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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, D.C. 20510

JOHN W. YAGG, JR., STAFF DIRECTOR
BAILEY GUARD, MINORITY STAFF DIRECTOR

October 19, 1977

Mr. Joseph Hendrie
Chairman, Nuclear Regulatory
Commission
Washington, D.C. 20555

Dear Mr. Chairman:

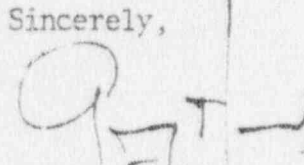
Let me express my appreciation for your testimony concerning the handling by the Nuclear Regulatory Commission of the Virginia Electric Power Company's North Anna Virginia Nuclear site. The hearings were timely and informative, and your contribution was important to the Subcommittee's ongoing investigative effort.

Unfortunately, due to time constraints, we were unable to fully deal with the wide range of issues surrounding the case. Thus, for inclusion in the hearing record, I would appreciate your answering the attached questions.

If you have further inquiries, please direct them to Haven Whiteside of the Subcommittee staff (202/224-2664).

Thank you in advance for your response.

Sincerely,


Gary Hart
Chairman, Subcommittee on
Nuclear Regulation

Enclosures: 3

THIS DOCUMENT CONTAINS
POOR QUALITY PAGES

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QUESTIONS FOR JOSEPH HENDRIE

1. On page 6 of the Department of Justice memo, reference is made to a May 18, 1973 telephone call between Mr. Cardone and Mr. Spencer of VEPCO, as a follow-up to the May 17 conversation. This phone call was also mentioned by Mr. Case on page 3 of his prepared testimony.

-- Please supply for the record the log of that phone conversation.

2. Please provide a breakdown of VEPCO funds expended on the North Anna Nuclear project (all four units), from 1969 to the present time, at six-month intervals.

3. Item 7 in the July 20, 1973 affidavit of A.T. Cardone states "Based upon the applicant's preliminary finding, which is consistent with the absence of identified 'capable' faults in the region of the site, I do not see any reason to change the conclusion in the Safety Evaluation Report for Units 3 and 4 that the site is acceptable." Item 7 in the revised August 3, 1973 affidavit reads, "At this time, taking into account the applicant's preliminary finding, my own observations, and the absence of identified 'capable' faults in the region of the site, I see no reason to change the conclusion in the Safety Evaluation for Units 3 and 4 that the site is acceptable."

-- Who was responsible for these changes in the affidavit and why were they made?

-- Is this kind of review and modification a routine procedure for the treatment of NRC affidavits?

4. Please provide for the record any photographs in your possession of the North Anna Nuclear Site. They should be clear prints if possible.

5. Please provide a two-page background paper on the Diablo Canyon Nuclear Reactor, including pertinent information concerning its history and current status.

6. It has been determined that the geological fault in the North Anna Nuclear Site is not "capable".

- Assuming that the fault has not moved within the last 35,000 years, what is the mathematical probability that it will move in the next 40 years?
- What is the probability of movement if the fault has been inactive for 500,000 years? 75 million years?

7. The record would benefit from further explanation of the exact causes of several delays in the NRC's action upon being informed of the chlorite seam on May 17, 1973. Please give detailed reasons for the following:

- (1) One month delay from May until June 18 before the AEC visited the site.
- (2) One month from June 18 until July 20 before staff geologist, A.T. Cardone supplied the affidavit on the site visit.
- (3) Two-week delay from July 20 until August 3, before filing the affidavit with the licensing board.

8. Apparently AEC regulatory practice in 1970-1973 did not require factual disclosure of geological issues. The opinion of the experts were sufficient. Thus, for example, VEPCO's failure to file the Stone and Webster geological report until 3 years after it was written might not have been contrary to AEC policy.

-- Were you responsible for implementing that policy?

-- Has it changed since then?

9. The NRC has indicated that several technical meetings and visits to the North Anna site took place in 1969-70, at least on August 14-15, September 11, 1969, and February 18-19 and September 10, 1970.

- Please provide all internal documents relating to such visits and meetings to the North Anna Nuclear site, which were generated in 1969 and 1970.

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10. One witness at the hearings, in describing the construction license hearing of 1970, said, "The Board asked no questions regarding foundation conditions, and the staff and applicant adduced no information. The staff did not tell the Board of collapsing walls at the site nine months earlier." It would seem that knowledge of such criteria as foundation conditions would be an essential prerequisite to granting a construction license.

- Did the Board fail to address or pursue this area?
- Did the staff fail to bring matters of such importance to the attention of the Board? If so, in either case, please explain.

11. On page 16 of the May 11, 1977 Department of Justice memo, the following sentence appears, "Had it not been for the persistent efforts of Ms. Allen and her group, it is entirely likely that the NRC would not even have convened a full adjudicatory hearing on the fault provision or have assessed a penalty against VEPCO." In addition, Ms. Allen testified that "in proper regulatory circumstances, surely such a disciplinary hearing should have been initiated by the AEC, not left to the research and initiative of an unfunded group of citizen intervenors."

- Please comment.

12. Please supply a complete list of fines which have been levied against licensees for actions occurring during the course of nuclear plant construction. Include the names of licensees and the dates, amounts and reasons for fines, as well as the dates of fine payment.

13. On page 10 of Ms. Allen's testimony, it is stated that, "The Coalition learned just weeks ago...that in both instances [abnormal and differential settling problems at North Anna and Surry] NRC Region II recommended civil penalties be imposed. In both instances, higher authorities in NRC Inspection and Enforcement wiped out the penalties."

- Please provide Region II documents and NRC Inspection and Enforcement documents dealing with these issues.

14. The NRC has vigorously emphasized that new, more effective procedures for the coordination and disclosure of technical information have been developed and utilized in the past few years. However, Ms. Allen testified that, "The Board is served up favorable facts about nuclear utility by the NRC staff... Such was the case recently in regard to gaseous release and radiation exposure figures at Surry. NRC renounced its own annual reports when its figures were presented by the Coalition to the ACRS. That was October, 1976."

-- Please explain this and provide all documents pertinent to this charge by the Coalition.

15. The NRC stated at the hearings that the NRC staff "reported its plans for developing formal procedures [for the coordination and disclosure of technical information] on June 17, 1976, and issued the procedure on November 2, 1976."

-- Please furnish this for the record.

16. The cover letter which was transmitted with the NRC "Moseley Report" of March 25, 1974 stated that, "No violations of Federal regulations were identified during the investigation." In the May 11 Department of Justice memorandum, this investigation was described as having been performed "without even interviewing the primary VEPCO personnel or examining memoranda of VEPCO and S&W. The Executive Legal Director later commenced his own investigation which resulted in the imposition of civil penalties."

-- Was the scope of the initial investigation as limited as described? If so, why?

-- On what basis was the investigation reopened? What caused the dramatic change in NRC's judgement concerning alleged VEPCO improprieties?

17. You were asked during the hearings whether or not you and the other Commissioners are satisfied that a definitive investigation of possible concealment or misconduct by NRC (AEC) officials in this case has been completed.

-- If so, please explain the range of the investigation and its results.

-- If not, please discuss plans for future action.

- ⑮ Please reconcile the attached chronology which was read into the record by Senator McClure, with that appearing in your prepared testimony.

QUESTIONS FOR MR. GOSSICK

1. On page 5 of your prepared testimony, you stated that "some time lag in documenting information can occur because of the need to coordinate among several disciplines within the staff..." You also stated that routine and new information is documented in incoming correspondence and staff summaries of meetings.

-- To what extent is coordination necessary before making these kinds of documents available?

2. On page 18 of your prepared testimony you stated that the primary goal of the NRC is "assurance of the safety and environmental acceptability of nuclear plants," and that the proliferation of paperwork caused by new informative procedures might hamper the implementation of this objective.

-- Is it your opinion that carrying out these new procedures will produce paperwork "without real benefit to the central mission of the agency"?

-- Please give examples of how such efforts in the past have been detrimental to carrying out the NRC's mission.

QUESTIONS FOR MR. CASE

CURRENT SITE-RELATED PROBLEMS

1. Is it true that settling beyond predictions had been going on at North Anna since 1972 but was only reported in 1975?
2. Are you familiar with the remedial drainage system which must be installed at North Anna to remove excessive ground-water in an attempt to arrest abnormal and differential settling? Do any other sites have such an installation? If not, will North Anna's remedial drainage system go through a testing period before the reactors go critical?
3. We understand that the ACRS requested that the NRC staff "affirm that the hydrology of the (North Anna) site is under control."
 - Is it under control? If not, please explain your statement on August 1 to the ACRS that "the applicant's program regarding ground-water levels is acceptable .
4. At the false statement penalty hearing in May 1975 you testified "I have uniformly received reports that things were being taken care of in a responsible and timely manner".
 - Didn't VEPCO allow Surry to go critical without checking out or informing the NRC of a known settling problem?
 - Was VEPCO's reporting on site problems really "responsible" and "timely"?
5. Did the NRC staff originally find that a program of vertical wells would be acceptable but later find that it had to be abandoned as unsuccessful? Shouldn't the drain system be demonstrated to be workable before NRC staff approval is given?

NRC'S Present Procedures

6. You have stated that present staff procedures are to inform the licensing board as soon as important safety-related information becomes known.

Zion(Illinois)- The August 18, 1977 memo from Stephen Hanauer to E.G. Case identifies a possible design defect in the zion reactor. This defect relates to interactions between the control system and the protection system, a property common to all Westinghouse reactors.

-- Are the Licensing Board panels that are presently considering construction permits or operating licenses for other Westinghouse reactors aware of this possible safety problem?

7. St. Lucie (Florida) - On July 16, 1977 off-site power for St. Lucie Unit #1 was lost. There is a history of grid disturbances in Florida dating back to the blackouts of 1973-74.

-- Is the Board that is considering the construction permit for St. Lucie #2 aware of this possible safety problem?

8. North Anna (Virginia) - The limited appearance statement by intervenor Robert D. Pollard to the Atomic Safety and Licensing Board May 31, 1977 in reference to the Operating License for North Anna 1 and 2 identifies four potential safety issues:

- (a) independence of redundant safety equipment
- (b) turbine missiles
- (c) seismic and environmental qualification of safety equipment
- (d) integrity of steam generator tubes

-- Were any of these issues called to the attention of the Board by the staff? If not, why not?

9. On page 11 of your prepared testimony you stated that several drafts of A.T. Cardone's affidavit and cover memo were developed between July 18, 1973 and August 3, 1973 when the final version was presented to the Board.

-- How many drafts were prepared?

The affidavit of August 3 appears to have received only minor changes from that of July 20. In addition, the corresponding cover memoranda for both dates are identical.

-- What exactly was being drafted between June 20 and August 3 which required two weeks of preparation?

(10) Mr. Bradford Whitman of the Department of Justice stated at the hearings that, "On April 20, 1977, we met with NRC lawyers to discuss the fact that we developed this evidence that tended to show a false statement by VEPCO... The second meeting or series of interviews was on April 29, which I held with the NRC staff people to determine the facts in the case."

-- Please provide documentation of these meetings.

Carbone
Schwartz
Peyman
Casper

(11) Ms. Allen testified that there may be some reason to believe that some parts of Dr. Funkhauser's deposition may have been deleted before placement in the Public Document Room.

-- Is this true?

-- If so, what was deleted, and why?

-- Is it common practice to revise documents before they are made publicly available?