

SEP 22 1989

Docket No. 50-315  
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Indiana Michigan Power Company  
ATTN: Mr. Milton P. Alexich  
Vice President  
Nuclear Operations Division  
1 Riverside Plaza  
Columbus, OH 43216

Gentlemen:

NRC Region III has completed it's review of your investigation into the allegations (RIII-86-A-0162) made by a former Catalytic Industrial Maintenance Company (CIMCO) Quality Control (QC) Supervisor. In addition to your investigation report, we also reviewed the special report on this subject held by CIMCO and the most recent pretrial deposition of the former QC Supervisor. The special report was the subject of an allegation (RIII-89-A-0076) by an associate of the former QC Supervisor. This allegation claimed that CIMCO was "hiding" this report from NRC and the licensee and that the report contained evidence of safety problems and a breakdown in Quality Assurance in the CIMCO organization at D. C. Cook.

We concur with your conclusion that the allegations are not substantiated and have the following comments:

With regard to the claim that he never attained clearly established position authority, responsibilities, or organizational freedom to ensure that QA/QC requirements were being met, your conclusion centered on the existence of administrative documents such as your QA program and the position description and the memoranda of meetings and discussions between CIMCO managers and the QC Supervisor. We view these documents as evidence that job elements in question were administratively available, but not as proof that they were attained or exercised by the QC Supervisor in everyday practice. Our review concluded that the QC Supervisor, by virtue of his position, possessed the elements in question but failed to exercise them although urged to do so by peers and supervisors. Our conclusion is based primarily on the interviews with QC inspectors and the QC Supervisor's peers in Indiana Michigan Power Company and American Electric Power Service Company QA/QC management. The majority of those interviewed stated that the supervisor's performance expectations were based on exercise of these job elements and that his performance did not meet expectations.

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With regard to the claim that he was never sufficiently independent from the pressure exerted by CIMCO production management, our review concluded that production management did not attempt to limit the QC Supervisor's or his subordinate's ability to conduct inspections or identify problems and that the QC Supervisor was functionally independent. He did not differentiate between pressure to provide inspectors to meet a construction schedule, a pressure which did exist, and pressure to avoid identifying problems or raising concerns, a pressure which his subordinate inspectors did not believe existed.

From the interviews it is clear that scheduling of inspectors was a problem with which the QC Supervisor was unable to cope. The QC Supervisor stated that he was expected to improve cross certification qualification of his subordinates and that he was scheduling inspectors in support of this. He appeared to place a high priority on this effort and interviews with QC inspectors, his peers, and production management showed that this resulted in confused scheduling, frequent call-outs at unusual hours, unqualified inspectors sent to a particular task (e.g. an electrical inspector sent to a coatings inspection), and missed inspections where production management resorted to calling inspectors at home. He also did not differentiate between administrative and functional responsibilities; for example he seemed to believe that clearing overtime for his inspectors through the CIMCO Project Manager was interference with his job although this was a stated administrative responsibility not impacting on his ability to do his job.

With regard to his claim that he was terminated as a result of his discussions with licensee QA/QC representatives, our review of the pretrial deposition revealed that the alleege believed that we had misunderstood his concern and that he had made no such allegation. Prior to this discovery our review of the matter concluded that his dismissal was not triggered by his contact with D. C. Cook QA/QC personnel. Because his statement in the deposition agrees with our conclusion, we have no further questions in this regard.

Although we concur that the allegations are not substantiated this does not imply that the QC Supervisor was solely responsible for the situation in which he found himself. The QC Supervisor's predecessor had declined to continue as supervisor because he could not come to terms with CIMCO on a salary question. Allowing him to remain on-site as a subordinate placed the QC Supervisor in a difficult situation where he was not the company's first choice for the position and was aware of that fact. This was exacerbated by two factors: the QC Supervisor's predecessor had a personal relationship with the CIMCO Project Manager and long-standing personal relationships with a number of the other QC inspectors. In his interview the QC Supervisor stated that he did not get cooperation from his inspectors; it appears that he felt he was in an adversary relationship with his subordinates from the start. The predecessor admitted in his interview that he criticized the QC Supervisor's performance during phone calls with the CIMCO QA Manager who then compounded the error by failing to provide support for the supervisor in the face of criticism by his predecessor. Whether accurate or not, the QC Supervisor perceived a lack of support from his subordinates and his relationship with them deteriorated. His failure to

follow the QA Manager's instructions regarding direct contact may be attributable to this. Under pressure to support schedules with a perceived lack of support, his performance continued to deteriorate until termination became the only answer.

The allegation regarding the "hidden" special report which contained significant safety problems and evidence of a breakdown in QA is partially substantiated in that NRC and AEPSC were unaware of its existence. On receiving this allegation and considering the nature of the concerns, NRC immediately contacted your QA Director and requested an immediate investigation into the matter. This investigation confirmed the existence of both the draft and final reports and discovered that CIMCO and its counsel considered the report as confidential attorney/client privileged information. Following discussions between NRC, licensee, and CIMCO counsels, arrangements were made for your QA Director and NRC inspectors to independently review the reports in the office of CIMCO counsel. The inspectors were also afforded the opportunity to review the alleged's pretrial deposition to determine if it contained any new information. Our review of the draft and final reports and the pretrial deposition found no new technical or documentation issues which had not already been dispositioned. The inspectors found no evidence, either new or old, supporting claims of a breakdown in CIMCO QA at D. C. Cook.

Thank you very much for your cooperation. We have no further questions in this matter and consider the allegation closed. Should you have any questions please contact me or Mr. B. L. Burgess of my staff (312-790-5689).

Sincerely,

Original signed by W. L. Forney

Edward G. Greenman, Director  
Division of Reactor Projects

- cc: A. A. Blind, Plant Manager
- DCD/DCB (RIDS)
- Licensing Fee Management Branch
- Resident Inspector, RIII
- C. Weil, RIII
- Ronald Callen, Michigan
- Public Service commission
- EIS Coordinator, USEPA
- Region 5 Office
- Michigan Department of
- Public Health

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