

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION

J. E. Dyer, Director

In the Matter of	)	Docket Nos. 50-498 and 50-499
	)	
STP NUCLEAR OPERATING COMPANY	)	License Nos. NPF-76 and NPF-80
	)	
South Texas Project, Units 1 and 2	)	

DIRECTOR'S DECISION UNDER 10 CFR 2.206

I. Introduction

By letter dated May 16, 2006, as supplemented on June 26, 2006, Mr. Glenn Adler of Service Employees International Union (SEIU) filed a petition pursuant to Title 10 of the *Code of Federal Regulations*, Section 2.206. The petitioner requested that the U.S. Nuclear Regulatory Commission (NRC) take enforcement actions.

Actions Requested

Take enforcement action in the form of Demand for Information (DFI) that would require STP Nuclear Operating Company (STPNOC), the licensee for South Texas Project Electric Generating Station (STP), to provide:

1. Any assessments of the safety conscious work environment (SCWE) at STP conducted since January 1, 2004;
2. Summaries of any associated action plans and the results of any efforts to remedy problems revealed by these surveys, including the following documents mentioned at an August 2005 meeting, apparently convened to discuss the plant's SCWE:

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(1) SWOT [strengths, weaknesses, opportunities, and threats] analysis to assess the issues and actions required and follow-up on these actions to improve station alignment, (2) outsourcing lessons learned, and (3) an evaluation of information technology, supply chain, technical training, and Wackenhut; to assess the issues and recommended actions;

3. Summaries of any associated action plans and the results of efforts to remedy problems revealed by such surveys in 2001 and 2003; and

4. All correspondence between the NRC, STPNOC, and Wackenhut Corporation concerning the 2001, 2003, and 2005 Comprehensive Cultural Assessments (CCAs).

Petitioner's Bases for the Requested Actions

The petitioner stated that in 1998, the NRC found that STP had violated Federal law by subjecting four employees to a "hostile work environment" after the employees raised safety concerns. As a basis for the request, the petitioner noted that the NRC issued an order requiring STP to hire an independent contractor to conduct periodic CCAs.

The petitioner stated that the licensee hired Synergy Consulting Services Corporation. The Wackenhut Corporation took over security at STP in July 2001, after winning a 3-year contract for security, with an option for 2 additional years. The petitioner further noted that in the 2001 and 2003 CCAs, Wackenhut scored poorly on independent surveys assessing the STPNOC's nuclear safety culture, SCWE, general culture and work environment, leadership, management, and supervisory skills and practices.

Despite apparently repeated efforts by STPNOC to remedy the poor performance of Wackenhut, a more recent survey revealed that Wackenhut's performance problems continued, as indicated in the 2005 CCA.

The STPNOC's action plans apparently were not successful with respect to Wackenhut and other entities.

The petitioner requested that the NRC scrutinize the steps taken by STPNOC to rectify problems identified in the 2001, 2003, and 2005 CCAs.

The petitioner stated that obtaining the documents the petitioner identified, will facilitate the NRC to be better informed about improvement in the licensee's SCWE at STPNOC. In addition, the NRC will be better able to assess the effectiveness of previous steps taken with Wackenhut and other entities for whom problems persisted, despite repeated efforts to remedy them.

NRC Petition Review Board's Meeting with the Petitioner

The petitioner met with the Office of Nuclear Reactor Regulation's petition review board (PRB) on June 27, 2006, to clarify the bases for the petition.

The transcript of this meeting was included in the PRB meeting summary, treated as a supplement to the petition and is available in the Agencywide Documents Access and Management System (ADAMS) for inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible from the ADAMS Public Electronic Reading Room on the NRC Web site <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to pdrr@nrc.gov.

II. Discussion

The petitioner raised issues related to the SCWE and the general work environment at STP, and requested enforcement action in the form of a DFI that would require STPNOC to

PROPOSED

provide additional information to the NRC, in order for NRC to be better informed and to better assess the effectiveness of previous steps taken with Wackenhut and other entities for whom problems have persisted.

To address these issues, the NRC staff reviewed its prior oversight of STPNOC, since June 9, 1998, when the NRC staff issued the Confirmatory Order EA 97-341 to the STPNOC. The Order confirmed STPNOC's agreement to improve the handling of safety concerns brought to management by workers. The Order mandated STPNOC to use an independent contractor to periodically survey its employees, supervisors, management, and contractors about their concerns regarding a SCWE through 2002 and report the results of each survey to the NRC. The final CCA that was mandated by the Order was performed in January 2003. This CCA was reviewed by the NRC as documented in Inspection Report, identified (ID) 50-498/03-09 and 50-499/03-09. This inspection closed the June 9, 1998, Confirmatory Order (EA 97-341). NRC Inspection Report ID 50-498/03-09 and 50-499/03-09 is publicly available at Accession No. ML031920509 from the ADAMS Public Electronic Reading Room on the NRC Web site.

The petitioner requested that any assessments of the SCWE at STP conducted since January 1, 2004, be provided to the NRC and docketed for the purpose of enabling the NRC to provide better oversight. The NRC staff's review identified the following assessments of the SCWE at STP, which were conducted since January 1, 2004:

1. The NRC assessed the SCWE at STP in NRC's Problem Identification and Resolution, as documented in Inspection Report, ID 05000498/2004011 and 05000499/2004011, using the guidance of Inspection Procedure 71152B, "Identification and Resolution of Problems," revised September 8, 2003. NRC Inspection Report, ID 05000498/2004011 and 05000499/2004011, is publicly available at Accession No. ML050040481 from the ADAMS Public Electronic Reading Room on the NRC Web site.

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2. The licensee contracted with Management Insight Technologies to perform a "Site Wide Culture Assessment," in May 2005. The survey evaluated general worker morale and the SCWE at the STP site. In September 2006, NRC reviewed the May 2005, "Site Wide Culture Assessment," as it related to the STP SCWE, using the guidance of Inspection Procedure 71152B, "Identification and Resolution of Problems," revised June 22, 2006. This review is documented in NRC Problem Identification and Resolution Inspection Report, ID 05000498/2006009 and 05000499/2006009, and is publicly available at Accession No. ML063200197 from the ADAMS Public Electronic Reading Room on the NRC Web site. The NRC performed the review of the May 2005 CCA, while on site. The NRC does not have a copy of the contractor's assessment.
3. Recently, the agency conducted a security inspection at STP, which addressed SCWE issues. This inspection is complete and the NRC is currently documenting the results. After the report is issued, it will be accessible from the ADAMS Public Electronic Reading Room on the NRC Web site.

Based on the referenced assessments and associated NRC Inspection Reports, the NRC determined that overall a positive SCWE currently exists at STP. Nonetheless, some general culture issues were identified at STP, which, if not corrected, may have the potential to impact SCWE. The NRC therefore will continue to monitor the SCWE at STP and, during the next Security baseline inspection scheduled for early 2007, will confirm that appropriate corrective actions are planned or complete for general culture issues, which were identified in the 2005 CCA.

The petitioner requested that the NRC issue a DFI, that would require STPNOC to provide summaries of any action plans and the results of any efforts to remedy problems associated with the assessments of the SCWE at STP, conducted since January 1, 2004. The

PROPOSED

petitioner requested that this information be docketed for the purpose of enabling the NRC to provide better oversight. We have reviewed several of the documents, and continue to have access to the information identified by the petitioner, while on site.

Since the NRC has reviewed, and will continue to review the CCAs, the action plans, and the results of past remedies while on site; since the 2005 CCA was not required; and since the NRC typically does not require licensees to docket reviews by third parties (e.g., Institute of Nuclear Power Operations), the NRC does not plan to request STPNOC to docket the results of its CCAs, summaries of the action plans, or associated remedies.

III. Conclusion

The petitioner raised issues related to the SCWE at STP. The NRC determined that overall a positive SCWE currently exists at STP. The petitioner raised issues related to the general work environment at STP as these conditions affected the SCWE. Some general culture issues were identified at STP during the recent security inspection. The NRC will continue to monitor the SCWE at STP and as part of the next security baseline inspection scheduled for early 2007.

The petitioner also raised the concern that NRC needs additional information to be better informed and to better assess the effectiveness of previous steps taken with Wackenhut and other entities for whom problems have persisted. The NRC has access to all of the information requested by the petitioner. Therefore, issuance of a DFI to the licensee is not warranted. Similarly, it will not be necessary for the NRC to require STPNOC to docket the results of their CCAs, summaries of the action plans, or associated remedies.

As provided in 10 CFR 2.206(c), a copy of this director's decision will be filed with the Secretary of the Commission for the Commission to review. As provided for by this regulation,

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the decision will constitute the final action of the Commission 25 days after the date of the decision unless the Commission, on its own motion, institutes a review of the decision within that time.

Dated at Rockville, Maryland, this day of 2006.

FOR THE NUCLEAR REGULATORY COMMISSION

J. E. Dyer, Director
Office of Nuclear Reactor Regulation

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