

Pursuant to the commitment made in Chairman Dean's January 9, 1986 letter, I am responding to your January 3, 1986 letter by providing the Tennessee Valley Authority's (TVA) corporate position with respect to whether or not, in light of the conclusions stated in the "NSRS Perceptions of Watts Bar Status" (NSRS Perceptions), the 10 C.F.R. Part 50, Appendix B requirements are being met at the Watts Bar facility. As requested in your January 3, 1986 letter, information is provided on an item-by-item basis in the Attachment to this letter that supports the TVA position and addresses: 1) each issue raised in the NSRS Perceptions; 2) the programs/procedures in place to address each such issue; and 3) the corrective action(s) planned or taken in response to each such issue.

On the basis of our review of the NSRS Perceptions, as reflected in the Attachment, we find that there has been no pervasive breakdown of the Quality Assurance (QA) program, that the program has identified and TVA has remedied or will remedy all identified construction deficiencies and noncompliances, and that accordingly, the overall QA program is in compliance with 10 C.F.R. Part 50, Appendix B. At the same time, we should emphasize that my own mission as the Manager of the Office of Nuclear Power is to enhance the management and management controls of all TVA nuclear power program activities, including those for QA. Although the attachment shows that a broad range of corrective actions are already in place at Watts Bar, I and my newly appointed QA Manager, Mr. Richard Kelley, will be undertaking further

examination of QA program effectiveness in the nuclear power program in general and at Watts Bar in particular. If that further examination reveals construction deficiencies, noncompliances, and/or programmatic weaknesses, rest assured that timely corrective action will be taken, including work stoppage if that is appropriate. While we have made positive findings concerning the NSRS Perceptions of the adequacy of the overall QA program, we recognize that the major thrust of those perceptions is directed toward the ineffectiveness of corrective actions and management implementation of those actions to prevent the recurrence of construction deficiencies and noncompliances. Our further examination of activities within the nuclear power program, including those at Watts Bar, will focus particularly in that programmatic area, and we will take aggressive action to remedy any weaknesses found.

Please feel free to contact me or Mr. _____ of my staff if you have any questions or need for further information concerning this response.

Very truly yours,

George L. Edgar

GLE:sg

INFORMATION FOR:

Dick Gridley
Bill Wegner

BACKGROUND:

- A. The principles governing NRC QA programs are reflected in the attached Calloway case:
 - 1. In any nuclear power plant project there will inevitably be construction defects tied to QA lapses; error-free construction is neither possible nor required by applicable law.
 - 2. It is necessary to show that there is no general breakdown in the overall QA program, that identified construction defects have been remedied, and therefore there is reasonable assurance that the plant can be operated safely.
- B. App. B defines the relevant standard for acceptability of QA programs as follows:

"As used in this appendix, "quality assurance" comprises all those planned and systematic actions necessary to provide adequate confidence that a structure, system, or component will perform satisfactorily in service."

ISSUES

- A. Avoid overstating Steve's certification of compliance. Certify only that which Steve is in a position to certify. At most he can only certify that: 1) the overall program complies with App. B; 2) there have been no overall program breakdowns; and 3) defects identified by the program have been or will be remedied. He cannot certify that there have not been or will not be noncompliances within the program or that construction is or will be error-free.
- B. Be very careful that Steve's certification is based only upon the facts disclosed by and the scope of the review conducted to answer Mr. Denton's letter. The basis for the certification must be clearly defined and stated, and the certification must be confined to that factual basis alone. That is:
 - 1. Have they conducted a review of the overall program?
 - 2. Have they conducted a review of the issues raised by NSRS in their presentation to Commissioner Asselstine?
 - 3. Have they conducted a review of both?

In other words, if only 2 has been done, the certification should be confined to: Based upon our review of the issues raised by the NSRS presentation, we believe that the overall program satisfies App. B, that the NSRS issues are not indicative of a program breakdown, and that any defects identified by the program or as a result of the NSRS issues have been or will be remedied. If there has also been a broader programmatic review conducted, then an additional statement could be made. If not, it is true that Steve and his now QA manager will look into the broader issue of management and management controls in the QA area, and will doubtless be considering program enhancements.

- C. If Steve can say there is no indication that the program has broken down, he must also address the very reason why he is at TVA. There is a perception of a need for enhanced management and management controls of all TVA nuclear power program activities, including QA. Steve and his QA manager will be looking into that (and have to a considerable extent already). They will doubtless come up with program upgrades and improvements. In light of the realities of the situation at TVA it is necessary to address this point. It is recommended that Steve not reach out too far to say that he has already reviewed the program on a programmatic basis and finds it adequate. It is better to confine the present view to the NSRS findings, and acknowledge the need for and likelihood of future improvement (or even the possibility that more serious problems may be found in his broader management effort).
- D. The details on the responses in the attachments were not read. It is suggested that the format for each response be: 1) issue; 2) programs/procedures; 3) corrective actions (both for specific problem and root cause). Reorganization of the responses will assist in making review for adequacy simpler and more meaningful.