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RELATED CORRESPONDENCE

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February 11, 1986

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**OFFICE OF SECRETARY
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Mr. Victor Stello, Jr.
Executive Director of Operations
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Stello:

In the Matter of the
Tennessee Valley Authority

) Docket Nos. 50-259
) 50-260
50-296
50-327
50-328
50-390
50-391
50-438
50-439

On January 29, 1986, I committed to provide to you, shortly after completing negotiations on extensions of the Quality Technology Company (QTC) contract, a description of the TVA Employee Concern Program and the method we plan to use to close concerns generated by the Watts Bar employee concern special program. The negotiations with QTC have been completed and the supplemental contract is in effect. Enclosure 1 is a summary description of our Employee Concern Program which became effective on February 1, 1986. Enclosure 2 describes the methodology we will use to close concerns generated by the Watts Bar special program.

Copies are also being sent to the Commissioners for their information.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

S. A. White
S. A. White
Manager of Nuclear Power


Subscribed and sworn to before me
this 11th day of Feb, 1986

Paulette H. White
Notary Public

My Commission Expires 8-24-88

Enclosures
cc: See page 2

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Mr. Victor Stello, Jr.

February 11, 1986

cc (Enclosures):

Mr. Nunzio J. Palladino, Chairman
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. James K. Asselstine, Commissioner
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Frederick M. Bernthal, Commissioner
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Thomas M. Roberts, Commissioner
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. Lando W. Zech, Commissioner
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

U.S. Nuclear Regulatory Commission
Region II
Attention: Dr. J. Nelson Grace, Regional Administrator
101 Marietta Street, NW, Suite 2900
Atlanta, Georgia 30323

ENCLOSURE 2

TVA Methodology for Closing Concerns from the Watts Bar Employee Concerns Special Program

The first phase of the Watts Bar Employee Concern Special Program, primarily involving identification of employee concerns, has been completed. Watts Bar employee concerns have been identified and many have been investigated. It is now necessary to move to the next phase of the program, which has as its objective the prompt resolution of the concerns identified as applicable to Watts Bar and those applicable to other TVA nuclear plants.

Those issues identified as applicable to Sequoyah will be handled in two ways. They will be resolved on an individual concern basis as part of the activities to prepare the Sequoyah plant for restart. In addition, these concerns will be grouped with the Watts Bar concerns to assist in the identification of additional programmatic corrective actions.

We have evaluated the program results thus far and have considered the NRC comments expressed as a result of their Employee Concern Program inspections. Our review confirmed the need for a new approach in order to place emphasis on providing an in-depth review of the areas where concerns were identified, achieving a more rapid resolution of issues, developing a generic treatment of issues addressing the applicability to all plants, identifying trends and root causes, increasing efficiency, improving management control, and providing a more effective means of closeout, while at the same time ensuring employee confidentiality. All concerns, both safety-related and nonsafety-related, will be resolved by this methodology.

To resolve and close out these concerns in an effective and efficient manner, these concerns will be grouped into approximately nine categories. This provides for consistent evaluation of related concerns and evaluation of their collective impact. It also aids in identifying and developing immediate and permanent corrective actions to address the issues specifically and programmatically. The responsibility for each category will be assigned to a designated evaluation team. This responsibility includes identification of the issues involved, thorough investigation of the issues, identification of root causes, 10 CFR 50.55(e), 50.72, 50.73, and Part 21 potential reportability, development of a corrective action plan, and preparation of a closeout report.

These concerns have been preliminarily grouped as follows:

QC/QA

Material Control

Management & Personnel Issues

Intimidation, Harassment and Misconduct

Operations

Welding

Construction

Industrial Safety

Engineering

Subsequent to the final categorization of concerns, each category will be assigned to a review group. These groups will be made up of senior TVA and/or contractor personnel to:

1. Subgroup categories as needed
2. Define specific review approach and establish a detailed schedule for review
3. Perform the review and test validity of preliminary conclusions, determine extent of condition and evaluate significance
4. Recommend immediate corrective action
5. Perform root cause analysis
6. Recommend additional corrective action
7. Review and approve final corrective action
8. Prepare a closeout report which will form the basis for closing the specific concerns in each category. These reports will be used as a basis to respond to the concerns that have been raised.

During the review process any items which are identified as being potentially reportable under 10 CFR 50.55(e), 50.72, 50.73, and/or Part 21 will be referred to the responsible TVA organization for action. These referrals will be appropriately documented and tracked as part of the program.

A Senior Review Board consisting of nuclear industry experts from outside TVA, reporting to the Manager of Nuclear Power, will be established. The purpose of this board will be to review: concern categorization, root cause analysis, proposed corrective actions, and group closeout reports.

The scope of these investigations will provide a basis for identifying trends and root causes. The results of applicable reviews by NRC and others (i.e., independent design reviews, etc.) will be considered in these investigations.

The closeout of the existing concerns will be accomplished through the preparation and distribution of the individual formal reports for each issue category. The reports will include a section outlining TVA's planned actions to resolve the recommendations. These reports, in lieu of individual responses to the employees who expressed concerns, will be made available to all employees and other interested parties to indicate how these concerns were resolved.

The Inspector General will investigate and report on intimidation and harassment issues. In addition, he will monitor the other elements of the program to ensure that confidentiality is maintained. Until the Inspector General is able to assume full responsibility for intimidation and harassment issues, this activity will continue under the direction of the Office of the General Counsel (OGC). The OGC intends to continue the use of QTC to investigate these allegations.

All commitments to NRC, the Board, and others relating to the Watts Bar Employee Concern Special Program will be identified; and, if they are not to be included in this revised program, they will be reevaluated. As a result of this reevaluation, the program will either be modified or the commitment revised.

The QTC contract has been revised to extend its period of performance and to increase its funding level. QTC's activities will include maintaining the existing employee concern files and providing answers to questions relating to the information in the files. This QTC effort will ensure continued confidentiality. In addition, QTC will support the OGC intimidation and harassment investigations until they are complete or until the Inspector General has assumed responsibility for the investigation.

This program is subject to Quality Assurance overview.

ENCLOSURE 1

Summary Description of TVA Employee Concern Program

The following is a summary description of TVA's Employee Concern Program described in H. G. Parris's letter to William J. Dircks, dated November 20, 1985.

The TVA Employee Concern Program, as described in Section C of that submittal, was implemented on February 1, 1986.

The TVA Employee Concern Program incorporates the following features:

- o TVA management support for safety and quality as the paramount basis for the TVA nuclear program
- o TVA management and total organization commitment to prohibit intimidation, harassment, or reprisal actions against employees raising concerns
- o An Employee Concern Program Manager reporting directly to the Manager of Nuclear Power
- o Establishment of full-time Site Representatives at each nuclear site and major corporate location, who reports directly to the Employee Concern Program Manager, as a means for receiving employee concerns apart from the line organization. The site representative is responsible for ensuring concern resolution and complete documentation.
- o Emphasis on employee obligation to report problems to line management
- o Emphasis on line responsibility for problem resolution
- o Emphasis on early identification and correction of problems
- o Designation of the TVA Inspector General as an additional means for receiving employee concerns apart from the Office of Nuclear Power
- o Incorporation of various means for employees to report problems at the employees' option:
 - Immediate supervision or higher supervision
 - Employee Concern Program Site Representatives
 - TVA Inspector General
 - NRC or other governmental agencies
- o Provisions for confidentiality upon employee request
- o Utilization of standardized procedures at all locations

- o Available multiple employee concern reporting means to the Site Representative
 - mail-in forms available, phone-in, walk-in interview, and mandatory exit interviews for transferring or terminating employees
- o Required standard documentation, recordkeeping, and common data base for all locations

The TVA Employee Concern Program development and implementation process utilized experience gained from the Watts Bar Employee Concern Special Program and assistance from Quality Technology Company (QTC). This included:

- o QTC assistance in the design and implementation of a mail-in form and posters for the program
- o QTC training of Site Representatives in interview techniques
- o Site Representative's extensive participation in Watts Bar Special program
- o Continuation of exit interview program for terminating and transferring employees
- o Continuation of phone-in ability to an organization separate from the line organization (TVA Inspector General)
- o Clear confidentiality provisions assured

TVA is presently engaged in detailed orientation and instruction of all employees in the program and its procedures. This is scheduled for completion by February 14, 1986. The net results of these actions will be a strong technical basis for the Employee Concern Program.