

ENCLOSURE

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Docket No.: 50-397
License No.: NPF-21
Report No.: 50-397/97-08
Licensee: Washington Public Power Supply System
Facility: Washington Nuclear Project-2
Location: Richland, Washington
Dates: March 4-28, 1997
Inspector: F. R. Huey, Technical Assistant
Approved By: H. J. Wong, Chief, Reactor Projects Branch E

ATTACHMENT: Supplemental Information

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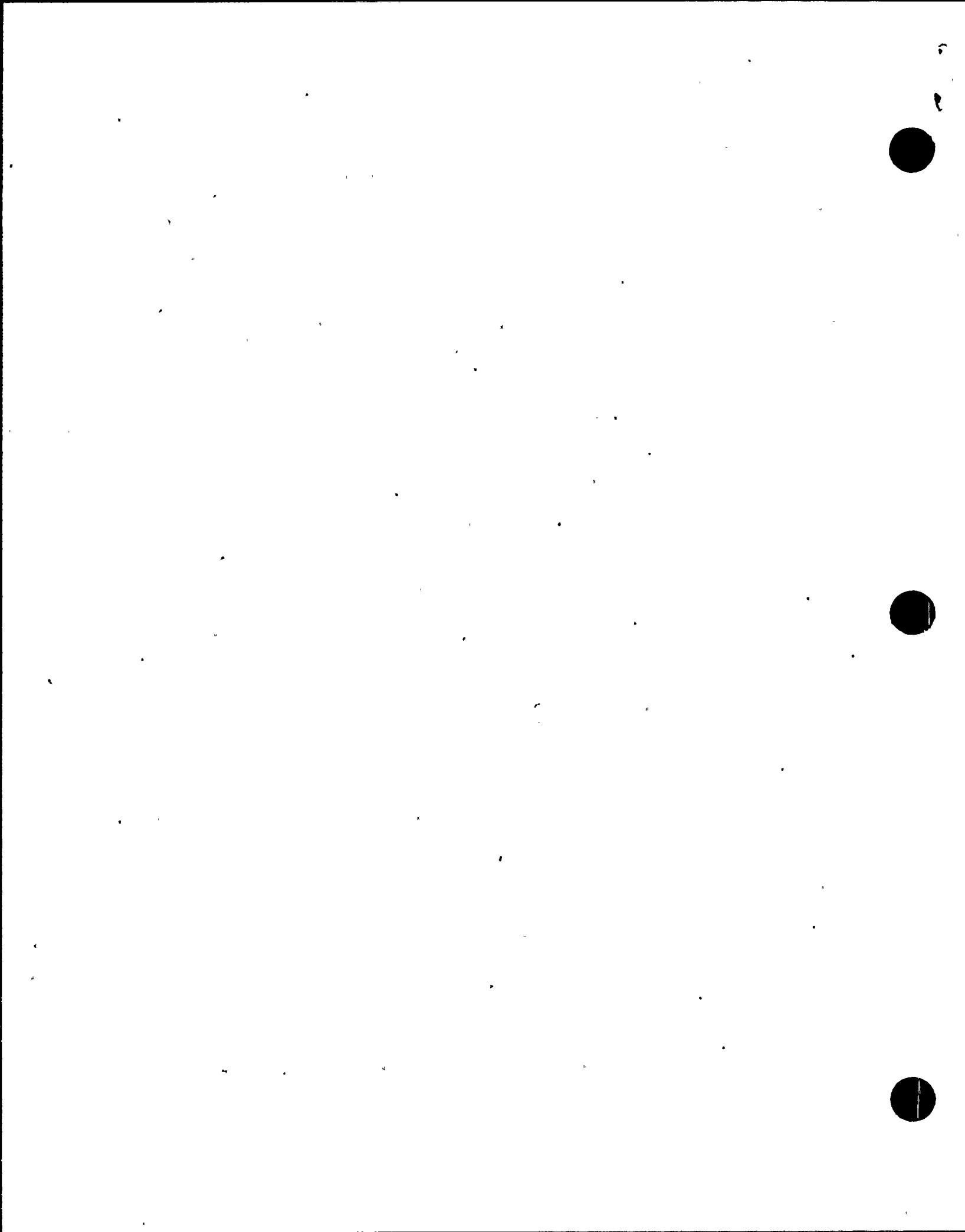
EXECUTIVE SUMMARY

Washington Nuclear Project-2
NRC Inspection Report 50-397/97-08

Operations

This special inspection reviewed the licensee's Nuclear Safety Issues Program (NSIP), which was implemented to address and resolve employee safety concerns.

- NSIP training for supervisors and managers was effective and appropriately addressed important topics. However, additional training is needed to emphasize the potential for chilling effects within the work organizations, and the importance of timely and realistic employee performance evaluation.
- NSIP files were well organized and documented, with conclusions which were well supported by the licensee's investigations. However, some NSIP files indicated the need for more thorough licensee evaluation and follow-through of the employees' concerns.
- Several examples of apparent management under-reaction to indications of discrimination or chilled environment within the work place were noted. Examples included insufficient follow-up of the results of an NSIP survey of quality assurance personnel, incomplete investigation of an employee's discrimination complaint, untimely resolution of a potentially chilled environment within the health physics organization, and a potentially chilling licensee policy for discipline of employees who choose to raise concerns solely with the NRC.



Report Details

I. Operations

O8 Miscellaneous Operations Issues

08.1 Nuclear Safety Issues Program Review

a. Inspection Scope (40001)

The inspector reviewed five Nuclear Safety Issues Program (NSIP) files that had been evaluated and closed within the last year, interviewed numerous employees in various licensee organizations, and attended a periodic NSIP training session provided to licensee supervisors and managers.

b. Observations and Findings

Supervisor Training

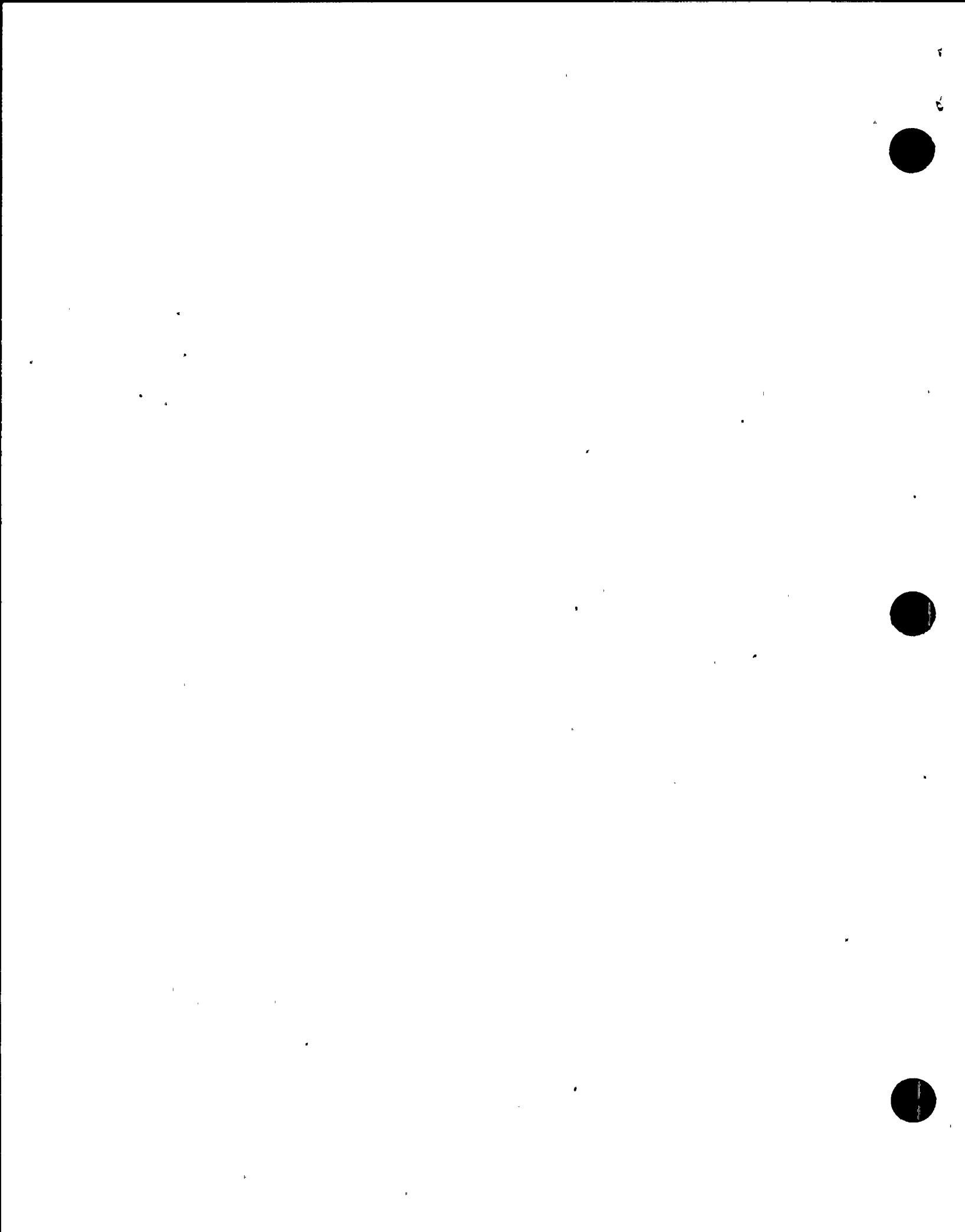
Training appeared to be effective and appropriately addressed important topics to enable supervisors to recognize and avoid chilled work environments within their organizations. Particularly noteworthy were discussions of specific employee concern and discrimination problems which had occurred at other facilities. The inspector noted two areas warranting additional emphasis.

1. Training appropriately addressed the need for supervisors to treat employees raising concerns as conscientious workers who were fulfilling management's expectations, and to not treat them any differently than other employees. However, training did not sufficiently emphasize the need for supervisors to ensure that co-workers treated the concerned employee in a similar manner.
2. Training did not appear to appropriately emphasize the importance of proper employee performance evaluation to avoid potential employee perceptions of discrimination. Recent experience at other facilities has emphasized the importance of realistic and timely documentation and feed back of employee performance evaluations. Documenting performance problems after a promotion is denied inevitably leads to a perception of discrimination. Supervisor training needs to effectively address and emphasize this responsibility.

NSIP Evaluation Thoroughness and Follow-Through

The NSIP files were well organized and documented, and the conclusions of NSIP evaluations appeared to be well supported by the licensee's investigations. However, the inspector noted several indications of a need for more thorough evaluation and follow-through of some employee concern reviews.

1. NSIP File 96-009 evaluated a potential chilling effect at WNP-2. Although a specific employee identified the concern, origination of the file was attributed



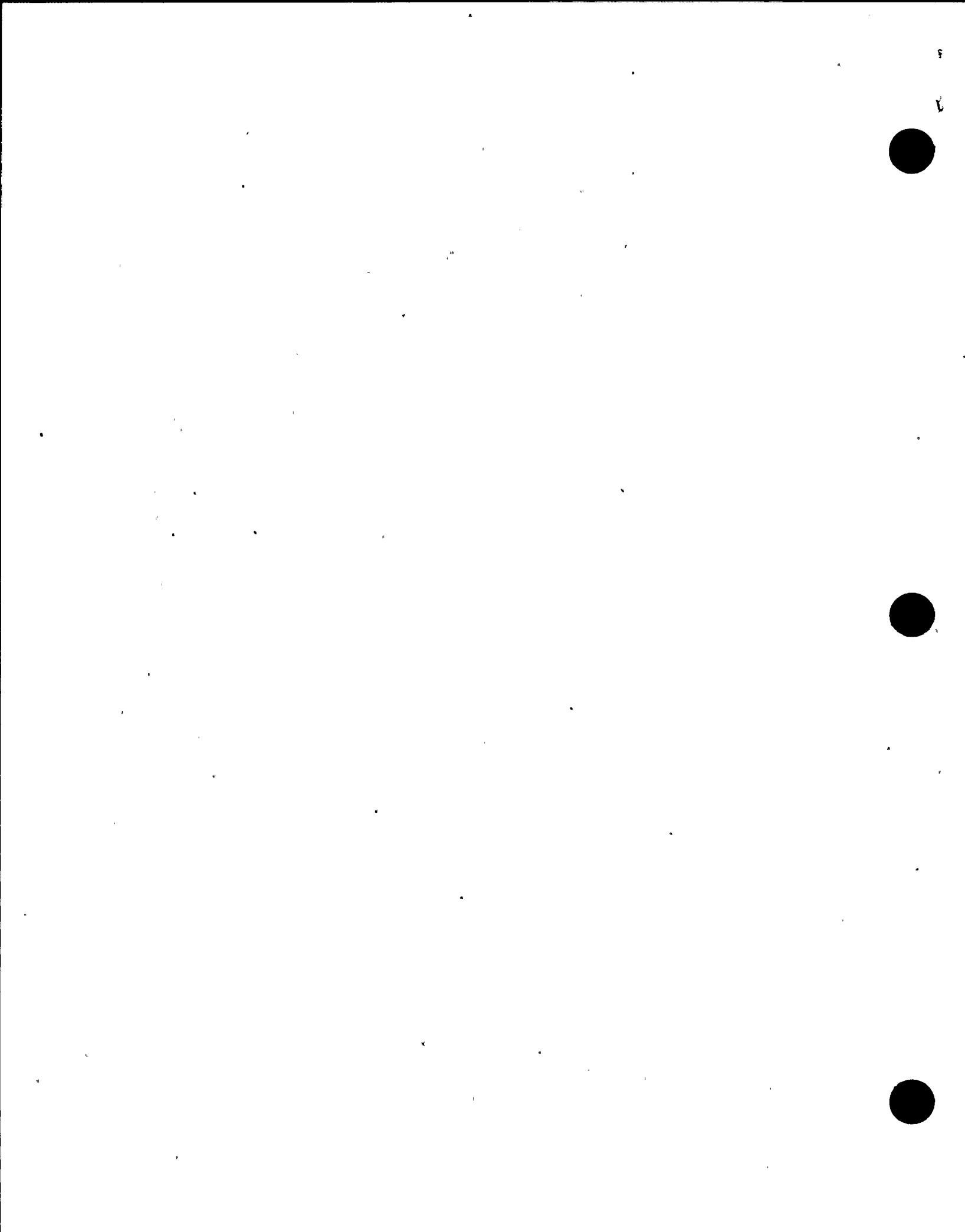
to the NSIP staff, and the involved employee was not brought into the NSIP process. NSIP File 96-013, involving alleged discrimination, was similarly initiated as an NSIP staff originated issue, although an employee had identified the concern. In order to provide maximum NSIP benefit, and to ensure appropriate feed back to and from the concerned employee, it is important to identify the employee as the concern originator and not the NSIP staff. The inspector considered that employee involvement should not be optional. For example, an NRC interview with the employee associated with File 96-013 revealed that the employee had not been notified of, and did not agree with, the NSIP evaluation results.

2. Investigation associated with NSIP File 96-009 identified that a supervisor may have improperly pursued imprudent work arounds; however, the NSIP investigation did not appear to review that issue.
3. NSIP File 96-022 evaluated a potential chilling effect and numerous management concerns within the quality assurance organization. The inspector considered that the NSIP staff was proactive in addressing this issue, and conducted an excellent survey of quality assurance personnel, which identified potentially significant concerns. However, the NSIP file did not include thorough documentation of the actions implemented in response to the NSIP evaluation findings before the file was closed. The full extent of licensee corrective actions was unclear. The inspector emphasized the importance of corrective action follow-through prior to closure of NSIP files, especially those associated with complex issues such as those involved in File 96-022.

Under-Reaction to Potential Discrimination or Chilling Effect

The inspector noted several examples of apparent management under-reaction to indications of discrimination or chilled environments at WNP-2. Experience at other facilities, such as Millstone, has demonstrated the far-reaching impact of management failure to appropriately respond to such indications in a timely manner.

1. The NSIP survey of quality assurance personnel identified significant indications of a potential chilled work environment at WNP-2. The inspector noted that the licensee performed follow-up interviews with personnel participating in the survey. However, not all survey concerns appeared to be specifically pursued, and some follow-up interviews identified additional concerns which also did not appear to be specifically pursued. For example, Problem Evaluation Request survey concerns did not appear to be fully addressed during follow-up interviews, and although NSIP survey concern interviews clarified that personnel unanimously expressed confidence in the NSIP review process, 27 percent of those interviewed expressed concern about a lack of appropriate management corrective action follow-through on



- NSIP recommendations. The licensee indicated that additional follow-up of the concerns identified by the survey is currently being pursued.
2. NSIP File 96-027 addressed an alleged December 1996 discrimination concern by an employee. Although the licensee appropriately documented investigation of one part of the employee's concern about harassment and intimidation, the licensee did not appear to have appropriately pursued the employee's concern about discrimination associated with his non-selection for a promotion. The licensee appeared to miss significant opportunities both to fully investigate the discrimination concern, and to identify weaknesses in its process for evaluation of discrimination complaints.
- The licensee's investigation of the promotion discrimination concern concluded that the issue was only a communications problem, and discrimination had not occurred. This conclusion did not appear to be valid since, during a subsequent NRC interview, the employee reaffirmed the belief that the lack of promotion was discriminatory. Furthermore, the employee considered a recent negative performance evaluation to be a further instance of discrimination in retaliation for having previously raised safety concerns associated with compliance with technical specification requirements. The employee stated that previous performance evaluations, issued prior to the discrimination complaint, had not included negative remarks.
 - The licensee's investigation failed to address why management had not appropriately evaluated or responded to the employee's promotion discrimination complaint in January, and again in July 1996. In this regard, an NRC review of licensee policy procedures indicated a lack of specific guidance on how employee discrimination complaints should be processed.
3. Several NSIP evaluations addressed, but did not substantiate, concerns associated with a potentially chilled environment within the licensee's health physics organization. However, NRC interviews of numerous health physics personnel identified problems which do not appear to have been fully explored or resolved. Although all NRC-interviewed personnel indicated that they would not hesitate to address safety concerns to their immediate supervisor, many expressed reluctance to take concerns to higher levels of management. Their reluctance stemmed from a lack of trust, which appeared to be related to ineffective communication, a lack of supervisory stability within the HP organization (four managers within less than a year), and protracted union negotiations. It is also noteworthy that some indications of a similar lack of trust were revealed by the licensee's survey of the quality assurance organization. The NRC is concerned that management trust is essential to assuring an environment in which safety concerns may

be freely identified. The inspector encouraged senior management to effectively correct this problem in a timely manner.

4. Section 4.5 of licensee Administrative Procedure GIH 3.4.6, "Nuclear Safety Issues Program," Revision 7, dated October 31, 1996, emphasizes the need for employees to promptly notify the Supply System of nuclear safety issues. Section 4.5 goes on to state that "Employees may also raise issues with the NRC at any time. To assure timely resolution of nuclear safety issues employees are required to notify the Supply System concurrently with notification to the NRC. Failure to report nuclear safety issues to the Supply System may result in disciplinary action."

The inspector emphasized NRC concern that linking possible discipline to an employee's decision to raise a safety concern solely to the NRC may create a chilling effect. The inspector noted that, although it is appropriate to emphasize the importance and benefit of prompt Supply System notification of safety concerns, it is inappropriate to prescribe discipline for an employee that directed a concern solely to the NRC. That opportunity must be available to an employee who has reason to not raise a concern through normal channels. The focus must be on assuring that safety concerns are identified and raised promptly, regardless of the channel. The inspector encouraged the licensee to reconsider the chilling phrasing of its currently stated policy. This issue will remain unresolved (URI 50-397/9708-01), pending further NRC review of the licensee's policy.

c. Conclusions

The licensee's NSIP program was implemented in a well organized and documented manner, and included effective training of licensee supervisors and managers. The conclusions of NSIP evaluations of employee's concerns were well supported by the licensee's investigations, however in some instances, more thorough evaluation and follow-through of the employees' concerns were warranted. The most significant area of NRC concern involved several examples of apparent management under-reaction to some specific indications of discrimination or chilled environment.

V. Management Meetings

X1 Exit Meeting Summary

The inspector presented the inspection results to members of licensee management at the conclusion of the inspection on March 6, 1997. The licensee acknowledged the findings presented.

No proprietary information was identified during this inspection.

ATTACHMENT

PARTIAL LIST OF PERSONS CONTACTED

Licensee

N. L. Fernandez, Licensing Manager
J. Harmon, Supervisor, SIP
V. Parrish, Chief Executive Officer
G. Smith, Plant General Manager
R. Webring, Vice President Operations Support

INSPECTION PROCEDURES USED

IP 40001: Resolution of Employee Concerns

ITEMS OPENED AND CLOSED

Opened and Closed

50-397/9708-01 URI Policy for discipline of employees who do not advise the Supply System of safety concerns

LIST OF ACRONYMS USED

HP	Health Physics
NRC	U.S. Nuclear Regulatory Commission
NSIP	Nuclear Safety Issues Program
PER	Problem Evaluation Request
URI	unresolved item
WNP-2	Washington Nuclear Project-2