MEMO

APR 2 1980

Docket No.: 50-397

APPLICANT: Washington Public Power Supply System

FACILITY: WNP-2

SUBJECT: MEETING WITH WPPSS REGARDING POTENTIAL CONFLICT OF INTEREST AFFECTING ITS QA PROGRAM

A meeting was held on January 4, 1980, in Bethesda, Maryland with members of the NRC staff and representatives of WPPSS. The subject was the potential conflict of interest that could arise if the 14 QA engineers in the integrated WPPSS-Burns & Roe QA organization on WNP-2 were to vote to join Local 598 which presently includes the pipe fitters, welders and QC inspectors who are audited by these 14 QA engineers. A list of those attending this meeting is presented in Enclosure 1. Enclosure 2 is a copy of the WPPSS handout accompanying its discussion.

The meeting was arranged on an expedited basis at the request of the WPPSS organization specifically to develop any pertinent comments by the NRC staff regarding the potential conflict of interest described above. WPPSS stated in this meeting that if the staff believed the potential conflict of interest would adversely affect the construction of the WNP-2 facility, WPPSS management and its contractors would then consider raising this point to the NLRB prior to the union certification vote. In particular, Counsel for WPPSS stated his belief that the prior letter issued by OELD to WPPSS in response to a previous inquiry, was conclusionary. Accordingly, WPPSS emphasized that they wished the NRC staff to reach a conclusion on this matter, if any, based on the facts to be presented at the January 4th meeting. OELD's position was succintly stated as follows: NRC's involvement would be appropriate only if there were to be demonstrated a clear conflict of interest adversely affecting public health and safety; otherwise, the NRC would not involve itself in a matter which appeared to involve only WPPSS management, its contractors, Local 598 and the NLRB.

In response to staff questions as to the special character, if any, of this potential problem, Counsel for WPPSS responded that it was WPPSS' belief that the potential problem they envisaged would arise at the WNP 1 and 4 site, the WNP 3 and 5 site and could expand to other nuclear power sites

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SURNAME➤						
DATE➤						

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throughout the country. The NRC staff then questioned whether the inclusion of the 107 QC inspectors in the same union as the craftsmen whose work they were inspecting (Plate 6 of Enclosure 2), resulted in any evident impact on the quality of work performed. The WPPSS representatives indicated that no such impact was evident.

In ensuing discussion of the qualifications and salaries of the 14 QA engineers involved, it was established that not all of these 14 QA personnel were actually engineers and that their salaries were in some instances, significantly lower than those of the craftsmen whose work was being inspected.

At the conclusion of the meeting, the OELD counsel suggested that in light of no apparent violation of the NRC regulations in this matter and no evidence of an adverse impact on the quality of work, WPPSS management might consider petitioning the Commission for a rule-making hearing on the general topic of potential conflict of interests. The NRC staff emphasized that it had a continuing concern regarding any adverse influence on the WNP-2 QA program especially in light of recent QA problems on other nuclear plants under construction. Accordingly, the staff requested WPPSS to closely monitor its QA program to determine if the inclusion of QC inspectors in Local 598 represented such an adverse influence.

In subsequent discussion on this matter, it was determined that WPPSS had successfully convinced the 14 QA personnel not to join Local 598 thereby removing one of WPPSS' concerns regarding the potential conflict of interest.

Original signed by:

M. D. Lynch, Project Manager
Light Water Reactors, Branch No. 4
Division of Project Management

Enclosures:
As stated

cc: See next page

Concurred by phone 4-2-80

OFFICE	DPM:LWR #4	OABC	OELD	DPM:LWR #4		
SURNAME	MDLynch:mec	JGilray	Paton/Murray	LSRubenstein		
DATE	3/27/80	3/27/80	3/ /80	3/ /80		

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MEETING SUMMARY DISTRIBUTION

Docket File
NRC PDR
Local PDR
TIC - NSIC
NRR Reading
LWR#4 File
H. Denton
E. Case
H. Berkow
W. Russell
D. Ross
D. Vassallo
S. Varga
J. Stolz
R. Baer
O. Parr
L. Rubenstein
C. Heltemes
L. Crocker

F. Williams
R. Mattson
R. DeYoung
Project Manager M. D. Lynch
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Licensing Assistant M. Service
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W. Haass
J. Gilray
J. Murray
W. Paton

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SURNAME	MDLynch:mec	JGilray	Paton/Murray	LSRubenstein		
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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Division of Project Management

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Washington Public Power Supply System

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Richland, Washington 99352

ENCLOSURE 1

ATTENDANCE

WNP-2

JANUARY 4, 1980

WPPSS

G. Sorenson
D. Rooney
A. Sastri
M. Witherspoon
N. Reynolds (counsel)

NRC

W. Haass
J. Gilray
J. Murray (counsel)
W. Paton (counsel)
M. Lynch

ENCLOSURE 2

THE ISSUE

WILL EFFECTIVENESS AND INDEPENDENCE OF QA PROGRAM BE IMPAIRED IF CONTRACTOR QA ENGINEERS BELONG TO SAME UNION AS CRAFTS, QC, NDT TECHNICIANS AND DOCUMENT CLERKS WHOSE WORK THEY MONITOR?

WPPSS ORGANIZATION

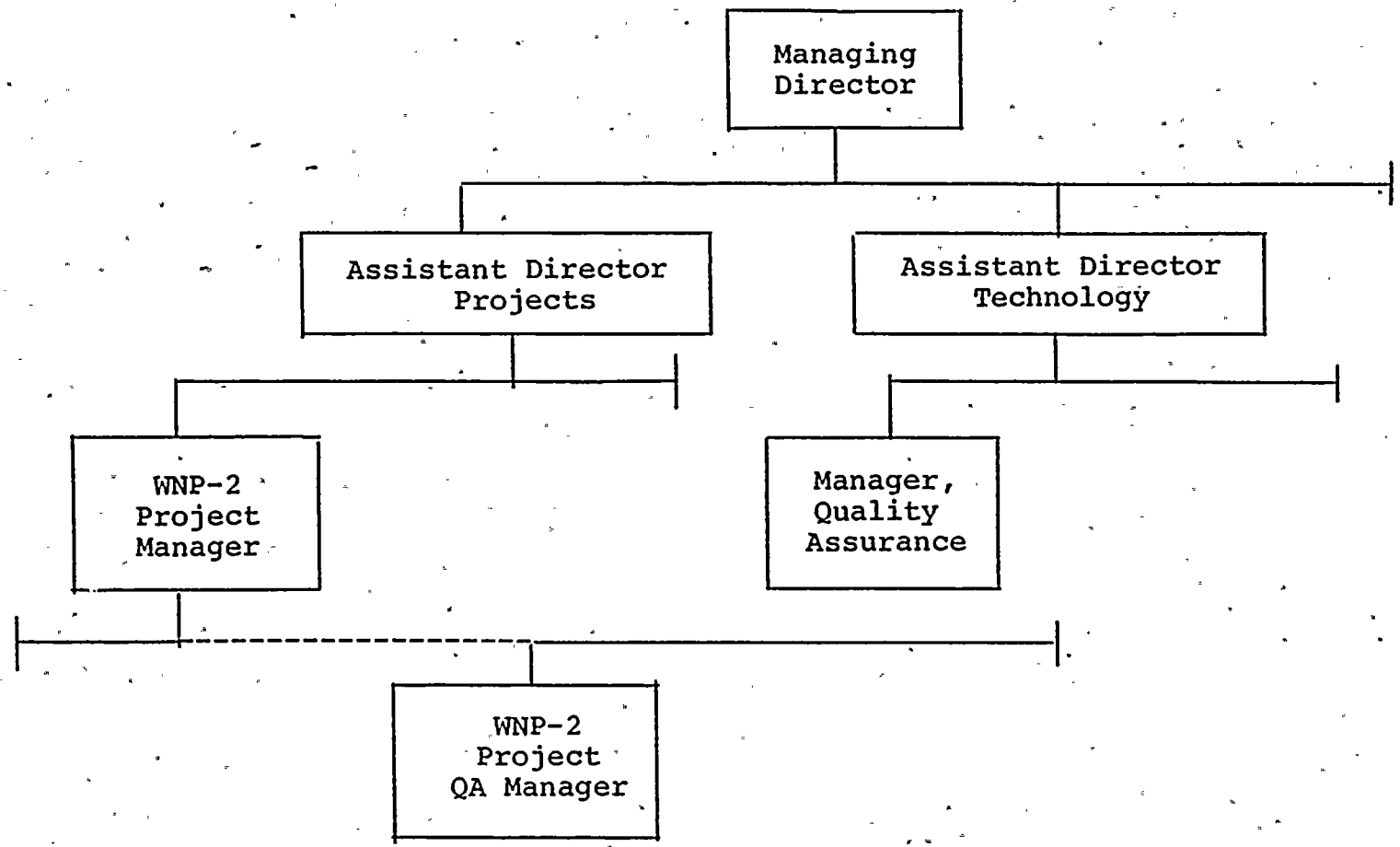

Plate 2

WPPSS PROJECT ORGANIZATION

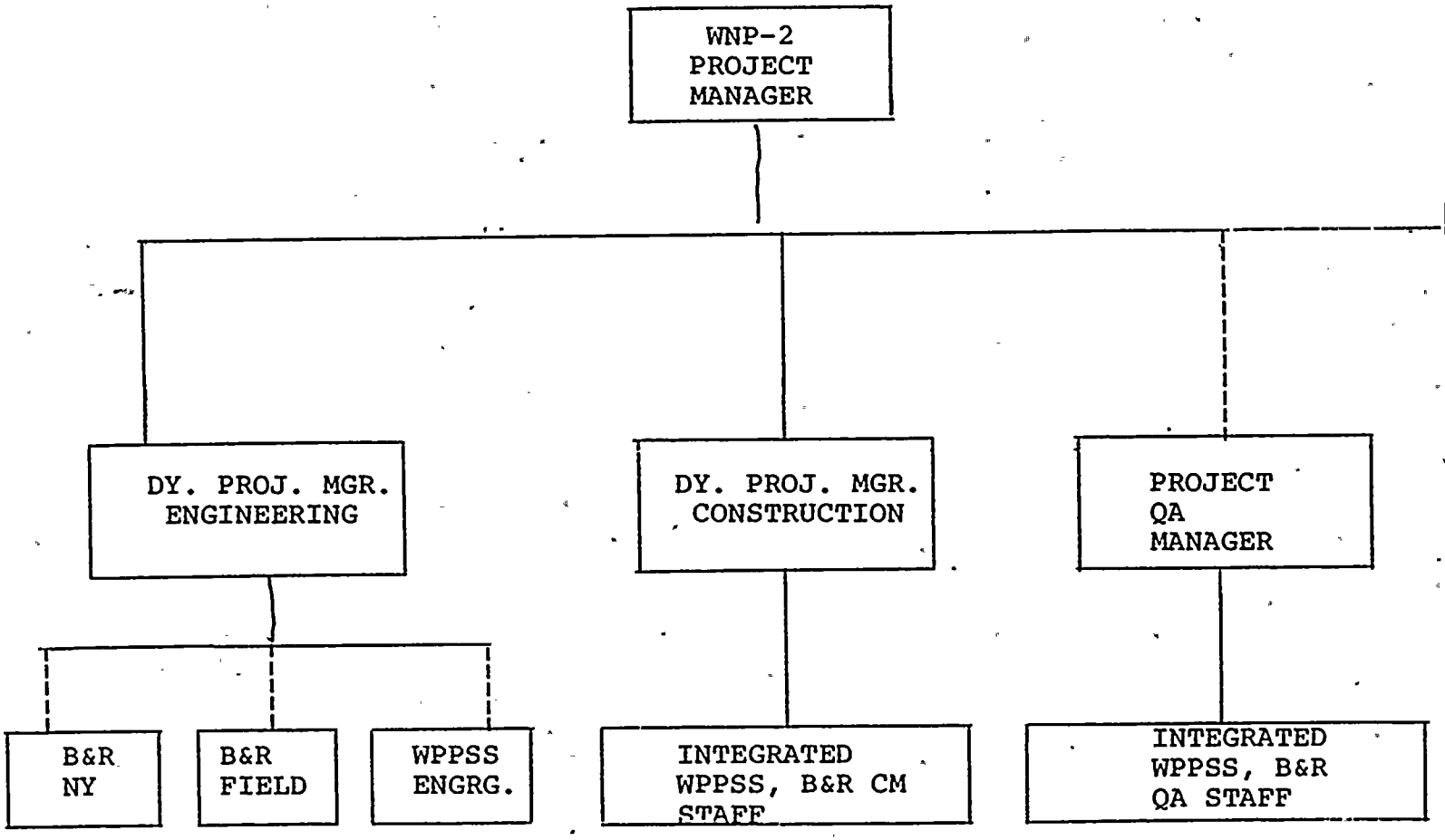

Plate 3

WPPSS/CONTRACTOR QA INTERFACE

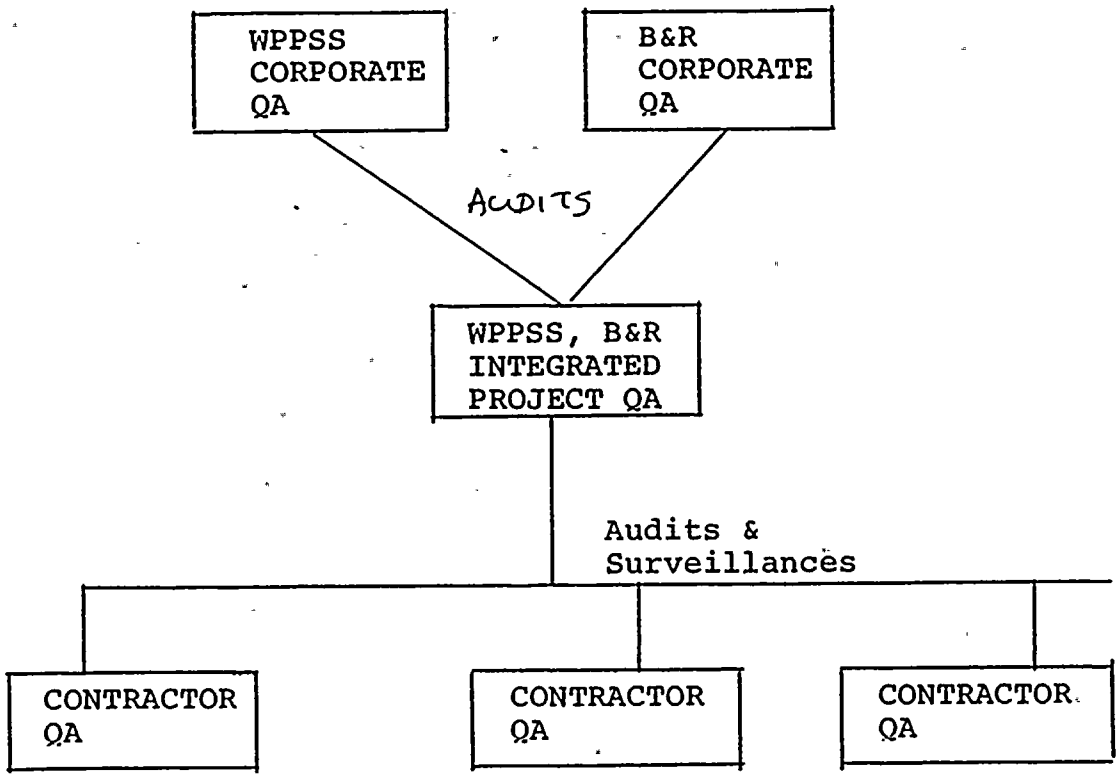

Plate 4

Typical

- QA
- QC
- NDT
- Sub-Contractors

WNP-2
Contract 215
WSH-BOECON-GERI (WBG)

SCOPE OF WORK:

- All mechanical and structural installation work including piping, equipment erection, and structural steel (including Category I)
- Procurement of most valves and pipe spools (including Category I)
- Design of small bore piping, detailed design of structural steel (including Category I)
- Includes most safety related piping/mechanical work on site
- Cost of contract, about $250M

Plate 5

WBG ORGANIZATION

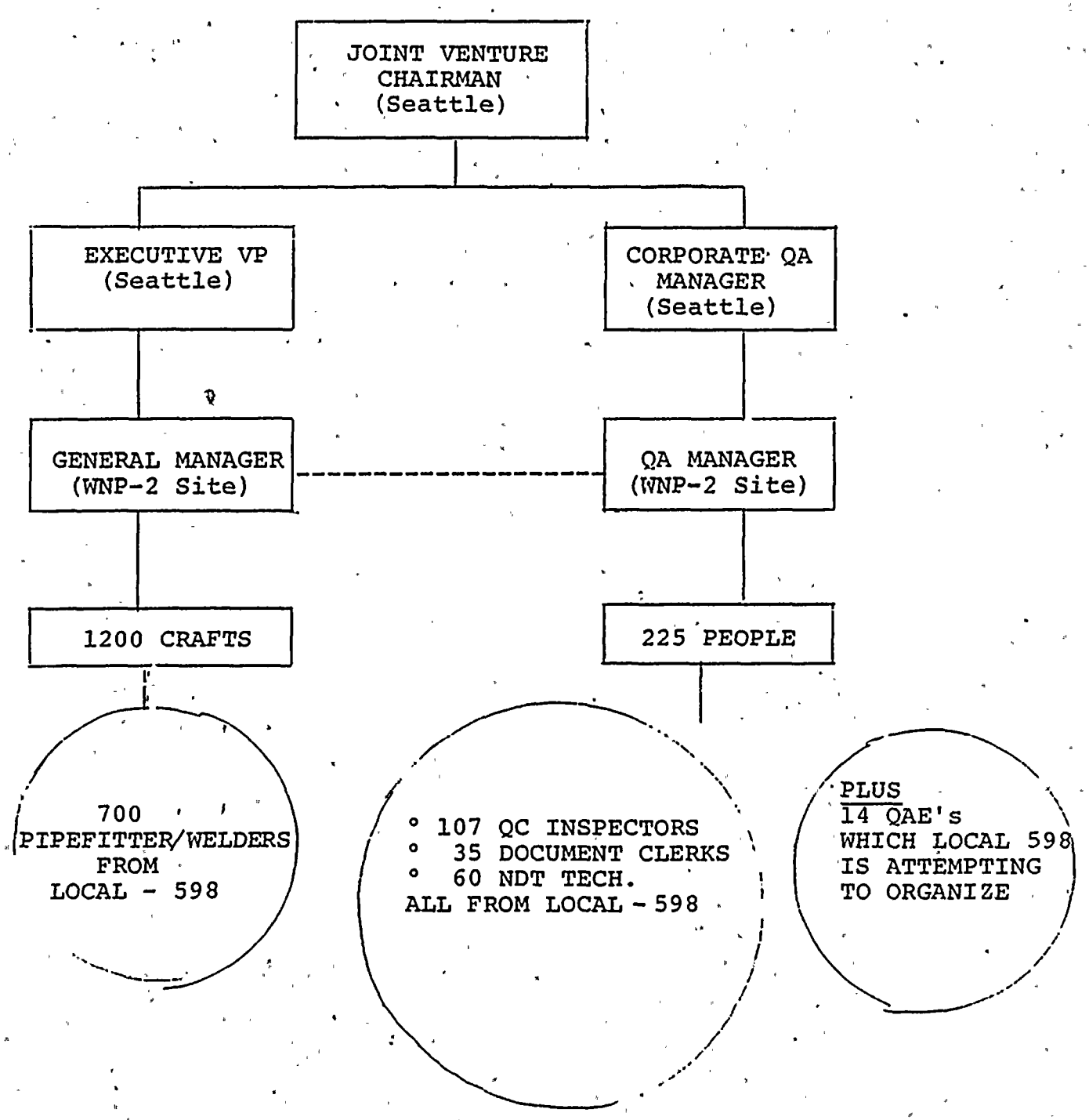

Plate 6

WBG QA ORGANIZATION

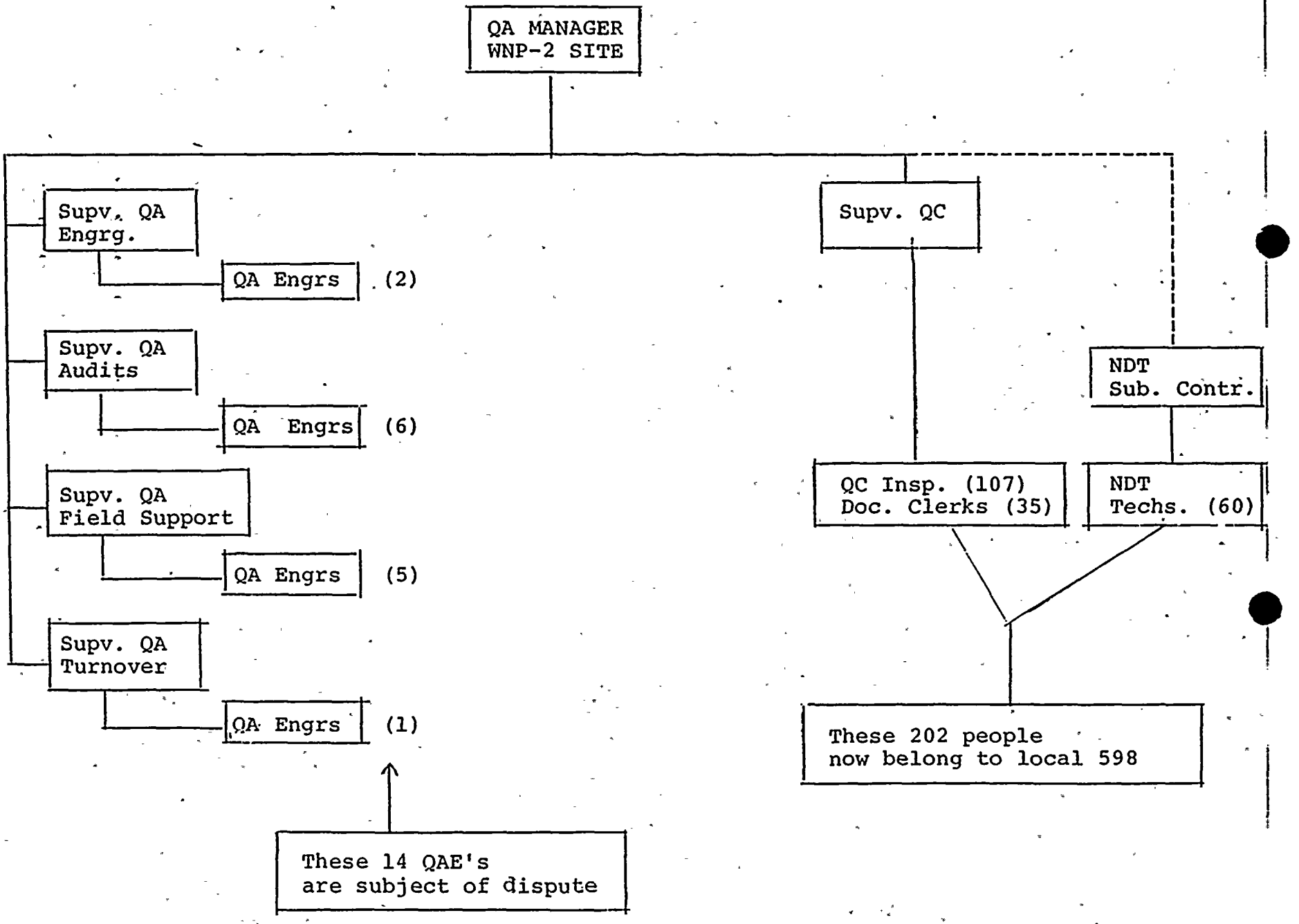

Plate 7

WBG QA/QC - FUNCTIONAL RESPONSIBILITIES

QUALITY ENGINEERING

- WRITE, APPROVE QA AND OTHER WORK PROCEDURES
- CODE INTERPRETATION AND COMPLIANCE
- TRENDS

QA AUDITS

- INTERNAL AUDITS
- SUBCONTRACTOR AUDITS
- TRENDS

QA FIELD SUPPORT

- APPROVE (SOME) PROCEDURES
- APPROVE QC INSP. REPORTS
- NRC DISPOSITION
- FIELD SURVEILLANCES
- VENDOR DOCUMENT REVIEW & APPROVAL
- TRENDS, CAR'S.

QA TURNOVER

- TURNOVER PROCEDURES
- PUNCHLISTS
- FINAL DOCUMENT ACCOUNTABILITY AND BUY-OFF

QC

- INSPECT TO ESTABLISHED PROCEDURES
- INSPECTION REPORTS FOR DISCREPANCIES, BUT NO DECISION ON ACCEPTANCE
- DOCUMENT REVIEW BUT NOT FINAL BUY-OFF

CHRONOLOGY

OCTOBER 31	LOCAL 598 WRITES WBG IN AN ATTEMPT TO ORGANIZE 14 QA ENGINEERS
NOVEMBER 30	NLRB, SEATTLE, HOLDS A HEARING ON THE CASE
DECEMBER 28	NLRB, SEATTLE, DIRECTS THAT ELECTIONS BE HELD

NEXT STEPS

- WBG WILL REQUEST REVIEW BY NLRB (WASHINGTON, D.C.) OF DIRECTION OF ELECTION
- NLRB WILL LIKELY PERMIT ELECTION TO PROCEED WITHIN 30 DAYS (BY JANUARY 28, 1980) OF DIRECTION OF ELECTION; BALLOTS MAY BE IMPOUNDED BY NLRB PENDING REVIEW

IMPLICATIONS FOR WNP-2

- VIABILITY OF QA AS A MANAGEMENT TOOL
- CONFLICT BETWEEN 10 CFR VS. UNION BYLAWS; FOR EXAMPLE, INTIMIDATING INFLUENCE OF UNION'S RIGHT FOR DISCIPLINARY ACTION AGAINST MEMBERS
- "SOFTENING" OF QA ENGINEERS IN IMPOSING QA PROGRAM; FOR EXAMPLE, RELUCTANCE OF QA ENGINEER TO STOP WORK IF IT AFFECTS CRAFTS EMPLOYMENT
- LACK OF UNION ACCOUNTABILITY FOR QA- e.g., 10 CFR 21

THE BROADER IMPLICATIONS

- LOCAL 598 IS ALREADY ATTEMPTING TO ORGANIZE QA ENGINEERS AT OTHER WPPSS NUCLEAR SITES. DECISION ON WNP-2 CASE WILL SET PRECEDENT (I&E REGION V CONCERN).