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August 11, 2014 (revised)

(Via U.S. Mail and Fax: 301-415-2700)

Mark Satorius  
Executive Director for Operations  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

Re: 10 CFR 2.206 Request for Enforcement Action  
Entergy Nuclear Operations (Palisades)

Dear Mr. Satorius:

The safety culture within the Security Department at the Palisades nuclear power plant has reached the point that significant regulatory intervention is required by the Nuclear Regulatory Commission (NRC) to ensure that reasonable assurance exists that the public is protected from security related threats and incidents.

On behalf of my clients, [REDACTED] and [REDACTED] (former Security Shift Supervisors at Palisades who were terminated by Entergy), and pursuant to 10 CFR 2.206, this letter requests that the Agency take escalated enforcement action requiring Entergy (the Licensee) either 1) to outsource its Security Department to a qualified security contractor, as existed in the past; or, 2) to appoint an independent third-party monitor to develop, implement, and/or monitor, actions to improve the work environment and safety culture within the Palisades Security Department.

The basis for this request is the inability or unwillingness of the Licensee to take appropriate and effective actions to address the deteriorating situation within the Security Department. The latest incident, described below, is such a flagrant disregard of the terms of the NRC's most recent Confirmatory Order as to nullify any hope that it will succeed. The NRC must, after verifying the facts set forth below, acknowledge that it cannot have reasonable assurance or trust in the Licensee to resolve the Security Department problems by itself.

**Background and Most Recent Incident**

As you know, on March 25, 2014, Cynthia Pederson, Regional Administrator of the NRC's Region III Office, notified Anthony Vitale, Entergy's Vice President of Operations at the Palisades Nuclear Plant, that the NRC's Office of Investigations (OI) found that in December,

2012 both a security manager and a security operations supervisor willfully violated 10 CFR Part 73, Appendix B, IIB., Qualification Requirements and Palisades Security Plan Section 3.1, when the security manager assigned a security supervisor to assume a security post without verifying the supervisor's qualifications.<sup>1</sup>

The NRC OI investigation resulted from an allegation received from a Security Officer who first raised the Security Supervisor's qualifications concern to ██████████, then ██████████ ██████████ months earlier, and received false assurances that the incident wasn't a problem. ██████████ was then harassed and intimidated by ██████████ management for raising the concern. The Security Officer was assisted by Security Shift Supervisors, who assisted by getting the relevant information off the ARINC system, that established the times the security supervisors entered and exited the protected area. The Security Officer and ██████████ two Supervisors have since been terminated by Entergy. We contend those terminations were the result of retaliation for raising that and other concerns. The Security Department workforce believes the terminations were retaliatory, and knows the then ██████████ was at least negligent in preventing this incident from occurring and then failed to take appropriate action when confronted with the concern.

OI confirmed the relevant facts in its investigation, issued its Report, and the Company chose to attempt to resolve the matter through post-investigation Alternative Dispute Resolution (ADR). On July 21, 2014, following an agreement reached through ADR, the NRC issued a Confirmatory Order, setting forth the terms of an agreement reached between the NRC and Entergy as to how Entergy would address and correct the violations and issues raised by the OI investigation. While we believe the ADR failed to address the significant issue of the integrity and truthfulness of ██████████, the senior security executive involved in this incident, it did set out action items to respond to the safety culture implications of the incident within the Security Department. Those requirements included, among other things, that Entergy communicate expectations to the Palisades Security Department staff to reinforce the importance of a healthy Safety Conscious Work Environment (SCWE) and "management's intolerance for retaliation," and to discuss security concerns and issue resolution. (Confirmatory Order, at B.2, p. 6.)

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<sup>1</sup> See, July 21, 2014 NRC Confirmatory Action Letter. It is important to note that, while finding a violation of the NRC regulations, the NRC investigation stopped short of addressing the significant malfeasance demonstrated by ██████████, then ██████████ now ██████████ for ██████████, in failing to take appropriate action when this issue was initially brought to ██████████ attention. Notwithstanding the failure of the Confirmatory Letter to address ██████████ involvement directly or indirectly, the members of the Security Department are well aware of the facts surrounding this incident. ██████████ continued involvement in any security department management role undermines Entergy's stated commitment to excellence and its obligation for integrity and trustworthiness amongst its staff. Combined with the other events described herein, the Entergy Security Department management bears more resemblance to the competence and integrity of the captain and crew of the doomed Costa Concordia, then to leadership of an armed security force guarding nuclear fuel and power facilities.

In addition to the OI Report and its findings, the NRC Region also conducted a follow up inspection to assess the safety culture within the Security Department. The Agency's findings were included in a June 20, 2014 NRC Inspection Report (IR 05000255/2014-007), and concluded:

*"During this inspection, we reviewed your implementation of the Palisades Security SCWE Action Plan and verified that, to date, you have completed all of the actions as committed to in the Action Plan. However, we concluded that the quality of the actions implemented have been insufficient to assess and understand the cause of the chilled work environment within the safety conscious work environment in the Security Department. Specifically, significant gaps were found to exist in the security officers' knowledge of the actions being taken to address the chilled safety conscious work environment and management's commitment to improving the overall safety conscious work environment.*

*For example, security officers had a limited recollection of any discussion of the results of the NRC's limited scope Problem Identification and Resolution inspection, and security officers stated that they were not informed of the site's development and implementation of a Security SCWE Action Plan or the specific actions required by the Action Plan. Also the security officers were unaware of the establishment of the site's Security Ombudsman Program as directed in the Action Plan; the intent of the program; or their shift representatives for the Program, despite the selection and assignment of personnel to these positions at the end of March 2014. Lastly, the security officers were unaware of a significant organizational change that added the Regulatory and Performance Improvement Director to the Security Department chain of command.*

*Therefore, we are requesting that you provide a response to us ... that outlines your actions that you have taken or plan to take to further enhance your Palisades Security SCWE Action Plan to improve the safety conscious work environment in the Security Department at Palisades...."*

Entergy's July 18, 2014, reply to the relevant NRC inspection report includes a list of action items it was taking to address the findings and plans to improve the SCWE within the Security Department. Listed among these tasks was the agreement for the Security Manager to share, "via a presentation in a training setting the results of & actions to address the independent assessment report" and the June 2014 SCWE pulsing survey in order "to validate conclusions and obtain additional feedback." This presentation was scheduled for July 29-30, 2014, at the Palisades Plant.

The presentation was attended by senior Security Department leadership, including [REDACTED], [REDACTED], and [REDACTED], the [REDACTED]. Notwithstanding the purpose of the presentation, the actual attitudes and beliefs about SCWE became immediately evident to the Security Officers as a result of comments made by [REDACTED].

Following the first of four SCWE sessions (one for each Security shift or team), ██████ was overheard by one or more Security Officers in the lunch room telling Security Operations Supervisors (SOSs) ██████ and ██████ that ██████ was there "to straighten out these assholes," referring to the site Security Officers. The Security Officer(s) who overheard ██████ comment told other fellow officers what ██████ said. Of course word about this incident spread throughout the Security Department. The next day, SOS ██████ was confronted about the ██████ comment. ██████ was asked directly if ██████ really made that comment and had referred to the officers as "assholes." SOS ██████ denied it and said "trust me, would I lie?" Apparently, SOS ██████ did lie, as ██████ later admitted ██████ made the statement. Two more briefings were held on July 30, 2014. ██████ admitted ██████ had made a derogatory comment on July 29, 2014, and apologized for the comments ██████ had made.

At least two anonymous Condition Reports were apparently initiated on or about July 31, 2014, regarding this incident, the integrity and truthfulness of the managers involved, and the implications for the current state of the safety conscious work environment at Palisades. According to the concerns identified in the CRs, this incident has led to even more distrust of the Entergy Security management and a complete lack of confidence that the NRC's actions will do any good in improving SCWE. (We believe this event has also been reported to the NRC sometime within days of when it occurred.)

Clearly ██████ July 29 statement was insulting, derogatory and intimidating to those who heard it, and anyone who later heard about it. ██████ contemptuous attitude towards the officers shows ██████ clear lack of respect for the Security workforce ██████ manages, ██████ disdain for the NRC's SCWE policy, and disregard for Entergy's commitments to the NRC to address the SCWE concerns confirmed by the NRC. This most recent behavior by Entergy's senior executive management indicates that the actions taken by the NRC, and agreed to by the Company, will now be inadequate.

The Confirmatory Order is premised on a regulatory assumption that the Licensee accepted the OI findings and the safety culture issues identified by the NRC and, in good faith, intended to undertake improvement activities as agreed upon. ██████ candid comments reveal otherwise. The failure of Entergy Corporate leadership to remove ██████ following the incident speaks volumes about the Corporate culture. It is obvious that Entergy management has no respect or understanding of the significance of the safety culture weaknesses identified within the Department, no respect for its own Security workforce, no intention to make the necessary changes to improve the work environment, and no competence to do so.

To ensure that this request is taken in context, we briefly summarize here the collapse of the safety culture issues at Palisades that have contributed to the current condition. As you are well aware, Palisades has been under regulatory scrutiny for years now, both on substantive/technical issues of safety and its deteriorating work environment. Employee concerns to the NRC have increased dramatically, as have complaints of retaliation. An independent SCWE survey done several years ago showed abysmal results and has been a precursor of the incidents and events that have followed.

In the NRC's 2013 Allegation Trends Report on Palisades states, in relevant part:

*"The number of allegations received by the NRC from onsite sources regarding Palisades in CY 2013 increased significantly from the number received the previous year. The majority of the concerns involved the security department and included technical, wrongdoing, falsification, training and qualifications, chilling effect, and discrimination concerns within the security organization. Discrimination concerns also significantly increased...."*

*In February 2014, the NRC completed an inspection that included focus group interviews in a number of organizations, management interviews, and document reviews.... The inspection team noted that the security organization was chilled...."*

*The allegation data and regional inspection observations indicate a chilled work environment in the security organization resulting, primarily, from the termination of the above discussed security supervisors and the perception by the workforce that the termination of the above discussed security supervisors and the perception by the workforce that the terminations were retaliation for raising concerns...."*

Report, at pp. 12-13.

These findings are not surprising given the lack of appropriate and effective response to the 2012 findings of the Safety Culture Assessment performed by Conger & Elsea, Inc. At that time Palisades management received devastating results in virtually every category of Safety Culture, across all organizations, and all levels of employees. The results revealed a culture without a sense of personal accountability for nuclear safety, lack of trust and confidence in its leadership, and pervasive fear of intimidation for raising concerns. The findings of this survey were conveyed to members of the United States Congress by letter dated June 14, 2012. (See, Attachment 1).<sup>2</sup> It would be redundant to the comments in my 2012 letter to repeat these earlier findings, but it is significant to note that the summary of that assessment conducted in January and February 2012 was prescient of the events in 2013 and 2014. As noted by Sonya Haber in the Report's summary and conclusion:

*"1.7 Summary*

*A healthy safety culture is most often found within an aligned organization that has effective processes, and motivated people. The take away points from this Safety Culture Assessment for the Palisades Nuclear Power Plant are.*

- There is a significant loss of confidence in the Site Leadership Team, Management and supervision has not been able to engage the workforce, provide healthy avenues for reporting concerns, and beneficially challenge each other to make the right decision.*

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<sup>2</sup> June 14, 2012 letter sent to Congressmen Darrell Issa, Elijah Cummings, Edward Markey, Fred Upton, Cliff Stearns and Congresswoman Diana DeGette.

- *The processes to develop a learning organization and to understand how to improve performance are not valued or prioritized by the Plant.*
- *Accountability is perceived to be only punitive and has created a pervasiveness of SCWE issues across the organization."*

Draft Confidential Report, at p. 31. (The draft Report is available for NRC review through the undersigned under satisfactory conditions of confidentiality protection.)

Palisades management had awareness and full knowledge about the deficiencies in the plant Safety Culture – first, from its own workforce directly; second, from the workforce through their participation in the Conger & Elsea, Inc. assessment; third, from the NRC which has repeatedly observed and commented on SCWE issues, as well as events and incidents with SCWE implications; and most recently from the deteriorating conditions and behaviors exhibited by Entergy management in response to the Security Department deterioration. It is unlikely that the SCWE will improve when the members of the workforce are referred to as “assholes” who have to be “straightened out.” Since this behavior comes from the [REDACTED], it is likely that it reflects the attitude of [REDACTED] peers – the Entergy Corporate management, as well as [REDACTED] subordinates in the management chain responsible for Palisades (i.e. [REDACTED] and SOSs [REDACTED] and [REDACTED] who willingly covered up [REDACTED] behaviors instead of calling [REDACTED] on it or objecting to it).

In short, we have no confidence that this Licensee is capable of solving this problem without regulatory intervention, competent assistance and guidance, and public oversight to take the pressure off the Security Department workforce to be its own watchdog.

### **Request for Regulatory Action**

Based on the history of the issues within management of the Security Department at the Palisades plant, the most recent demonstrated disrespect for the Confirmatory Order, and the incompetence of Entergy to develop an effective Safety Culture improvement plan with any hope of improving the Security Department, we request the NRC initiate escalated enforcement action on the events described herein. In addition, we request the following enforcement action be taken immediately:

- 1) Require Entergy to “outsource” the Security function to a competent contractor with demonstrated success in managing security organizations at commercial nuclear power plants.

Alternatively, we request that the NRC take Enforcement Action to include, but not be limited to:

- 2) Require the Licensee to retain an independent, third party consultant with demonstrated success and experience in developing and implementing a plan to address Safety Conscious Work Environment issues within the Security Department, monitoring the improvement of the safety culture within the Security Department, and reporting on this improvement publicly.

- a. This entity should be able to demonstrate financial independence from Entergy;
  - b. This entity should have demonstrated experience and success in the area of developing and implementing safety culture improvement plans;
  - c. This entity should be required to report its plans and progress in private and public meetings, at least quarterly; and respond to questions by members of the public and workforce regarding Entergy's progress;
  - d. This entity should utilize a publicly available report format, or "dashboard" that identifies the metrics to be used to measure progress and success/failure of the measures being undertaken to improve the work environment; and maintains this "dashboard" and the current status of the improvement efforts in a manner available to the Palisades work force and the public.
  - e. This entity should be required to advise the NRC when sufficient progress has been made towards the identified goals to permit removal from this oversight and discontinuing the efforts of the third party review.
- 3) The Licensee should be required to immediately make significant management changes in connection with the Palisades and/or Corporate Security management in order to give any recovery plan an opportunity to succeed.

This approach to escalated enforcement action for SCWE deficiencies is not novel. Similar requirements have been imposed on Licensees who have failed to provide an appropriate environment for the NRC to have confidence in. Notably, in 1996 the NRC issued an Order requiring similar actions by Northeast Utilities at the Millstone nuclear power plant. (See, October 24, 1996 *Order Requiring Independent Third-Party Oversight of Northeast Nuclear Energy Company's Implementation of Resolution of the Millstone Station Employees' Safety Concerns Issues*, EA-96-439.) More recently, in 2010, a similar order was issued to the Nuclear Fuel Services facility in Erwin, Tennessee. (See, November 16, 2010 *Confirmatory Order*, EA-10-076.) Finally, the NRC issued similar requirements to CB&I regarding its fabrication facility through an April 18, 2013 "chilling effect" letter requiring CB&I to establish and maintain an appropriate safety culture at the Lake Charles facility; and establishing specific requirements to ensure that it did so. (See, April 18, 2013, *Letter Regarding Chilled Work Environment at CB&I Lake Charles Fabrication Facility*.)

Like these Licensees and others, Entergy has demonstrated an inability to understand and address its Security Department safety culture issues. We believe that without regulatory intervention the situation will continue to deteriorate, leaving the workforce distracted and demoralized, and the public safety at risk. We do not believe that it is fair or appropriate for the NRC to continue to rely on the Security Department officers and managers to bear the burden of pointing out the continued ineptness of the Entergy management team to address the SCWE issues, and the misconduct, lack of integrity and ignorance of the Security Department management staff. This Licensee has had years of opportunities to fix the problem, and has squandered that time. It does not have the in-house talent to solve these issues and is going to have to be required to employ competent SCWE assistance before the situation deteriorates further.

For all the reasons stated herein, the undersigned files this petition for relief pursuant to 10 CFR 2.206.

Sincerely,

*Billie P. Garde*

Billie Pirner Garde

Counsel for [REDACTED]

and [REDACTED]

cc:

[REDACTED]

(By email)



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June 14, 2012

The Honorable Darrell F. Issa, Chairman  
The Honorable Elijah Cummings, Ranking Minority Member  
House Committee on Oversight and Government Reform  
2157 Rayburn House Office Building  
Washington, D.C. 20515-6143

RE: Palisades Nuclear Power Plant

Dear Congressmen,

The Palisades Nuclear Power Plant is located in Michigan on the southeastern shore of Lake Michigan. It is one of the nation's older Pressurized Water Reactors (PWR), licensed originally in 1971, with the license renewed in 2007. The license to operate is currently held by Entergy Nuclear Operations, Inc. It is under the regulatory oversight of Region III of the Nuclear Regulatory Commission (NRC). On Tuesday, June 12, 2012, Palisades was shut down when a leak of water exceeded 31 gallons per day.<sup>1</sup> The leak has been constant and grown in size for at least the past year. And, this is not a minor leak. Last summer it was estimated at 15 gallons per day, its origin unknown. In my view, what is most disturbing is not that there is a leak that went uncorrected for over a year, but where the leaking water was going. The water was leaking into the Palisades nuclear power plant control room!<sup>2</sup>

This is the latest in a series of unfortunate events at Palisades over the past several years<sup>3</sup>, including an event in September 2011 during which the plant lost partial electrical control due to a decade

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<sup>1</sup> It had been reported to me that the water was radioactive, and being captured in catch basins with radioactive waste designators attached.

<sup>2</sup> I bring these issues to your attention because the Office of the Inspector General of the NRC has proven itself to be completely useless in addressing any issues that question the competency, judgment, or decisions of the technical staff in carrying out its obligations. See, in particular, my letter of June 9, 2011, to NRC Chairman Gregory Jaczko regarding the OIG's actions in failing to address, if not deliberately covering up, the Staff's failures in regulating serious issues at the Byron nuclear power plant in Illinois, also located in the NRC's Region III. To the best of my knowledge, no action was taken as a result of the Byron situation, and no action has been taken with respect to the OIG. Thus, without any reforms there is no point in bringing issues to the OIG.

<sup>3</sup> In 2010, the NRC issued Notices of Violations for failing to meet specific requirements for fuel storage in the spent fuel pool, specifically a fuel pool storage rack neutron absorber had deteriorated over the life of the plant to less than required. In January 2012 the NRC issued a Notice of Violation for failing to require inspections on aging equipment on the turbine driven auxiliary feedwater pump, which was inoperable from October 2010 to May 2011.

old, unidentified design flaw. Only the Operators excellent reaction saved the plant, and southeastern Michigan, from a catastrophic accident. New issues are now identified, including a complete collapse of its safety culture, that raise serious questions regarding whether the NRC should have reasonable assurance that the Palisades plant is able to operate in a manner that adequately protects the public health and safety.

This letter is to request your assistance in investigating and addressing the NRC's lack of adequate attention on serious issues at Palisades that it has found acceptable and tolerated.<sup>4</sup>

#### UNKNOWN LEAK OF WATER

One of the issues that the NRC has apparently tolerated is a growing leak of water into the Control Room and Auxiliary Building. When I learned of this concern from a number of Concerned Individuals (CIs) I contacted the NRC to inquire what, if any, knowledge that the NRC had about this leak and what action it had taken to address it. I was told that the leak had initially been identified last fall and was slated to be repaired during the recently completed outage. However, the NRC Staff conceded it was leaking again at 20 gallons a day. I was told that the information about this leak was reported in Inspection Report 05000255/2011003, and that no further information was publicly available. I was assured that the NRC was satisfied with the plant's actions with respect to the leak. In the meantime the leak continued to grow and be caught in a "catch basin." (A recent news article states that the NRC "was made aware of the leak in April when the plant was shut down for refueling." Kalamzaoo Gazette, June 14, 2012. That is not true.)

I then reviewed the August 3, 2011 Inspection Report (Palisades Nuclear Plant Integrated Inspection Report 05000255/2011003) and the regulatory discussion about the leak. According to the Inspection Report, the Licensee represented to the NRC that it had identified "water leakage from the ceiling in the control room during a period of heavy rain." (Inspection Report, at p. 16) Upon further investigation the Licensee apparently identified that water coming through a series of concrete walls, or catacombs, that support the Safety Injection and Refueling Water (SIRW) tank sitting on the roof of the Auxiliary Building which contains both trains of emergency core cooling system suction piping from the SIRW tank. It also identified boric acid and concrete washout on the floors, ceiling and some of the piping. The areas had not been inspected since at least 1995.

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In December 2011 after an operator left his controls during a heated argument, without a proper turnover to a qualified individual or without obtaining permission from the Control Room Supervisor, the NRC issued a Confirmatory Order to Entergy on January 25, 2012. On February 14, 2012 the NRC issued another Notice of Violation for failing to verify the adequacy of the safety-related service water pump. Additionally, on February 14, 2012 the NRC issued a Notice of Violation for failing to ensure that work done on September 25, 2011 was done in accordance with proper procedures and instructions, resulting in a deficiency that caused the loss of the left train 125-Volt DC safety -related system and loss of both preferred AC sources associated with the left-train system, the "DC bus issue."

<sup>4</sup> I note that the NRC issued a Confirmatory Order on January 25, 2012 which required Entergy to, among other things, "conduct a safety culture assessment..." within 180 days of the Order. Entergy agreed, as part of the Confirmatory Order, "to make the results of this assessment available for NRC inspection, and Entergy agreed to address any relevant observations, findings, or recommendations in its Corrective Action Program." Confirmatory Order, at pp6, pg.6. Thus, it is noteworthy to point out that the decision to conduct a survey was not because Entergy realized it needed one, but because the NRC did.

The inspection report states that the “(d)etermination of the source of the leak was still underway.” Although the report briefly mentions water coming down the walls and into the control room and auxiliary room, the report is silent about the source of that water or whether it was radioactive. That report is the only public record of this leak. The report does not indicate any planned follow up by the NRC on this issue. This leak apparently did not alarm the NRC; last week when I advised it of the concern that had been brought to my attention by plant employees, the NRC staff attempted to convince me that the leak was not a problem.

It is beyond comprehension what the NRC has been doing over the past year on this issue. How can a growing leak of potentially radioactive water, from an unidentified source, leaking into the Control Room/Auxiliary Building and being captured in “catch basins” possibly be considered appropriate by the NRC staff? It goes without saying that large amounts of water, whether radioactive or not, leaking into and around the control room of a nuclear power plant could result in unanticipated widespread damage to the functionality of the control room infrastructure and circuitry? It should be pointed out that the initial 15 gallons a day, then 20 gallons a day, only reflects the measure of observable water into the areas of the control room that were visible. How much more water was seeping or leaking into areas of the control room that were inaccessible and obstructed, i.e., behind walls, into the electrical panels, impacting control systems?

A review of the publicly available records raises significant questions about the competency of the staff and its judgment at yet another poor performing Region III plant. It seems to me that either the Licensee staff made a misrepresentation to the NRC during the August 2011 inspection about what it knew, and when it knew it, regarding the source of water leaking down the walls of the Auxiliary Building, and into the Control Room, i.e., it was just heavy rain water; or the NRC itself is playing a shell game about the leak and about what information is included in the inspection report. Given the poor regulatory status of Palisades, one more problem could have easily forced a plant shut down. I cannot comprehend under what circumstances a leak of this magnitude, coming from an unidentified and unanalyzed source, running down the ceiling and walls of the Auxiliary Building and/or Control Room would be considered an acceptable risk for continued operations. What are the Palisades requirements and NRC regulations that address control room operations and habitability risks in the face of this leak?

If there was a competent internal Inspector General’s office that could review the actions of the Region III staff with respect to this matter, I would bring it to their attention. Unfortunately for the public, the NRC’s Office of Inspector General has stopped doing any meaningful work on issues of public health and safety significance, so it is again up to Congress to provide the oversight and accountability to ensure safety is the overriding priority.

#### **PALISADES SAFETY CULTURE**

The situation at Palisades is particularly serious because it has recently been confirmed that the site’s safety culture is at an industry low. On April 5, 2012 the site executives received a briefing on the results of a Safety Culture assessment performed by a credible third-party consultant. The NRC Resident Inspectors were in attendance at this briefing. Even though the NRC was advised of the results, they did not take or ask for a copy of the presentation or the report from the meeting. The Region took no action.

In fact, as far as I can tell, the NRC did nothing at all except continue on the path it was on - to expect this poor performing plant to cure itself.<sup>5</sup>

Data from the survey reveals that 74% of the almost 600 respondents do not believe that they can openly challenge decisions made by management. In some departments no one believed that was a possibility. Only 65% of the respondents, that is an average -- with some departments at over 90% negative -- agreed with the statement that management wanted concerns reported. 32% of the respondents believe that management tolerates harassment and retaliation for raising concerns. Even the numbers for the management team are abysmal. As stated in the report:

*"All organizational work groups had consistently low scores with respect to, most of the survey statements related to Safety Conscious Work Environment. The pervasiveness and consistency of the results is clearly an area in need of attention."*

This is more than alarming. The NRC shut down the Millstone nuclear plant in 1996 when survey results revealed about 10% of the employees were fearful of retaliation for raising concerns. In this case, the results of the survey reveal a work force that is "chilled" to the point of immobilization. Yet the NRC resident staff sat through a briefing of the results of this survey and did nothing. The plant continued to operate, water continued to pour from the ceiling as employees walked by it every day, and the NRC simply continued to plan for inspections at their convenience, and allow the Licensee to figure out what to do. The NRC did not even obtain a copy of the final Safety Culture report. It seems to be not only the height of regulatory irresponsibility for any plant, but regulatory negligence at a troubled reactor where such serious problems are obvious.

Long before the NRC had regulations, policy statements or guidance about Safety Culture a group of Quality Control inspectors dumped a bucket of urine on the head of a whistleblower at the Zimmer nuclear power plant then under construction in Ohio. The next day the Region III Administrator at the time shut down the plant, and locked the gate until he had confidence that the workforce understood the expectations of the NRC. Although Zimmer was never completed, the issues that plagued that plant resulted from a decade of bad management and a broken safety culture. In 1996 the NRC took similar action at the Millstone plant in Connecticut. The Palisades survey results, coupled with the operational issues it has faced, and the impact of poor management on its workforce has placed the plant in a dangerous situation. A high percentage of the workforce had said that it doesn't understand its own responsibilities towards nuclear safety, and those that do are afraid to raise concerns. The plant should not be allowed to operate until the issues are fully aired publicly and the plant is required to undergo a significant recovery plan -- at least as strenuous as the Millstone recovery was, since the results of the recent Palisades survey are much worse.

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<sup>5</sup> I note that Palisades is the subject of an upcoming NRC special inspection; but, results from this survey are so bad that it should have generated immediate and significant regulatory action. The foundation of the NRC's regulatory structure is the belief that all nuclear power plant personnel acknowledge their personal responsibility to ensure nuclear safety, as well as the willingness to raise concerns without fear of reprisal. Neither of these factors exists at Palisades right now. The NRC's decision to wait six months to perform a special inspection leaves everyone at risk of the consequences of a failed culture.

## NRC NEGLIGENCE

This is a sad reflection on the NRC, which has been working hard on the issue of Safety Culture. It is not enough to have a handful of good policy people at headquarters, which it does have. The NRC must be required to demonstrate that all the resident inspectors are competent and qualified to perform their jobs and to identify and respond to precursors and indications of failed safety culture and serious degradations in work environments. This has been a concern to me for some time. Nuclear engineers are not experts on safety culture and often have no clue about what to look for or be concerned about in this area. On February 9, 2012, I testified at a Commission meeting on the "Views on Industry Activities Related to the NRC Safety Culture Policy Statement." In that presentation I identified that more work was needed by the Staff in some areas, specifically:

*"More staff training needed in recognizing and identifying Safety Culture precursors. Resident inspectors are first line of defense, but are often the most overworked and least trained in recognizing Safety Culture issues."*

Prepared testimony of Billie Pirner Garde, February 9, 2012.

The NRC staff was quick to take exception to my statement, Bill Borchardt, the NRC's Executive Director of Operations (EDO) stated in response to questions by the Commissioners that;

*"...There is no position within the NRC that is more well positioned to identify safety culture issues that the resident inspector and they have been....very sensitive to those issues, and the ROP has provided a vehicle to get that more into a more clearly defined regulatory space. Having said that, there's also the balance that this is a policy statement and not a regulation, so we are mindful that we're not regulating safety culture as much as using it as a way to inform our other regulatory activities, to make sure that safety is enhanced and at the highest level possible with the licensees....."*

Testimony of Bill Borchardt, p. 69-70. Other staff members chimed in to defend their position that Resident Inspectors were competent and qualified in this area, and no regulation was needed.

Unfortunately, the Resident Inspectors at Palisades apparently "did not get the memo" that the safety culture survey showed a complete collapse of the plant's culture and deserved more than just casual consideration, and inclusion in the next inspection. In this case, I am reminded of the infamous "red photo" of leaking rust colored boric acid that was given to the resident inspector at Davis Besse by a concerned systems engineer and sat on his desk for years as that plant avoided a near miss from a football size hole that had rusted in the reactor pressure vessel head. Had an accident occurred at Davis-Besse, or if there was an accident as a result of a catastrophic incident at Palisades, it would be the end of the nuclear industry in this country. The OIG's investigation of the Davis-Besse matter confirmed that the resident inspector completely dropped the ball by failing to understand or follow up on the significance of the event. (See, generally, NRC OIG Event Inquiry, case No. 03-02S, October 17, 2003.) In this case, as in Davis-Besse, there was no comprehension and no sense of urgency exhibited by the Resident Inspector to the information he learned on April 5, 2012. I attribute that to a lack of appreciation for the significance of the results he was privy to, and a degree of ignorance of the types of appropriate actions that should have happened immediately, i.e., stand downs, public expression of unacceptability of the

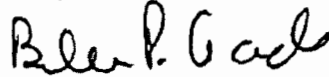
results, immediate messages to the workforce about retaliation, stop works, accountability for raising concerns, and formal and complete notice to the NRC. This is an unacceptable situation and needs to be addressed.

#### CONCLUSION

This is but one more example of the problems at the NRC lately. The entire situation at the Agency has reached levels that require congressional intervention and oversight, not just to address internal political squabbles, but focus on the work of the Agency – starting with replacing the Inspector General and his Deputy so that office can once again function to be the internal watchdog that should be responding effectively to these types of regulatory mishaps. I strongly urge you to consider these matters and take appropriate Congressional action.

Please feel free to contact me for additional information.

Respectfully,



Billie Pirner Garde

cc: Gregory Jaczko, Chairman  
Kristine L. Svinicki, Commissioner  
George Apostolakis, Commissioner  
William D. Magwood, IV, Commissioner  
William C. Ostendorf, Commissioner  
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**Fax Cover Sheet**

To: **Mark Satorius**  
**Executive Director for Operations**

Company: **U.S.Nuclear Regulatory Commission**

Fax No.: **(301) 415-2700**

Date: **August 11, 2014 (revised)**

Pages: **15** (including cover)

From: **Billie Pirner Garde**

Re: **10 CFR 2.206 Request for Enforcement Action**  
**Entergy Nuclear Operations (Palisades)**

Message:

**Attached is a revised copy of the letter we sent to you yesterday. Please destroy the original version and use this copy instead.**

**Thank you.**

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