



State of New Jersey

Department of Environmental Protection

Christine Todd Whitman
Governor

Robert C. Shinn, Jr.
Commissioner

June 20, 1997

Hubert Miller, Region I Administrator
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, Pa. 19406

Dear Administrator Miller:

The Department of Environmental Protection's Bureau of Nuclear Engineering has been actively involved with the Salem Unit 2 startup process since the NRC issued the June 9, 1995 Confirmatory Action Letter. This shutdown period provided an opportunity for PSE&G and the NRC to address long standing management, equipment, cultural, and corrective action concerns. Our involvement in the review, observation of NRC inspections and technical review of various safety and non-safety related issues has prepared us to make some judgements concerning PSE&G's restart of Salem Unit 2 and the NRC's regulatory effectiveness concerning Salem Unit 2. Since the NRC will soon determine whether or not Salem Unit 2 is ready for restart, the Department of Environmental Protection has prepared this letter for your consideration.

As you know, we have devoted a lot of attention to this very important process. We have reviewed 20 technical and programmatic Salem Unit 2 restart issues, observed 12 NRC inspections and 6 NRC inspections associated with the State's list of issues, attended 10 NRC Salem Unit 2 Assessment Panel meetings, attended 25 PSE&G Management Review Committee meetings, formally met with PSE&G 4 times and the NRC 6 times and recently completed participation in the NRC Readiness Assessment Team Inspection. Additional time was spent in preparation for the meeting, briefing our upper management, and formulation of our issues list.

Overall PSE&G has changed for the better. In fact, most plant improvement processes, management and equipment have dramatically improved. This is evidenced, in part, by a good corrective action program which is utilized throughout the organization and supported by management. Most importantly, the new management team has made solid progress to support continued safe operation of Salem 2. The new culture is open-minded, promotes a questioning attitude, addresses problems directly, and is determined to fix broken equipment. We recognized that important and substantive change has occurred by PSE&G for Salem 2 and we do not have any reason to oppose the restart of Salem Unit 2.

Some areas exist which require continued vigilance by PSE&G so that the positive changes remain in place especially during plant operation. PSE&G must continue to demonstrate a strong ability to identify and raise concerns, properly categorize and evaluate problems, implement corrective actions, and properly verify that actions are effective. Management must

demonstrate a continued commitment to promote an open-minded culture, and maintain a stable work force. There are specific issues with generic implications that the state would like to see effectively resolved, e.g. the fire protection issue.

The NRC regulatory attention was effective in our judgement. A substantial level of attention, involvement, review and support by the NRC was applied to the Salem 2 restart process. After your appointment as Regional Administrator, we experienced better interaction, more fruitful involvement and recognized your increased attention to the restart of Salem 2 as a high priority. This was highly visible in the quality, number of staff devoted to this activity and use of contractors, in spite of budgetary constraints. The Salem Assessment Panel process was comprehensive, effective and well supported by the NRC. Increased involvement by NRR helped to effectively address mutual issues raised by Region I and those by NRR. This proved to be a more effective approach when dealing with issues that required coordinated attention.

Overall, during the Salem restart effort, the proper resources were provided, the right staff reviewed the critical issues, and the RATI provided an objective look at the condition of Salem 2 in order to confirm Salem Unit 2's readiness to restart. In keeping with the spirit of our MOU, our specific RATI conclusions will not be discussed here but our preliminary results reveal that a strong confirmation exists to suggest that reasonable assurance exists for the safe startup of Salem 2. But caution is required and we recommend that increased oversight by NRC remain until it can be ascertained that the changes made at PSE&G NBU are ingrained into the organization.

Our next step is to remain involved. Salem 1 still needs to restart and we want to ensure that many of the practices started at the NBU remain in place for the longer term. I hope that our participation has contributed to support safe operation and help build public confidence. It is our intention to share our comments with the NRC Commission directly June 25, 1997 when the NRC Commission is briefed by the NRC and PSE&G about the status of Salem 2 restart.

Please contact me if you have any questions or would like to discuss these comments further.

Sincerely,



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John Zwolinski, NRC
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