

MAR 18 1994

Cocket Nos. 50-259, 50-260, 50-296
License Nos. DPR-33, DPR-52, DPR-68

Tennessee Valley Authority
ATTN: Dr. Mark O. Medford
Vice President, Technical
Support
3B Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

2.790 INFORMATION REMOVED

Gentlemen:

SUBJECT: ENFORCEMENT CONFERENCE SUMMARY
(NRC INSPECTION REPORT NOS. 50-259/92-09, 50-260/92-09, 50-296/92-09
AND NRC OFFICE OF INVESTIGATIONS REPORT NO. 2-92-003R)

This letter refers to the Enforcement Conference held at our request on March 3, 1994. This meeting concerned activities at your Browns Ferry facility. Your presentation was beneficial in clarifying the circumstances and root cause of the problems identified in the access control program at Browns Ferry relating to out-processing of terminated employees and the logging and reporting of safeguards events.

In addition, your presentation provided us with an understanding of your commitments for corrective actions to preclude recurrence and to ensure compliance with established procedural requirements for managers and employees. A list of attendees, conference summary and a copy of your handout are enclosed. We are continuing our review of these issues to determine the appropriate enforcement action.

In accordance with Section 2.790 of the NRC's "Rule of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and Enclosure 2 will be placed in the NRC Public Document Room.

During the enforcement conference, you identified Enclosure 3 as containing 10 CFR 2.790 material. Therefore, Enclosure 3 will not be placed in the NRC Public Document Room at this time. However, please review this document and identify those portions you believe should be withheld and include your basis for that determination. Upon receipt and review of your response, we will place a redacted version of Enclosure 3 in the NRC Public Document Room.

Sincerely,

Original Signed by

for B. Mallett
J. Philip Stohr, Director
Division of Radiation Safety
and Safeguards

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PDR ADOCK 05000259
PDR

Enclosures: (See page 2)

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Tennessee Valley Authority

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Enclosures:

1. List of Attendees
2. Conference Summary
3. Handout
(2.790 Information)

cc w/encls 1, 2, and 3:
O. J. Zeringue, Vice President
Browns Ferry Operations
Tennessee Valley Authority
P. O. Box 2000
Decatur, AL 35602

cc w/encls 1 and 2:
Mr. Craven Crowell, Chairman
Tennessee Valley Authority
ET 12A
400 West Summit Hill Drive
Knoxville, TN 37902

Mr. W. H. Kennoy, Director
Tennessee Valley Authority
ET 12A
400 West Summit Hill Drive
Knoxville, TN 37902

Mr. Johnny H. Hayes, Director
Tennessee Valley Authority
ET 12A
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Knoxville, TN 37902

Dr. Mark O. Medford, Vice President
Technical Support
Tennessee Valley Authority
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Mr. D. E. Nunn, Vice President
Tennessee Valley Authority
3B Lookout Place
1101 Market Street
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Mr. R. D. Machon, Site Vice President
Browns Ferry Nuclear Plant
Tennessee Valley Authority
P. O. Box 2000
Decatur, AL 35602

(cc w/encls 1 and 2 cont'd - See page 3)

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Tennessee Valley Authority

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(cc w/encls 1 and 2)
General Counsel
Tennessee Valley Authority
ET 11H
400 West Summit Hill Drive
Knoxville, TN 37902

Mr. B. S. Schofield, Manager
Nuclear Licensing and Regulatory Affairs
Tennessee Valley Authority
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1101 Market Street
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Mr. T. D. Shriver, Manager
Nuclear Assurance and Licensing
Browns Ferry Nuclear Plant
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P. O. Box 2000
Decatur, AL 35602

Mr. Pedro Salas
Site Licensing Manager
Browns Ferry Nuclear Plant
Tennessee Valley Authority
P. O. Box 2000
Decatur, AL 35602

Mr. Roger W. Huston
TVA Representative
Tennessee Valley Authority
11921 Rockville Pike
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Chairman
Limestone County Commission
P. O. Box 188
Athens, AL 35611

Mr. C. E. Fox, M.D.
State Department of Public Health
State Office Building
434 Monroe Street
Montgomery, AL 36130

bcc w/encls 1 and 2:
E. W. Merschoff, RII
J. R. Johnson, RII
P. J. Kellogg, RII
B. M. Bordenick, OGC
M. S. Callahan, GPA/CA
T. M. Ross, NRR

(bcc w/encls 1 and 2 cont'd - See page 4)

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(bcc w/encls 1 and 2 cont'd)

G. C. Lainas, NRR

F. J. Hebdon, NRR

L. J. Watson, RII

J. Lieberman, OE

Document Control Desk (RIDS IE04), 016

NRC Resident Inspector

U.S. Nuclear Regulatory Comm.

Route 12, Box 637

Athens, AL 35611

* See previous concurrence

RII:DRSS

*

TILLMAN

03/ /94

RII:DRSS

*

MCGUIRE

03/ /94

RII:DRSS

*

COLLINS

03/ /94

RII:DRP

*

KELLOGG

03/ /94

RII:DRSS

*

BSm
MALLETT

03/18/94

RII:EICS

*

URYC

03/ /94

RII:RC

Che

EVANS

03/18/94

Tennessee Valley Authority

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MAR 18 1994

(bcc w/encs 1 and 2 cont'd)

G. C. Laines, NRR

F. J. Hedden, NRR

L. J. Watson, RII

J. Lieberman, OE

Document Control Desk (RIDS IE04), 016

NRC Resident Inspector

U.S. Nuclear Regulatory Comm.

Route 12, Box 637

Athens, AL 35611

~~bcc w/encs 1, 2, and 3:~~

~~NRR/DRSS/PSGB~~

RII:DRSS

Thompson
TILLMAN
03/16/94

RII:EICS

UR
URYC
03/17/94

RII:DRSS

W
MCCUIRE
03/16/94

RII:RC

ebe
EVANS
03/18/94

Not here
~~RII:DRSS~~

~~COLLINS
03/17/94~~

~~RII:DRP~~
Jaudon
03/17/94

~~RII:DRP~~

~~KELLOGG
03/17/94~~

RII:DRSS

M
MALLET
03/17/94

ENCLOSURE 1

LIST OF ATTENDEES

U. S. NUCLEAR REGULATORY COMMISSION

Region II

D. Collins, Chief, Nuclear Materials Safety and Safeguards Branch
S. Ebnetter, Regional Administrator
C. Evans, Regional Counsel
P. Kellogg, Section Chief, Division of Reactor Projects
B. Mallett, Deputy Director, Division of Radiation Safety and Safeguards
O. Masnyk, Safeguards Specialist
D. McGuire, Chief, Safeguards Section
E. Merschoff, Acting Deputy Regional Administrator
J. Stohr, Director, Division of Radiation Safety and Safeguards
L. Stratton, Safeguards Specialist
D. Thompson, Safeguards Inspector
A. Tillman, Safeguards Inspector
B. Uryc, Acting Director, Enforcement and Investigation Coordination Staff
L. Watson, Enforcement Specialist

TENNESSEE VALLEY AUTHORITY

Corporate Office

C. Kelly, Security Manager
O. Kingsley, President, TVA Nuclear
M. Medford, Vice President, Nuclear Support
M. Phillips, Attorney
E. Vigluicci, Attorney
O. Zerinque, Senior Vice President

BROWNS FERRY

M. Bajestani, Manager, Technical Support
J. Brazell, Site Security Manager
S. Rudge, Manager, Site Support
P. Salas, Manager, Site Licensing

ENCLOSURE 2

An Enforcement Conference was held on March 3, 1994, at the Region II Office to discuss licensee identified failures to control access of terminated employees to the protected area, and to log and report the event in the Quarterly Safeguards Event Log as required.

The Regional Administrator expressed concern related to the NRC Office of Investigation finding of an apparent deliberate failure to comply with procedural requirements relating to out-processing of terminating employees and their subsequent unauthorized re-entry into the protected area, and the logging of the event. The licensee was invited to provide its understanding and assessment of the events. The Acting Director of the Enforcement and Investigation Coordination Staff explained the enforcement process and applicable provisions of the enforcement policy pertinent to this conference. The Director, Division of Radiation Safety and Safeguards discussed the NRC's understanding of the apparent violations and the regulatory requirements of the Physical Security Plan and implementing procedures.

Licensee officials presented a briefing that outlined their understanding of the events, the root causes for the violations, proposed and implemented corrective measures, and their evaluation of the significance of the event.

Licensee officials acknowledged that the violations occurred and conceded that the failure to effectively implement existing procedures, which in some instances needed improvement, was the primary cause of the violation relating to access control. The licensee attributed personnel error on the part of TVA for the failure to log the Safeguards Event based on the rationale of the security manager who incorrectly applied his interpretation of the relevant NRC regulations and guidance. The licensee officials took exception to the OI conclusions that TVA supervisors and managers deliberately violated or disregarded NRC requirements regarding the unauthorized entry of the terminated contractor employees, and the failure to log and report the event. Licensee officials did not disagree with the finding that the contract employees intentionally violated provisions of the access control program but maintained that there appeared to have been no malevolent intentions associated with their actions. It was noted that TVA, on its own initiative, discovered the violation, re-evaluated the faulty decision and notified NRC. The licensee's briefing is contained in Enclosure 3 to this Summary.

The conference was concluded by the Regional Administrator informing Licensee officials that the apparent violations discussed during the conference were subject to further review and could change prior to any resulting enforcement action. The Regional Administrator further noted that statements of views or expressions of opinions made by NRC representatives at the Enforcement Conference, or the lack thereof, were not intended to represent final agency determinations or beliefs.