

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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FUEL FACILITIES

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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PERIODIC BRIEFING ON OPERATING REACTORS
AND FUEL FACILITIES

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PUBLIC MEETING

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Nuclear Regulatory Commission
One White Flint North
Rockville, Maryland

WEDNESDAY, JUNE 27, 1990

The Commission met in open session, pursuant to notice, at 9:00 a.m., the Honorable KENNETH M. CARR, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

- KENNETH M. CARR, Chairman of the Commission
- THOMAS M. ROBERTS, Member of the Commission
- KENNETH C. ROGERS, Member of the Commission
- JAMES R. CURTISS, Member of the Commission

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1 STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:

2 JAMES TAYLOR, Deputy Executive Director, Operations

3 ROBERT BERNERO, Director, Office of NMSS

4 FRANK MIRAGLIA, Deputy Director, Office of NRR

5 THOMAS MARTIN, Region I

6 STEWART EBNETER, Region II

7 A. BERT DAVIS, Region III

8 ROBERT MARTIN, Region IV

9 JOHN MARTIN, Region V

10 DENNIS CRUTCHFIELD, Former Director, Office of

11 Special Programs

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P R O C E E D I N G S

(9:06 a.m.)

CHAIRMAN CARR: Good morning, ladies and gentlemen. Commissioner Remick will not be with us this morning.

Today, the NRC staff will brief the Commission on the status of operating reactors, field facilities, and other materials licensees. This is a periodic briefing.

The Commission was last briefed on this subject on February the 15th of 1990. NRC Senior Managers meet approximately twice a year, to review the performance of the various licensees and to determine which, if any, continue to warrant increased NRC attention. Today, the staff will discuss the results of this review, which was conducted at the June Senior Management meeting.

I welcome each of our Regional Administrators who are here today. I understand that copies of the briefing slides are available at the entrance to the meeting room. Do any of my fellow Commissioners have opening remarks?

(No response.)

If not, Mr. Taylor, please proceed.

MR. TAYLOR: Good morning. With me at the table are the five Regional Administrators. Frank Miraglia, Deputy Director of the Office of NRR, and Bob Bernero, the

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1 Director of NMSS, Denny Crutchfield, former Director of
2 the Office of Special Projects, is also at the table.

3 This was our ninth meeting which we held earlier
4 this month up at King of Prussia in Region I and, as the
5 Chairman noted, this meeting is dedicated to talking
6 nuclear safety performance at operating reactors and
7 materials licensees, and we started these meetings with a
8 special focus on nuclear safety, after the Davis-Besse
9 event in 1985.

10 Briefly, I'll mention that no new power reactors
11 were added to the list of problem facilities, as a result
12 of this meeting. We attribute this to the strong
13 corrective action by licensees, and the improved
14 performance that we see generally. We regard this as a
15 very valuable and important tool to NRC, in overseeing its
16 safety activities.

17 We did identify in this meeting, four good
18 performing plants and two what we call worthy of honorable
19 mention plants. I might pause and tell the Commission
20 that we are in the process of preparing a recommendation,
21 or series of recommendations, to the Commission, on means
22 of more formally recognizing these plants that have done a
23 good job, and we expect to get that to the Commission
24 shortly. We are working on it.

25 With that brief overview and to provide -- to

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1 lead into the details of the meeting, I'll start with
2 Frank Miraglia, with the reactors.

3 MR. MIRAGLIA: Thank you, Jim. Good morning,
4 Mr. Chairman, Commissioners.

5 CHAIRMAN CARR: Good morning.

6 MR. MIRAGLIA: I would just like to briefly
7 summarize the results of our June 12th-13th meeting in
8 Region I. As indicated, we met to discuss the operational
9 safety performance of the reactors licensed by the NRC.
10 At that meeting, 14 facilities were discussed.

11 Preparation for the Senior Management meeting
12 begins early in the process, with a series of meetings
13 between the Director of NRR and each of the Regional
14 Administrators and key headquarters staff, to discuss the
15 performance of the facilities in each of the regions and
16 identify facilities to be considered within the agenda of
17 the Senior Management meeting. As a result of that
18 screening, the agenda is established.

19 May I have slide one, please? (Slide)

20 As a result of the discussions this month, Surry
21 1 and 2 have been placed in Category 1. These are plants
22 removed from the Problem Plant List. We believe that the
23 utility has taken effective action to address the problem
24 areas that have been identified, and warrants no special
25 attention beyond those normally given within the context

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1 of the inspection program.

2 After my summary, each Regional Administrator
3 will provide a little bit more discussion of the rationale
4 and the progress on each of these facilities.

5 May I have the next slide, please? (Slide)

6 Four plants remain in Category 2 -- Nine Mile
7 Point 1 which was subject of a Commission brief in May,
8 and Calvert Cliffs 1 and 2. Weaknesses exist within their
9 programs. They have identified corrective action
10 programs. They will stay in Category 2 until there is
11 demonstrated performance, before we would consider removal
12 from this category.

13 CHAIRMAN CARR: Is Nine Mile Point 2 an error on
14 the slide, or is it also --

15 MR. MIRAGLIA: Nine Mile 1 and 2 are within --

16 CHAIRMAN CARR: One and 2 -- 1 and 2.

17 MR. MIRAGLIA: -- yes, within the context of the
18 Category 2 plants, sir.

19 May I have the next slide, please? (Slide)

20 Browns Ferry remains a Category 3 plant. The
21 TVA has a number -- have had a number of plants within
22 this category. They are making progress on Browns Ferry 1
23 and 2. We think that they have programs in place.
24 Restart is projected for fall of this year, and we will
25 hear more details from Mr. Crutchfield.

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1 Before I turn to each of the Regional
2 Administrators and Mr. Crutchfield, as Mr. Taylor
3 indicated, there was discussion, within the context of the
4 Senior Management meeting, to identify a list of good
5 performers, plants with sustained performance. As a
6 result of that discussion, four plants were identified--
7 Yankee Rowe, Kewaunee, Prairie Island 1 and 2, and
8 Calloway. These plants have management who are actively
9 involved in the day-to-day activities at their facilities,
10 and have achieved sustained good performance. The NRC is
11 publicly acknowledging that good performance, and will
12 reduce, and has reduced, inspection activities at the
13 facilities as a result of that good performance.

14 In addition, two other facilities, just below
15 the four that we just mentioned, worthy of honorable
16 mention, were noted for good performance, and those plants
17 were Grand Gulf and St. Lucie 1 and 2.

18 I'd like now to turn the meeting --

19 COMMISSIONER ROGERS: Before you just leave that
20 --

21 MR. MIRAGLIA: Yes, sir.

22 COMMISSIONER ROGERS: I don't want to quibble,
23 but it's really five plants because it's Prairie Island 1
24 and 2, and it's conceivable that 1 --

25 MR. MIRAGLIA: Yes.

1 COMMISSIONER ROGERS: -- might be different from
2 2, and I think it's worthwhile noting that.

3 MR. MIRAGLIA: Yes, sir.

4 COMMISSIONER ROGERS: So that I'd change that to
5 five --

6 MR. MIRAGLIA: Well, four facilities on five
7 plants.

8 COMMISSIONER ROGERS: Four licensees, but it's
9 five plants.

10 MR. MIRAGLIA: Yes, sir.

11 I'd like to turn to Stew Ebnetter, to talk about
12 the Category 1 plants, Surry 1 and 2.

13 MR. EBNETER: On Surry, we decided to move from
14 Category 2 to Category 1. Surry was first discussed at
15 the December, 1988 Senior Management meeting, as a result
16 of several events and a higher than normal number of
17 enforcement actions. Subsequent equipment failures and
18 operational difficulties demonstrated weaknesses in the
19 management and operations of the Surry station, and the
20 plant was placed on the Problem List in May of 1989.

21 We discussed it at every meeting since December
22 and, in the January meeting, we felt that it needed more
23 observation, and we got that through this next period.

24 Virginia Power restructured its nuclear
25 operations and established a dedicated Nuclear Department

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1 under the direction of an experienced nuclear Senior Vice
2 President. They have replaced most of the Senior Managers
3 at both the corporate and the station. Some of these have
4 been recruited from industry.

5 The additional staff they have added both at the
6 station and the corporate office. The ones most notable,
7 I think, are the Systems Engineers added to the station.
8 They have added additional crews to the Maintenance
9 Department, and they've recruited additional licensed
10 operators.

11 They've instituted a Procedures Upgrade Program
12 and a Design Basis Documentation Program, to establish a
13 new baseline for the station. The material condition of
14 the station has improved substantially, due to system
15 upgrades, equipment replacements, and much improved
16 housekeeping, and major emphasis was also placed on
17 emergency preparedness.

18 The units were shut down for a considerable
19 period of time. They were restarted last July and
20 September at Units 1 and 2, respectively, and these units
21 have been operating very well since then.

22 The operations are now conducted with fewer
23 personnel errors, more attention to detail, and greater
24 adherence to procedures. The station has achieved black
25 board on a few occasions, and it is generally performing

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1 well. We have had no major equipment failures, and there
2 have been no significant enforcement actions in the past
3 year.

4 The most recent SALP conducted at the station
5 noted that improvements have been made in all SALP
6 categories -- four of seven substantially improved, and
7 some improvements noted in the other three.

8 Most significantly, the SALP noted a turnaround
9 in the attitude, the safety attitude, of the station
10 staff, and extensive management involvement and an
11 effective self-assessment program.

12 Significant improvements have been made, but
13 there are a few areas that require additional improvement.
14 The most significant of these are the maintenance area and
15 procedures. Both are included in long-term corrective
16 actions, and both show an improving trend.

17 Considering the changes made, the operational
18 results and improving trends, it is no longer felt that
19 Surry requires agencywide attention, and that the current
20 level of regional inspection is sufficient.

21 I should note that in the letter to Dr. Rhodes,
22 the CEO, we have cautioned that they need to pay attention
23 to the cyclical history of Surry. To the Senior Managers
24 of the NRC, the corporate history indicates cyclical
25 performance around an average level, a little bit above,

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1 and then it goes down below, and we have cautioned them in
2 that letter to make sure their self-assessment program
3 addresses that cyclical nature.

4 Beyond that, we will continue our three resident
5 inspector level of staffing, and we still have planned
6 almost monthly a team inspection at Surry, to follow up on
7 the long-term corrective actions. Are there any questions
8 on Surry?

9 (No response.)

10 I'll turn it over to Mr. Martin from Region I.

11 MR. THOMAS MARTIN: Thank you, Stew.

12 Good morning, Mr. Chairman, Commissioners.

13 As previously mentioned, we have four Category 2
14 facilities. First, with regard to Nine Mile Point 1 and
15 2, you know 1 has been shut down since December of 1987,
16 and was placed on the NRC's Problem List in June of 1988.
17 Unit 2 was added to the Problem List in December of that
18 year.

19 A confirmatory action letter was issued in July,
20 1988, documenting the licensee's commitment not to restart
21 prior to NRC approval.

22 Since our last periodic briefing of operating
23 reactors, we provided the Commission a status briefing in
24 May, on the licensee's performance and the readiness of
25 Unit 1 to restart. I'll try to minimize repeating myself.

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1 Progress in making Unit 1 ready for restart has
2 been slow, as a result of the conservative approach to
3 ensuring system readiness and underestimating the time
4 needed to implement needed modifications, repairs, and
5 tests.

6 As a result of last July's Unit 2
7 requalification examination failures, several programmatic
8 changes and extensive retraining have been implemented. A
9 recent NRC re-evaluation of their Unit 2 requalification
10 program demonstrated the effectiveness of these corrective
11 actions.

12 A recent Restart Assessment Team inspection
13 determined that the licensee had made substantial progress
14 in resolving the five identified underlying root causes
15 for the past performance problems. Particular success was
16 noted in improving safety, teamwork, communications,
17 procedural quality, procedural compliance, control of
18 activities, management oversight, problem identification,
19 and self-assessment.

20 The team concluded that the current level of
21 performance supported permitting restart. Recent
22 difficulties encountered during testing of the feedwater
23 high-pressure coolant injection system have raised
24 concerns regarding procedural adequacy, control of
25 systems, and attention to detail. These problems are not

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1 characteristic of recent performance, and additional
2 licensee effort is being expended to understand and
3 resolve the root causes, to prevent recurrence.

4 The licensee use of a task force to address
5 these problems appears to have borne fruit, and they have
6 now determined that the manufacturer, when he provided the
7 pumps in 1988, put the impeller on backwards on the shaft,
8 and that was causing a large number of the flow
9 oscillations.

10 Currently, Unit 2 is operating and Unit 1 is
11 preparing for restart. I anticipate receiving a letter
12 from the licensee this week affirming the plant and staff
13 readiness for operation, and requesting approval to
14 restart. Following receipt of that request and our independent
15 assessment of facility readiness, we will document our
16 proposed response and consult with the Commission before
17 taking further action.

18 The anticipated restart of Unit 1 will place new
19 demands on the licensee in managing the operation of two
20 diverse plants, and the pending Senior Management changes
21 represent a challenge to the continued progress and
22 performance improvements observed to-date.

23 For these reasons and because we have not
24 observed a sustained period of good performance at-power
25 on two units, it was decided that continued close

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1 monitoring by the NRC is warranted.

2 If there are no questions on Nine Mile Point, I
3 will go on to Calvert Cliffs.

4 COMMISSIONER ROGERS: Just coming back to this
5 Nine Mile Point 1 feedwater high-pressure coolant
6 injection system problem, could you just say a little bit
7 more about not the design concerns, but the actual
8 procedure concerns.....

9 I believe that one of the problems that they had
10 there occurred while I was there on May 23rd.

11 MR. EBNETER: Yes, sir.

12 COMMISSIONER ROGERS: And I was somewhat
13 concerned to hear about the nature of that, although I
14 didn't get a full explanation of it because it occurred--
15 I only heard about it at the end of the day, just shortly
16 before I was leaving. And I don't want to tie up the
17 meeting with this, but it did strike me, from what I heard
18 about it, that it was an elementary error that was
19 committed there, that was of some real concern to me at
20 that stage of their getting ready for restart. And I
21 wonder if you could just say a word about what the
22 licensee did about procedures, craning, what have you,
23 because it sounded to me as if there was a failure to open
24 a discharge line valve of some sort, that --

25 MR. EBNETER: Understood.....

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1 COMMISSIONER ROGERS: -- that system ran for six
2 or eight seconds and shutdown, and that really troubled
3 me.

4 MR. EBNETER: As a result of that event, the
5 licensee established a task force to review what had
6 occurred, why it occurred, and what were the proper ways
7 to resolve it.

8 They have concluded that the sequence basically
9 was that on the night before there had been work on the
10 motor portion of the feedwater system -- and they have a
11 process called "blue tagging" where an individual who is
12 conducting tests, controls the boundaries around that
13 particular component and is able to cause the components
14 to be operated, to be able to perform the test.

15 As a result of previous flow oscillations that
16 they had seen, the maintenance -- mechanical side also
17 wanted to do some work on the pump, and it was concluded
18 that they could work within these blue tags. Now, that's
19 a violation of procedure right there because this was
20 another set of work, should have been another set of tags
21 -- should have been red tags, to be quite frank.

22 They started their work on the pump, and they
23 noticed that the pump rotated backwards. So, they felt,
24 well, maybe it was a suction valve that was causing a
25 gravity flow, to cause this thing to rotate.

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1 So, they then went back to the shift supervisor,
2 and the shift supervisor extended the blue tag and said to
3 himself, "I'm going to notify the blue tag owner that I
4 did that", but he got caught up in other things and didn't
5 inform, so that the owner of the blue tags didn't know
6 that another tag had been hung under his name, and he was
7 supposed to have control over it.

8 The next morning when they were ready to start
9 the test, they started the condensate pumps, the booster
10 pumps, and were ready to start the feedwater pump, and it
11 was noted that that there was an anomaly on the pressure
12 rise in the suction portion of the feedwater system. It
13 was noted at the local station and it was also noted in
14 the control room, but it finally came up to pressure
15 showing that there is some leakage by that valve. The
16 shift supervisor, without resolving why that anomaly, gave
17 permission to go ahead and run the test.

18 They have concluded that, one, the test should
19 not have been run without a special test procedure and
20 that result. They have reaffirmed the requirements of
21 their use of tags and how they are to be used, and that a
22 blue tag owner is to personally verify that all the
23 components are in the position that he wanted them in for
24 the conduct of the test. He did not reconfirm that. He
25 thought it had been left in a certain way the night

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1 before, and he did not reconfirm that. That information
2 has been communicated throughout the organization.

3 In addition, because of the series of problems
4 with flow oscillation, the task force said "That is not
5 enough", and they went and did borescopic -- first, they
6 disconnected the pump from the motor and ran the motor
7 without them, and the previous high amps was seen to not
8 be there, so it was now something associated with the
9 pump. They did borescopic examination of the pump, and
10 that's when they discovered that it was in there
11 backwards.

12 It was their thoroughness in reviewing the whole
13 sequence of events which led up to the event which
14 occurred while you were on-site, that allowed them to
15 identify those problems.

16 COMMISSIONER ROGERS: Thank you.

17 MR. EBNETER: Okay. Moving on to Calvert
18 Cliffs. Calvert Cliffs 1 and 2 was placed on the Problem
19 List as a Category 2 facility, in December, 1988. The
20 licensee established a long-term performance improvement
21 plan in April, '89 and both units were shut down in May,
22 due to leaks discovered in the Unit 2 pressurizer heater
23 sleeves.

24 A confirmatory action letter was issued to
25 document the licensee's commitment not to restart either

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1 unit until corrective action for the pressurizer heater
2 sleeve cracks and problems with word control, control of
3 system status, and procedural quality and use had been
4 taken.

5 Supplement 1 to the confirmatory action letter
6 was issued in February, 1990 to document the licensee's
7 commitment to correct an inadequate commitment management
8 system. The implications of the licensee's past failure
9 to adequately address commitments to the NRC were assessed
10 during a March, 1990 inspection, and it was concluded that
11 safety significant commitments were now being adequately
12 implemented.

13 Since our last periodic briefing on operating
14 reactors, licensee performance has continued to improve,
15 with efforts focused on the short-term actions needed for
16 restart of Unit 1. Baltimore Gas and Electric has made
17 good progress in communicating its expectations of staff
18 performance regarding procedural adherence, problem
19 identification and resolution, and self-assessment.
20 Longer-term activities under the Performance Improvement
21 Plan are proceeding, however, the procedure upgrade program
22 portion of the plan has not been timely.

23 The overall results for inspections conducted
24 since the last briefing identified improvements in most
25 functional areas, with clear licensee management emphasis

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1 on safety and quality.

2 A February, 1990 Maintenance Team inspection
3 concluded that maintenance activities were satisfactory,
4 and that a number of changes and improvements had been
5 made. The Requalification Training Program was evaluated
6 as satisfactory in April, 1990. Also in April, the
7 licensee resolved the material concerns on the Unit 1
8 pressurizer, and made sufficient improvement in the
9 control of work activities, control of system status, and
10 procedural use and control, to permit Unit 1 restart.

11 Supplement 2 to the confirmatory action letter
12 was issued in April to permit restart of Unit 1. The
13 resulting short-power ascension program and shutdown for
14 required steam generator inspection outage demonstrated
15 good overall licensee performance.

16 Strengths were noted in control room operator
17 performance, line management control of evolutions, and
18 independent assessment of activities, however,
19 difficulties were experienced in interdisciplinary
20 communications, safety tagging, and accuracy of non-safety
21 related drawings to support operations.

22 Continued management attention and staff effort
23 are warranted to resolve these difficulties, sustain
24 recent gains of performance, reduce the substantial
25 maintenance backlog, and complete implementation of the

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1 performance improvement program.

2 We continue to periodically meet with the
3 licensee to review progress on their Performance
4 Improvement Plan, and a meeting is scheduled tonight to
5 receive public comment on it.

6 The sustained success of licensee programmatic
7 changes to resolve past performance deficiencies remains
8 to be demonstrated. Therefore, continued close monitoring
9 of licensee performance by the Agency is warranted.

10 The licensee expects to be ready to restart Unit
11 1 in late July, and Unit 2 by December. Readiness for
12 restart from the current outage, preparations for Unit 2
13 restart, and the results of a longer-term Performance
14 Improvement Plan will continue to receive close
15 monitoring.

16 If you have no questions, I'll pass the baton to
17 Denny Crutchfield.

18 MR. CRUTCHFIELD: Good morning. We'll talk
19 about Browns Ferry now. As you recall, Browns Ferry has
20 been shut down since 1985. They've been discussed at the
21 Senior Management meetings since October of '86.

22 TVA continues to make progress toward their
23 restart schedule. The current restart schedule has them
24 reloading fuel about October, and restarting the plant,
25 being ready to pull rods in December. This is about a

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1 six-month slip from the beginning of the year.

2 Overall, we found that their Corrective Action
3 Programs that they have put in place are satisfactory.
4 The implementation is where they are having some
5 difficulties. Implementation and modification has been a
6 slow process for them. It seems to be the principal
7 causes for the delays in scheduling the restart and reload
8 activities -- for example, hangers and support rework
9 activity. In response to I&E Bulletins 7902 and 7914, TVA
10 originally estimated they would have about 6 percent of
11 these that they would have to rework. Currently, they are
12 running about 70 percent of them that are needing rework,
13 so it's causing some substantial delays in their
14 scheduling activities.

15 A cable damage issue that carried over from
16 Watts Bar -- they've been asked to look into that and
17 examine that issue, and that is also having some impact on
18 them.

19 They continue to have management changes at both
20 TVA and at the Browns Ferry site, however, we think those
21 management changes are decreasing in number. They are
22 stabilizing their resources on-site, and we think they
23 have adequate resources to carry out the job.

24 They've conducted two separate, independent
25 readiness reviews. These reviews were conducted by

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1 individuals principally from outside, consultants, along
2 with several TVA employees. I believe there were six
3 consultants and two TVA employees doing these IREPs.
4 Another one is scheduled for September of this year. This
5 is their own assessment of their readiness to operate the
6 plant. The staff has one planned for later on in the
7 year, prior to restart.

8 There have been some TVA successes, however.
9 Maintenance Team Inspection was there earlier in the year.
10 The program was rated satisfactory, implementation of the
11 program was rated satisfactory. There were no elements
12 rated as inadequate. There were a couple of elements,
13 however, that the staff could not assess because of the
14 status of the plant. The plant was not operational, so
15 they couldn't examine those particular areas.

16 Requalification Program, which had been found
17 unsatisfactory since 1985: Earlier this year another
18 requal program went in, was found satisfactory, so, for
19 the first time since '85, they now have an acceptable
20 requalification program. So, that's a positive step for
21 them.

22 Fire Protection Program. Appendix R issues have
23 finally been closed out at Browns Ferry site, so we're
24 complete with all that. So, there is success for TVA.

25 There are a number of major issues still facing TVA,

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1 however -- equipment qualification is still outstanding.
2 We have a team down there today and the rest of this week,
3 looking at the hardware issues and also to documentation,
4 to make sure the documentation is all in order.

5 Electrical design issues continue to be of
6 concern to us. The cable damage problem that came over
7 from Watts Bar, cable ampacity questions, et cetera, are
8 still being resolved by TVA. The operational readiness is
9 still before us, that we have to do.

10 There is an ACRS subcommittee meeting scheduled
11 later this summer, and a full committee meeting scheduled
12 in September. We plan to brief the Commission also, later
13 on in the summer, on the status of TVA activities, and
14 give a restart briefing probably toward the latter part of
15 the fall, October-November time frame. Other than that,
16 the staff's view is that they remain a Category 3 plant.

17 Any questions?

18 (No response.)

19 I will turn it over to Bob Bernero then, for the
20 materials facilities.

21 MR. BERNERO: In the materials safety area, we
22 discussed a number of generic and specific regulatory
23 issues. We discussed the Amersham incident in which we
24 had an IIT report just recently, and then we discussed the
25 Site Decontamination Management Plan and reviewed the

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1 status of the top ten cases in that plan -- those are the
2 high priority cases, or Priority Class A -- and then the
3 Senior Management discussed specific material licensed
4 facilities and identified three which merit priority
5 attention by both the region and headquarters. They are
6 listed on this, the last slide -- Combustion Engineering
7 in Windsor, Connecticut; Process Technology North Jersey,
8 in Rockaway, New Jersey, and American Radiolabeled
9 Chemicals in Missouri. I'd like to turn to the cognizant
10 Regional Administrators to discuss them. Mr. Martin?

11 MR. THOMAS MARTIN: Thank you, Bob.

12 Region I has two priority attention facilities.
13 First, with regard to Combustion Engineering,
14 Incorporated. The CE facility at Windsor, Connecticut
15 fabricates low, enriched uranium fuel assemblies, conducts
16 research and development activities, possesses byproduct
17 material for the purpose of the maintenance, repair,
18 decontamination, and failure analysis of reactor
19 components.

20 During November, 1989, Combustion Engineering
21 announced execution of an agreement to be purchased by
22 ASEA Brown Boveri, which occurred in December. Combustion
23 Engineering was placed on the NRC's Priority Attention
24 List in 1988, due to a breakdown in management control of
25 Radiological Protection and Nuclear Criticality Safety

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1 Programs.

2 The licensee has since focused attention on
3 identifying and correcting the root causes of these
4 problems, including development of an Integrated
5 Improvement Plan and the performance of a comprehensive
6 self-assessment of all facility programs by a licensee
7 task force. The licensee's initial self-assessment was
8 completed in January of '89.

9 Based upon NRC request, the licensee conducted a
10 reassessment in early 1990, after the licensee's
11 Performance Improvement Program actions were completed.
12 Both self-assessments were effective in identifying major
13 programmatic weaknesses in the licensee's program, and
14 were completed in a timely manner.

15 Since our last periodic briefing on operating
16 facilities, the licensee initiated the transfer of all
17 powder manufacturing operations to its Hematite, Missouri
18 facility. Once this transfer is complete, the
19 manufacturing operations at the Windsor facility will be
20 simplified, in that only fuel pellet and fuel rod
21 operations will remain.

22 A recent NRC assessment of licensee performance
23 indicates that the licensee has improved performance and
24 facility operations, equipment maintenance, and fire
25 protection. Some improvements were also noted in nuclear

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1 criticality safety, safeguards, emergency preparedness,
2 and licensing.

3 Although programmatic improvements were observed
4 in the area of radiological and management controls,
5 implementation has been hindered by inadequate staffing
6 and an apparent inability of management to assure that
7 identified inadequacies were resolved in a timely manner.

8 Improvements were also observed in the
9 production area ventilation and cleanliness and in
10 equipment maintenance, the latter due to the establishment
11 of a strong Preventive Maintenance Program.

12 Although progress has been made in performance
13 and facility conditions, the continuing weakness in
14 radiological controls and the need for additional
15 management attention to resolve previously identified
16 weaknesses and sustained observed improvements has led us
17 to conclude that continued close monitoring by the NRC is
18 still warranted.

19 If you have no questions, I'll move on to
20 Process Technology.

21 Process Technology North Jersey is the licensee
22 for a pool storage irradiator located in Rockaway, New
23 Jersey, and is a subsidiary of RTI, Incorporated. RTI
24 also operates another irradiator in Haw River, North
25 Carolina, and owns a licensed but defueled irradiator

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1 facility in Salem, New Jersey. The Rockaway facility was
2 originally licensed in 1970, as Radiation Technology,
3 Incorporated, and is currently authorized to use 3 million
4 curies of cobalt 60 in sealed sources. About 30
5 individuals are employed at the facility.

6 The history of the facility involves multiple
7 examples of operation with inoperable or disabled safety
8 interlocks and a false statement to inspectors, for which
9 NRC has taken escalated enforcement action.

10 NRC ordered the licensee to suspend irradiator
11 operations at Rockaway in March and, again, in June, 1986.
12 Three members of the licensee's staff were ordered removed
13 from further involvement in licensed activities, including
14 the former president, who was jailed for his actions.

15 Subsequent to those orders, the licensee was
16 allowed to resume operation under a new management team,
17 with a short-term license that required the use of an
18 independent auditor.

19 The NRC has since performed numerous
20 inspections, with decreasing frequency which, until March,
21 1989, had shown improvements in licensee performance.
22 However, during the March NRC inspection and a subsequent
23 investigation, the staff identified apparent violations of
24 NRC requirements, including inappropriate entries into the
25 irradiator cell, a forcing of a defective door lock, or

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1 climbing over the cell entry barrier, continued operations
2 with a known defective door lock and use of unapproved
3 startup switches. Further, OI found that statements by
4 some licensee personnel had been inaccurate or incomplete.

5 The facility has been allowed to continue
6 operations while the staff conducted its investigation
7 because the cell entries were apparently made with the
8 sources in their shielded position, when the keys needed
9 to start the irradiator or open the cell door were
10 inadvertently left in the cell.

11 The cell door lock problems were documented in
12 licensee records available to the NRC, and appear to have
13 been repaired repeatedly each time management became aware
14 of the problems. The licensee did not recognize they
15 needed NRC approval to modify the startup switches.

16 The individuals of primary concern have
17 resigned. The involvement of the remaining personnel was
18 less direct. The licensee's performance prior to the
19 March, '89 inspection was generally in accord with
20 regulatory requirements, and three subsequent inspections
21 have been performed, in which no significant safety issues
22 have been identified.

23 Process Technology North Jersey's license is in
24 timely renewal. We are scheduling an enforcement
25 conference to discuss the results of our investigation. A

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1 final decision about license renewal and appropriate
2 enforcement action will be deferred until after the
3 enforcement conference.

4 If you have no questions, I'll turn it over to
5 Bert.

6 MR. DAVIS: Mr. Chairman, Commissioners, I will
7 discuss American Radiolabeled Chemicals, Incorporated
8 which, from now on, I will refer to as ARC.

9 As a result of inspections following
10 allegations, we found many problems at ARC. These
11 included willful violations of shipping regulations,
12 failure to adequately evaluate personnel exposures and
13 doses, failure to adequately evaluate airborne
14 concentrations released to unrestricted areas, inadequate
15 laboratory practices, procedures and training of the
16 personnel.

17 Through confirmatory action letters, an order,
18 and other correspondence, we suspended all activities
19 under the license and removed the president and owner of
20 the company from all activities.

21 As a result of this order and confirmatory
22 action letters, and meetings and working with the
23 licensee, the following improvements have been made at
24 ARC: Contamination controls have been established, the
25 staff has been retrained, they have hired a well qualified

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1 radiation safety officer, they have modified their air
2 handling system, and they have modified their bioassay
3 program.

4 As a result, we have relaxed the order several
5 times, to permit some operations to be reinstated. They
6 have been permitted to repackage and distribute material.
7 They have been permitted to subdivide material that they
8 had on hand that was already synthesized with labeled
9 radioactive material, and they've been permitted to
10 perform laboratory decontamination. They've also been
11 permitted to run purity checks on the materials that they
12 had in stock, before they sent it to their customers, and
13 to repurify any material that needed it.

14 We have denied, however, their request to
15 purchase larger quantities of material, and have denied
16 their request to synthesize additional material.

17 Some other comments: The company has done well
18 since NRC got into this problem. They have requested a
19 hearing. It has been on hold at the request of both
20 parties, pending potential settlement. A prehearing
21 conference has been scheduled.

22 We are currently evaluating appropriate
23 enforcement action, and are in discussions with the
24 licensee, on future operation of the facility which, if it
25 occurs, would be controlled under a license renewal. That

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1 concludes my remarks on ARC.

2 COMMISSIONER ROGERS: What purposes are their
3 products used for? What --

4 MR. DAVIS: Generally, research. They label--
5 they synthesize a chemical compound with a radioactive
6 label on it, and it's used in research. We've received a
7 number of letters from universities and industrial
8 organizations concerned about the loss of this source of
9 labeled radioactive material.

10 COMMISSIONER ROGERS: Is this a somewhat unique
11 source for that purpose? Do they -- or are there others?

12 MR. DAVIS: No, this -- the owner and president
13 previously worked for another company, and he started his
14 own business. Now, my understanding is that he supplied
15 chemicals at a reasonable price.

16 COMMISSIONER ROGERS: Thank you.

17 MR. TAYLOR: That concludes the staff's
18 presentation, sir.

19 CHAIRMAN CARR: Any questions? Commissioner
20 Roberts?

21 COMMISSIONER ROBERTS: No.

22 CHAIRMAN CARR: Commissioner Rogers?

23 COMMISSIONER ROGERS: Oh, just a couple of
24 things. Just while we are on this materials area, the
25 term "requiring priority attention", does that convey

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1 essentially the same meaning as the "problem facilities"
2 term that we apply to power reactors?

3 MR. BERNERO: Yes, it does. That's not to say
4 that there aren't other instances where priority attention
5 is needed, without any pejorative meaning associated with
6 it, and we do discuss cases that are just complex, that
7 will come up.

8 COMMISSIONER ROGERS: Would there be any virtue
9 in making more public the organizations that are on that
10 list?

11 MR. TAYLOR: No.

12 COMMISSIONER ROGERS: No?

13 MR. TAYLOR: No. We just recognized we needed
14 to cover material facilities some years ago, and that's
15 how -- since there's a variation in inspection programs,
16 it's quite wide over material facilities, depending upon
17 the amount of material and, you know, the hazard.

18 We came up with the word "priority" to exemplify
19 that it's certainly more than the norm at some of these
20 material licensees. An irradiator has a certain
21 program, and this particular irradiator has had priority
22 attention, as we've mentioned, whereas this chemical
23 outfit is a rather small operation, and wouldn't normally
24 be inspected at the frequency of some of the larger
25 licensees, but there's no, certainly, publicly known issue

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1 with these facilities.

2 COMMISSIONER ROGERS: In the report on page 18,
3 I noticed a paragraph on procedural adherence, and you
4 discuss the need to make some changes in the use of terms
5 and the term "verbatim compliance with procedures" is now
6 going to be dropped from the manual, I take it.

7 Could you just say a little bit about that?
8 That seems to be probably wise, but one wonders just
9 exactly what you are going to substitute for that term in
10 the manual.

11 MR. TAYLOR: The staff has looked at the
12 following of procedures all through the years. The state
13 of procedures varies, as you've heard. People are--
14 they're in a process -- you heard about some of the
15 facilities that are in a Procedures Upgrade Program. So,
16 the state of procedures and how good they are varies, I
17 think, a bit across this entire industry, and I think most
18 industry people would tell you that.

19 The term "verbatim compliance" really grows out
20 of some of the experience in the Naval program, where some
21 of the manuals and procedures are written literally to be
22 in a state of verbatim compliance. A great deal of money,
23 effort and time is spent in that program, to keep those
24 procedures to that degree of what I'll call "close to
25 perfection". That has not been the case in this industry.

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1 In fact, when I first came to the agency a
2 number of years ago, there was a differing professional
3 opinion. Somebody felt like the way to solve some of this
4 industry's problems was to go to verbatim compliance
5 procedures. That was not -- that's an old VPO, but it was
6 handled and it's in the files.

7 Some of that terminology has crept into practice
8 in our own staffs across the country, and it was a
9 discussion of the use of that term that we felt was
10 important enough to bring up with the Senior Management,
11 and we had a very active discussion on the subject. I
12 think we expect people to follow procedures, but one has
13 to be wary of "verbatim compliance". We want people to be
14 mindful of all the conditions that may affect what they
15 are doing. I hope that explains it.

16 COMMISSIONER ROGERS: Well, no, I think it does,
17 and I think that's very helpful. It does occur to me,
18 though, that it is very important when you pull that out
19 of the manual, that then how compliance with procedures is
20 evaluated in the different regions and by different
21 inspectors --

22 MR. TAYLOR: We're trying that wording.

23 COMMISSIONER ROGERS: -- that you bring that
24 together because it does open the door for considerable
25 variability in interpretation.

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1 MR. TAYLOR: This will be followed up with some
2 special training across the inspection, for us to be sure
3 people understand it.

4 COMMISSIONER ROGERS: All expecting the same
5 kind of thing.

6 MR. TAYLOR: Yes.

7 COMMISSIONER ROGERS: Just one other point. In
8 the report, I notice the reference to licensees'
9 Engineering Managers Forum that has been started in Region
10 V, and it seemed to me that that was a very fine
11 initiative, and I know that Mr. Martin, in Region V, has
12 always been very concerned with engineering and quality of
13 engineering, and I would attribute that somewhat to your
14 efforts and emphasis, but it seems to me as if it's
15 something that the other regions could well encourage.

16 MR. EBNETER: Utilities in Region II,
17 Commissioner Rogers, are also pursuing that initiative.

18 MR. DAVIS: And in Region III, we talked to Mike
19 Wallace, who is in charge of Commonwealth's engineering,
20 and he indicated to us, in fact, just yesterday, that he
21 was planning to try to enlist the Region III facilities'
22 engineering managers into that kind of an effort.

23 MR. MIRAGLIA: I think we should also note that
24 these engineering forums have been providing input into
25 the NUMARC initiatives dealing with design basis

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1 documentation and engineering issues in the broader
2 context. So, I think we're seeing a collective use of
3 engineering through the NUMARC activities as well.

4 COMMISSIONER ROGERS: How about Region I, Mr.
5 Martin, do you see something starting there?

6 MR. THOMAS MARTIN: There have been some spotty
7 starts on design basis reconstitution where a number of
8 licensees have worked together, but I have not seen
9 something as broad as Jack is experiencing out in Region
10 V, and we need to talk to our licensees about it.

11 COMMISSIONER ROGERS: Good. Thank you. That's
12 all I have.

13 CHAIRMAN CARR: Commissioner Curtiss?

14 COMMISSIONER CURTISS: I just have one
15 observation and one question -- first, the observation.
16 Since I've been on the Commission, if my memory serves me,
17 this is the fewest number of problem plants that we've had
18 during the past four or five briefings on that subject.
19 I'd like to publicly commend the staff for that because I
20 know a considerable amount of effort goes into problem
21 plants, both in terms of increased inspection and the
22 effort that we devote. The fact that we've got fewer
23 problem plants, I think, is in large measure attributable
24 to the licensees improving their activities and their
25 operations, but I do see a positive trend here, and I'd

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1 like to commend the staff for the work that goes in,
2 particularly in the region and on-site, in working with
3 these licensees and bringing it to, as I say, the fewest
4 number that we've had on the list.

5 The question that I have really is related to
6 that. When a plant comes off of the Problem Plant List,
7 and recognizing that many of these licensees have
8 Performance Improvement Programs that involve some near-
9 term actions and some longer-term activities, do we have a
10 process in place or do we discuss at the Senior Managers
11 meeting, followup on the schedules and commitments that
12 are made by licensees to ensure that as they come off of
13 the list and perhaps get less visible attention in the
14 public eye, that we're actually tracking conformance to
15 the Performance Improvement Program?

16 MR. TAYLOR: Yes. The region, really -- I think
17 Mr. Ebnetter alluded to it in his discussion of Surry -- we
18 will use largely regional efforts to follow and track
19 that. Most commitments are tracked and followed up on by
20 the region staff who oversee it. Perhaps you'd like to
21 add to that.

22 MR. MIRAGLIA: In addition, Commissioner
23 Curtiss, as part of the Senior Management meeting
24 preparation, any plant that has been on the list and has
25 been removed, we trend the performance and have a short

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1 summary of the status of how that facility is doing for a
2 two-year period.

3 COMMISSIONER CURTISS: Okay, good, I'm pleased
4 to hear that.

5 MR. MIRAGLIA: So, it doesn't lose its
6 visibility to the Senior Managers or the agency.

7 COMMISSIONER CURTISS: That's all I have.

8 CHAIRMAN CARR: It appears to me that the amount
9 of escalated enforcement action seems to be increasing,
10 especially in the materials licensing area. Can you give
11 me a reason for that? Is that increased inspection?
12 What's the story?

13 MR. BERNERO: Well, we discussed that issue at
14 the meeting, and one of the reasons is we have improved
15 the inspection program in the materials area, over the
16 last several years, and we're finding more but, in
17 addition, the vigor of the enforcement policy is strong,
18 so that not only are we finding more, but we are pressing
19 it hard.

20 And we did discuss at the Senior Management
21 meeting, how to cope with the resource demands that come
22 with that, which are very large in the materials area. We
23 have been allocating increasing numbers of resources in
24 the region and at headquarters, to cope with this.

25 CHAIRMAN CARR: So, how are we -- that's

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1 diverting resources away from other licensing inspection
2 activities in the regions?

3 MR. BERNERO: It's demanding resources. It is
4 important to safety. It's significant work. It's just a
5 need that has increased in the last several years, with
6 the increased attention to material safety inspection.
7 And we think it's necessary, and we expect that this will
8 pay off in the long run, as we get these resources. I
9 think we've got to manage these resources very carefully.

10 MR. TAYLOR: We're keeping an eye on that
11 balance.

12 CHAIRMAN CARR: Well, I know OE's got a program
13 to review the methods and improve the efficiency. I don't
14 know how that's going.

15 MR. TAYLOR: We don't have --

16 CHAIRMAN CARR: Does anybody want to report on
17 that?

18 MR. TAYLOR: No, I'm not prepared to give you
19 that this morning, but we are doing it, and we may come up
20 with some innovative recommendations, but we don't have
21 that today. We're looking at it because we're conscious
22 of the staff involvement.

23 CHAIRMAN CARR: Well, it's not only important to
24 make sure we've got enough resources in that area, but I
25 would like to see, as you all would I'm sure, see the

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1 times come down so that we can meet their requirements.

2 MR. TAYLOR: Absolutely.

3 CHAIRMAN CARR: The time between finding the
4 fault and the enforcement action is entirely too long.

5 Any other questions?

6 (No response.)

7 Well, I'd like to thank the staff for this
8 briefing. Your insights into the regulatory performance
9 of our licensees are valuable to the Commission, as are
10 your continuing efforts to improve the NRC's ability to
11 carry out our mission through the most efficient and
12 effective use of limited resources.

13 I continue to be encouraged by the removal of
14 yet another facility from the Category 2 list. I
15 encourage you to continue using this system of
16 categorization as one of the tools through which the
17 agency can focus on those licensees who are having
18 performance problems.

19 Do any of my fellow Commissioners have any
20 additional comments?

21 (No response.)

22 If not, we stand adjourned.

23 (Whereupon, at 9:58 a.m., the meeting of the
24 Nuclear Regulatory Commission was adjourned.)

25

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CERTIFICATE OF TRANSCRIBER

This is to certify that the attached events of a meeting
of the United States Nuclear Regulatory Commission entitled:

TITLE OF MEETING: PERIODIC BRIEFING ON OPERATING REACTORS AND
FUEL FACILITIES

PLACE OF MEETING: ROCKVILLE, MARYLAND

DATE OF MEETING: JUNE 27, 1990

were transcribed by me. I further certify that said transcription
is accurate and complete, to the best of my ability, and that the
transcript is a true and accurate record of the foregoing events.



Reporter's name: Phyllis Young

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PERIODIC BRIEFING ON STATUS OF
OPERATING REACTORS AND NMSS FACILITIES

COMMISSION BRIEFING
JUNE 27, 1990

J. TAYLOR
SENIOR STAFF

CATEGORY 1

PLANTS REMOVED FROM THE LIST OF PROBLEM FACILITIES

Plants in this category have taken effective action to correct identified problems and to implement programs for improved performance. No further NRC special attention is necessary beyond the regional office's current level of monitoring to ensure improvement continues.

SURRY 1 & 2

CATEGORY 2

PLANTS AUTHORIZED TO OPERATE THAT THE NRC WILL MONITOR CLOSELY

Plants in this category are having or have had weaknesses that warrant increased NRC attention from both headquarters and the regional office. A plant will remain in this category until the licensee demonstrates a period of improved performance.

CALVERT CLIFFS 1 & 2
NINE MILE POINT 1 & 2

CATEGORY 3

SHUTDOWN PLANTS REQUIRING NRC AUTHORIZATION TO OPERATE AND WHICH THE NRC WILL MONITOR CLOSELY

Plants in this category are having or have had significant weaknesses that warrant maintaining the plant in a shutdown condition until the licensee can demonstrate to the NRC that adequate programs have both been established and implemented to ensure substantial improvement.

BROWNS FERRY 1, 2, & 3

PRIORITY MATERIAL FACILITIES

- COMBUSTION ENGINEERING - WINDSOR, CT
- PROCESS TECHNOLOGY - ROCKAWAY, NJ
- AMERICAN RADIOLABELED CHEMICALS, MO



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

JUL 31 1990

MEMORANDUM FOR: Commissioner Kenneth C. Rogers
THRU: James M. Taylor, Executive Director for Operations
SUBJECT: CORRECTION OF TRANSCRIPT FOR COMMISSION MEETING
OF JUNE 27, 1990

During my discussion of American Radiolabeled Chemicals, Inc. (ARC), you asked a question regarding whether ARC is a somewhat unique source for their products. This question and my answer appear on page 31 of the transcript, a copy of which is attached. The attorney for ARC in a letter to me dated July 12, 1990 claims that ARC is a unique source of products for many medical researchers. A copy of this letter is also attached. We have not verified the information in the attorney's letter but have no reason to challenge it.

By copy of this memorandum I am requesting the Secretary to place this correspondence in the Record of the Commission Meeting of June 27, 1990.

Carl J. Paparella for
A. Bert Davis
Regional Administrator

Attachments: As stated

cc w/attachments:

Chairman Carr

Commissioner Curtiss

Commissioner Remick

S. J. Chilk, Secretary

J. H. Sniezek, DEDR

H. L. Thompson, DEDS

R. M. Bernero, NMSS

1 concludes my remarks on ARC.

2 COMMISSIONER ROGERS: What purposes are their
3 products used for? What --

4 MR. DAVIS: Generally, research. They label--
5 they synthesize a chemical compound with a radioactive
6 label on it, and it's used in research. We've received a
7 number of letters from universities and industrial
8 organizations concerned about the loss of this source of
9 labeled radioactive material.

10 COMMISSIONER ROGERS: Is this a somewhat unique
11 source for that purpose? Do they -- or are there others?

12 MR. DAVIS: No, this -- the owner and president
13 previously worked for another company, and he started his
14 own business. Now, my understanding is that he supplied
15 chemicals at a reasonable price.

16 COMMISSIONER ROGERS: Thank you.

17 MR. TAYLOR: That concludes the staff's
18 presentation, sir.

19 CHAIRMAN CARR: Any questions? Commissioner
20 Roberts?

21 COMMISSIONER ROBERTS: No.

22 CHAIRMAN CARR: Commissioner Rogers?

23 COMMISSIONER ROGERS: Oh, just a couple of
24 things. Just while we are on this materials area, the
25 term "requiring priority attention", does that convey

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July 12, 1990

VIA FEDERAL EXPRESS

Mr. Bert Davis
 U. S. Nuclear Regulatory Commission
 Region III
 799 Roosevelt Road
 Glen Ellyn, Illinois 60137

Re: The Matter of American Radiolabeled Chemicals, Inc.
 Docket No. 030-20567
 License No. 24-21362-01
 General License No. 10 CFR 110.23
 EA 89-257

Dear Mr. Davis:

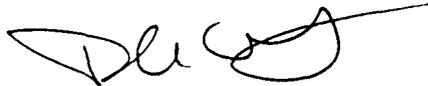
I am in receipt of a portion of the unofficial transcript of your remarks to the U. S. Nuclear Regulatory Commission that was provided by Mr. Bruce A. Berson. While American Radiolabeled Chemicals, Inc. obviously does not agree with your characterization of the inspection findings as evidenced by our request for hearing, I wish to call to your attention a statement you made that was unclear and, perhaps, inaccurate. More specifically, during the hearing, Commissioner Rogers asked if "This is a somewhat unique source for that purpose?". You responded negatively. As we have indicated previously in our filings with respect to our request for relief, ARC is a unique source of products for many medical researchers. In addition to some products that are also sold by either DuPont or Amersham, a substantial portion of ARC's work involves custom synthesis specifically designed to accommodate the unique needs of medical researchers. Accordingly, there are a substantial number of products for which ARC is the sole source supplier. I would be happy to provide further information in this regard if that would be of service.

JUL 13 1990

Mr. Bert Davis
July 12, 1990
Page 2

Thank you for your courtesy in forwarding a copy of the transcript, and I am hopeful that this matter can be resolved in the near future without further proceedings.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Greenberg', with a long horizontal flourish extending to the right.

Richard E. Greenberg

REG/dat

cc: Mr. Bruce A. Berson (Via U. S. Mail)
American Radiolabeled Chemicals, Inc. (Via U. S. Mail)

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