

From: A. Randolph Blough *RT*
To: DRP All -- Nuclear safety Professionals
Date: 1/28/04 5:53PM
Subject: Fwd: Significant Letter to PSEG Re: Safety Concerns at Salem and Hope Creek
Place: Vesa Ruuskas Schedule

Today we issued a very significant letter (attached), to PSEG. The letter provides interim results of our ongoing SCWE (safety conscious work environment) review, points out areas of NRC concern, and compells them to undertake their own in-depth review.

A lot of fantastic staff work, (particularly from Eileen Neff of OI, Scott Barber, Dave Vito, & several others) has gotten us to the point where we can clearly and confidently outline the issues and get all our stakeholders aligned to support such a unique action. By putting this out now, we give the licensee an opportunity to address issues before they fester longer and things potentially degrade.

As you read the letter, you will see that the issues are not entirely unique to Salem/ Hope Creek (it's just that the number and severity is decidedly more significant there) .

Many of them are reminiscent of things we talked about at the inspector seminar as challenges to plants trying to transform into more efficient, cost-competitive operations; a lot of mis-steps and wrong messages, or worse, can occur.

I am not expecting you to do anything now but read this email and its attachments. In fact, it's best if you let it sit for now. But now you have the info if asked. By early next week, some of your licensees are likely to be noticing this action and asking about it. Be confident that we did what we did only after a huge amount of info gathering and analysis, and painstaking deliberation. We never take any step like this lightly by any stretch.

But I will not be disappointed at all if many other licensees do some sober introspection in light of the this letter.

Attached for your info is a copy of the letter and the Q/As from our comm plan. Listed directly below are the key points from our Comm Plan. The letter will go into ADAMS soon and will eventually become public. The talking points below and Q/A attached are for your use in discussions as needed, but hard copies should not be distributed outside the Agency.

regards,
randy

Comm Plan Excerpts: "Today the NRC issued a letter to PSEG requesting that PSEG perform an in-depth assessment of the work environments at the Salem and Hope Creek stations regarding the raising and addressing of safety issues. The letter requests that PSEG provide a written plan of action within 30 days.

The request was based on interim results from an ongoing NRC special review, which has included interviews of a wide range of Salem and Hope Creek personnel. Although there have been no serious safety violations thus far, the results have led to some concerns about the station work environment. NRC is concerned that if work environment issues are left unaddressed, an unacceptable, chilled environment could be created for raising and addressing safety issues and for making appropriate operational decisions.

The letter also acknowledges that some improvements may have occurred under new management and that organizational realignments may have helped. PSEG has performed some surveys, which could be a part of their assessment.

In the last two periodic assessment letters to PSEG, the NRC has highlighted that, even though the plants have operated with good safety margin, there have been weaknesses at the stations in their efforts to identify, thoroughly evaluate, and correct problems. The next NRC assessment letter will be issued in early March.

We have found no serious safety violations and have not concluded there has been a breakdown in the

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work environment. We are providing information at this time to enable the company to address potential issues before they become serious and impact on plant safety.

CC: Daniel Holody; David Vito; Eileen Neff; Ernest Wilson; George Pangburn; James Joyner; Karl Farrar; R1 DRS_MGT_Team

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Creation Date: 1/28/04 5:52PM
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Salem & Hope Creek Work Environment Letter Q's and A's

(Information that may be discussed with the public and media.)

1. Why is the NRC issuing a letter to Salem and Hope Creek on its on work environment? What is the NRC doing to assess the work environment at Salem and Hope Creek?

The NRC is issuing the letter because of information received in various allegations and inspections over the past few years that raised some concerns about work environment.

Because of the number and nature of these general concerns, in late 2003 the NRC initiated a special review of the work environment for raising and addressing safety issues. This review has included in-depth interviews of numerous current and former Salem/Hope Creek employees at various levels of the organization. We also are continuing to review and assess previous events and inspection findings to evaluate how any new information obtained through interviews impacts our previous assessment of these issues.

We have found no serious safety violations and have not concluded there has been a breakdown in the work environment. We are providing information at this time to enable the company to address potential issues before they become serious and impact on plant safety.

2. What is meant by work environment?

Workers who raise safety concerns contribute to the larger objective of safety. Establishing and maintaining an environment that promotes the continued raising of safety concerns without fear of reprisal (i.e., a SCWE) is imperative and protected by regulation. Implicit in this is that an individual can raise issues that may involve disagreements or differing perspectives on plant operating decisions particularly as they might impact on continuing plant operation and outage schedules.

3. Why is the letter being issued now?

While our work environment review has been ongoing since late in 2003, we have accumulated information about a number of events which, to varying degrees, call into question the openness of management to concerns and alternative views, strength of communications, and effectiveness of station corrective action and feedback processes. Our ongoing review is not yet complete, but we felt that it was appropriate to share this information with PSEG management now in a proactive way to allow them to perform their own assessment and to enable them to address potential issues before the issues become serious and impact on plant safety.

4. Are the work environment issues at Salem and Hope Creek similar to those at Davis-Besse? Will Salem and Hope Creek be shutdown?

The situation at Salem and Hope Creek is different from Davis-Besse. Our assessments at Salem and Hope Creek have shown that the plants have been operated with good safety margin and that PSEG has some weaknesses in their efforts to identify, evaluate, and correct problems and issues.

Regardless of the similarity or differences, the NRC, as a part of its ongoing assessment processes, monitors the safety performance at all of the power reactors it regulates. These ongoing assessments do include reviews of the work environment and if sufficient concern is raised through the allegations and/or inspections, the NRC may take whatever additional action it deems appropriate. Because of the number and nature of concerns raised at Salem and Hope Creek, we initiated a review of the work environment.

Salem & Hope Creek Work Environment Letter Q's and A's
(Information that may be discussed with the public and media.)

We have not identified any serious safety violations to this point, and we have no basis to either request or order a shutdown of Salem or Hope Creek. If serious safety violations are detected, then the NRC will take whatever action is deemed appropriate.

5. How does the letter fit within the ROP?

The letter does not affect the action matrix, but the ROP recognizes that regulatory actions can be taken separately in this area.

SCWE is one of three main cross cutting areas. The current policy for addressing SCWE issues is derived from a number of NRC Commission papers that were issued from 1996 to 1998. Because of the potential wide variability in circumstances, the Commission chose not to provide a prescriptive policy, but instead chose to recommend that the staff address these circumstances on a case-by-case basis. The letter issued by NRC Region I is consistent with this approach.

6. What are the likely followup actions?

The letter requests that PSEG perform their own in-depth assessment of the work environment at Salem and Hope Creek. It also acknowledges that PSEG has performed some surveys of the safety culture to begin to address this issue. We also asked them to provide their plan of action within 30 days of the date of the letter. We will also conduct a meeting to better understand the details of their plan later.

7. Is the NRC investigating activities at Salem and Hope Creek?

It is NRC policy to neither confirm nor deny any ongoing investigation.