

Docket Nos: 50-390/391

JAN 30 1986

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Mr. Steven A. White
Manager of Nuclear Power
Tennessee Valley Authority
6N38 A Lookout Place
1101 Market Street
Chattanooga, Tennessee 37402-2801

Dear Mr. White

We spoke last Thursday on the importance of preserving an effective employee concern program where employees and contractor employees can raise safety issues without fear of retribution. You have had in place a program with Quality Technology Company (QTC) which provided a mechanism through a third party organization to obtain safety concerns from employees in confidence. We have been monitoring this program since TVA briefed NRC on this approach on May 2, 1985, and the program appears to have developed employee confidence and has provided for objective identification, evaluation, and resolution of issues.

We understand that contractual matters are still in negotiation between TVA and QTC concerning the continuation of QTC support in this effort. NRC remains concerned with the preservation of the original records and our ability to obtain access to them in order to carry out the Commission's regulatory responsibilities. For that reason I issued the enclosed immediately effective Order requiring, among other things, the preservation of the integrity of the original unexpurgated records, prohibiting the removal of the records, NRC access to the original records for inspection and copying, and five day notification prior to QTC relinquishing custody of the records.

As we have discussed, I understand that you will provide any proposed revisions to your employee concern program promptly after completion of ongoing contract negotiation with QTC.

Sincerely,

75
Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Enclosure
As Stated

cc: See next page

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A PDR

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HLThompson:pab
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ELD
JLieberman
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by phone
DI:D
BHayes
1/30/86

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RII:
JOLshinski
1/29/86

by phone
JTaylor
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Watts Bar Nuclear Plant

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Tennessee Valley Authority

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Browns Ferry Nuclear Plant
Sequoyah Nuclear Plant
Watts Bar Nuclear Plant

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
TENNESSEE VALLEY AUTHORITY)	Docket No. 50-337 and 50-328
(Sequoyah Nuclear Plant, Units 1 and 2))	50-259, 50-260, and
(Browns Ferry Nuclear Plant, Units 1,)	50-296
2, and 3))	50-390 and 50-391
(Watts Bar, Units 1 and 2))	50-438 and 50-439
(Bellefonte, Units 1 and 2))	

ORDER MODIFYING LICENSES (EFFECTIVE IMMEDIATELY)

I

Tennessee Valley Authority (TVA or the licensee) is the holder of Facility Operating Licenses Nos. DPR-77 and DPR-79 which authorize the licensee to operate the Sequoyah Nuclear Plant, Units 1 and 2 (SNP) in Soddy-Daisy, Tennessee, the holder of Facility Operating Licenses Nos. DPR 33, DPR 52, DPR 68 which authorize the licensee to operate the Browns Ferry Nuclear Plant, Units 1, 2, and 3 near Athens, Alabama, the holder of construction permits to build the Watts Bar Nuclear Plant, Units 1 and 2 near Spring City, Tennessee and the holder of construction permits to build the Bellefonte Nuclear Plant, Units 1 and 2.

II

In the spring of 1985, the NRC received a number of anonymous allegations regarding safety concerns and employee reprisals at TVA. Most of the allegations involved construction quality issues at Watts Bar and the perception that TVA supervisors had either taken or would take adverse actions against employees raising these concerns through normal channels.

TVA has contracted with the Quality Technology Company (QTC) to conduct interviews of all employees at Watts Bar and to conduct certain investigations flowing from concerns raised by these employees. The contract between TVA and QTC provides, inter alia, that the names of persons raising concerns will be held in confidence, and will only be disclosed to a third party with the permission of the employee or as a result of a compelled process such as an order.

The Commission, acting under the authority of section 161(c) and 161(o) of the Atomic Energy Act of 1954, as amended, and 10 CFR §50.70 of the Commission's regulations, has also initiated inspections and undertaken investigations of licensed activities involving the construction of Watts Bar and other TVA facilities. Specifically, the inspections and investigations are to determine: (a) whether construction workers engaged in activities under the various licenses were harassed, intimidated or discharged because the workers were raising questions concerning alleged construction problems which, if uncorrected, could lead to unsafe conditions jeopardizing the public health and safety, (b) whether there may now exist at the Watts Bar potentially unsafe conditions, the existence of which has not been communicated to the licensee or the Commission because of the chilling effect on workers' willingness to identify safety concerns from a perception on such workers' part that a worker may be harassed or discharged if he or she identifies potentially unsafe conditions to the licensee or to the Commission; and (c) whether the program put in place by TVA is identifying, evaluating, and resolving plant specific safety concerns at Watts Bar, Sequoyah, Browns Ferry, and Bellefonte and any generic aspects of employee concerns that may relate to other TVA facilities.

III

In order for the NRC to carryout its health and safety responsibilities it is necessary that the NRC have reasonable assurance that safety concerns affecting TVA's licensed facilities have been identified and properly evaluated and resolved. This may require that NRC representatives review the QTC records describing the safety concerns and interview the persons who have raised such concerns. Access to the original unexpurgated records is therefore required to obtain the necessary information. If such records are reviewed, NRC would honor the confidentiality agreements between QTC and their interviewees. In any subsequent interviews NRC may conduct, NRC would afford the interviewee the opportunity to sign an NRC confidentiality agreement if he or she desires to remain confidential.

IV

During the past few weeks it appears that the continuing status of the contractual relationship between QTC and TVA is unclear and may significantly change at any time. QTC has informed the NRC that there is only a verbal agreement between QTC and TVA to preserve the integrity of the original unexpurgated records resulting from the employee concern program. Thus, there is a substantial question as to whether the original QTC records will be preserved and if preserved, whether NRC will have access to them to permit inspection and copying.

The failure to permit voluntary NRC inspection of the complete employee concern records containing potential safety information related to licensed activities is contrary to 10 CFR 50.70. See Union Electric Company (Callaway Plant, Units 1 and 2), 9 NRC 126 (1979). Therefore, in view of the above I have determined that the public health, safety and interest requires that the following actions be effective immediately.

V

In view of the foregoing, pursuant to Sections 103, 161c, 161i, 161o, and 182 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204 and 10 CFR part 50, IT IS HEREBY ORDERED, EFFECTIVE IMMEDIATELY, THAT TVA:

- (A) Prohibit the removal of the unexpurgated original QTC records resulting from the employee concern program from TVA controlled property, the destruction of such records, the deletion of information from such records, or any other action which could compromise the integrity of the information contained in such records without prior written approval of the Director, Office of Nuclear Reactor Regulation.
- (B) Provide 5 working days notice to the Director, Office of Nuclear Reactor Regulation, before QTC relinquishes control or custody of the unexpurgated original QTC records resulting from the employee concern program.

- (C) Direct QTC to permit inspection and copying of the unexpurgated original QTC records resulting from the employee concern program by NRC representatives authorized by the Director of the Office of Nuclear Reactor Regulation.

The Director, Office of Nuclear Reactor Regulation, may relax or terminate any of the above conditions for good cause.

VI

The licensee or any other person whose interest is adversely affected by this Order may request a hearing on this Order. Any request for hearing shall be submitted to the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, within 30 days of the date of the Order. A copy of the request shall also be sent to the Executive Legal Director at the same address and to the Regional Administrator, Region II, 101 Marietta Street, N.W., Atlanta, Georgia 30303. AN ANSWER TO THIS ORDER OR A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF SECTION V OF THIS ORDER.

If a hearing is to be held concerning this Order, the Commission will issue an Order designating the time and place of hearing. If a hearing is held,

the issue to be considered at such hearing shall be whether this Order shall be sustained.

FOR THE NUCLEAR REGULATORY COMMISSION



Harold R. Denton, Director
Office of Nuclear Reactor
Regulations

Dated at Bethesda, Maryland
this 30th day of January, 1986