

David Vito - Fwd: Remarks of June 16

From: David Vito *DT*
To: SALEMHCSCWE
Date: 6/18/04 2:45PM
Subject: Fwd: Remarks of June 16

Another call from the alleger (2:30 p.m. 6/18). She wanted to note another potential source of information for us to get at the corporate pressure issue. She stated that she has re-read the protocol for the IAT interviews and noted that the interviewers were required to retain their notes. She felt that the contemporaneous notes may provide us some more candid information.

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Act, exemptions 2C
FOIA- 2005-194

T-183

From: David Vito
To: SALEMHCSSWE
Date: 6/18/04 1:54PM
Subject: Fwd: Remarks of June 16

Randy B., Dan H., Anne P. Jeff T., et. al.,

Please see the attached "revised" remarks from the alleged's speech on Wednesday night. This version is slightly different than the handout she provided on 6/16/04, because she told me that she has added as many of her ad-libbed remarks as she could remember. She has no problems with the NRC placing this into ADAMS.

I also spoke with her about her comment on Wednesday night re: the alleged "untruths" that have been told, and are still being told, by PSEG about the corporate input to "production vs. safety pressure" with regard to site activities. I asked her if there were any statements, or specific incidents, other than those she has already referred to us, that we should know about. She didn't really have any other specific comments/incidents to tell me about, but instead provided a list of names of people we should interview, noting that "if they tell the truth," it will shed much light on the corporate pressure toward "production over safety" and "non-conservative decision making". The names she provided were [REDACTED] after interviewing [REDACTED] next Thursday, we will have interviewed 6 of the 11 individuals named). Having heard her opinions about many of the individuals she named in prior discussions, I asked her if she really thought these people would admit that they were pressured by corporate to make a non-conservative decision, or that others had been. She indicated that we are the government and need to be very strong in our questioning of them. I told her that I believe we do make our best effort at getting the people we interview to be candid, but that if someone doesn't want to admit something, there is not much we can do. All we can do is look at the information gathered, and render a conclusion based on that information.

She also has some additional suggestions for enabling us to get to the "corporate pressure" issue:

She indicated that every two weeks while she was there, there was a video conference between [REDACTED] and the [REDACTED]. She didn't know if these meetings were audio or video recorded, but that if they were, they would provide us with invaluable information in this area. She also noted that it might be possible that we could derive information for the Board of Directors meeting minutes. She wasn't sure if we could get our hands on this documentation, but indicated that she may be able to obtain it as part of the discovery process for her lawsuit. 7C

She also suggested that, if possible, we should try to get a hold of the first draft version of [REDACTED] IAT report. She indicated that, from her experience, first versions of such reports are often more candid and revealing than the final versions, which are always polished to take out "purple words" - as she referred to them.

At the end of the call, she informed me that she was going to be calling [REDACTED] this evening to ask him "if he agreed to be the scapegoat" (for the rest of PSEG management on this issue).

As you can see from her commentary, she is still very interested in the corporate pressure issue, and proving she was correct. 7C

From: 
To: <DJV@nrc.gov>
Date: 6/18/04 11:15AM
Subject: Remarks of June 16

7C

Dave, You can publish the attached file on ADAMS. It includes my "ad lib" remarks (as many as I can remember).

I will call you re. the other matter.

Thanks,
Kymn

Statement by Dr. Kymn Harvin
NRC-PSEG Public Meeting
June 16, 2004
Bridgeport, New Jersey

I am Dr. Nancy Kymn Harvin, former Organization Development leader at PSEG Nuclear and one of the people who sparked the NRC's investigation of Salem and Hope Creek.

It is good to see so many familiar people, some who I regard with the utmost respect, friends I formerly worked with. I appreciate the warm welcome. I do, however, wish we were meeting under different circumstances.

I do want to say that I am disappointed Mr. Ferland is not here tonight. It was no accident that the NRC's public letter of January 28, 2004 was addressed to Mr. Ferland. Yet, Mr. Ferland is not here tonight and did not attend the previous public meeting either. I find this disrespectful and disappointing.

As Mr. Miller said, "There is a legacy here that is quite long." As someone who worked at Salem and Hope Creek for five years and knows the inside story of many of the issues discussed tonight, I'd like to offer my perspective on some of what we have heard tonight and on moving forward.

But first I want to express my appreciation to the loyal and dedicated people who work at the site. It is because of you that the public has remained safe, that there has not been an accident, a tragedy, a nuclear event. You have our gratitude and support. And our commitment to insuring the issues plaguing your workplace get addressed. Mr. Bakken, please pass along our gratitude.

We've heard the assessment results. They paint a bleak picture. Yet there is more to the story. Let me offer my perspective of what has happened just in the last year, since I was fired for challenging my boss, the Chief Nuclear Officer, about safety issues. Ironic, isn't it, that the person charged with fostering an open and safe-to-speak-up work environment is fired for championing NEO [Nuclear Equipment Operator] and management's safety issues.

1. PSEG Nuclear has over 100 less people today than a year ago. Many of those eliminated were outspoken about safety issues and equipment problems and production pressure. One was even the Safety Manager. The outgoing Chief Nuclear Officer, Roy Anderson, who lasted little more than a year in the position, wrecked havoc by cutting jobs instead of focusing on the safety and work environment issues. The site is now paying the price for his actions with horrendous overtime requirements, a beleaguered workforce, and the issues

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discussed this evening.

2. PSEG Nuclear now reports to Frank Cassidy, President of PSEG Power, instead of directly to the Chairman of the Board. Many perceive this move, while looking innocent enough, as another step in focusing on dollars and watering down accountability for safety. A former PSEG officer confided to me his grave concern about this power shift and the likelihood that non-Nuclear people like Mr. Cassidy would run the place into the ground.
3. According to the assessment data we've heard tonight, many employees say plant conditions and working conditions have worsened in the past year. Just read the data. The NRC's unprecedented January 28, 2004 letter to PSEG Chairman Jim Ferland *did* cause money to flow into the site for equipment fixes and *did* prompt some attention to the chilled work environment. Yet we all know it is easy to do good when the government is watching. But the kind of change needed at Salem and Hope Creek cannot be dictated from the outside; it must come from within. So far that hasn't happened.

For PSEG Nuclear to overcome all these odds, it will take leadership not yet seen.

Leadership that demands the best, yet makes no one feel small when falling short. Leadership that makes doing anything unsafe, unthinkable, yet compels peoples' highest productivity. Leadership that remembers people are good, families are important, and there's more to life than work.

It will take leadership that stands up to the pressures of profits and corporate politics. Leadership that fosters other great leaders, never wanting to be the only one. It will take equal amounts of brains, courage, heart, resilience, and confidence. Most of all it will take a leader whose caring for the people is matched by his caring for the public and industry he serves. He doesn't cross the line. He does nothing dishonorable. He makes a new name for Salem and Hope Creek.

In short, it will take one of the best leaders the nuclear industry has ever had.

In the days, months and years ahead, the people of Salem and Hope Creek will be challenged to overcome a culture of mediocrity. Let me be clear about this: *This culture is not the fault of the people.* It was set by the highest officer Jim Ferland years ago when he said at an All Hands Meeting, "Mediocrity is okay as long as it is cost-effective." Despite slogans to the contrary about being world class, about being top quartile, about Safety First, his message permeated the site like the plague. It ate away at us. My former boss, Chief Nuclear Officer Harry Keiser said it plainly: "When people figure out what the real game is, if they have any integrity, they have to leave. They can't stand the bullshit." A chilling statement

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when the stakes are so high....this is *nuclear power*.

Mediocrity and production pressure have so permeated Salem and Hope Creek that that is now what the site is known for. As a friend of mine was told when he went to the INPO Senior Plant Managers Course and said he was from Salem, "Oh, you're from the plant that does anything to stay on-line."

That wasn't just a casual or snide remark. Make no mistake. There is irrefutable evidence that the "production-over-safety" line has been crossed by the senior officers of this company. And that mistruths have been told. I believe mistruths have been told at this meeting tonight, including the statement there was never any direct pressure from Corporate for non-conservative decision-making. In the Independent Assessment Team report, "site leadership" was blamed over and over again for the production pressure, a vague scapegoating of people no longer there. Sometimes that production pressure was caused by direct communication from Mr. Ferland and Mr. Cassidy. I intend to prove that in a court of law if need be.

Consider this statement:

9 Going forward, I and everyone on the PSE&G team
10 assures you that the quality of our people, the processes,
11 and the plant will remain at the required high levels of
12 performance to assure the the station operates safely and
13 reliably.
14 If safety ever becomes a problem, if any one of us
15 is not satisfied with performance, we will do what we have
16 done in the past. That is, we'll take conservative action,
17 and that may include shutting the plant down. We don't
18 expect to have to do that.

Those words were spoken by PSEG Chairman Jim Ferland, not this year or last year, but in 1997 in a public meeting with the NRC. As we now know from the assessment data discussed this evening, there are 73 of 90 areas where performance is lacking. Mr. Ferland promised then that conservative action, including shutting down, would occur if performance was not satisfactory. Yet Salem and Hope Creek continue to operate despite over 70 important areas being deemed by independent assessors as "less than competent." In my book, and I hope in yours, that is unacceptable...and unacceptable leadership.

Since Mr. Ferland obviously won't hold to his word, the NRC should force PSEG's hand. Even tonight Mr. Cassidy said, "Mediocre performance is an unacceptable risk." If this is true, Mr. Cassidy—and I believe it is—why are you allowing three nuclear reactors to continue to operate?

Mr. Ferland's poor leadership practices, a polite characterization of improper and possibly illegal behavior, have been followed by others. Improprieties are widely known by employees at the site, yet unaddressed by the Board of Directors and, so far, the NRC.

In many ways, all of this adds up to unacknowledged cracks in the hull of the ship that will ultimately sink the Enterprise. The only hope is if the ship is brought to shore, the cracks exposed, and the hard, tedious work of repair is undertaken.

For real progress to be achieved at PSEG Nuclear, the journey must begin with acknowledging the legacy that has been generated from the top, even before deregulation occurred. For company officers, it will be like passing through the eye of the needle. Unthinkable in most corporate circles; unavoidable in this one. The only other way out is resignation or dismissal.

At the site, other bold and courageous steps are required to cure the ills and right the wrongs. Answers are not found inside the box, within the hierarchy, or from the status quo.

PSEG's next Chief Nuclear Officer is a favored son. Many already believe in him from his former days at Salem. His honesty, integrity, caring for the people and the plant are refreshing...and unparalleled. Yet the question remains whether Mr. Bakken will have the power, the freedom, the fortitude, and the political will to chart a new course for PSEG. His unfettered leadership offers the best chance for Salem and Hope Creek moving out of the bottom quartile, of insuring the long-term viability of the site and jobs, and of serving the public interest.

I see three immediate actions PSEG can take to prove it is serious about improvement and excellence.

1. **Do what Mr. Ferland promised, but has not done.** Instead of waiting for or fearing the NRC will take the keys away, plan for and then commence a voluntary shut-down. Use the time to fix what is broken, in the culture and the equipment. Work as hard at restoring trust as people do to restart a unit.

This will clearly demonstrate people and safety come first. This will clearly demonstrate who is in charge.

This will clearly demonstrate a willingness to replace mediocrity with excellence.

This will build trust and begin to restore integrity.

2. **Tell the truth about the past.** Within the next 30 days, convene a series of All

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Hands Meetings in which PSEG officers, if still in power, can “talk straight” with the people of Salem and Hope Creek. Insist that these men address the legacy issues, the purse-string issues, the production vs. safety issues. Don’t allow them to sugar coat or avoid accountability. Begin with addressing the men and women of Operations and Maintenance, who have received many mixed messages over the years. Be sure the operators hear firsthand that operational decision-making will not come from Newark or the CNO office, but rightfully belongs with them. Be sure that they hear a strong and clear apology for the times they received inappropriate guidance and direction. And be sure they hear that they are trusted—by the Chief Nuclear Officer, by corporate officers, and by the Board of Directors. That strong endorsement can free them from the past and provide a fresh start.

3. **Fire all the consultants.** Thank them for their services and show them the door. Listen to your people instead. Mr. Bakken, you and the 1683 employees who now work for you have everything you need to be successful. Spend your time with them, not with outsiders speaking for them. Make your people feel good and confident about themselves. They’ll follow your lead and make you proud. They know what needs to be done. Let them own the change. Share the trust. As the winning owners in NASCAR say, give your people the best equipment possible, the information and resources they need, and get out of the way. Hold them accountable for the results and support them fully. Serve them well and they will serve you well.
4. **Rehire the safety advocates, the whistleblowers who want to rejoin the site.** Offer employment again to those who lost favor for speaking out about safety issues, conflicts of interest, and other improprieties. Their voices and courage should be heralded, not silenced. This will be another clear signal that it truly is a new day at PSEG Nuclear.

These legacy-altering actions are not for the faint of heart. They break the mold. They raise the bar. They transform, not change. Implemented, they will become the legacy of one of the best leaders the nuclear industry has ever seen. And a nuclear site soon known for beating all the odds.

Any actions that fall short of addressing the root issues at that site will only perpetuate the past. The public, the people of Salem and Hope Creek, and the industry deserve better.

It is time for both the NRC and PSEG to stand and deliver.