



June 26, 2006

To: Dyer, NRR  
Ref. G20060525  
Due: 7/28/06

Cys:

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Goldberg, OAC  
Williams, NRR

Mr. Luis A. Reyes  
Executive Director for Operations  
United States Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

**Subject: South Texas Project Electric Generating Station – Petition  
Pursuant to 10 CFR 2.206 – Comprehensive Cultural Assessments**

Dear Mr. Reyes:

Attached please find a memorandum providing additional information to supplement our May 16, 2006 petition pursuant to §2.206 of Title 10 of the Code of Federal Regulations, requesting the U.S. Nuclear Regulatory Commission (NRC) to take enforcement action against the South Texas Project Nuclear Operating Company (STPNOC), the licensee for the South Texas Project Electric Generating Station (STP).

This information will be presented at the Petition Review Board, June 27, 2006 at the U.S. Nuclear Regulatory Commission in Rockville, Maryland.

Yours truly,

Glenn Adler  
Senior Research Analyst

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Template: EDO-001

E-RIDS: EDO-01

**South Texas Project Electric Generating Station –  
Petition Pursuant to 10 CFR 2.206 – Comprehensive Cultural Assessments**

Pursuant to §2.206 of Title 10 of the Code of Federal Regulations, the Service Employees International Union (SEIU) petitions the Nuclear Regulatory Commission (NRC) to take enforcement action against the South Texas Project Nuclear Operating Company (STPNOC), the licensee for the South Texas Project Electric Generating Station (STP).

In 1998 STPNOC was required to conduct periodic independent surveys after the NRC found that the licensee had violated federal law by subjecting four employees to a "hostile work environment" after the employees raised safety concerns.<sup>1</sup> According to the confirmatory order, STPNOC agreed to report the results to the NRC.

While improvements have been made in STP's safety conscious work environment, important problems continue to plague certain entities at the plant, which appear to be impervious to remediation. The security contractor at STP, the Wackenhut Corporation, performed poorly on comprehensive cultural assessments in 2001 and 2003. Despite apparently repeated efforts by STPNOC to evaluate its performance and take remedial action, a more recent survey revealed that such problems appeared to have continued into 2005.

According to NRC replies to FOIA requests, the Agency appears not to be in possession of important documents concerning these matters, including the 2005 cultural survey itself, STPNOC's associated final action plans and the results thereof. Absent such information, NRC can scarcely understand these persistent problems, let alone perform an effective oversight role. It is unclear whether action plans had in fact been developed by STPNOC, whether they had been implemented, or whether the results were satisfactory.

Specifically, SEIU seeks enforcement action in the form of a Demand for Information (DFI) under § 2.202 of Title 10 of the Code of Federal Regulations that would require STPNOC to provide the NRC with docketed copies of:

- Any assessments of the safety conscious work environment (SCWE) at STP conducted since January 1, 2004;
- Summaries of any associated action plans and the results of any efforts to remediate problems revealed by these surveys, including, but not limited to documents mentioned at an August 2005 meeting apparently convened to discuss the plant's SCWE:
  - A SWOT analysis to assess the issues and actions required and follow-up on these actions to improve station alignment,
  - An outsourcing lessons learned,

- And an evaluation of IT, Supply Chain, Technical Training, and Wackenhut to assess the issues and recommended actions [see below];
- Summaries of any associated action plans and the results of efforts to remediate problems revealed by such surveys in 2001 and 2003;
- All correspondence between the NRC, STPNOC, and the Wackenhut Corporation concerning the 2005, 2003, and 2001 CCAs.

The documents that are in the possession of the NRC indicate persistent problems with Wackenhut's – and other STP units' - performance in respect of the safety conscious work environment. Given that the surveys – and the associated action plans – were undertaken by STPNOC in compliance with the 1998 Confirmatory Order, the absence of any documentation at the NRC as to whether the recommendations had been followed is disturbing. It is therefore necessary for the NRC to obtain and review this information from STPNOC to assure the maintenance of a safety conscious work environment, a vital condition for the safe operation of the nuclear plant.

## Background

In 1998 STPNOC was required to conduct periodic surveys by an independent survey research firm after the NRC found that the licensee had violated federal law by subjecting four employees to a "hostile work environment" after the employees raised safety concerns.<sup>2</sup> [See Appendices, p. 12] STPNOC hired Synergy Consulting Services Corporation to conduct the surveys.

United States Nuclear Regulatory Commission  
Office of Public Affairs  
Washington, DC 20555  
Phone 301-415-8200 Fax 301-415-2234  
Internet: opa@nrc.gov

No. 98-87

FOR IMMEDIATE RELEASE  
(Tuesday, June 9, 1998)

### **NRC STAFF ISSUES CONFIRMATORY ORDER TO SOUTH TEXAS PROJECT REQUIRING IMPROVEMENTS TO EMPLOYEE CONCERNS PROGRAM**

The staff of the Nuclear Regulatory Commission has issued a Confirmatory Order to the STP Nuclear Operating Company confirming its agreement to improve the handling of safety concerns brought to management by workers. The South Texas Project nuclear generating station is located near Bay City, Texas.

Synergy conducted confidential interviews to assess each department's and contractor's performance against the plant's overall results and against the nuclear industry as a whole. According to the confirmatory order, STPNOC agreed to report the results to the NRC.<sup>3</sup>

1) Use an independent contractor to periodically survey its employees, supervisors, management and contractors about their concerns regarding a safety-conscious work environment through 2002 and report the results of each survey to the NRC.

The Wackenhut Corporation took over security at STP in July 2001 after winning a three-year contract for security with two option years.<sup>4</sup>

In 2001 and 2003, the South Texas plant's overall scores ranked among the highest in the nuclear industry. Wackenhut's performance however, came in for repeated criticism.

In both surveys, Wackenhut scored poorly on independent surveys assessing the company's nuclear safety culture, safety conscious work environment, general culture and work environment, and leadership, management and supervisory skills and practices at STP.

### **2001 CCA: Wackenhut Identified as "Priority" Organization**

In the 2001 survey, Wackenhut was identified as a "Priority Level 1" organization – the worst possible result - because of its "relatively low" results compared to the composite rating for STP as a whole on the dimensions surveyed:<sup>5</sup>

- Nuclear Safety Culture (NSC);
- "Relatively high negative response rates" for Safety Conscious Work Environment (SCWE);
  - 31% of respondents said they knew someone "who experienced a negative reaction from [Wackenhut] supervision or management for having raised an issue or concern related to nuclear safety;"
- Among the "lowest rated organizations" for General Culture and Work Environment (GCWE);
- Among the "lowest rated organizations" for Leadership, Management and Supervisory Skills and Practices (LMS).<sup>6</sup>

**Figure VIII.2**  
**Lowest Rated Organizations<sup>55</sup>**

NSC (CCI <3.65)	GCWE (CCI <3.40)	LMS (CCI <3.40)
Wackenhut 3.58 (13%)	Wackenhut 3.24 (22%)	Wackenhut 3.09 (26%)
I & C Maintenance 3.63 (13%)	I & C Maintenance 3.28 (21%)	I & C Maintenance 3.29 (21%)
Mechanical Maintenance 3.64 (12%)	Mechanical Maintenance 3.18 (23%)	Mechanical Maintenance 2.96 (30%)
	Unit 1 Operations 3.38 (16%)	Unit 1 Operations 3.20 (21%)
	Unit 2 Operations 3.37 (17%)	Unit 2 Operations 3.28 (18%)
	Electrical Maintenance 3.37 (16%)	Electrical Maintenance 3.38 (15%)
	Health Physics 3.37 (16%)	Health Physics 3.39 (14%)
		Plant Design 3.39 (13%)

**Figure VIII.7**  
**Recommendations for STP Targeted Organizations – “Relative Norms” Criteria<sup>63</sup>**

Organization	Priority Level	NSC	SCWE	GCWE	LMS
Wackenhut	1	3.58 13.1%	3.97 10.0%	3.24	3.09
I&C Maintenance	1	3.63 13.2%	4.06 9.9%	3.28 20.8%	3.29 21.3%

According to the consultant, Wackenhut's scores required "further evaluation" and "remedial action in the near-term."<sup>7</sup>

Wackenhut was also identified as a "Priority Level 3" organization because of its low ratings compared to industry standards.<sup>8</sup>

Figure VIII.6 Recommendations for STP Targeted Organizations - "Industry Norms" Criteria					
Organization	Priority Level	NSC	SCWE	GCWE	LMS
Mechanical Maintenance	2	Declined 6.1%		Declined 8.1%	2.96 CCI 30.0% neg. Declined 12.3%
Wackenhut <sup>58</sup>	3				3.09 CCI 25.6% neg.
Unit 1 Operations	4				Declined 6.3%
Risk & Reliability Analysis	4				Declined 5.1%

According to W.T. Cottle, STPNOC's CEO, formal action plans would be prepared to address the survey results.<sup>9</sup> [See Appendices, pp. 14-16]

Nevertheless, the survey did identify areas where additional improvement is needed. In reviewing the data, demographic variations have been noted between hourly/bargaining unit personnel, contractors, and plant staff. There were five organizations identified in the Executive Summary (Figure VIII.7) as Priority 1 organizations due to their ratings relative to STP general performance and as such will have formal action plans prepared to address the survey results.

### 2003 CCA: Performance Deteriorates

In the 2003 survey, obtained by SEIU through a Freedom of Information Act request, Wackenhut's already poor performance deteriorated further. Wackenhut was again rated as a "Priority Level 1" organization because of its "relatively low" results compared with STP's general performance:

- Once again, 31% of its employees indicated that "during the past year, they know of someone who experienced a negative reaction from supervision or management for having raised an issue or concern related to nuclear safety," compared to an STP composite score of 12%;<sup>10</sup>
- Among the "lowest rated organizations" for Nuclear Safety Culture (NSC);
- Among the "lowest rated organizations" for General Culture and Work Environment (GCWE);
- Among the "lowest rated organizations" for Leadership, Management and Supervisory Skills and Practices (LMS).<sup>11</sup>

**Figure VIII.2**  
**Lowest Rated Organizations<sup>56</sup>**

NSC (CCI <3.65)	GCWE (CCI <3.40)	LMS (CCI <3.40)
Mechanical Maintenance 3.47 (16%)	Mechanical Maintenance 2.99 (29%)	Mechanical Maintenance 2.86 (35%)
Wackenhut 3.47 (14%)	Wackenhut 3.17 (22%)	Wackenhut 3.08 (27%)
I & C Maintenance 3.56 (16%)	I & C Maintenance 3.10 (27%)	I & C Maintenance 3.10 (26%)
	Plant Design 3.31 (16%)	Plant Design 3.22 (20%)
	Support Services 3.34 (18%)	Support Services 3.27 (23%)
		Facilities 3.31 (19%)
		Plant Mods & Des. Basis 3.36 (19%)
		Electrical Maintenance 3.40 (13%)

Moreover, its performance against the industry worsened from "Priority Level 3" to "Priority Level 2." According to the survey, Wackenhut's performance on these metrics was in fact declining at the time.<sup>12</sup>

**Figure VIII.6**  
**Recommendations for STP Targeted Organizations - "Industry Norms" Criteria**

Organization <sup>62</sup>	2001 Priority Level	2003 Priority Level	2003 Bases for Classification			
			NSC	SCWE	GCWE	LMS
Mechanical Maintenance	2	1	3.47 CCI 16.0% neg.	11.1% neg.	2.99 CCI 28.7% neg.	2.86 CCI 35.1% neg.
Wackenhut	3	2	3.47 CCI 13.7% neg.	11.9% neg.	22.3% neg.	3.08 CCI 26.6% neg.

The consultant recommended that "Evaluation and remedial action is suggested in the near term."<sup>13</sup>

As a result, STP's president told NRC that "formal action plans" will be prepared to address the survey results.<sup>14</sup> [See Appendices, pp. 17-18]

Nevertheless, the survey did identify areas where additional improvement is needed. In reviewing the data, demographic variations have been noted between hourly/bargaining unit personnel and the plant staff. There were three organizations (Mechanical Maintenance, Wackenhut Security, and I&C Maintenance) identified in the Executive Summary (Figure VIII.6) as Priority organizations due to their ratings as compared to the industry and as such will have formal action plans prepared to address the survey results. The action plans will be prepared after the current Unit 1 refueling outage and will be submitted to Senior Management for approval.

### **No Evidence of Efforts to Remediate Wackenhut's Performance at STP**

In July, 2003, following an inspection at STP, the NRC concluded that a safety conscious work environment was in place at STP; accordingly, the 1998 Confirmatory Order was closed.<sup>15</sup> Despite repeated commitments by STP officials that they would develop formal action plans specifically to address the results regarding Wackenhut, there is no public evidence that any concrete actions have been taken to resolve the problems revealed by the 2003 survey.

In response to a Freedom of Information Act Request filed in July 2004 by SEIU, NRC was unable to locate any documents indicating that STP's promised formal action plans had been developed for Wackenhut or that evaluation of its performance or remedial action had been taken.<sup>16</sup>

SEIU specifically requested:

Any documents (letters, notes, email, reports, memoranda) indicating that such "formal action plans" have been prepared in respect of Wackenhut's performance as assessed in the 2003 Comprehensive Cultural Assessment at STPNOC, or indicating that the evaluation or remedial action referred to has in fact been taken. [See Appendices, p. 19]

The response from NRC was "No agency records subject to this request have been located." [See Appendices, p. 20]

PART I.B -- INFORMATION NOT LOCATED OR WITHHELD FROM DISCLOSURE	
<input checked="checked" type="checkbox"/>	No agency records subject to the request have been located.
<input type="checkbox"/>	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.

### **2005 CCA: Wackenhut's Performance Problems Continue**

In December, 2005 SEIU learned that another Comprehensive Cultural Assessment had been conducted at STP during the previous year. As no



documents were publicly available on ADAMS, the NRC's Electronic Reading Room, SEIU requested, under FOIA, copies of:

Comprehensive Cultural Assessments or any other evaluation conducted by the STPNOC, independent contractors or by the NRC to assess the safety conscious work environment at STPNOC since January 1, 2004, as well as any correspondence, reports, presentations, or memoranda between the NRC, STPNOC, and any other entity concerning such assessments.<sup>17</sup> [See Appendices, p. 21]

A document released to SEIU under FOIA (2006-0052), "South Texas Safety Culture Survey with slides," describes a meeting of some 90 participants which appears to have taken place in August, 2005 at which the 2005 Comprehensive Cultural Assessment was discussed. According to this two-page document, "The[re] were problems with security, I&C, Design Engineers, and Ebasco-Rathyon [sic]. NO SPECIFIC DETAILS." [See Appendices, pp. 22-23]

#### **SOUTH TEXAS SAFETY CULTURE SURVEY**

##### **Background**

The STP safety culture survey came about because of a Confirmatory Order, dated June 9, 2005. The were problems with security, I&C, Design Engineers, and Ebasco-Rathyon. NO SPECIFIC DETAILS

At least two of these four entities were singled out for further attention in previous Comprehensive Cultural Assessments. In both the 2001 and 2003 CCAs, Wackenhut and I&C were named as "Priority Organizations" for whom formal action plans would be prepared.

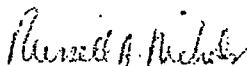
The NRC's final response to our December, 2005 FOIA request (2006-0052) did not include copies of the Comprehensive Cultural Assessment or any other survey on which the results were based. On March 14, 2006 SEIU appealed the NRC's response to FOIA 2006-0052 specifically asking for a copy of the 2005 Assessment itself. [See Appendices, p. 24]

In response, the NRC revealed that it is not in possession of any cultural assessments responsive to SEIU's request. [See Appendices, p. 25]

On January 24 and March 9, 2006, I provided records responsive to your Freedom of Information Act (FOIA) request number FOIA/PA-2006-0052. Your request asked for documents related to any cultural assessment of the safety conscious work environment at the South Texas Project Nuclear Operating Company (STPNOC) since January 1, 2004.

This letter clarifies the fact that the Nuclear Regulatory Commission (NRC) is not in possession of any cultural assessments responsive to your request.

Sincerely,



Russell A. Nichols  
FOIA/Privacy Act Officer  
Office of Information Services

The Agency's reply leaves it unclear whether an action plan had in fact been developed by STPNOC, whether it had been implemented, or whether the results were satisfactory.

### **Evidence of Broader Safety Conscious Work Environment Problems at STP**

Handwritten notes, which appear to have been taken at the August, 2005 meeting, were released to SEIU under the same FOIA request (2006-0052). [See Appendices, pp. 26-29] The notes describe a number of concerns focusing on safety of the licensee's staff reductions and business concerns:

- Trust of management
  - Forced separations
  - Outsourcing
  - Resource [?]
  - Adding VPs but cutting staff
  - Focus on profit with questionable regard for employees
- Not appear to affect safety, Not yet.
- Safety still seen as priority, however question commitment to staff
- Reduction: although staff decreased, workload not adjusted to compensate
- Many comments regarding supervisor lack of commitment to employees.
- Again strong [?] of more commitment to profit than to workers
- Question whether time will bring more commitment to money than to safety. Does not seem to be case currently but have how far will profit drive station?

These notes describe a potential problem in which the licensee's business concerns may trump safety.

Given that STPNOC's action plans arising from previous CCAs apparently were not successful in respect of Wackenhut and other entities, such as I&C, it is important for the NRC to scrutinize the steps taken by STPNOC to rectify problems identified in the 2005, 2003, and 2001 cultural surveys. Some of these steps are mentioned in the "South Texas Safety Culture Survey" document from the August 2005 meeting:

- A SWOT analysis to assess the issues and actions required and follow-up on these actions to improve station alignment;
- An outsourcing lessons learned;
- An evaluation of IT, Supply Chain, Technical Training, and Wackenhut to assess the issues and recommended actions.

By obtaining this information from STPNOC, the NRC will be better informed about the licensee's progress towards improving the plant's SCWE. In addition, the NRC will be able to assess the effectiveness of steps taken in the past to redress problems with Wackenhut and I&C for whom problems persist despite STPNOC's apparently repeated remediation efforts.

SEIU further requests that the NRC:

- Provide SEIU with copies of all correspondence sent to STPNOC regarding this petition and the subject of the safety conscious work environment at STP;
- Provide SEIU with advance notice of all public meetings conducted by the agency with STPNOC regarding this petition and the subject of the safety conscious work environment at STP;
- Provide SEIU with an opportunity to participate in all relevant calls between NRC staff and STPNOC regarding this petition and the subject of the safety conscious work environment; and
- Provide SEIU with copies of all correspondence sent to Members of Congress, contractors, and/or industry organizations (e.g., the Nuclear Energy Institute) regarding this petition and the subject of the safety conscious work environment at STP.

## **APPENDICES**

**Page 12: 1998 Confirmatory Order No. 98-87**

**Page 14-16: Letter from W.T. Cottle to Ellis W. Merschoff, April 17, 2002**

**Page 17-18: Letter from W.T. Cottle to Ellis W. Merschoff, April 7, 2003**

**Page 19: SEIU FOIA Request 2004-0308**

**Page 20: NRC Response to FOIA Request 2004-0308**

**Page 21: SEIU FOIA Request 2006-0052**

**Page 22-23: NRC Final Response to SEIU FOIA Request 2006-0052**

**Page 24: SEIU Appeal of FOIA Request 2006-0052**

**Page 25: NRC Response to SEIU Appeal of FOIA Request 2006-0052**

**Page 26-29: Handwritten Notes, August 2005**

United States Nuclear Regulatory Commission  
Office of Public Affairs  
Washington, DC 20555  
Phone 301-415-8200 Fax 301-415-2234  
Internet:opa@nrc.gov

No. 98-87

FOR IMMEDIATE RELEASE  
(Tuesday, June 9, 1998)

**NRC STAFF ISSUES CONFIRMATORY ORDER TO SOUTH TEXAS PROJECT  
REQUIRING IMPROVEMENTS TO EMPLOYEE CONCERNS PROGRAM**

The staff of the Nuclear Regulatory Commission has issued a Confirmatory Order to the STP Nuclear Operating Company confirming its agreement to improve the handling of safety concerns brought to management by workers. The South Texas Project nuclear generating station is located near Bay City, Texas.

The order, signed by Ashok A. Thadani, NRC's Deputy Executive Director for Regulatory Effectiveness, confirms the licensee's agreement to:

- 1) Use an independent contractor to periodically survey its employees, supervisors, management and contractors about their concerns regarding a safety-conscious work environment through 2002 and report the results of each survey to the NRC.
- 2) Conduct annual ratings of supervisors and managers by employees.
- 3) Establish a mandatory training program for all supervisors and managers designed to reinforce the importance of maintaining a safety-conscious work environment and of assisting managers and supervisors in dealing with conflicts in the work place regarding these issues.
- 4) Notify all of its employees and project contractors in writing of the details of the NRC confirmatory order and inform them of their rights to raise safety concerns to the NRC and their management without fear of retaliation.

The order was issued following findings by the NRC Office of Investigations that the company had violated federal law by subjecting four employees to a hostile work environment created by a former manager after the employees raised safety concerns. The manager involved left the company in mid-1996.

Enforcement action by the NRC is being waived because the licensee settled the employees' complaint prior to an evidentiary hearing before, and prior to a finding by the U.S. Department of Labor that the four employees had suffered discrimination.

NRC also waived enforcement action because STP Nuclear Operating Company took what NRC regarded as particularly good corrective actions and designed a comprehensive program for promoting a safety-conscious work environment. NRC also believes the licensee's overall sustained performance in the area of employee protection has been good.

##



South Texas Project Electric Generating Station P.O. Box 229 Wadsworth, Texas 77483

April 17, 2002  
NOC-AE-02001277  
10CFR50

Mr. Ellis W. Merschoff  
Regional Administrator, Region IV  
U. S. Nuclear Regulatory Commission  
611 Ryan Plaza Drive, Suite 400  
Arlington, Texas 76011-8064

South Texas Project  
Units 1 and 2  
Docket Nos. STN 50-498, 50-499  
South Texas Project Comprehensive Cultural Assessment

- References: 1. Letter, A. A. Thadani to W. T. Cottle, "Confirmatory Order Modifying License (Effective Immediately) and Exercise of Discretion," (EA 97-341), June 9, 1998
2. Letter, E. W. Merschoff to W. T. Cottle, "Request For Partial Relaxation Of Confirmatory Order," November 24, 1999

This letter provides the results of the recent Comprehensive Cultural Assessment and actions planned, and requests that the Regional Administrator authorize revision, in writing, the requirement for the conduct of the 2002 mini-survey (References 1 and 2). STP Nuclear Operating Company (STPNOC) requests the option of conducting the 2002 mini-survey in the form of interviews and focus groups in lieu of a survey. By this letter, we are also informing you of the groups that we plan to survey/interview.

On March 6, 2002, we received the final report from SYNERGY Consulting Services for the Comprehensive Cultural Assessment for the South Texas Project (STP), December 2001. As required by the confirmatory order dated June 9, 1998 (Reference 1), the executive summary of the report is attached. The appendices to the report are considered proprietary to SYNERGY and are available at the station for your review.

Ninety-four percent of the STP workforce responded to the assessment survey. Items considered notable with respect to the report include:

1. STP is maintaining a strong Nuclear Safety Culture and Safety Conscious Work Environment.

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2. STP's General Culture/Work Environment and Leadership, Managerial and Supervisory scores are ranked among the highest in the nuclear industry.
3. STP's initiatives in addressing localized organizational opportunities have resulted in notable improvements. Positive trends in all the targeted organizations from the 2000 assessment resulted in their removal or lowered absolute priority as compared to the industry.
4. Individuals are willing to identify their organizational affiliation at a 98% rate, a positive indication of STP's work environment compared with the industry average of 86% - 87%.
5. Ninety-nine percent of the respondents indicated that if they had a Nuclear Safety concern, they would inform their supervisor or initiate a Condition Report.

Nevertheless, the survey did identify areas where additional improvement is needed. In reviewing the data, demographic variations have been noted between hourly/bargaining unit personnel, contractors, and plant staff. There were five organizations identified in the Executive Summary (Figure VIII.7) as Priority 1 organizations due to their ratings relative to STP general performance and as such will have formal action plans prepared to address the survey results.

We are in the process of sharing and disseminating the results of the survey with our site organizations.

The confirmatory order (Reference 1) requires that the Regional Administrator be informed of the groups to be surveyed during the 2002 mini-survey currently scheduled for early September 2002. By this letter we are informing you of our plans for meeting this commitment.

STPNOC proposes to conduct interviews or focus groups in lieu of a mini-survey for the organizations listed as Priority 1 in Figure VIII.7 in Attachment 1. This approach is designed to provide results that would be the most beneficial to STP, given the expected status of the respective organizational action plans. In September, these organizations will be in the process of implementing their action plans for approximately three months. Any measurable affects as a result of these plans would be expected some six to twelve months later. Accordingly, in the early stages of implementation, we would find it more beneficial to acquire inputs that would assist us in determining whether the current courses of action are appropriate or need adjustment. The nature of interviews and focus groups readily allows for a second-level of questioning that is more supportive of these objectives than a written survey with a fixed set of questions.




STPNOC therefore requests that the Regional Administrator, authorize the revision of the requirement for the conduct of the 2002 mini-survey to allow the proposed approach. STPNOC believes this proposal meets the intent of the original License Condition. Following written approval from the Regional Administrator, SYNERGY Consulting Services Corporation will administer the proposed approach in early September 2002. SYNERGY will measure the effectiveness of the completed actions in the next Comprehensive Cultural Assessment scheduled for 2003.

Consistent with the committed schedule documented by the NRC in the confirmatory order (References 1 and 2), the following is the status of the open commitments:

- Annual ratings using the "Leadership Assessment Tool" – will complete in 2002.
- Mandatory annual training of supervisors and managers in 10CFR50.7 requirements – will complete in 2002.
- Mini-surveys/interviews – will complete in 2002, as noted above.
- The final Comprehensive Cultural Assessment – will complete in 2003.

All of the requirements from the confirmatory order will be satisfied when the results of the 2003 Comprehensive Cultural Assessment are transmitted to the NRC Regional Administrator within 60 days of receipt of the survey results.

If you have any questions, please contact Mark McBurnett at 361-972-7206 or me at 361-972-8434.



W. T. Cottle  
President &  
Chief Executive Officer

RDP

Attachment 1: South Texas Project 2001 Comprehensive Cultural Assessment,  
December 2001 (without appendices)



South Texas Project Electric Generating Station P.O. Box 269 Wadsworth, Texas 77463

April 7, 2003  
NOC-AE-03001501

Mr. Ellis W. Merschoff  
Regional Administrator, Region IV  
U. S. Nuclear Regulatory Commission  
611 Ryan Plaza Drive, Suite 400  
Arlington, Texas 76011-8064

South Texas Project  
Units 1 and 2  
Docket Nos. STN 50-498, 50-499  
South Texas Project Comprehensive Cultural Assessment

Reference: Letter, A. A. Thadani to W. T. Cottle, "Confirmatory Order Modifying License (Effective Immediately) and Exercise of Discretion," (EA 97-341), June 9, 1998

On March 31, 2003, STP Nuclear Operating Company (STPNOC) received the final report from SYNERGY Consulting Services for the Comprehensive Cultural Assessment for the South Texas Project (STP), January 2003. The executive summary of the report is attached (Attachment 1) to meet the requirement of the Confirmatory Order to provide the summary results and conclusions of the assessments. The appendices to the report are considered proprietary to SYNERGY and are available at the station for your review.

Ninety-one percent of the STP workforce responded to the assessment survey, a participation rate among the highest encountered by SYNERGY. The following items are considered notable with respect to the report:

1. STP continues to maintain a strong Nuclear Safety Culture and Safety Conscious Work Environment.
2. STP's Leadership, Managerial and Supervisory scores are ranked among the highest in the nuclear industry.
3. STP's initiatives in addressing localized organizational opportunities have resulted in notable improvements in Operations and Electrical Maintenance.
4. Individuals are willing to identify their organizational affiliation at a 98% rate, much higher than typically seen in the industry and a positive indication of STP's work environment.
5. Ninety-nine percent of the respondents indicated that if they had a Nuclear Safety concern, they would inform their supervisor or initiate a Condition Report.

Nevertheless, the survey did identify areas where additional improvement is needed. In reviewing the data, demographic variations have been noted between hourly/bargaining unit personnel and the plant staff. There were three organizations (Mechanical Maintenance,

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STI: 31582401

Wackenhut Security, and I&C Maintenance) identified in the Executive Summary (Figure VIII.6) as Priority organizations due to their ratings as compared to the industry and as such will have formal action plans prepared to address the survey results. The action plans will be prepared after the current Unit 1 refueling outage and will be submitted to Senior Management for approval.

These three organizations were categorized as Priority 1 in the last survey in 2001 due to their ratings relative to STP general performance and as such were the focus of the 2002 mini-survey. STPNOC has had success in resolving the issues in other organizations onsite, and we will use the lessons learned from these experiences as we prepare the action plans for these organizations.

STPNOC is in the process of sharing and disseminating the results of the survey with the site organizations.

With the completion of the 2003 survey and the documentation presented in Attachment 2, it is our position that STPNOC has met all of the requirements of the Confirmatory Order. STPNOC, however, believes that active management actions to assure a healthy and positive work environment, which encourages the identification and resolution of work place issues, are an integral part of our business and a key to our future success. Therefore, actions to periodically assess, manage, and improve the STP work environment and culture will continue.

STPNOC requests a management meeting with the NRC to discuss the results of the 2003 survey more completely and to describe the actions we intend to take to make further improvements in the culture at STP.

If there are any questions regarding the survey or to schedule the management meeting, please contact Mr. Mark McBurnett at (361) 972-7206 or Mr. Joe Sheppard at (361) 972-8757.



W. T. Cottle  
President &  
Chief Executive Officer

RDP

- Attachments:
1. Executive Summary from the South Texas Project 2003 Comprehensive Cultural Assessment, January 2003
  2. Actions Taken to Satisfy License Conditions of Confirmatory Order

From: uid no body <nobody@nrc.gov>  
To: <foia@nrc.gov>  
Date: Wed, Jul 21, 2004 4:34 PM  
Subject: WWW Form Submission

FOIA/PA REQUEST  
Case No.: 2004-0308  
Date Rec'd: 7-22-04  
Specialist: [signature]  
Related Case: [signature]

Below is the result of your feedback form. It was submitted by  
( ) on Wednesday, July 21, 2004 at 16:33:18

FirstName:

LastName:

Company/Affiliation:

Address1: 1313 L Street, N.W.

Address2:

City: Washington

State: DC

Zip: 20514

Country: United\_States

Country-Other:

Email:

Phone:


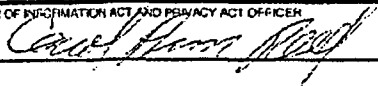
Desc: Through FOIA I obtained a Comprehensive Cultural Assessment conducted at the South Texas Project in 2003. This is now posted in ADAMS: Letter from W. T. Cottle to Ellis Merschoff re: Final Report from Synergy Consulting Services for Comprehensive Cultural Assessment for South Texas Project January 2003. ML041380347

In the assessment the Wackenhut Corporation was identified as a "priority organization" and the South Texas Project Nuclear Operating Company President stated that Wackenhut and two other organizations "will have formal action plans prepared to address the survey results." Later in the attached Comprehensive Cultural Assessment (p. 74), it is noted that "Evaluation and remedial action is suggested in the immediate future."

Please provide any documents (letters, notes, email, reports, memoranda) indicating that such "formal action plans" have been prepared in respect of Wackenhut's performance as assessed in the 2003 Comprehensive Cultural Assessment at STPNOC, or indicating that the evaluation or remedial action referred to has in fact been taken.

FeeCategory: Private\_Corporation

MediaType:

<b>NRC FORM 464 Part I</b> <small>(6-1993)</small>	<b>U.S. NUCLEAR REGULATORY COMMISSION</b>	<b>FOIA/PA</b>  2004-0308	<b>RESPONSE NUMBER</b>  1
 <b>RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) / PRIVACY ACT (PA) REQUEST</b>		<b>RESPONSE TYPE</b> <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> PARTIAL	
<b>REQUESTER</b>		<b>DATE</b> JUL 30 2004	
<b>PART I. -- INFORMATION RELEASED</b>			
<input type="checkbox"/> No additional agency records subject to the request have been located.			
<input type="checkbox"/> Requested records are available through another public distribution program. See Comments section.			
<input type="checkbox"/> <div style="border: 1px solid black; padding: 2px; display: inline-block;">APPENDICES</div> 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.			
<input type="checkbox"/> <div style="border: 1px solid black; padding: 2px; display: inline-block;">APPENDICES</div> 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.			
<input type="checkbox"/> 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.			
<input type="checkbox"/> <div style="border: 1px solid black; padding: 2px; display: inline-block;">APPENDICES</div> Agency records subject to the request are enclosed.			
<input type="checkbox"/> 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.			
<input type="checkbox"/> We are continuing to process your request.			
<input type="checkbox"/> See Comments.			
<b>PART I.A -- FEES</b>			
<div style="border: 1px solid black; padding: 2px; display: inline-block;">         AMOUNT *          \$       </div>		<input type="checkbox"/> You will be billed by NRC for the amount listed.	
		<input checked="" type="checkbox"/> None. Minimum fee threshold not met.	
		<input type="checkbox"/> You will receive a refund for the amount listed.	
		<input type="checkbox"/> Fees waived.	
<small>* See comments for details</small>			
<b>PART I.B -- INFORMATION NOT LOCATED OR WITHHELD FROM DISCLOSURE</b>			
<input checked="" type="checkbox"/> No agency records subject to the request have been located.			
<input type="checkbox"/> 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.			
<input checked="" type="checkbox"/> 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."			
<b>PART I.C COMMENTS (Use attached Comments continuation page if required)</b>			
<small>SIGNATURE - FREEDOM OF INFORMATION ACT AND PRIVACY ACT OFFICER</small> Carol Ann Reed 			

From: uid no body <nobody@www.nrc.gov>  
 To: <foia@nrc.gov>  
 Date: Tue, Dec 13, 2005 1:44 PM  
 Subject: WWW Form Submission

**FOIA/PA REQUEST**  
 Case No.: 2006-0052  
 Date Rec'd: 12-13-05  
 Specialist: KAMMLING  
 Related Case:

Below is the result of your feedback form. It was submitted by

() on Tuesday, December 13, 2005 at 13:44:03

FirstName: Glenn  
 LastName: Adler  
 Company/Affiliation: Service Employees International Union  
 Address1: 1313 L St. NW  
 Address2:  
 City: Washington  
 State: DC  
 Zip: 20005  
 Country: United\_States  
 Country-Other:  
 Email: adlerg@seiu.org  
 Phone: 202-730-7426

Desc: I request that a copy of the following documents be provided to me: "Comprehensive Cultural Assessments" or any other evaluation conducted by the STPNOC, independent contractors or by the NRC to assess the safety conscious work environment at STPNOC since January 1, 2004, as well as any correspondence, reports, presentations, or memoranda between the NRC, STPNOC, and any other entity concerning such assessments.

In order to help you determine my status for the purpose of assessing fees, you should know that I am an employee of a labor union. I am willing to pay fees for this request up to a maximum of \$50. If you estimate that the fees will exceed this limit, please inform me first.

FeeCategory: Private\_Corporation

MediaType:

FeeCategory\_Description:

Expedite\_ImminentThreatText:

Expedite\_UrgencyToInformText:

## **SOUTH TEXAS SAFETY CULTURE SURVEY**

### **Background**

The STP safety culture survey came about because of a Confirmatory Order, dated June 9, 2005. The were problems with security, I&C, Design Engineers, and Ebasco-Rathyon. *NO SPECIFIC DETAILS*

### **Objective**

The objective was to accurately measure workforce perception and improvement priorities for the following areas of the STP culture:

- Strategy and goals
- Work environment
- Nuclear safety and safety conscious work environment
- Employee concerns program effectiveness
- Leadership effectiveness
- Program and process effectiveness, and
- Organizational Interface effectiveness.

### **Purpose**

This survey would provide the Senior Management Team with concise recommended leadership actions with the greatest likelihood of sustaining progress to date and moving organizational performance to higher levels.

### **Methodology**

The methodology was to customized a study for STP's specific information needs. Seniors managers/managers were interviewed to identify and understand key issues and desired scope of the study. Past survey data and past interviews were conducted by a Contractor (Management Insight).

Questionnaires were created covering various areas/organizations: General population, Engineering and Technical Support, Operations, Outage and Work Control, and Security (Wackenhut). The questionnaires were design to focus toward soliciting detailed perceptions and desired improvement priorities from the STP community.

### **Implementation and Response**

- Show Chart/data

A-1

### Insights

- STP continues to maintain an effective Safety Conscious Work Environment and effective Nuclear Safety Culture
- Although the station strategy of Operational Excellence and Financial Excellence is not strongly ingrained in the day to day culture of the organization, the majority of workers agree that the strategy is needed and most appear willing to support it.
- Trust and people-related issues are the top work environment improvement priorities
- Work commitment to STP, job satisfaction, and overall perception of the work environment remain an organizational asset
- The recent work force management activities (e.g., reductions and outsourcing reviews) have had a negative cultural impact, including an impact on perceptions of Senior Management Team credibility
- The workforce is eager for substantial process improvements, especially in the areas of work planning and execution, and desire an active role in the planning and implementation of the improvements.
- One item that the Senior Management Team noted from the survey was that 1<sup>st</sup> line supervisors were more aligned with the workforce than with management. 1<sup>st</sup> line supervisors were not part of the decision making process but had to implement the decisions.

### Notes

- Involuntary layouts have ceased.
- Management is working on a voluntary package that is not complete yet.
- 2005 DRAFT Culture Assessment Action Plan





March 14, 2006

RE: FOIA/PA APPEAL

Mr. Russell A. Nichols  
FOIA/Privacy Act Officer  
Office of Information Services  
United States Nuclear Regulatory Commission

Fax no: (301) 415-5130

Dear Mr. Nichols:

On December 13, 2005 I made a request for various documents related to Comprehensive Cultural Assessments conducted at the South Texas Nuclear Operating Company in Texas (FOIA/PA 2006-0052, see Attached). Today, I received a final response from the NRC, which included the last of four short documents released under the request, related to the implementation of the Assessment, and/or slides of meetings at which the Assessment was presented.

Unfortunately the release did not include copies of the 2005 Assessment itself, which I specifically requested in my December 13, 2005 FOIA submission. This 2005 Assessment clearly must exist, since it is the subject of and is clearly referenced in the presentations described in documents that were released to me. Indeed, the response I received today does not indicate that such a document *does not* exist. Nor does the response I received today explain why this document has been withheld.

I hereby appeal the NRC's response to my FOIA submission and request that the NRC release a copy of the 2005 Comprehensive Cultural Assessment I requested on December 13, 2005.

Yours truly,

Glenn Adler  
Senior Research Analyst

ANDREW L. STERN  
International President

ANNA BURGER  
International Secretary-Treasurer

MARY KAY HENRY  
Executive Vice President

GERRY HUDSON  
Executive Vice President

ELISEO MEDINA  
Executive Vice President

TOM WOODRUFF  
Executive Vice President

SERVICE EMPLOYEES  
INTERNATIONAL UNION  
AFL-CIO, CLC

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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

MAR 17 2006

Mr. Glenn Adler  
Senior Research Analyst  
Service Employees International Union  
1313 L. Street, NW  
Washington, DC 20005

IN RESPONSE REFER  
TO FOIA/PA-2006-0052

Dear Mr. Adler:

On January 24 and March 9, 2006, I provided records responsive to your Freedom of Information Act (FOIA) request number FOIA/PA-2006-0052. Your request asked for documents related to any cultural assessment of the safety conscious work environment at the South Texas Project Nuclear Operating Company (STPNOC) since January 1, 2004.

This letter clarifies the fact that the Nuclear Regulatory Commission (NRC) is not in possession of any cultural assessments responsive to your request.

Sincerely,

A handwritten signature in cursive script, reading "Russell A. Nichols", is positioned above the typed name.

Russell A. Nichols  
FOIA/Privacy Act Officer  
Office of Information Services

South TX Safety Culture

Survey May 2005

Management insight contractor  
~90 participation

Results 8/2005

Questionnaire type survey

Key Big Theme

Trust of management

Forced separations

outsourcing

Resource slaving

Adding V.P.s but cutting  
staff

Focus on profit with  
questionable regard for  
employees

Not appear to affect safety

Not yet  
Safety still seen as  
priority however  
question commitment to  
staff

A-2

### Reduction

Planning seen as poor and then  
executed different than explained  
to staff with accelerated schedule knowledge  
transfer not properly conducted  
Also although staff decreased,  
workload not adjusted to  
compensate.

### Site Management response:

No further reduction unless  
attrition / retirements.  
No outsourcing  
No ~~short~~ shed resources  
Continued monitoring of workload

Overtime policy changes have also upset many of staff, especially regarding a number of voluntary overtime hours prior to compensated hours.

Staff seems to feel isolated from ~~senior~~ <sup>senior</sup> management and would appreciate greater interaction with executives in plant.

Many comments regarding supervisor lack of commitment to employees. Again strong theme of more commitment to profit than to workers. Question whether time will buy more commitment to safety than to profit. Over ~~not~~ not seen to be especially but how far will profit drill station.

Employees appear comfortable  
with approaching NRC.

90% of reporters indicated that  
they would have no problem  
addressing issues with NRC.

Additional comments on good  
access to NRC and confidence  
in NRC ability to resolve  
issues.

## NOTES

<sup>1</sup> "NRC Staff Issues Confirmatory Order to South Texas Project Requiring Improvements to Employee Concerns Program," United States Nuclear Regulatory Commission, Office of Public Affairs, Washington, DC, No. 98-87 (Tuesday, June 9, 1998).

<sup>2</sup> "NRC Staff Issues Confirmatory Order to South Texas Project Requiring Improvements to Employee Concerns Program," United States Nuclear Regulatory Commission, Office of Public Affairs, Washington, DC, No. 98-87 (Tuesday, June 9, 1998).

<sup>3</sup> "NRC Staff Issues Confirmatory Order to South Texas Project Requiring Improvements to Employee Concerns Program," United States Nuclear Regulatory Commission, Office of Public Affairs, Washington, DC, No. 98-87 (Tuesday, June 9, 1998).

<sup>4</sup> "Wackenhut Corporation Awarded Contract for Security Services at Nuclear Power Plant in Texas," The Wackenhut Corporation, Palm Beach Gardens, FL, Press release, July 9, 2001.

<sup>5</sup> Letter from W.T. Cottle, President and Chief Executive Officer, South Texas Project Nuclear Operating Company, to Mr. Ellis W. Merschoff, Regional Administrator, Region IV, U.S. Nuclear Regulatory Commission, April 17, 2002, Attachment 1, South Texas Project, 2001 Comprehensive Cultural Assessment.

<sup>6</sup> "South Texas Project 2001 Comprehensive Cultural Assessment, December 2001," Synergy Consulting Services Corporation, pp. 9-10; p. 59.

<sup>7</sup> "South Texas Project 2001 Comprehensive Cultural Assessment, December 2001," Synergy Consulting Services Corporation, p. 57, pp. 9-10.

<sup>8</sup> "South Texas Project 2001 Comprehensive Cultural Assessment, December 2001," Synergy Consulting Services Corporation, p. 57, pp. 9-10, 57, 59.

<sup>9</sup> Letter from W.T. Cottle, President and Chief Executive Officer, South Texas Project Nuclear Operating Company, to Mr. Ellis W. Merschoff, Regional Administrator, Region IV, U.S. Nuclear Regulatory Commission, April 17, 2002, Attachment 1, South Texas Project, 2001 Comprehensive Cultural Assessment, p. 2.

<sup>10</sup> "South Texas Project 2001 Comprehensive Cultural Assessment, December 2001," Synergy Consulting Services Corporation, p. 63; "South Texas Project 2003 Comprehensive Cultural Assessment, January 2003," Synergy Consulting Services Corporation, p. 66.

<sup>11</sup> "South Texas Project 2003 Comprehensive Cultural Assessment, January 2003," Synergy Consulting Services Corporation, p. 53.

<sup>12</sup> "South Texas Project 2003 Comprehensive Cultural Assessment, January 2003," Synergy Consulting Services Corporation, p. 58.

<sup>13</sup> "South Texas Project 2003 Comprehensive Cultural Assessment, January 2003," Synergy Consulting Services Corporation, p. 74.

<sup>14</sup> Letter from W.T. Cottle, President and Chief Executive Officer, STP Nuclear Operating Company to Ellis W. Merschoff, Regional Administrator, Region IV, United States Nuclear Regulatory Commission, "South Texas Project Units 1 and 2 Docket Nos. STN 50-498, 50-499 South Texas Project Comprehensive Cultural Assessment," April 7, 2003.

<sup>15</sup> Letter from Thomas P. Gwynn, Acting Regional Administrator, Region IV, U.S. Nuclear Regulatory Commission to James J. Sheppard, President and Chief Executive Officer, STP Nuclear Operating Company, Subject: South Texas Project Electric Generating Station – NRC Inspection Report 50-498/03-09 and 50-499/03-09, July 11, 2003.

<sup>16</sup> United States Nuclear Regulatory Commission, Response to Freedom of Information Act Request, FOIA/Privacy Act (PA), 2004-0308, July 30, 2004.

<sup>17</sup> United States Nuclear Regulatory Commission, Freedom of Information Act Request, FOIA/PA-2006-0052, December 13, 2005.