for testing on 8/20/96, test report completed on 8/29/96 and received in Cleveland on 9/3/96, and completed WPS + PQR sent from Cleveland to PB in overnight mail on 9/4/96. Heat input was at 64.7 max. for GTAW, but qualified at lower 12 hour PWHT using lower tensile strength and less brittle filler metal of ER80S-D2.

- PRIORITY #6 = SGT used WPS-No. GTHW/3.3-1 and PQR-No. GTHW/3.3-Q1 welded and tested by PB SGT using 24 hours PWHT. The following changes were made by SGT:

- 1) **ESSENTIAL VARIABLE CHANGE** - Using ER80S-D2 instead of ER100S-1 as originally requested by SGT (easier to pass notch toughness).
- 2) Change from full penetration to partial penetration (3/4" max. welded) on weld coupon of 1.5" thickness. Test data and weld pass layers (submitted by SGT after test completion) indicated full penetration. The PQR was later revised to indicate partial penetration. Although the Quality Assurance Manual (QAM) requires full control of WPS qualification by the GWE, the GWE was never called for concurrence to proceed with partial penetration weld. This was performed by SGT to reduce time.
- 3) Original request from SGT was for machine TIG welding, hot wire machine TIG was not originally requested.

Test coupon welding was put on HOLD (for Memphis welding) pending PCI's anticipated new contract with SGT. SGT welded their own coupon. Test coupon submitted to Taussig for testing on 8/16/96, test report completed on 8/20/96 and received in Cleveland on 8/26/96, and completed WPS + PQR sent from Cleveland to PB in overnight mail on 9/3/96.

- PRIORITY #7 = GTAW using 70% Ar + 30% He and conventional compound bevel angles welded by Memphis. The test coupon was sent to TEI and failed one side bend tests on 7/18/96 because of lack of fusion near the root pass. LOF was not detected during RT by a Level II inspector of an independent test lab. A different shielding gas was used which voids original qualification.

SGT used WPS-No. GTNG/8.8-1 and PQR-No. GTNG/8.8-Q1, and welded and tested by PB SGT using no PWHT. The following changes were made by SGT:

1 ESSENTIAL VARIABLE CHANGE - Using 100% Argon shielding gas instead of original request by SGT to use 70% Argon + 30% Helium.

2 Original request from SGT was for machine TIG welding, narrow groove machine TIG was not originally requested.

SGT welded their own coupon. Test coupon submitted to Taussig for testing on 8/16/96, test report completed on 8/20/96 and received in Cleveland on 8/26/96, and completed WPS + PQR sent from Cleveland to PB in overnight mail on 9/3/96.

- PRIORITY #8 = Memphis used SMAW and GTAW combination on one coupon using ER100S-1 (instead of ER80S-D2 by SGT) for GTAW with 8 hr PWHT, sent to TEI on 7/17/96, and failed the GTAW -55°F WMZ charpy V-notch test. TEI test report was completed on 8/12/96, and tensile and bends passed for 8 hour PWHT. The following changes were made by SGT:

1 ESSENTIAL VARIABLE CHANGE - From original 8 hour PWHT request by PB SGT to 12 hours, and

2 ESSENTIAL VARIABLE CHANGE - Using ER80S-D2 instead of ER100S-1 as originally requested by SGT (easier to pass notch toughness). Using lower tensile strength and less brittle filler metal helps in passing charpy V-notch testing requirements (easier to pass notch toughness).

New test coupon by SGT for WPS-No. GT-SM/1.3-1 and PQR-No. GT-SM/1.3-Q1 was welded and tested by PB SGT with ER80S-D2 filler metal for TIG. Test coupon submitted to Taussig for testing on 8/23/96, test report completed on 8/28/96 and received in Cleveland on 9/6/96, and completed WPS + PQR sent from Cleveland to PB in overnight mail on 9/8/96.

- PRIORITY #9 = Used by SGT SMAW and GTAW combination buttered-end coupon using 8 hr PWHT for WPS-No. GT-SM-BU/1.3-1 and PQR-No. GT-SM-BU/1.3-Q1 was completed by SGT. Test coupon submitted to Taussig for testing on 9/5/96, test report completed on 9/12/96 and received in Cleveland on 10/1/96, and completed WPS + PQR sent from Cleveland to PB in overnight mail on 10/02/96. The following changes were made by SGT:

1 The original request by SGT (which was put on HOLD in Memphis) was for Inconel 690 and P-No. 3 combination base metal using ERNiCrFe-7 filler metal and buttering, as permitted by a code case.

2 Original request was for GTAW process only.

- PRIORITY #10 = SGT used SMAW and GTAW combination coupon using no PWHT for WPS-No. GT-SM/1.1-1 and PQR-No. GT-SM/1.1-Q4 completed by Memphis. Test coupon submitted to TEI, test report completed on 7/19/96 and completed WPS + PQR sent from Cleveland to PB in overnight mail on 8/30/96. The tensile, side bends, and +10°F charpy V-notch test results were acceptable (**this was the WPS with the largest amount and most severe notch toughness testing**). No changes were made by SGT.
- PRIORITY #11 = GMAW-spray mode coupon using no PWHT for WPS-No. GM/1.1-5 and PQR-No. GM/1.1-Q5 was completed by Memphis. Test coupon submitted to TEI, test report completed on 7/17/96 and completed WPS + PQR sent from Cleveland to PB in overnight mail on 8/30/96. There were no PWHT and no notch toughness requirements. The following change was made by Cleveland:

Before beginning of test coupon welding. I changed from 100% Argon shielding gas (requested by SGT) to the proper 95% Argon + 5% CO<sub>2</sub> shielding gas mixture for GMAW-spray (Cleveland prevented further delays and costs, but unnoticed by others).

THE FOLLOWING WERE ADDITIONAL WPS'S REQUESTED BY THE SGT

- FC1.1-1 were prepared by Cleveland using history WPS and PQR.
- FC1.1-1 was welded by the SGT. The test coupon was submitted to Taussig on 8/28/96, test report completed on 8/30/96 and sent to Cleveland via facsimile on 9/5/96 and completed WPS + PQR sent from Cleveland to PB in overnight mail on 9/8/96. There were no PWHT and no notch toughness requirements.

CONCLUSION

- SGT was ready to initiate preparation of project specific WPS's on 6/12/96.
- SGT was ready to initiate field documentation (i.e. Work Packages and Weld Data Cards) on 6/12/96 using MK's active computerized forms/programs.
- SGT made a lot of changes which made it easier to pass notch toughness tests (i.e. lower PWHT times, and lower tensile strength filler metal for GTAW testing).
- Some of Cleveland decisions and activities went unnoticed by others (which is very common in my position and witnessed by some current managers).

- Because of essential variable changes by SGT, 16 WPS's were qualified instead of 10 (note, priority #2 was never welded). One additional WPS was qualified at later date from original 11 requested by SGT.
- Changes in essential variables impacted 6 WPS qualifications (i.e., Priorities #1, 3, 5, 6, 7 and 8) of original 10 requested by SGT (note Priority 2 was never welded).
- Memphis successfully completed and tested 6 of 8 WPS's (11 were original requested by SGT, but 3 were put on HOLD - Priority 2 & 9). Priority #2 was never welded. The only two that failed in side bends were Priority #5 and #7. Of these 6 successful WPS's, 2 of 5 WPS's (one bend test failure) requiring notch toughness did not pass charpy V-notch portion of testing (this would only require retesting of notch toughness specimens). Of these 6 successful WPS's, SGT only used 3 from Memphis welding.

Prepared by: Alain Artayet (final update on 11/3/96)

# EXHIBIT 23

K/14

April 23, 1997

MEMORANDUM TO: H. Brent Clayton, Enforcement Officer  
Region III

FROM: Richard C. Paul, Director  
Office of Investigations Field Office  
Region III



SUBJECT: MORRISON KNUDSEN CORPORATION (MK): ALLEGED DISCRIMINATION  
AGAINST A CORPORATE WELDING ENGINEER FOR RAISING WELDING  
CONCERNS (OI CASE NO. 3-97-013)

On April 22, 1997, the Office of Investigations (OI) received technical documentation, which Mr. Jerome F. SCHAPKER, Reactor Inspector, Engineering Specialist Branch 1, Division of Reactor Safety, Region III (RIII), requested during the April 11, 1997, OI:RIII interview of Mr. Alain S. ARTAYET, Concerned Individual.

Attached is the original copy of the aforementioned technical documentation for review and appropriate follow-up action on any technical issues, as determined by the NRC staff to be necessary. OI:RIII has not retained copies of this documentation, except for a copy of Attachment 7.

- Attachments:
1. Quality Finding Report No. C-96-022, dated January 15, 1997.
  2. Field Welding Procedures, having various dates.
  3. Welding Procedures Specifications, dated December 18, 1996.
  4. MK 10 CFR 50, Appendix B, and ASME NQA-1 Quality Assurance Program, dated January 18, 1995.
  5. MK Quality Assurance Manual, dated January 3, 1995.
  6. Determination Checklist For 10 CFR Part 21 Applicability, dated January 3, 1995.
  7. Concerns About MK's D.C. Cook WPS's (Welding Procedure Specifications), dated January 22, 1997 with attachment.

To receive a copy of this document, indicate in the box "C" = Copy without attach/enc1 "E" = Copy with attach/enc1 "N" = No copy

OFFICE	OI:RIII	c					
NAME	Julie/ct						
DATE	4-23-97						

OFFICIAL RECORD COPY

EXHIBIT 23

PAGE 1 OF 1 PAGE(S)

CASE NO. 3-97-013

# EXHIBIT 24

K/15

DATE: February 28, 1997  
TO: File  
FROM: A. J. Walcutt *AJ*  
SUBJECT: Evaluation of Potential Part 21 As Described In  
IOC No M-QM-97-004 dated 1/22/97

My review of the Initial Evaluation provided by Alain Artayet was that while the system had been turned over to operations, the conditions described may or may not have resulted in a hardware affecting condition that did not comply to ASME Code. For that reason, I revised the answer to Section B 2a. from "Yes" to "Unknown to MK". This resulted in my changing the Section B "Initial Evaluation of Part 21 Reportability" from "Does" to "Might Possibly" apply. A request was then made to the responsible Project personnel for input.

IOC No. M-QM-97-004 indicated that D.C. Cook WPS's M-1-1-AB and M-1-1-BA specified the use of E7018 filler material while the referenced PQR's identify that they were qualified using E7018-A1. The IOC also indicated that the concerns identified with the Point Beach WPS's, as described in QFR No. C-96-022-QFR-01, were also applicable to the D.C. Cook WPS's. Note, because the QFR issues were resolved prior to turnover of affected work to the Owner, no Potential Part 21 condition existed at Point Beach.

Attached is IOC dated Jan-21-97 from L. Pardi stating that the use of E7018 welding electrodes at D.C. Cook was not a current hardware affecting problem because PQR's have subsequently been generated that qualify the E7018 welding electrodes in the D.C. Cook applications where they were used. This IOC specifically addressed the E7018 vs 7018-A1 issue.

We have independently researched this response. The PQR that appears to have been referenced was PQR No. GT-SM/1.1-Q4 Dated 10/23/96. This PQR was qualified using E7018 filler material and had a heat input range of 39.4 to 86.4 KJ/in.. This PQR does resolve the filler material qualification concern raised by IOC M-QM-97-004.

Since IOC No. M-QM-97-004 stated that the E7018 vs E7018-A1 problem was limited to heavy wall carbon steel welds where Charpy Impact testing was required (in such instances, the a specific type and grade of filler material identified by the PQR needs to be specified on the WPS) research was conducted to identify all such welds. Welds potentially affected were the Girth, Feedwater and Mainsteam welds.

To: File

M-QM-97-013

Review of the D.C. Cook NIS-2 package found that the WPS's used were, for the Girth welds, M-3-3-AB and N-3-3-C, for the Feedwater welds M-1-1-AB and for the Mainsteam welds, M-1-1-B. The PQR's referenced for the Girth Weld properly supported those WPS's. The PQR's for the Feedwater and Mainsteam identified the use of E7018-A1 filler material while the WPS's referenced E-7018. Not referenced by the WPS's was PQR 1-126 which was qualified using E7018 filler material (PQR 1-126 does reference WPS M-1-1-AB).

While PQR 1-126 does appear to address the E7018-A1 vs E7018 issue, it was not acceptable on the basis of the qualified heat input. Heat Inputs were found to be in the 61.8 KJ/in range in the WPS's and only in the 36.3 KJ/in range for the PQR. WPS M-588-B also falls into this category. Resolution of the heat input issue for these WPS's did require the use of PQR No. GT-SM/1.1-Q4 Dated 10/23/96 (86.4KJ/in).

The remaining QFR C-96-022-QFR-01 issues were reviewed and evaluated against the D.C. Cook WPS's/PQR's. The conclusion of this review was that there was no affect on permanent plant items released to the Owner. Since the actions being taken under QFR C-96-022-QFR-01 will resolve the root causes of the concern identified with the D.C. Cook WPS's, no further corrective action tracking documentation is required.

Based on the above I have concluded that a reportable condition does not exist and closed the Potential Part 21 checklist.

  
Andrew J. Walcutt

2-28-97  
Date

END

EXHIBIT 21  
PAGE 2 OF 2



**MORRISON KNUDSEN CORPORATION**  
**MK-FERGUSON GROUP**

INTER-OFFICE CORRESPONDENCE

M-QM-97-019

DATE: March 18, 1997  
TO: File  
FROM: A. J. Walcutt   
SUBJECT: Closure of Potential Part 21 Report  
Dated 1/23/97 and Supported by  
IOC No. M-QM-97-004 dated 22-Jan-97

As required by paragraph 4.1.6.3 of QAI 1.1 dated 25-Feb-97 and titled, Reporting of Defects and Noncompliance, the above referenced Potential Part 21 and evaluation results were reviewed with the originator, Alain Artayet, on Monday March 17, 1997. Alain indicated that IOC No. M-QM-97-013 did not, in his opinion contain enough information for him to evaluate the resolution of the condition he reported. At my request, Alain documented this concern on the Determination Checklist For Part 21 Reporting.

When I was presenting the research to Alain he repeatedly asked who, outside the Company, I had reported this to. He specifically referred to the NRC and Hartford Steam Boiler as MK's Authorized Inspection Agency and AEP as the Owner.

I explained the law and that reporting was required when only evaluation determined that a defect existed that constituted a substantial safety hazard at an operating nuclear plant. I explained that the issue that Alain had raised had been evaluated and resolved by the subsequent qualification of other Welding Procedure Specifications. I further explained, that I had researched all other potential D.C. Cook welding problems and concluded that there were no physical deficiencies. Program related issues are being resolved through QFR C-96-022 QFR-01. As such I saw no reason to make a Report.

Alain continues to believe that others, outside of MK, should be informed. This Potential Part 21 was generated after Mr. Artayet had been removed from his position of Group Welding Engineer on the basis that he failed to develop a working relationship with the project personnel he was supposed to support. Alain was unhappy with this reassignment. My conclusion is that Alain is trying to resolve a personal issue by getting outside agencies involved whether or not there is any technical merit to their involvement.

Based on this further information, I have again determined that the reported Potential Part 21 is not "reportable".

END



MORRISON KNUDSEN CORPORATION  
1500 West 3rd Street, Cleveland, OH 44113

Form Source

QUALITY ASSURANCE INSTRUCTION

Form Title

DETERMINATION CHECKLIST FOR  
10 CFR PART 21 APPLICABILITY

Department No.  
038

Form Page 1 of 1

Form No.  
QAI 1.1-1

Form Revision Date  
03-Jan-95

A. DESCRIPTION OF DEVIATION OR NONCOMPLIANCE

*See Attached Memo. No. M-QM-97-004.*

B. INITIAL EVALUATION

1. Has or is the facility, activity, or basic component:

- a. Not yet been turned over to the Client?
- b. Commercial Grade?
- c. Been reported to the NRC by another organization?

Yes     No  
 Yes     No  
 Yes     No

If any "Yes" option above is checked, 10 CFR Part 21 Section D. If all "No" options are checked, proceed with

to proceed to

2. a. Does the facility, activity, or basic component supply violate the Atomic Energy Act of 1954 as amended or any applicable rule, regulation, order, or license of the NRC relating to substantial safety hazards.

unknown by MK  
 ILLICIT INDICATES  
 GEN. RESEARCH  
 EVALUATE WASTAGE  
 PLANT DEFECTS, N  
 known by MK  
*[Signature]*  
 1/24/97

b. The facility, activity, or basic component supplied do contain defects which could create a substantial safety hazard.

*E-4*

Proceed to Section C only if "Yes" or "Unknown" is checked. If "No" is checked, research may be required to answer the questions in Section D. If all "No" options are checked, proceed to Section D.

ences, further  
a and 2b,

INITIAL EVALUATION OF PART 21 REPORTABILITY: *see*

10 CFR 21  does <sup>*As 1/24/97*</sup> or  does not or  might p

Evaluated by: *Clair Cortright* *1/23/97* *[Signature]* *1-24-97*  
 Originator Date Quality Manager Date

C. FINAL EVALUATION

- 1. A deviation exists in a "facility, activity, or basic component" subject to Part 21 regulations and, on the basis of evaluation, could create a substantial safety hazard and therefore is considered a "defect".  Yes  No
- 2. The "facility, activity, or basic component" containing a "defect" has been delivered by MK for use by the Client.  Yes  No
- 3. The deviation involves a "basic component" and the deviation could contribute to the exceeding of a safety limit.  Yes  No

Comments: *REFER TO IOC # M-QM-97-013 DATED 28-FEB-97*  
*Not enough info. was provided for my evaluation. [Signature] 3/17/97*

FINAL EVALUATION OF PART 21 REPORTABILITY:

A 10 CFR 21 reportable condition  does or  does not exist.

Evaluated by: \_\_\_\_\_ Date \_\_\_\_\_ Quality Manager \_\_\_\_\_ Date \_\_\_\_\_

D. REPORTABILITY DECISION

REPORT  DO NOT REPORT *See IOC # M-QM-97-013*

*[Signature]* *3-18-97* *[Signature]* *EXHIBIT 21*  
 Group Quality Director Date

 MORRISON KNUDSEN CORPORATION

INTER-OFFICE CORRESPONDENCE

DATE: January 27, 1997  
TO: Andy Walcutt  
FROM: Lou Pardi *LP*  
SUBJECT: IOC M-QM-97-004

RECEIVED

JAN 28 1997

MK-Ferguson Group  
Quality Management Department

The subject IOC indicates a concern that MK welding procedures developed and used in 1988 may have permitted the use of E7018 electrodes in applications requiring notch toughness testing as part of the weld procedure qualifications. Implications are that such notch toughness tests were made on coupons welded with E7018-A1 instead of E7018 and that these tests therefore did not comply with applicable codes at that time.

I have had our welding engineer at St. Lucie research this matter and have determined that MK currently has procedure qualification records indicating that test coupons made with E7018 electrodes passed all required notch toughness requirements in both the "as welded" and post weld heat treat conditions.

If, in fact, we did have a procedural violation in 1988, the technically advisable resolution would have been to requalify the suspect procedures to assure E7018 met all the necessary requirements. Since we in effect have test data indicating E7018 does meet these requirements I consider this matter resolved.

LEP:plo

cc: M. Cepkauskas  
D. Edelman

EXHIBIT 21

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