



Washington

March 27, 2002

QM-02-010

Mr. Theodore R. Quay
U.S. Nuclear Regulatory Commission
NRC Branch Chief
Quality Assurance
Vendor Inspection Maintenance and Allegations Branch
Mail Stop 06F2, One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Re: Confirmatory Order Commitments

Dear Mr. Quay:

This letter will advise you of activities and recent developments related to the Confirmatory Order issued on November 24, 1999 to Morrison-Knudsen Corporation (M-K) and SGT, Ltd. (Washington Group International is the successor to M-K.)

Activities for Protects Covered by Confirmatory Order

Pursuant to the Order, surveys were performed during 2001 for the Cleveland Office and for SGT personnel at the Calvert Cliffs, Prairie Island and Oconee projects. In addition, Corporate SGT personnel were surveyed in the Charlotte Office, which is now the SGT Corporate Office. The completed survey forms, which were previously provided to you, reflected an appropriate awareness of the program.

We will be repeating the surveys for the Calvert Cliffs, Oconee and Prairie Island projects and the Charlotte Office during the first quarter of 2002. In addition the Callaway Project will be surveyed at that time. As before, all completed survey forms

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will be submitted in accordance with the Order. No survey is required at the Cleveland Office since there are no projects in the office that are within the NRC's regulatory jurisdiction.

Enhanced Supervisor Training has been provided by our consultant for the Calvert Cliffs, Oconee, Prairie Island and Callaway projects during 2001. In addition SGT Corporate Supervisors received training in Charlotte. Pursuant to the Confirmatory Order, training will be repeated this year at these same locations.

In addition, the other elements of the Order will continue to be implemented in accordance with our commitments.

Expanded Activities at Washington Group Acquired Sites

M-K finalized the purchase of Raytheon Engineers and Constructors in July 2000. The integrated company that resulted from the purchase was renamed Washington Group International Inc. Nuclear Services within the NRC's regulatory jurisdiction are provided by the company as described in our letter to you of February 13, 2001. The letter also described how our safety-conscious work environment program would be implemented for these projects.

A survey was performed in 2001 to sample the Princeton, Downers Grove and Denver Office personnel. The completed survey forms were previously provided to you. While the survey reflected good awareness of the program, management took additional steps to assure that all employees were made aware of the available procedures for raising safety concerns.

We will be repeating the survey of nuclear project personnel at the Princeton and Downers Grove offices during the third quarter of 2002. As before, all completed survey forms will be submitted to the NRC. The Denver office will no longer provide nuclear services within the NRC's regulatory jurisdiction.

Enhanced Supervisor training has been provided by our consultant during 2001 in our Princeton, Downers Grove and Fermi project offices. The training included supervisors for our managed task work as well as selected field supervisors for projects where we work under the licensee's program. Training will be repeated at these locations during 2002.

At our office locations the other elements of our program will continue to be implemented in accordance with our commitments. At site locations, where we work to the licensee's program, written notices have been sent to employees that identify the WGI hotline as an alternate method for raising concerns. These notices will continue to be issued during 2002 for new personnel and projects.

Sincerely,



Thomas H. Zarges
President, Washington Power



William A. Fox
President, SGT, Ltd.