



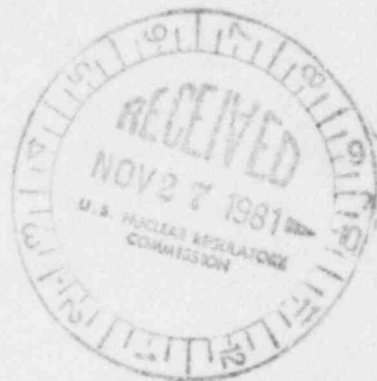
UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

IE files

IE HQ FILE COPY

November 16, 1981

The Honorable Morris K. Udall
Chairman
Subcommittee on Energy and the Environment
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D. C. 20515



Dear Mr. Chairman:

You recently inquired about the adequacy of the investigation by our Office of Inspection and Enforcement (OIE) into quality assurance/quality control problems at the William H. Zimmer Nuclear Power Station. The OIE investigative effort at Zimmer is not yet complete. However, a recent report of our Office of Inspector and Auditor (OIA) was critical of an earlier OIE investigation. My own inquiry into this matter convinces me that, while there are inadequacies in the initial OIE investigation of Zimmer and in its investigatory program generally, the findings presented to the Commission to date do not indicate that these problems have contributed to an adverse public health and safety situation at the plant. The pertinent documents are enclosed.

Early last year, OIE investigated and reported on allegations of improprieties in quality assurance/quality control activities at the Zimmer plant. OIA was asked to evaluate the adequacy of that OIE investigation. In its report of August 7, 1981, OIA concluded that the OIE investigation was unsatisfactory. OIA's fundamental criticisms were that OIE failed to adequately document its investigation and failed to follow through on significant leads. I requested interactive comments from OIA and OIE and, thereafter, met with the main participants on October 9, 1981. My conclusions are as follows:

1. I agree with OIA's finding that OIE's original investigation should have been more comprehensive. The Commission is considering the necessary internal reforms.

I believe we need criteria to determine the instances which require such full-scale investigations. The NRC does not have the resources to conduct in-depth investigations in all instances, and such in-depth investigations are not called for by the circumstances of every case. However, when a full investigation is called for, as for example in the case of possible criminal conduct, NRC needs to conduct that investigation consistent with fundamental standards

8112080181 811116
IE ADOCK 05000358
CF

that govern investigations by any agency. I have requested the Executive Director for Operations to develop guidelines for determining when to conduct investigations, and to establish more formal investigative standards and procedures for such investigations.

2. I am satisfied with the steps we are taking at the Zimmer Nuclear Power Plant to protect public health and safety. A follow-up OIE investigation is nearly complete. OIE's final report should be available shortly. In addition, I note that the licensee has recently committed to a Quality Confirmation Program to address the problems that have been found at the Zimmer plant.

In summary, shortcomings in the earlier OIE investigation of Zimmer reveal a generic problem. Steps are being taken to remedy that problem. In addition, OIE will shortly release its final report on the Zimmer plant. The Commission will look closely at that report. Finally, the licensee is committed to a verification program to provide further assurances to public health and safety.

The Commissioners have been informed and do not disagree with the conclusions set forth in this letter.

If you have further questions on this matter, please do not hesitate to contact me.

Sincerely,

Original signed by
Nunzio J. Palladino

Nunzio J. Palladino

Enclosures

1. Memo fm James J. Cummings, IA, to Commission dtd August 7, 1981 transmitting OIA report: "Adequacy of IE Investigation 50-358/80-9 at the William H. Zimmer Nuclear Power Station"
2. Memo fm William J. Dircks, EDO, to the Commission dtd September 17, 1981
3. Memo fm William J. Dircks, EDO, to the Commission dtd September 17, 1981
4. Memo fm James J. Cummings, IA, to the Commission dtd October 8, 1981

cc: Representative Manuel Lujan

Cleared with all Cmrs' Offices by SECY CR.
Ref.-CR-81-137

DISTRIBUTION

WJDircks	HShapar
EKCornell	EDO-10830
TARehm	SECY
VStello	CA
RDeYoung	BMatosko
JSniezek	
JKeppler, RIII	
HDenton	

Originating Office: EDO/I&E

OFFICE	SECY	OCA	OCM	OCM	OCM	CHRMN	OCM
SURNAME	TCombs	FCombs	J.D. Dermott	J. R. [unclear]	N. Haller	N. Palladino	C. R. [unclear]
DATE	11/10/81	11/10/81	11/181	11/181	11/181	11/181	11/181



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

OFFICE OF THE
CHAIRMAN

The Honorable Morris K. Udall, Chairman
Subcommittee on Energy and the Environment
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Commission is investigating allegations associated with the William H. Zimmer Nuclear Power Station. The investigation is not yet complete, and, as such, final conclusions on the quality of construction at Zimmer have not been reached. We intend to resolve the issues of quality of construction that impact on safety at Zimmer irrespective of whether these issues stemmed from allegations, prior NRC inspection or the ongoing investigation.

Thus far, the vast majority of issues involve deficiencies in quality assurance documentation of construction quality. We are imposing on the licensee a comprehensive Quality Confirmation Program through which the licensee must confirm to our satisfaction that the quality required by NRC regulations does exist, or is established by repair and rework where deficiencies are found. In addition, the NRC is using the NRC Non-Destructive Examination mobile laboratory (NDE van) and specialists contracted by NRC to conduct radiographic, ultrasonic and other testing techniques to directly evaluate the actual quality of installed plant equipment and structures on a spot check basis. Selected material samples are also being sent to independent laboratories for metallographic examination to determine material content.

I assure you both personally and in behalf of the NRC staff that the problems at Zimmer will be resolved prior to NRC issuance of an Operating License for Zimmer. I will forward to you the conclusions, corrective actions and results achieved at Zimmer upon resolution. This information will contain the nature and disposition of the allegations associated with the current investigation.

Sincerely,

Nunzio J. Palladino
Chairman

cc: Rep. Manuel Lujan

Distribution:

W. Dircks, EDO
 K. Cornell, EDO
 T. Rehm, EDO
 H. Denton, NRR
 H. Shapar, ELD
 V. Stello, IE
 R. DeYoung, IE
 J. Snizek, IE
 J. Keppler, RIII
 T. Harpster, IE
 E. Blackwood, IE
 J. Henderson, IE
 EDO 10830
 Beth Matosko, IE
 H11-2515-H07
 SECY-81-1089
 IE Files
 IE Reading
 RRRI Files
 RPS Files
 OIA

0353 *was* *was for*

OFFICE	C:RPS:RPRIB	C:RPRIB:RRRI	D:RRRI:IE	DD:IE	D:IE	ELD	EDO
SURNAME	EB Blackwood	TL Harpster	JH Snizek	RC DeYoung	V Stello	Lieberman	WJ Dircks
DATE	8/28/81.kle	8/28/81	8/28/81	8/28/81	8/28/81	8/28/81	8/28/81