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NUCLEAR REGULATORY COMMISSION
REVIEW TEAM
FOR REASSESSMENT OF THE NRC'S HANDLING OF
RETALIATION ALLEGATIONS

REPORTER'S EXCERPT OF PROCEEDINGS

October 8, 1993

New London, Connecticut

Review Team Members:

James Lieberman - Director of the Nuclear Regulatory
Commission's Office of Enforcement

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Region II

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1 9:00 a.m.

2 THE CHAIRMAN: Good morning. Let me call this
3 meeting to order. I am Jim Lieberman, the Director of the
4 NRC's Office of Enforcement, and Chairman of the Review Team
5 for Reassessment of the NRC Program for protecting alleged
6 against retaliation. With me today from the review team is
7 Jon Johnson. Unfortunately Ben Hayes had a personal problem,
8 and he wasn't able to be with us this morning.

9 Also with us from the Commission is Susan
10 Chidakel from the Office of General Counsel and Laben Coblentz
11 from my office, and Richard Barkley from Region 1 office.

12 This is the second set of the third of four
13 public meetings to obtain comments from interested persons
14 including licensees their contractors and their employees. At
15 each of these meetings we are having an evening session and a
16 morning session.

17 The purpose of these meetings to obtain
18 information to assist the review team in evaluating current
19 NRC activities and making recommendations to improve the
20 regulatory process. This morning's meeting will begin a
21 presentation by Northeast Utilities providing us comments on
22 their efforts to encourage employees' concerns on safety
23 issues. Thereafter we will listen to comments from other
24 persons.

25 The review team was formed at the direction of

1 the Commission to consider whether NRC has taken sufficient
2 steps within the statutory authority to create an atmosphere
3 within licensees' organizations where employees including
4 contractor employees feel free to raise safety issues without
5 fear of retaliation.

6 The review team is considering several issues,
7 such as:

8 1. Whether the NRC has taken sufficient steps
9 through regulations, policy statements and inspections to
10 insure that licensees encourage their workers and contractors
11 to raise safety issues.

12 2. Whether the current process for handling
13 allegations by the NRC is appropriate from the perspective of
14 the employee feeling free to raise safety issues.

15 3. Whether NRC is sufficiently proactive in
16 cases where employees raise concerns or express fears that
17 they may become subject to retaliation if they do raise safety
18 issues in the future.

19 4. Whether the NRC policies are appropriate
20 when discrimination may have occurred including relationships
21 with the Department of Labor, treating the potential for
22 chilling effects, performing investigations, and taking
23 enforcement action

24 As I noted, we are seeking comments from both
25 workers and licensees. We have published a Public Register

1 Notice seeking public comments. We have copies of the Federal
2 Register Notice on the back table. We are accepting public
3 comments through mid-October. We have also met with attorneys
4 representing both workers and licensees. These efforts,
5 including the meetings today are intended for the purpose of
6 employees, and licensees, and other individuals to bring forth
7 issues and ideas for our consideration. Following the
8 completion of these public meetings and evaluation of the
9 comments, we will be preparing a report for the NRC
10 Commissioners. It is our expectation that this report will be
11 completed in January of 1994. Thereafter, the report will be
12 submitted to the Congress.

13 The issue before us is an important one. NRC
14 even with its many inspectors can only observe a fraction of
15 licensed activities. We will never have the knowledge
16 possessed by the thousands of employees in the nuclear
17 industry. Employees of the nuclear industry have clearly made
18 contributions to the public health and safety by coming
19 forward with concerns.

20 Employees must feel free to raise potential
21 safety issues to the NRC. However, in the Commission's view,
22 it is not enough for employees to feel free to come directly
23 to the NRC.

24 Licensees have the first responsibility for
25 safety. Thus employees must also feel free to raise safety

1 issues to their management.

2 We recognize that there is dissatisfaction with
3 the current system. Employees are not always comfortable in
4 raising safety issues. The process takes a long time. There
5 are cases where discrimination has occurred where employees
6 have engaged in protected activities.

7 We are looking forward today to ideas on what
8 actions NRC should consider to cause licensees to foster an
9 atmosphere where individuals with potential safety concerns
10 are encouraged to come forward with those concerns.

11 I want to emphasize that our purpose today is
12 not to debate or resolve specific cases but rather to gain
13 ideas on how to improve the regulatory process.

14 The ground rules for this meeting will be that
15 persons who desire to speak will need to check in at the table
16 on the back of the room. A number will be given to you. And
17 I will call speakers. We will begin first with a presentation
18 by Northeast Utilities. We have asked them to provide about a
19 30 minute presentation. After our discussion of their
20 presentation, I will call the speakers to the microphone here
21 in front of the room. We don't intend to debate the merits of
22 the issues, so please don't take our silence as either
23 agreeing or disagreeing with the comments.

24 We recognize that there maybe some here who may
25 be uncomfortable in speaking before this audience. Those

1 individuals, as well as any of the speakers if they have not
2 done so already are invited to submit written comments to us
3 on the issues raised in the Federal Register Notice. We have
4 forms on the back table with prepaid envelopes that you can
5 send comments to us.

6 We welcome each of you here today, and
7 appreciate your taking the time to meet with us.

8 This is a transcribed meeting. As I said
9 earlier, speakers do not need to identify themselves by name,
10 but it would be helpful if each speaker would provide some
11 background on their past involvement in the industry.

12 With that let us begin, I believe Mr. Scace is
13 going to start.

14 MR. SCACE: Good morning, Mr. Lieberman and Mr.
15 Johnson. Northeast Utilities appreciates this opportunity to
16 meet with members of the NRC's Review Team and to share our
17 perspectives on the important issues that the Review Team has
18 been tasked to consider. My name is Stephen Scace, and I am
19 the Vice President, Millstone Station. Also here today are
20 Mr. David Diedrick, Director of our Nuclear Safety Concerns
21 Program, and Mr. Richard Kacich, our Nuclear Licensing
22 Director.

23 Northeast Utilities has been invited here today
24 to offer our perspectives on the NRC's program for responding
25 to allegations by nuclear industry employees that they have

1 been discriminated against for raising safety issues. As we
2 understand it, the Review Team's specific mission is to
3 ascertain whether the NRC has taken sufficient steps to create
4 an atmosphere within the industry in which employees feel free
5 to contribute to the identification and resolution of nuclear
6 safety issues, without fear of retaliation.

7 Northeast Utilities recognized that the issues
8 before you are important ones, and we appreciate the
9 opportunity to contribute to your deliberations. We fully
10 share the NRC's goal to ensure that employees who encounter
11 issues of safety or quality feel free to contribute to the
12 resolution of those issues. We are committed -- now, more
13 than ever -- to focus on fostering an atmosphere in which all
14 of our employees, including our contractor employees, are
15 encouraged to bring safety issues to their supervisors and
16 recognize the contribution they make in airing safety issues.
17 This goal is accomplished through Company policies and
18 training, and most importantly, through the daily interactions
19 amongst among all of our employees -- from the most junior
20 worker to the most senior manager -- during which nuclear
21 safety issues are identified and resolved through a team
22 approach. We believe that having this type of atmosphere is
23 an absolutely vital component of a healthy, safety-conscious
24 nuclear organization.

25 We are proud of our workforce, and believe that

1 our employees do in fact carry out their day-to-day activities
2 with a safety first work ethic. Our company has over 9,000
3 employees, including 3,000 in the nuclear organization who
4 work at the five nuclear reactor plants operated by Northeast
5 Utilities companies -- our three Millstone units, Haddam Neck,
6 and Seabrook -- and in our corporate support organizations.
7 Our nuclear employees are professional and responsible
8 individuals who understand that they are individually
9 accountable for the safe, reliable and efficient operation of
10 our nuclear facilities. We believe that the credit for the
11 fine safety record of our facilities belongs, first and
12 foremost, to our dedicated, safety-minded employees.

13 Our intent today is to address some of the
14 specific questions the Review Team has asked, such as what
15 attributes make an employee concerns program successful. But
16 we want to make clear at the outset that we do not believe
17 that an overhaul of the Commission's allegations process is in
18 order. Rather, we offer today some suggestions for improving
19 the NRC's processes, which stem from our own experiences with
20 the current regulatory process. But we urge -- strongly
21 urge-- that the NRC Review Team to refrain from drawing any
22 conclusions or implementing any changes to its process before
23 it has gathered all relevant information, and even then to be
24 cautious and deliberate in its approach to these issues. We
25 urge the panel to consider carefully whether regulatory

1 changes will further enhance the NRC's mission, which is,
2 after all, to provide "reasonable assurance" that the public
3 health and safety will be protected, or will divert resources
4 from areas of greater safety significance. Anecdotal evidence
5 that the work environment is not perfect should not constitute
6 a basis for dramatic change.

7 As a final note before I move to some of the
8 specific issues at hand today, let me say this: A handful of
9 our employees have found their experience in our nuclear
10 organization to be unsatisfactorily. In addition to making us
11 redouble our efforts to ensure the proper atmosphere exists
12 throughout our nuclear organization, these issues have already
13 been or are currently the subject of comprehensive review by
14 the NRC. We do not propose to revisit here the specific facts
15 or merits of these matters. Our familiarity with these
16 issues, however, is precisely the reason that our perspectives
17 on the existing regulatory process maybe useful to you.

18 You have asked for our thoughts on the
19 attributes that make an employee concerns program an effective
20 one. I would like to take a few moments to highlight the
21 fundamental elements of our Program.

22 We have made clear to our nuclear employees that
23 they bear the responsibility to report safety issues
24 promptly-- to their supervisors or others in their chain of
25 command, to our Nuclear Safety Concerns Program, or to the

1 NRC. It is our strong preference that employees report safety
2 issues to their supervisors, because issues raised in that
3 manner can most effectively, efficiently, and promptly be
4 evaluated and resolved. We also believe, however, that
5 employees should have the ability to pursue safety issues
6 through an alternative avenue if, for whatever reason, they
7 believe that the preferred course would not be effective or
8 satisfying.

9 Northeast Utilities has since 1985 had a nuclear
10 safety concerns program in one form or another that provides
11 an avenue for employees to raise safety issues outside their
12 chain-of-command. The program has evolved and matured in the
13 last several years, particularly through significant
14 enhancements made in early 1990. It is now a fairly formal
15 program that includes a director, whose sole responsibility is
16 for Program activities, and other staff members.

17 The cornerstone of our Nuclear Safety Concerns
18 Program, or NSCP, is the commitment that employees utilizing
19 the Program will, if they desire, be afforded confidentiality.
20 Issues may even be submitted to the NSCP anonymously. Among
21 the specific ways the Program provides for employees to raise
22 issues anonymously is a toll-free hotline and the placement of
23 drop-boxes at multiple locations at Millstone, Haddam Neck and
24 the corporate offices in Berlin. Seabrook employees may
25 report safety issues to the Employee Allegations Resolution

1 Program that is located at and applies specifically to the
2 Seabrook site.

3 Employees are reminded as part of the annual
4 General General Training that the NSCP provides anonymity to
5 those who may wish to raise an issue, or confidentiality for
6 anybody who requests it.

7 The Director of the Program reports functionally
8 to the Chairman of the Board. The NSCP received a charter
9 from the Company's Board of Trustees in November of 1992, and
10 reports to the Board on Program operations. In addition to
11 the fact that the Program Director reports to the Chairman,
12 the Program is also independent of management in other
13 respects. The Program's offices are located off-site, and
14 Program records and documentation are maintained in
15 confidence, and segregated from other corporate records, in
16 the off-site Program offices.

17 Even after the significant enhancements of 1990,
18 we have continued to monitor the effectiveness of, and to
19 fine-tune the Program. A task group formed to review the
20 efficacy of our operations in handling allegations in the
21 nuclear organization, recommended in 1991 that the Company
22 consider ways in which to enhance the visibility of our
23 Program. We have attempted, quite successfully we think, to
24 do this in a number of ways. Perhaps most unique, in 1992, we
25 created a Peer Representative Program -- to our knowledge, the

1 first of its kind in the nuclear industry -- in which some 32
2 volunteers throughout the nuclear organization act as liasons
3 to the NSCP.

4 Our Peer Representative Program is designed to
5 make it easier for employees to communicate with the NSCP and
6 more likely that they will do so. Employees may contact any
7 of the Program's peer representatives, in confidence, to
8 obtain assistance in the handling of nuclear safety issues.
9 Peer representatives who have been alerted to a safety issue
10 can then either take prompt steps to address the issue, or
11 relay the issue to the NSCP staff. Because our employees are
12 likely to be acquainted with at least some of the peer
13 representatives, employees seem to feel comfortable in
14 discussing issues with them. The peer representatives work in
15 a broad cross-section of departments throughout our nuclear
16 organization and at various sites, and, therefore, provide our
17 employees a ready mode of access to the NSCP. We have
18 selected these representatives based on their knowledge of
19 nuclear organization systems and procedures and on their
20 representation for integrity and ability to inspire trust
21 among their co-workers. The NSCP Staff has quarterly meetings
22 with peer representatives to exchange experiences, ideas, and
23 industry information. Let me emphasize that each of the peer
24 representatives is a volunteer who is dedicated to the safe
25 operation of our units and who represents an unwavering

1 commitment to the open communication of nuclear safety issues.

2 By all indications, our peer representative
3 enhancement to the NSCP has been an effective one. Since the
4 inception of the peer representative enhancement in mid-1992,
5 there have been over 30 contacts made to peer representatives.
6 But the strength of the Peer Representative Program lies, in
7 our view, in the daily interface between employees and the
8 peers, which is not quantified or quantifiable. By a recent
9 estimate approximately 80 percent of contacts made to peer
10 representatives do not involve nuclear safety and are directly
11 addressed by the peers, while the remaining 20 percent involve
12 nuclear safety issues that are addressed by the NSCP.

13 Indications are that the results of the Peer Representative
14 Program have been generally positive for all involved -- the
15 employee, the peer representative, and line management
16 individuals who have ultimately been called upon to respond to
17 the safety issues identified.

18 We believe that the effectiveness of our
19 Employee Concerns Program has also been significantly enhanced
20 by integrating information about the NSCP into various
21 employee training sessions. Since early 1992, an NSCP peer
22 representative has participated in the segment concerning
23 Program procedures in the Company's Administrative Procedure
24 Training course. The representative assists the course
25 instructor in answering employee questions, and providing

1 specific information on the functions of the Program. The
2 NSCP has also provided input into the General Employee
3 Training Program and the Engineering Ethics Program.

4 We believe that our NSCP, because it includes
5 the elements I have described, is an effective one. We have,
6 in fact, just completed an internal validation of the NSCP as
7 part of the Performance Enhancement Program, which confirmed
8 that the Peer Representative Program has provided greater
9 visibility for the NSCP, that there is a high rate of
10 satisfaction with the Program, and that a process exists and
11 is used to review and evaluate the specific comments of any
12 unsatisfied participants. Our validation process involved
13 interviews with about 85 randomly selected employees at our
14 nuclear sites and in our corporate offices, and a review of
15 relevant NSCP documents. In addition, in a report dated June
16 8th, 1993, concerning an NRC review of our Performance
17 Enhancement Program, the NRC likewise found that most
18 employees were knowledgeable of the NSCP and other avenues for
19 reporting issues. I would note that the NRC also found that
20 our employees were "overwhelmingly confident in their ability
21 to use line management to resolve safety concerns." The NRC's
22 June report is consistent with an October 1990 report in which
23 the NRC found that our then newly-enhanced NSCP had the
24 appropriate elements to make it a successful program, and also
25 found that an overwhelming number of the employees interviewed

1 had confidence in, and preferred to resolve issues through,
2 their chain of command.

3 We believe that the effectiveness of our NSCP is
4 also the result of the commitment to this Program by senior
5 management, which has been articulated in numerous
6 communications with employees, including memorandum from our
7 Chief Executive Officer. By design the NSCP plays a limited
8 secondary role in the resolution of safety issues, as a
9 backstop in special situations where the chain-of-command is
10 not the employee's choice. Northeast Utilities nevertheless
11 is committed to ensuring that our Program is fully supported
12 and equipped to accomplish its objectives.

13 The NRC Review Team has asked whether it should
14 consider mandating the implementation of employee concerns
15 programs by all licensees. The success we believe that we
16 have had with our NSCP might suggest that all licensees should
17 implement such programs. But our conclusion on this issue is
18 the contrary. We believe, based on our experience with our
19 Program, that the NRC should neither mandate program nor
20 prescribe particular program elements.

21 We believe the Program we have today provides
22 the best fit for our organization. Our Program has evolved
23 in, and been tailored to, our particular work environment.
24 These are people and culture issues, which are best addressed
25 on a site-specific and time dependent-basis. The ideal

1 program for our company five years hence is likely to be
2 different from the one that exists today. We believe each
3 licensee is in the best position to develop, modify, and
4 verify individualized employee concerns programs. Northeast
5 Utilities will continue to develop and modify its Program, but
6 we wish to do so as circumstances warrant, and in accordance
7 with the prudent allocation of resources, not because the
8 regulations or policy requires us to.

9 In short, the Nuclear Safety Concerns Program at
10 Northeast Utilities has evolved in response to the
11 circumstances and the culture that have existed at our nuclear
12 sites, and the Company believes that commission directives on
13 employee concerns programs would achieve far less than our own
14 initiatives in this area already have, and could potentially
15 limit our flexibility to further improve the Program if
16 additional enhancements are warranted.

17 I would like to say a word about the contract
18 employees who work at Northeast Utilities' nuclear
19 organization. Our contracts with contractors that provide
20 site labor and engineering services contain a standard
21 provision that requires contractors and subcontractors to
22 conform to "all governmental regulations, specifically 10 CFR
23 50.7 and 10 CFR Part 19. The provision requires that all work
24 is to be performed in strict compliance to Northeast
25 Utilities' nuclear safety policies and procedures.

1 Contractors and subcontractors are required to "promptly
2 advise" Northeast Utilities of any individual's concern
3 brought to the contractor or filed with a government agency.
4 Our NSCP is, of course, available for use by contractor and
5 subcontractor employees -- our contract provisions expressly
6 state so -- and contractor employees have in fact brought
7 issues to the Program. Contractor employees are informed of
8 the availability of the NSCP through General Employee Training
9 and by posters about the Program located throughout our
10 nuclear sites.

11 The NRC Review Team has also asked how to
12 improve the NRC's responsiveness to employee allegations. We
13 believe that it should be the NRC's goal, first and foremost,
14 to encourage employees to report safety issues immediately to
15 their supervisors so that the licensee can investigate and
16 resolve the issues quickly, without the delay caused by
17 utilizing indirect channels. When retaliation allegations are
18 brought to the NRC, we believe that the NRC should immediately
19 notify the licensee if there is an underlying nuclear safety
20 issue that may need to be addressed, and also that an employee
21 has expressed a concern about retaliation or potential
22 retaliation. We would also suggest that the NRC make it a
23 practice, if it has not already done so, to inquire of
24 employees who raise issues to the NRC whether they have
25 already brought the issue to the attention of the licensee.

1 Prompt notification of the issues would permit
2 the licensee, consistent with its primary responsibility for
3 safety, to evaluate and resolve the issues involved in an
4 expeditious manner. If the NRC is concerned about revealing
5 the identity of an employee, we certainly respect that
6 confidentiality and suggest that the NRC contact a management
7 representative who is not directly involved in the incident in
8 question or, alternatively, contact a representative of the
9 NSCP.

10 In terms of the timeliness of NRC review of
11 allegations, Northeast Utilities' experience has been that the
12 NRC staff has been prompt and thorough in its pursuit of
13 allegation to determine if they have immediate nuclear safety
14 significance. This strikes us as the correct first priority
15 in light of the NRC's central mission -- to provide reasonable
16 assurance for the protection of public health and safety. In
17 our own experience, the NRC has taken that mix very seriously
18 and swiftly brought to bear the resources necessary to
19 determine whether allegations have significant nuclear safety
20 implications, and if they do, to assure that prompt corrective
21 action is taken. This has been accomplished through a
22 combination of efforts between the NRC resident inspectors and
23 other NRC inspectors from the regional offices and
24 headquarters.

25 This point is illustrated by the NRC's handling

1 of allegations regarding licensed activities at our Millstone
2 station. Over the last several years the NRC has conducted
3 inspections at Millstone involving various allegations. An
4 obvious purpose of such efforts has been to allow the NRC
5 staff to determine whether the allegations had immediate
6 safety significance, and if so, whether they had been or were
7 being addressed by the Company in a responsive and responsible
8 way.

9 The NRC staff in 1990 also conducted a special
10 inspection at Northeast Utilities to inquire into another
11 important aspect of dealing with allegations -- that is,
12 whether the environment in the workplace is conducive to the
13 free flow of information from employees to their management or
14 to the NRC. This is the so-called "chilling effect" issue.
15 We expect that the NRC would also consider a potential
16 chilling effect to be an important priority in its allocation
17 of resources and assurance of timely response to allegations,
18 although we assume that this aspect would rank second in
19 priority behind a prompt determination as to whether any
20 allegation raises an immediate nuclear safety issue.

21 The NRC's 1990 survey, in which over 100
22 Northeast Utilities employee were queried about the workplace
23 environment, indicated that the overwhelming majority of
24 employees interviewed were comfortable using the change of
25 command to communicate nuclear safety issues. This datapoint,

1 together with other information available to the NRC staff in
2 this regard, allowed the staff to conclude that no "chilling
3 effect" existed. While this process was lengthy, we found it
4 to be approached by the NRC staff deliberately and on a pace
5 commensurate with the significance of the allegations.

6 Further, we felt that the overall result was correct and that
7 the NRC satisfactorily discharged its obligation to protect
8 public health and safety.

9 In a similar vein, a special NRC Staff effort
10 was undertaken in December 1991 to review a broad scope of
11 written material, relating to past and present conditions at
12 our nuclear sites with respect to identifying and reporting
13 safety issues. The Staff also examined a number of issues
14 relating to management performance. While the staff found
15 weaknesses in performance in certain areas, it determined that
16 the atmosphere at Northeast Utilities' nuclear facilities has
17 been one of trust in the management chain, and that there had
18 not been a "chilling effect" on the willingness of employees
19 to report issues.

20 The NRC staff did not rely solely on its
21 interviews of Company employees and its review of written
22 material to determine whether the proper environment existed
23 at our facilities. The Staff required Northeast Utilities to
24 provide the NRC with evidence that the desired conditions
25 existed to assure the free communications of views and

1 perspectives of all employees. Northeast Utilities responded
2 both with respect to the particular allegations and more
3 globally, providing details on the various programs and
4 procedures in place and other actions taken to assure that a
5 proper environment is maintained.

6 In short, we found the NRC's "chilling effect"
7 inquiries to be an effective way for the NRC staff to
8 discharge its obligation to assure that free flow of
9 information exists among our nuclear workers and their
10 management. Our sense was that the NRC Staff correctly places
11 a significant emphasize on licensee management performance
12 when it questions the condition of the workplace environment.
13 And, our experience in responding to the NRC Staff had the
14 effect of further focusing the Company on the measures needed
15 to assure that the proper environment exists.

16 Let me make clear, however, that we do not
17 believe that there is a pressing need for the NRC to conduct
18 on a frequent basis chilling effect inquiries in the in-depth
19 manner that it has at Northeast Utilities. The "chilling
20 effects" review at our own facilities suggest to us that the
21 chilling effect is not an industry-wide phenomenon.

22 We believe that the NRC Staff's conclusion
23 regarding the health of the working environment at Millstone
24 has been borne out by the subsequent record. The flow of
25 allegations to the NRC since the end of 1991 has been reduced

1 considerably, and while we are not down to our goal of zero
2 allegations to the NRC, we are encouraged by the progress
3 made.

4 As for the chilling effects letter that the NRC
5 sends when potential violations of Section 211 of the Energy
6 Reorganization Act are identified, there is absolutely no
7 question -- no question -- that we regard those letters with
8 utmost seriousness. Indeed, when we first learn that an
9 employee has filed an allegation of discrimination, we take
10 prompt action, with the knowledge and consideration that we
11 might be called upon to respond to a chilling effects letter.
12 Management gives immediate attention to allegations of
13 discrimination or retaliation. At Northeast Utilities, the
14 NRC's reasons for issuing chilling effects letters -- to make
15 the NRC's interest known to the Company and to encourage us to
16 initiate prompt and appropriate action -- are fulfilled in
17 each case. We suggest that the Review Team not recommend
18 altering the NRC's process for inquiring into potential
19 chilling effects without concrete evidence that the process is
20 now deficient -- evidence that in our view very probably does
21 not exist.

22 The NRC Office of Investigations has also
23 conducted investigations into allegations of wrongdoing at
24 Northeast Utilities. One investigation was quite extensive by
25 virtue of the number of witnesses interviewed and the amount

1 of written material produced by the Company and reviewed by
2 the OI staff. In fact, the OI investigation and the
3 preparation of its report for the NRC's Office of Enforcement
4 took over two years.

5 The amount of time it took OI to complete this
6 investigation and issue its report would not appear to be
7 material to a question of whether the NRC had properly
8 discharged its obligation to protect public health and safety,
9 because it had already satisfied itself with respect to the
10 technical allegations and the "chilling effects" issue, and
11 the employee was still employed. Thus, the sole question on
12 which the OI staff was focused was whether there had been a
13 violation of the NRC's employee protection regulations in 10
14 CFR 50.7. While a lengthy OI investigation places significant
15 burdens and stresses on all involved in terms of setting
16 priorities and allocating resources, and prompt resolution of
17 such cases is most desirable, we do not question a decision
18 which allowed the Staff to conduct the investigation on the
19 schedule adopted.

20 This leads me to another issue under
21 consideration by the Review Team -- the adequacy of NRC
22 enforcement actions for violations of 10 CFR 50.7. When the
23 NRC recently took enforcement action against the Company in
24 this case, it issued a Notice of Violation, and also issued a
25 Demand for Information asking us to provide, among other

1 things, further assurance to the NRC that the proper work
2 environment exists within our nuclear organization. Northeast
3 Utilities responded by describing the various NRC inspections
4 and reviews which confirm the existence of a healthy
5 environment and by describing various initiatives taken over
6 the last four years to assure that a healthy environment is
7 maintained. We also described recent experiences that reflect
8 our success in dealing in a positive manner with employees who
9 communicate nuclear safety matters to Company management. The
10 NRC Staff reviewed our response and concluded that it was
11 satisfactory.

12 We believe that the available enforcement
13 mechanisms, including the imposition of civil penalties, are
14 more than adequate to assure that the NRC can effect remedial
15 action by its licensees and can set examples of inappropriate
16 licensee conduct for the industry. And there are many other
17 strong deterrents to discrimination, such as adverse publicity
18 and litigation before the Department of Labor and in the
19 courts. Accordingly, we believe there is no reason to
20 reconsider whether the NRC maintains, or has implemented,
21 adequate enforcement measures.

22 With respect to enforcement action against
23 individuals, the NRC's Enforcement Policy provides a variety
24 of sanctions, up to and including the imposition of a civil
25 penalty or the removal of a person from all NRC licensed

1 activities. This latter sanction deprives a person of his or
2 her livelihood in the nuclear industry. Obviously, any
3 actions against individuals are significant and are closely
4 controlled by the NRC, and properly so. We believe that the
5 NRC has at its disposal ample measures to take when
6 significant wrongdoing by individuals is found, and that no
7 further authority is warranted. We also believe that the NRC
8 properly exercises its existing authority and policy in this
9 respect.

10 Judicious use of this authority is particularly
11 critical when the NRC is faced with determining an appropriate
12 regulatory response to a violation of 10 CFR 50.7, because
13 such cases typically involve individual personalities,
14 credibility, motives, and pre-existing relationships. These
15 elements color almost all cases with shades of gray. We do
16 not believe that the NRC should take action against any
17 individual nuclear workers unless the evidence were
18 unequivocal that the person truly deserved such treatment. If
19 such a case were to arise at Northeast Utilities, where the
20 evidence was indeed unequivocal, the individual would already
21 have been removed from any position involving NRC licensed
22 activities.

23 Let me summarize the suggestions we would offer
24 the Review Team with regard to retaliation allegations.

25 First, we firmly believe that the NRC can do

1 more in terms of sharing with licensees information on the
2 number of allegations brought directly to the NRC, including
3 allegations of harassment and intimidation. Licensees could
4 better monitor the effectiveness of their programs to assure
5 employees that they are free to raise safety issues without
6 fear of discrimination or retaliation if the NRC informed
7 licensees about the number and type of concerns that are
8 raised directly with the NRC -- for example, the number of
9 technical concerns, the number of harassment and intimidation
10 concerns, the number of individuals who are sources of
11 concerns, and the number of concerns per site or unit.

12 Our motive in suggesting this is directly linked
13 to our interest in and responsibility for nuclear safety.
14 Issues relating to safety and quality should be referred to
15 licensees whenever possible. Northeast Utilities recognizes
16 that the primary responsibility to protect public health and
17 safety is one that rests on our shoulders -- not the NRC's.
18 We accept that responsibility. Our ability to assess both
19 safety issues and issues concerning the freedom employees feel
20 to praise safety issues could only be enhanced by a more
21 liberal flow of information on allegations from the NRC. We
22 believe a more liberal information flow can and should be
23 accomplished without compromising any confidentiality
24 constraints that may be involved.

25 Let me describe one of our own experience along

1 these lines. In parallel with the NRC's inquiries in the
2 possible chilling effects that I described a moment ago, the
3 NRC staff referred a large number of technical allegations to
4 the company for response. Through responses we filed with the
5 NRC Staff when he addressed the allegations, the staff was in
6 a position to verify its view as to the safety significance of
7 the allegations and to itself that our handling had been
8 adequate. We found the process for referral of technical
9 issues to the Company to be resource intensive, but recognize
10 that it is likely the best and most efficient way to address
11 technical allegations. Clearly, it is superior to having the
12 NRC staff investigate such allegations without the benefit of
13 the licensee's perspective. Most important, it provides the
14 licensee with a prompt and direct opportunity to identify and
15 implement any corrective or improvement actions that may be
16 appropriate in terms of nuclear safety.

17 Second, the NRC might take steps, or additional
18 steps, to emphasize to the Department of Labor the importance
19 the Commission places on the prompt resolution of
20 discrimination allegations. It is our sense that much of the
21 frustration expressed by complainants stems from delay in
22 Department of Labor resolution of retaliation claims. But
23 delay in the Halls of the Department of Labor provides no
24 justifications, in our review, for the NRC to place additional
25 regulatory burdens on the industry.

1 Third, the NRC might consider issuing clearer
2 and more emphatic guidance to licensees and employees about
3 what the NRC considers the preferred and most effective manner
4 for the surfacing and resolution of safety issues. We have
5 stated our preference that employees work with their
6 supervisors to resolve issues concerning quality and safety --
7 a preference that is consistent with some existence NRC
8 guidance, such as NRC Form 3. The NRC should review its
9 public pronouncements on the issue to ensure that they are
10 unequivocal, and we believe that the NRC's position should
11 reflect that licensees, not the NRC, bear the primary
12 responsibility for the safe operation of nuclear power
13 facilities. We would caution the NRC against any changes that
14 would have the effect of encouraging employees to bring safety
15 issues first to the attention of the NRC, rather than the
16 licensees.

17 Fourth, with regard to Employee Concerns
18 Program, I have already noted Northeast Utilities does not
19 advocate mandated programs or prescribed program attributes.
20 But we would welcome the NRC's view as to the desirable
21 aspects of employee concerns programs, based on the
22 information the Review Team assembles from these public
23 meetings and from other sources such as insights derived from
24 Temporary Instruction 2500/028. We do not advocate that the
25 NRC consider steps to determine whether employee concerns

1 programs measure up to each of these criteria, however,
2 because elements that may enhance the success of one Program
3 may undermine another. In terms of verifying the
4 effectiveness of employee concerns programs, licensees should
5 be permitted to design their own validation programs and
6 provide this information to the NRC. As noted a few moments
7 ago, we undertook a validation effort that included interviews
8 with numerous employees and a review of relevant Program
9 documentation.

10 Finally, we recognize that in some circumstances
11 it will be appropriate for the NRC to investigate an
12 allegation of discrimination. In our opinion, NRC
13 investigations should be limited to instances where the
14 evidence indicates that a pervasive pattern of discrimination
15 may have developed. We would like to note in any case that
16 our own experience has been that the NRC's investigations have
17 proven extremely intensive. Indeed, the very deliberateness
18 with which the NRC has investigated such allegations seems to
19 have brought criticism that the NRC does not act in a timely
20 manner. We think that this criticism is misplaced, inasmuch
21 as retaliation claims are often attended by complex facts and
22 involve situations that do not lend themselves to immediate
23 and obvious resolution. We would, however, suggest that the
24 NRC promptly attempt to obtain from licensees their position
25 on the issues under consideration. In our case, when issues

1 arose the NRC did not raise these issues with us. Had it done
2 so, we could have suggested in assisting to the NRC sources of
3 information to resolve such issues, and therefore, could have
4 assisted the NRC in conducting a more efficient, yet still
5 complete investigation. In short, we would suggest that the
6 Office of Investigations consider ways in which it could share
7 information with licensees, and obtain information from them,
8 much earlier in its investigative process than is currently
9 the case.

10 Beyond these suggestions we do not believe that
11 the Commission needs to implement major changes to its process
12 for resolving retaliation allegations. We believe, in
13 summary, that the NRC's process for handling allegations
14 raised by employees in the nuclear industry strikes the proper
15 balance, given the priorities competing for NRC resources, and
16 the NRC's central mission, first and foremost, of focusing on
17 issues with immediate nuclear safety significance. While
18 there is always room to improve a complex process such as that
19 pertaining to allegations, in our experience, the NRC's
20 handling of allegations of discrimination has been thorough
21 and complete. Further, we believe that it would be contrary
22 to the public interest for the NRC to shift staff resources
23 from duties involving actual nuclear safety to pursue
24 allegations which, while perhaps highly visible, are in most
25 cases of limited nuclear safety significance or which are more

1 properly addressed by the Department of Labor under Section
2 211 of the Energy Reorganization Act.

3 Thank you for the opportunity to share some of
4 Northeast Utilities' views of the important issues under your
5 consideration. I, and the other Northeast Utilities'
6 representatives here would be happy to address any questions.

7 THE CHAIRMAN: Thank you for your comments. We do
8 have a few questions. One of the points you made had to do
9 with sharing data on the number of allegations from the
10 company. I presume you wouldn't have any or would you have
11 any objection if we made a listing of allegations by
12 licensees, both technical and the H&I, and the number of
13 allegers, and publish that periodically so licensees could
14 tell how they were doing?

15 MR. SCACE: No, we would not. I think that would be
16 valuable in sharing that information.

17 THE CHAIRMAN: As to referring more matters to the
18 company to pursue, especially if the worker had come to us
19 speaking confidentiality, how would the company deal with the
20 fingerprinting issue?

21 MR. SCACE: We would deal that very carefully as we
22 do with issues that are raised within the company as I
23 suggested for very sensitive issues like that an alternative
24 would be perhaps to identify that through our Nuclear Safety
25 Concerns Program staff. They are sensitive and know how to

1 work in that environment to protect the confidentiality of
2 individuals.

3 THE CHAIRMAN: How does your Program deal with the
4 situation where relatively few people might know about a given
5 pump or valve that might have a problem?

6 MR. DIEDRICK: If I could address that, my name is
7 Dave Diedrick, Director of Nuclear Safety Concerns Program.
8 And in a specific case like that where the individual might
9 come to us where we would know his identity, we would
10 certainly caution him in advance that investigation might
11 reveal his identity, but we would do everything we could to
12 protect him, his confidentiality and investigate the
13 situation, whatever it might be, as obliquely as possible so
14 we could protect him to the maximum extent.

15 THE CHAIRMAN: Do you use techniques such as looking
16 at a variety of pumps to try to disguise, mask what issue you
17 are focusing on?

18 MR. DIEDRICK: That would certainly be one way. And
19 we have utilized the Quality Assurance Department, and in
20 several investigations in conducting what would be, would have
21 the appearance of just an ordinary audit, and include those
22 issues as part of the investigation.

23 THE CHAIRMAN: Let me ask another question about the
24 Employee Concerns Program. When you prepare documentation and
25 write up your findings, do you apply the same standards

1 quality assurance used on your programs in the quality of your
2 looking at documentation basis of your findings, et cetera?

3 MR. DIEDRICK: Yes, we would generally follow that
4 priority, we would make our investigation as complete and our
5 report as complete as possible. We would utilize whatever
6 engineering evaluation might be included as an example.

7 THE CHAIRMAN: Do you share the results of your
8 investigations with the person who raised the concerns to see
9 if he or she has any further insights?

10 MR. DIEDRICK: Yes, we do. When we send the response
11 to the individuals we also include a form which requests
12 either his concurrence that we have adequately addressed the
13 problem or if we have not, invite the individual to respond
14 with additional information.

15 THE CHAIRMAN: Do you provide just the result or do
16 you provide the report and basis?

17 MR. DIEDRICK: We would provide the results. If the
18 individual chose to inquire, we would share the package of
19 information with him, yes.

20 THE CHAIRMAN: Let me ask a different question, same
21 vein. If NRC referred allegations to the company to follow up
22 and the Company provided us the results of their review,
23 currently I believe we tend to share basically the conclusion
24 with the workers who provided us the information. What would
25 the Company's view be in sharing the full Company's report

1 with the workers to get their insights as we prepare our
2 follow-up inspections?

3 MR. DIEDRICK: I don't see that as presenting any
4 problem at all.

5 THE CHAIRMAN: Let me raise a question concerning the
6 measuring effectiveness Program. Mr. Scace mentioned, part of
7 their internal evaluation included interviewing about 85
8 people, I believe he said, NRC did review that. He referred
9 to where we talked to 100 or so individuals. My own view is
10 when you do these types of interviews and if the person is
11 truly chilled, the last thing a person is going to say to the
12 individual, assuming it is an NRC person, that I am afraid of
13 raising an issue. Some companies had used written surveys,
14 broad surveys to all employees, raising a variety of questions
15 to get an idea whether there are pockets of concerns or
16 particular supervisors or areas where people are uncomfortable
17 raising issues. Has the company thought about doing things
18 like that?

19 MR. DIEDRICK: Yes, we have considered them. But we
20 felt that especially in the Performance Enhancement Program
21 valuation, which was the most recent effort, that the personal
22 interview was probably the better choice of approach. The
23 individuals who were involved in the valuation process share a
24 relationship with the people that they were talking to in such
25 a way that we were confident that there would be a valid

1 result.

2 MR. SCACE: I would just add to that one of the
3 elements or action plan in our Performance Enhancement Program
4 addressing cultural issues throughout the organization. And
5 that did involve a questionnaire of all employees, and a part
6 of that was to look specifically at the attitude and culture
7 within each area to see if it, in fact, was healthy in terms
8 of working relations, communications, and exchange of
9 information, et cetera, between supervising management, and
10 working people. We have done that. And it has given us some
11 insights in areas.

12 THE CHAIRMAN: Were there areas you found where you
13 needed work to improve the environment for raising concerns?

14 MR. SCACE: We found that there were areas that
15 needed improvement in terms of just general healthy relations
16 between employees and supervisors.

17 THE CHAIRMAN: In the prepared program you stated
18 about 32 individuals who provide a contact, providing
19 information, that is certainly a very interesting Program.
20 Are those peers, do you have peers in areas where you may need
21 to work on improving the communications and whatnot between
22 workers and supervisors?

23 MR. SCACE: The peers are pretty much throughout the
24 entire organization so they do exist in those areas. In fact,
25 I believe they are an effective part of any communication

1 channel with any individuals in those areas.

2 THE CHAIRMAN: You are satisfied that the number 32
3 is enough to reach all the different areas?

4 MR. SCACE: Yes.

5 THE CHAIRMAN: Maintenance and INC, electrical,
6 whatever?

7 MR. SCACE: Yes.

8 THE CHAIRMAN: What incentives, if any, do you give
9 workers for raising issues such as awards or things of that
10 sort?

11 MR. SCACE: The primary incentives that we provide
12 are direct feedback to the individuals from management
13 expressing appreciation for identifying issues and bringing
14 them to the forefront. These include both verbal and letters
15 of commendation, and also include on occasion using our spot
16 recognition, which is monetary, small, in the neighborhood of
17 50 to \$200, use of that program to recognize individuals for
18 bringing matters of safety forward, and getting them
19 addressed.

20 THE CHAIRMAN: First line supervisors usually have
21 the toughest job of any job because they have to do work
22 supervising, they are really a place where the rub hits road a
23 lot in making these programs work. What incentives or
24 disincentives do you provide the first line supervisors so
25 they can deal with workers with varying relationships and

1 skills?

2 MR. SCACE: Certainly the Spot Recognition Program
3 which I talked about is really primarily aimed at first line
4 supervisors being able to use that on the spot. So that is
5 how they can recognize people based on the latter question for
6 bringing important issues forward. We have provided training
7 to first line supervisors over the past several years, and
8 recognize the very fact you talk about, they are extremely
9 important in terms of the individuals that are, are first line
10 in the supervising management area working with the workers,
11 also recognize that they have varying degrees of skill and
12 capabilities.

13 So we have provided general training on not only
14 issues of nuclear safety concerns, but general employee/worker
15 or supervisor/worker skills, communications, and such, to help
16 supervisors be able to more effectively deal with varying
17 types of personalities, and for the people that work for them.
18 In addition, one of the benefits from the Nuclear Safety
19 Concern Program, as well as things like surveys, it allows us
20 to identify areas where there are more issues or concerns than
21 in other parts of the company. It allows us to then focus on
22 the supervisor management skills, and give additional
23 one-on-one work in that area.

24 THE CHAIRMAN: Because a lot of times that first line
25 supervisor has cost and schedule pressure to do the job, if

1 someone questions something you did last week wasn't adequate,
2 the supervisor is focusing on the next issue, and it really
3 presents a problem. I guess that brings us to the next issue,
4 training for supervisors, what do you do for contract
5 supervisors to assure that they understand the philosophy of
6 the company, especially during outages when cost and time
7 issues are particularly significant?

8 MR. SCACE: We provide through our General Employee
9 Training information as to all the requirements of our Nuclear
10 Safety Concerns Program, and stress the importance of
11 supervision in their role. In addition, the -- we have
12 contractors really essentially working two ways at our
13 station. One type is to work integral to our existing plant
14 departments, and supplement the work force. In that case we
15 have our Northeast Utilities supervisors that provide that
16 function, and are well-versed in that area. Even with a
17 contractor team that comes in with their own supervisor they
18 are working in a department where the importance of addressing
19 issues and concerns is stressed. For the other general
20 category our contractors that come in and do major back-fit
21 work for us work through our Construction Department. And our
22 Construction Department, construction leads are all trained
23 and sensitized in this area, and work very hard to reinforce
24 this with not only supervisors, but all contract personnel.

25 THE CHAIRMAN: We found when looking around the

1 country that contractor workers are particularly susceptible
2 to issues of discrimination because it is so easy to remove a
3 contract employee. And while many licensees have contract
4 language provisions, as you mentioned, of getting notice to
5 the company if discrimination issues arose and probations
6 against discrimination there are not many contracts that
7 provide the supervisors be trained in this area, and that may
8 be something for people to consider. In the area of
9 enforcement, some even in the industry have suggested that the
10 real way to get the attention of the industry in this area is
11 to use greater sanctions. Some suggested larger civil
12 penalties. Other have suggested using punitive shutdowns when
13 there is a clear case of discrimination, at least until the
14 employee is reinstated in cases of firing to make it clear
15 that this just can't be accepted. What would your view be on
16 that?

17 MR. SCACE: Well, as I have indicated in the prepared
18 remarks, we at Northeast Utilities certainly take very
19 seriously any issues of potential discrimination by the
20 company against employees. And that becomes the overarching
21 issue in a matter like that is the nature of the concern, the
22 fact that an employee believes that they are not importantly
23 treated, and that somewhere within the company that things did
24 not go the way they were -- an employee did not feel free to
25 bring up issues and was, in fact, impacted when they tried to

1 do it. That for many reasons, certainly first and foremost
2 the need to have a healthy environment for people to bring
3 issues up so we can address them and discharge our primary
4 responsibility, the impact on the public when that is not
5 done, the publicity, the impact on our investment. Those are
6 all very strong reasons that get our attention in the very
7 serious addressing of the underlying issues on our part, while
8 certainly the type of penalty has some impact, of course, that
9 is not to us, that is not the overarching issue or reason that
10 we do need to take action in circumstances such as this.

11 THE CHAIRMAN: We have heard speakers yesterday, and
12 we are both aware of people that have gone to DOL on raising
13 issues of discrimination as the company through their own
14 programs found cases where supervisors have discriminated or
15 threatened employees, identify themselves, fixed the problem,
16 and the employee being satisfied without any need to go to DOL
17 or NRC.

18 MR. SCACE: I don't know of, and Dave can follow up,
19 I don't know of any specific examples where we have noted that
20 employees have been threatened or discriminated against. We
21 certainly have seen examples where the supervisory/worker
22 interaction was not good, that the communications and how
23 things were addressed or lack of addressing them in a timely
24 fashion at all created problems, and we have addressed those.
25 And employees have been satisfied with that address.

1 THE CHAIRMAN: My last question before I turn it over
2 to John, I have seen your recent video that you sent to all
3 employees on improving the attitude toward safety at the
4 plants. How do you intend to enforce that philosophy with
5 your supervisors?

6 MR. SCACE: Well, we intend to, first of all,
7 continue to communicate that through meetings, I have direct
8 meetings with all employees, support employees, including
9 supervisors at all levels on Millstone 2, and we will continue
10 to do that throughout the station, continue to emphasize the
11 importance of conservative decision making, and having
12 information, and being open to information from all levels of
13 employees so that we can understand the issues, and act on
14 them. Ultimately it comes down again to very strong
15 relationships between all levels of management and the
16 workers. That is what we continue to stress and reinforce.
17 We will continue to do that next year through additional
18 training for our first line supervisors.

19 THE CHAIRMAN: Are you satisfied with the messages
20 out there that if supervisors don't meet your standards for an
21 attitude toward safety they won't be working at Millstone?

22 MR. SCACE: I am satisfied in general that is that
23 understanding, that is certainly an issue that requires
24 constant diligence to make sure that is continually
25 reenforced.

1 THE CHAIRMAN: John has some questions.

2 MR. JOHNSON: Mr. Scace, you mentioned that the
3 people become aware of these programs, the Employee Concerns
4 Program through some kind of training, General Employee
5 Training?

6 MR. SCACE: Yes.

7 MR. JOHNSON: Who gets General Employee Training?

8 MR. SCACE: All people who would work within the
9 nuclear area have General Employee Training, both permanent
10 staff as well as contractor staff.

11 MR. JOHNSON: What do you mean by within the nuclear
12 area?

13 MR. SCACE: These are people that work at our nuclear
14 sites.

15 MR. JOHNSON: So only the people that are badged get
16 this training? I guess my question is, are there people that
17 work on safety-related activities that don't get badged, don't
18 get this training?

19 MR. SCACE: There may be some. There are very few.
20 It is very important to us that people that work on any
21 aspects of our sites be badged, and periodically visit the
22 site. But there may be some. But beyond that new employee
23 training, which all nuclear employees receive, has the same
24 elements, same information provided.

25 MR. JOHNSON: I was interested, possibly you have

1 maybe some corporate engineering staff, you have some
2 buildings that might be outside your security area, training
3 buildings or something like that, you might have contractors
4 or short term employees that may not get full badge training,
5 and what I am wondering how you make them aware of the
6 procedures to raise safety concerns?

7 MR. SCACE: Well, certainly new employees, and
8 employees coming to work on our site receive that training.
9 And part of that training is information related to the
10 procedures and process, postings throughout the site in all
11 areas, not just the site, but all nuclear areas that have the
12 Nuclear Safety Concerns Program, and other options, and such.
13 So we do provide that. We have very little staff that is
14 outside other than training staff, most of those are clerical
15 people badged for our sites.

16 MR. JOHNSON: Another question you mentioned that the
17 Employee Concerns Program, is that the correct name?

18 MR. SCACE: Nuclear Safety Concerns Program.

19 MR. JOHNSON: Nuclear Safety Concerns Program reports
20 to the Chairman of the Board of Directors; is that correct?

21 MR. SCACE: That is correct.

22 MR. JOHNSON: Typically how would you follow up on a
23 concern? We have frequently heard that the Employee Concerns
24 Program at various sites refer the concern back to the line
25 management, which may be the subject of question to follow up

1 on the concern. So that might be why some employees don't
2 feel comfortable using this Program. Do you do that?

3 MR. DIEDRICK: Jon, I think if I could refer back to
4 the first question that was asked me in this regard,
5 sometimes, yes, but in all cases we try to protect to the
6 maximum extent confidentiality of that individual, and we go
7 about investigating the issue as likely as possible to do
8 that. Again, maybe the answer could be derived from a
9 parallel part of the organization. It might involve an
10 investigation of paperwork. That could be obtained in other
11 areas. It might be addressed by asking for a quality
12 assurance audit in that area. These are just some of the
13 ways. But each one I think is evaluated individually to try
14 to make that determination to the extent of being able to
15 protect that individual.

16 MR. JOHNSON: Okay. We heard last night apparently
17 there are a number of people that still may not feel
18 comfortable using this program. Do you have any indication
19 why, and I guess it is sort of related to Mr. Scace indicated
20 that even the NRC has done some inspections, and in those
21 inspections we indicated that the atmosphere was -- indicated
22 the employees were willing to use the line management. Now,
23 why would we hear as an example last night that there are a
24 number of people that might not agree with that? I don't know
25 the numbers, but it was indicated that there were several.

1 MR. DIETRICK: That is a very difficult question to
2 address, and I am not sure that it has a very specific answer.
3 There is I think a feeling probably on the part of people,
4 some people and I think a very minor number of people that
5 management would perhaps retaliate or that there is just a
6 fear of dealing with their management. Beyond that, I really
7 couldn't speculate as to how someone else feels in this
8 regard.

9 MR. SCACE: As David indicated earlier, certainly we
10 do not have information that validates that there are large
11 numbers of employees that don't feel comfortable. We
12 certainly know there are some. A previous question asked
13 about the how do get at or how to find out where there are
14 areas where there aren't the best relationships between
15 supervisors and employees? There is a constant need to be
16 looking at that issue, and to be providing training and
17 coaching for supervisors. And when we don't see that, and in
18 those cases where conditions like that exist there can be
19 strained relationships and people may not feel comfortable or
20 may have other personal reasons they want to get information
21 somewhere else. Again, the importance here is to have a high
22 ability to understanding our supervisory work force in working
23 with them to be as proactive and positive in dealing with
24 their employees as possible, and deal with their issues in a
25 timely manner.

1 MR. JOHNSON: I have one last question, it has to do
2 with contractors again. You mentioned that all your contracts
3 require that the activities be conducted in accordance with
4 our regulations, and you mentioned 50.7, and Part 19. And you
5 also said that you require contractors to report to you any
6 type of concern. And you mentioned a concern has been filed
7 with the Department of Labor. What if a concern has not been
8 filed with the Department of Labor, but it has been reported.
9 Let's say a contractor has a supervisor or management finds
10 out that there has been a complaint made internally within the
11 contractor's organization, but it has not necessarily been
12 reported to the Department of Labor. Do you find out about
13 that?

14 MR. SCACE: I am not quite sure if I followed your
15 question. It is raised internally, not filed with DOL, raised
16 internally with contractor management, we would find that out.

17 MR. JOHNSON: Would you require the contractor to
18 notify you of this instance that has happened

19 MR. SCACE: Yes, we would.

20 MR. JOHNSON: Is that done formally, as part of the
21 contract?

22 MR. SCACE: That is done formally as part of the
23 contract, and that has occurred through contacts with our
24 management that is liaison with contract management.

25 MR. JOHNSON: Thank you, that is all.

1 THE CHAIRMAN: Would it be possible to speak to us in
2 example language, clauses that you use in contracts in this
3 area? I am not interested in particular names of the
4 contractors, but just the standard-type language you might
5 use.

6 MR. SCACE: We will do that.

7 THE CHAIRMAN: One last question I had, you mentioned
8 the OI investigations which sometimes take a long time, the
9 DOL investigations don't take a long time usually. Sometimes
10 less than 30 days. Because some of that time the
11 investigators spend trying to seek conciliation, are you
12 satisfied that these issues can be resolved in a quality way
13 by DOL in such a short time period?

14 MR. SCACE: I don't believe so in all cases. Many
15 cases I think they can, and are, and in some cases as we
16 indicated particularly when there is a significant past
17 history and employee relations and other things that get
18 involved it is very difficult to do in that time period, thus
19 it goes on to higher levels.

20 THE CHAIRMAN: In those type cases currently it then
21 goes into litigation to resolve the issues. Do you have any
22 ideas on what NRC should be doing? Should NRC be redoing
23 those investigations to make sure we have an appropriate
24 record? Because frankly one of the real issues, probably one
25 of the most significant issues that I see in this area and was

1 alluded to last night is NRC does encourage workers to raise
2 issues first to the company, and then to us or come to us at
3 any time. If the person believes there is discrimination,
4 there are some cases, clearly there are some cases of
5 discrimination, the system appears to cause the employee to
6 have to file with DOL. DOL does a, I will call it, quick and
7 dirty investigation, for lack of a better term, and then
8 frequently then the employee has to litigate before the
9 Department of Labor. The Company has their attorneys,
10 individuals sometimes have to mortgage the house or whatever
11 to get the funds to get an attorney to litigate before DOL,
12 and that is a long process. If the employee wins at the end
13 attorney fees can be provided, but sometimes that is a long
14 time period, someone mentioned 20 years last night. I don't
15 think it is that long, but the longest I have seen is about
16 six years or seven years, which is clearly too long. The only
17 choice, the only option I see in that process is NRC doing
18 more investigations so we get the facts to make the
19 appropriate decisions. Do you have any views on that dilemma?

20 MR. SCACE: I would concur with you that time periods
21 of several years are too long. And I am not sure in terms of,
22 I think it is important that the process that the DOL has. I
23 think it is appropriate in many of these cases, but what can
24 be done to accelerate that I am not sure. I will leave it to
25 you and others to decide how that can be expedited, because

1 clearly taking six or seven years certainly is far too long.
2 There may be merit in the NRC after the initial DOL review if
3 that still seems to be an open issue to take a look at
4 complaints such as this to see if there is evidence of
5 pervasive pattern of discrimination, if there is to take
6 action. If not, though, I would still suggest that a DOL
7 process is the right one. Something needs to be done to
8 accelerate and expedite that process.

9 THE CHAIRMAN: Thank you very much. We appreciate
10 your comments. Let's take about a 10-minute break. And then
11 we will resume at 10:30.

12 (Recess taken.)

13 THE CHAIRMAN: I think we are on Speaker Number 1.

14 SPEAKER NUMBER 1: Good morning ladies and gentlemen,
15 my name is Ronald Gravinsky (phonetic). I am a vendor quality
16 specialist at Northeast Utilities, my specialty is mechanical
17 spare parts inspection. I have 34 years experience in the
18 field, and I consider myself an expert. I have worked for
19 Northeast Utilities for a total of going on 14 years, three of
20 which I was a contractor. I have been out of work a year this
21 month. I am on a medical disability. This disability was due
22 mostly to lack of communication with my supervision. My
23 disability is both physical and mental, both of which have
24 been determined by three different medical doctors to be
25 caused by Northeast Utilities. My monthly income is one-third

1 of my normal salary.

2 I hope you all listened as I spoke the first
3 words of my statement. Everyone should have noticed I left
4 the word "good" out. For me the word "good" has been stricken
5 from my vocabulary when it relates to Northeast Utilities. I
6 speak of Northeast Utilities who writes with invisible ink. I
7 use invisible ink because NU writes a lot of letters to its
8 employees. It looks good on paper and to me this is the main
9 problem. When it comes to the action portion these words are
10 just words. Did they perform the investigation? Yes, they
11 did, their paperwork says so. Were the results positive or
12 negative? Positive, that is what the manager wrote to the
13 director, and that is what he wrote to the troops. Management
14 is satisfied. And the regulators see that NU made the effort.
15 The question is, was the investigation performed right? Were
16 the necessary questions asked? And was there evidence of
17 fact? In my observations of investigations on allegations I
18 made, management went right around the problem, wasted money
19 and time just to make it look good on paper.

20 Let's get back to the main reason we are all
21 here, whistleblowing. As of yet it didn't pay off. And
22 please don't get the wrong idea when I use the term "pay off."
23 I don't mean monetarily. I use the term to describe the
24 action to correct the Nonconforming Condition Program. With
25 the latest information I have most of my concerns are still

1 concerns. For me taking a stand I have suffered mostly -- I
2 have suffered, and mostly my family has suffered beyond
3 comprehension.

4 I will now read to you since what has happened
5 since I reported nuclear concerns in accordance with company
6 policies I had to give up a \$63,000 a year plus job. My
7 doctors, two cardiologist and one psychologist, have blamed
8 Northeast Utilities for my present condition. I can no longer
9 work because of my mental state. Northeast Utilities refused
10 to admit that their supervision caused my present condition,
11 and yet they have done no investigations on their own to prove
12 otherwise. The head of NU medical director admitted there was
13 a problem, yet they have denied me compensation going on a
14 year this month forcing me to deplete my 401K savings and
15 force me into a Chapter 13 bankruptcy. Because Chapter 13 is
16 a wage earner's bankruptcy, and requires one to pay back bills
17 for a five-year period, my income from disability and social
18 security has not been enough to pay for my Norwich home of 19
19 years, and my Florida condo. And as of Tuesday October 5th,
20 1993, we surrendered our Norwich home back to the bank. My
21 attorney is writing a letter stating because the actions of
22 Northeast Utilities not allowing compensation allowed my wage
23 earner's figure to drop to amounts not accepted by bankruptcy
24 rules.

25 My family is devastated by this action. I am

1 never at rest because the problems keep escalating. Why?
2 Because I cared and did my job. I don't think I am alone
3 here. I think people like us, caring people should have a
4 natural support group so we can talk. Seeing a shrink for one
5 hour a week is not going to help much. It is just an idea I
6 had. I would not encourage anyone to whistleblow. The
7 consequences at the present time are devastating. At the same
8 time I don't encourage anyone to bring up concerns. In
9 reality if one shuts one's mouth and follows the leader your
10 families will be better off. Of course, you may die or have a
11 heart attack because you held everything in, but that is life.
12 I on the other hand would honestly have to admit knowing all
13 the problems ahead of time, would continue to fight for what
14 is right and wrong regardless of the outcome. I also would
15 like to add that I sent in August -- on August 23rd I sent you
16 a six-page comment on the subject for tonight. Thank you very
17 much.

18 THE CHAIRMAN: Thank you very much. Speaker Number
19 2. Speaker Number 2 -- Number 3.

20 SPEAKER NUMBER 2: I am 2, sorry. I am Jane Fleming,
21 as you know. I represent, am speaking today for the National
22 Nuclear Safety Network. I presented a formal statement last
23 night. Today I just wanted to quickly review two or three
24 minor issues. Last night in my statement I mentioned to you
25 bias within the process toward the utility, toward the

1 licensee. I think this morning we have had a very interesting
2 example of bias toward the utility, toward the licensee on the
3 behalf of the NRC. The utility was invited to give a
4 half-hour presentation which actually turned into a one-hour
5 and 12 minute presentation, with opening dialogue. This
6 meeting I thought was about the whistleblowers, yet I have not
7 heard of the whistleblower who was invited to give a half hour
8 presentation turned into a one-hour 12 minute with open
9 dialogue.

10 That is one of my points that I wanted to make.
11 In my statement last night I made two requests. Those
12 requests were based on wanting equal representation. The
13 whistleblower who this is concerned about would like to have
14 equal access to the NRC that the utility and the licensee has.
15 Last night I mentioned the groups NUMARC, BWROG and INPO,
16 other groups that the utility has to their advantage to have
17 special status for the NRC. We are asking for equal
18 representation as you know.

19 What I did see here also in the utilities'
20 presentation this morning was a certain amount of agreement
21 for different reasons. But the utility also asked for, which
22 we have asked for as well, no change in the regulation. I
23 believe they are coming from a little different spin than we
24 are. We have asked for no change in the current regulations.
25 What we have asked for is that the NRC enforce the current

1 regulations. If the current regulations that are on the books
2 today were enforced we would not have the retaliation against
3 the whistleblowers that we see.

4 Another, just an interesting thing that I have
5 noticed for years, buzz words by the utility. When the
6 utility presents their opinion it is fact. One of the great
7 buzz words, anyone who has a criticism it is anecdotal,
8 anecdotal. That is one of the buzz words I have heard for
9 years, and it really interests me. And by using that buzz
10 word I find the NRC responds very effectively to that buzz
11 word, anecdotal.

12 One of two final points. Number 1, I have
13 listened to Northeast Utilities Program that was presented
14 very well, in a very articulate manner. And it sounds like
15 they really do have a very effective program in place. But if
16 their program is so effective why have I as a nonutility
17 person, as a nonwhistleblower, why have I met so many
18 Northeast Utilities' former employees who have become former
19 employees for bringing forth safety allegations? If their
20 Program is working I wouldn't have met the former employees.
21 And not just Northeast Utilities, let's be fair and spread it
22 across the nation. I have met whistleblowers from across the
23 nation. It is not Northeast alone, it is across the nation.
24 I thank you for your time again this morning. Those points I
25 hope are recognized again, and my official statement as you

1 know was made last night and that stands, but these were just
2 a few points that I do think that you should recognize this
3 morning.

4 THE CHAIRMAN: Thank you.

5 Speaker Number 3.

6 SPEAKER NUMBER 3: Good morning, most of my remarks
7 have to do with the national area, and also global. So I
8 would like to yield the floor to anybody who is connected
9 locally that would like to express their opinions and then
10 come back a little bit later in the program.

11 THE CHAIRMAN: Thank you?.

12 Speaker Number 4.

13 SPEAKER NUMBER 4: My name is John Jematan
14 (phonetic). I am a hourly employee at Northeast Utilities, I
15 worked at the Health Physics Department, worked in Unit 2
16 Health Physics 1978 to '85. And '85 to present in Unit 3
17 Health Physics. I thought it was important enough to come
18 here today to talk to you that I took time off from work
19 without pay to be here. I am not here to defend the company
20 or deter from the company or any of the whistleblowers, but
21 over the last few years I have heard very clear messages from
22 my management and from the company if I have a nuclear concern
23 I can bring it up, that safety comes first, and 100 percent
24 procedure compliance. I have three different methods as you
25 heard before to bring safety complaints through the company,

1 and I am also told constantly by my management if I am not
2 comfortable with the Nuclear Concerns Bureau or peer group or
3 going through my direct supervision I can go straight to the
4 NRC.

5 In my opinion NU has spent a tremendous amount
6 of time and money and put a tremendous amount of resources
7 into setting these programs up. I don't believe that they did
8 this so that they could single out people to harass them. I
9 brought up concerns to my management. I have gone to the peer
10 group people. I have not experienced any harassment. I have
11 gone directly into my director's office to talk to him. I
12 have talked to other people about things. I have had no
13 problems. It seems to me almost if you become a whistleblower
14 you are an instant expert. A lot of people want simple
15 answers to complex problems. Millstone Station is made up of
16 hundreds of miles of pipes and wire and concrete that all are
17 combined into complex safety systems and operating systems. I
18 don't want to see changes made to those systems without
19 thorough engineering analysis just because someone has brought
20 a nuclear concern up or a whistleblower has brought up a
21 concern over those systems so we can go to instantly change
22 them. I don't want to see things like that happen.

23 There is also in that equation thousands of
24 people that work there, all with different personalities. At
25 times those personalities clash, sure. Is it a policy at NU

1 or at Millstone to harass people? No, not from my point of
2 view, not that I have seen. Is it going to happen, though,
3 between individuals? Sure, it can. That is human nature.

4 Millstone Station was being raked through the
5 mud by the "New London Day," a number of the workers had
6 called there to talk to them about some of the positive
7 aspects and things that go on. It never wound up in the
8 papers or comments were never brought up at all.

9 On Sunday November 17th we placed a full-page
10 advertisement in the paper stating our position and what we
11 felt. It took us two days. We collected 600 signatures, and
12 each one paid \$5 a piece to place this ad in the paper. That
13 is how strongly we felt about it, and we had to pay to get our
14 position into the paper. We couldn't get it just by talking
15 to reporters. I would like to read that to you. "We the
16 undersigned who work at the Millstone Nuclear Power Station
17 would like it to be understood that we are proud employees,
18 and contract personnel who support and believe in the
19 commercial nuclear power. We are not afraid to stand up and
20 voice our opinions. We believe in Northeast Utilities, and
21 Northeast Nuclear Energy Company as safe providers of
22 electricity generated nuclear power." This ad was paid for
23 entirely by the employees and contract personnel at the
24 Millstone Nuclear Power station without the express consent or
25 opinions of management.

1 We don't live in a perfect society. There are
2 no things that are 100 percent perfect. Are we getting better
3 in our safety operations out there? Are we doing better on
4 bringing concerns and answering them? I think, yes. Thank
5 you.

6 THE CHAIRMAN: Thank you.

7 Speaker Number 5.

8 SPEAKER NUMBER 5: Good morning. I spoke last night
9 on behalf of National Nuclear Safety Network, and I would like
10 today to speak on behalf of Don DelCore. I am a former
11 instrument and control specialist who worked for Northeast
12 Utilities for about 13 years prior to my firing in 1991. I
13 think you have heard here today that at least from Mr. Scace's
14 perspective that Northeast Utilities generates an atmosphere
15 in which people should feel free to come forward, and they
16 create a healthy, safety conscious atmosphere, and they
17 admittedly indicate that the work environment is far from
18 perfect. And I think that is true for most corporations.

19 I would like to address the work environment,
20 and some other employment issues later on in my comments.
21 What I would like to read for you, Mr. Scace had indicated
22 that there were all these investigations, and all these
23 reports, and all these reviews about how effectively NU ran
24 their programs. And on April 6, 1992 in a letter to Chairman
25 Ellis at the time Mr. Taylor indicated that, "In response to

1 allegations of harassment and intimidation at Northeast
2 Utilities, and associated NRC staff inspection and
3 investigation efforts, I established a Special Review Group to
4 review pertinent written documentation in the possession of
5 the NRC subsequent to August 1st, 1985. The purpose of that
6 review was to determine whether an atmosphere existed such
7 that employees were encouraged to raise safety concerns, or
8 instead had a 'chilling effect' on their willingness to come
9 forward."

10 And what basically I am going to read from is
11 the executive summary in that letter. "In light of the
12 magnitude of employee concerns at Northeast Utilities (NU) and
13 the numerous inspection and investigative activities underway
14 with respect to employee concerns, the Executive Director for
15 Operations formed a special review group in December 1991"
16 most probably related to the firing of O'Sullivan and DelCore,
17 I might add, "to review all written materials subsequent to
18 August 1st, 1985, in possession of the NRC related to
19 harassment and intimidation at NU. The SRG was charged to
20 determine, based on a review of the written record in
21 possession of the NRC, whether an atmosphere exists at NU
22 facilities which encouraged or encourages employees to
23 identify and report quality discrepancies or safety concerns
24 or whether an atmosphere existed which had a chilling effect
25 on teh willingness of their employees to report quality

1 discrepancies or safety concerns. The SRG also also directed
2 to recommend to the EDO actions that sould be taken by the NRC
3 on the SRG findings.

4 "The SRG conducted its reviews by considering
5 each of six categories of material individually and then
6 developed overall conclusions and recommendations. The six
7 categories of materials were: allegations, Department of
8 Labor complaints, Office of Investigations investigations,
9 reviews and audits performed by outside organizations, NU
10 internal task group reports, and NU's program for safety
11 concerns. In order to arrive at its overall conclusions, the
12 SRG considered pre-defined attributes that encourage employees
13 to report concerns and those that have a 'chilling effect' on
14 the willingness of employees to report concerns.

15 "The SRG concluded overall that an atmosphere
16 that encouraged the reporting of quality deficiencies or
17 safety concerns was lacking in many respects."

18 Now, somehow that doesn't fall into what Mr.
19 Scace was portraying up here and I am deeply concerned abuot
20 that.

21 "The SRG found that weaknesses were present with
22 respect to management direction and leadership that detracted
23 from an open atmosphere for dealing with safety issues,
24 including the more routine employee concerns. First the
25 material reviewed by the SRG suggests a micromanagement style

1 of leadership existed at the senior management level. There
2 were indications of a lack teamwork between the three Vice
3 Presidents and the Senior Vice President. Employees and site
4 directors apparently perceived an excessive amount of
5 direction from corporate management on issues that were
6 reviewed to be properly site issues. Some supervisors and
7 managers blamed problems and conditions on 'management' but
8 did not acknowledge their own responsibility."

9 All of this stuff I am reading to you just
10 doesn't seem to create or indicate to me the atmosphere that
11 Mr. Scace would depict, and in view of the time we have I
12 won't read the whole thing.

13 I will read, In response to the EDO's request
14 for actions that should be taken by the NRC based on SRG's
15 findings, the SRG makes the following recommendations:

16 "The EDO should meet with the NU Board of
17 Directors to communicate SRG findings regarding the underlying
18 reasons for lack of an atmosphere that encourages the
19 reporting of quality deficiencies or safety concerns." It
20 doesn't sound to me like that is an unimportant wish.
21 Millstone doesn't sound like they had a concerns program that
22 was working.

23 "The NRC staff should review and approve the NU
24 "Performance Enhancement Plan," which they have instituted
25 since then and apparently is not working, and I will cover

1 that in a few minutes. "As part the review of the PEP, the
2 staff should assure that full and complete consideration is
3 given to NU's own internal task group recommendations.

4 Consideration should be given by the NRC to make the PEP
5 requirement by an amendment to the license, an Order or a
6 Confirmation of Action Letter (CAL).

7 "The NRC staff should conduct special
8 inspections based on the approved PEP to assure that the
9 program is properly implemented.

10 "NRC senior management should be periodically
11 briefed by the NRC staff on the status of implementation of
12 the PEP and should consider conducting a special inspection to
13 diagnose the effectiveness of licensee organizational changes
14 and the overall implementation of the Performance Enhancements
15 Plan.

16 "The SRG endorses the Region 1 request of
17 January 2nd, 1992, to NU to explain why its assessment
18 function failed to identify and effectively resolve
19 performance deficiencies."

20 And a very important issue, Number 6, "The
21 Office of General Counsel should be requested to examine
22 whether the frequent assertion of attorney-client privilege by
23 counsel for NU during Office of Investigation interviews
24 exceeded the proper bounds of that privilege." Kind of an
25 interesting point there. So the picture that was painted

1 clearly by NU isn't exactly what was taking place here.

2 Let's talk about the Nuclear Safety Concerns
3 Program, that is kind of an interesting Program. First of
4 all, I think it is rather interesting that people are
5 continuing to call former whistleblowers like myself. That
6 seems to indicate to me there is a problem with the Nuclear
7 Safety Concerns Program or that there is at least some sort of
8 a problem or lack of desire to come forward with concerns to
9 Northeast Utilities' management or, in fact, this new peer
10 group that they have established. Incidentally, Mr. Scace
11 indicated that there were volunteers, but then later he said
12 they selected individuals from different departments. I
13 thought that was kind of an interesting point that you people
14 might want to take a look at.

15 At any rate, I recently spoke with, submitted a
16 safety concern to the NSCP. And it took them about four
17 months and a number of calls of prodding to try to get an
18 answer from them. When he finally got the answer some three
19 or four months later he was dissatisfied with it, and
20 continued to pursue them. In the meantime once he filed the
21 initial complaint he began a harassment program from his
22 immediate supervision. And basically he had observed some
23 failure to comply with NU policies and procedures, and because
24 of the reporting of that, the concerns program, he started
25 receiving retaliation from the very person that he reported

1 the complaint about. And there were communications between
2 the head of the NSC Program and himself, and there were
3 indications that an investigation conducted by the NSC people
4 into his allegations clearly indicated that, in fact, his
5 allegations were true, but those people couldn't come forward
6 and give him that information in writing because those above
7 them would not allow him to do that. Presumably they are
8 talking about Mr. Diedrick and his superiors.

9 I would also like to pointed out at this time
10 that it was pointed out the Nuclear Safety Concerns Program
11 reports directly to the chairman of the Board of Directors.
12 That happens to be the gentleman that used to be the CEO who
13 was CEO while we had a multitude of whistleblower problems,
14 and, in fact, was indicated in many investigations as a part
15 of the problem. I think that is quite interesting that the
16 NSCP reports to him. I think you ought to look into that
17 also. There was also some indication some 30 contacts were
18 made in this NSCP Program, and 75 to 80 percent of them were
19 indicated to be nonnuclear issues. If my math is correct that
20 leaves about six nuclear issues raised. I have had six
21 nuclear issues raised to me by whistleblowers in the last two
22 months. I have had about a dozen in the last year. I think
23 if you talk to Mr. Blanch he has probably about 15 or 20 in
24 the last year.

25 It doesn't sound to me like they have an

1 effective program if we are outside of Northeast Utilities and
2 are receiving more nuclear concerns than you are. I think
3 that is important. There has been a lot of information about
4 or at least a lot of information was promulgated by Mr. Scace
5 that the program has the support of senior management, and
6 that may be the whole problem with the program, the very fact
7 it does have support of the senior management, and what has
8 been done to former employees of Northeast Employees by that
9 senior management, which incidentally hasn't changed. They
10 are the perpetrators, and that is the real reason there is a
11 problem.

12 As I said before last night, I will say it again
13 today, you have to make a program of concerns good. It has to
14 show you are doing good, by you coming forward is a good
15 thing. If coming forward is a good thing then the problems of
16 fingerprinting will disappear. You are not going to have to
17 deal with that problem because it is going to be a good thing
18 to bring it forward. You are not going to need anonymous
19 testimony. You are not going to need 800 numbers or any of
20 that stuff. You have to have a program that people believe
21 in, it is good to come forward, and they are not going to be
22 retaliated against.

23 THE CHAIRMAN; Can I ask your thoughts on how does
24 the company make a "good program"?

25 SPEAKER NUMBER 5: I told you to have incentives. I

1 think it is very, very important to have incentives. What it
2 does it sends a message to people it is good to do this.

3 THE CHAIRMAN: What types of incentives?

4 SPEAKER NUMBER 5: There can be all types, monetary,
5 promotional incentives. There can be benefit incentives,
6 savings bond incentives, parking place incentives. I have
7 been preaching that for five years to NU since they retaliated
8 against me, since they fired me. And they are still not
9 listening.

10 Let me tell you the current incentives right now
11 at Millstone. You know what they are, firing, suspension and
12 recommendations that you get sent to the Employee Assistance
13 Program so that you can talk to a shrink or somebody about
14 your problems. That is the current incentives to go there and
15 take a concern forward right now. It is unacceptable. Look
16 at my case. I was -- first of all I was employed at NU at the
17 time some nine or 10 years when I raised the first concern in
18 '88. And I had already had a five-year extensive background,
19 and I was -- I had a secret clearance from the Navy. I had
20 all kind of background checks at other utilities, and so
21 forth. As soon as I raised some nuclear concerns what did
22 they do? They hired a private investigator in Mystic to
23 research my background. Why didn't they do that to the other
24 thousand employees at NU? They singled me out and did it.
25 Come on, that doesn't sound like that is promoting goodwill,

1 trying to keep your employees on your side.

2 I talked to your inspectors, your site
3 inspectors. I was -- first of all the site inspectors
4 identified me by going back to the company and saying, "We
5 would like to talk to Mr. DelCore." So they got permission to
6 talk to me. So now they know the NRC is talking to me. They
7 gave them permission to talk to me. I talked to the guy for
8 four hours. They refused to pay me overtime while I was
9 talking to him. Does that sound like an atmosphere that is
10 promoting goodwill and encouraging people to come forward? I
11 don't think it is.

12 And there are many, many other aspects of things
13 that happened to me, which I won't bother to trouble you with
14 at this particular point. I will, however, while we are
15 discussing things that happened to people, I am just trying to
16 set some ground work. I worked for NU for a total of 13 years
17 since 1979. NU grades on a system of 001 bad, 005 good. My
18 marks in '79 in my first year were 003 in 1980; '81, '82 and
19 '83 they were 004. In '85 and '86 -- excuse me, '84 and '85
20 they were 003. In '86 through '90 before I was fired they
21 were 004. And that indicates that you do better than the
22 average. Okay. Now, it is kind of strange that I got fired
23 for disrupting their nuclear operation and being abusive, and
24 all these other verbs that were assessed to me about my
25 character, yet I was provided these grades.

1 And I want to read something to you about their
2 nuclear policies, NU did not -- this is from an investigative
3 report by the compliance officer who investiaged the firing of
4 O'Sullivan and myself. By the way, this has been cleansed for
5 privacy, and I will try to eliminate anything, there is a
6 couple in here -- that might name a couple of names other than
7 me.

8 "NU did not follow their own personnel
9 procedures in terminating Mr. DelCore the guidelines in use at
10 the time were called NU Performance Improvement Guidelines.
11 This booklet includes performance improvement principles which
12 state, the the performance of undesirable work habit should be
13 discussed by the supervisor and employee, improvement needs,
14 action plans, timetables must be documented. The employee and
15 the supervisor should make regular, informal checks on the
16 employees' performance. If these actions do not lead to a
17 positive change, the supervisor then moves on to discussing
18 specific actions to be taken to solve the problem, discuss
19 possible disciplinary action that might be taken, and set
20 follow-up date to review the results. If the performance and
21 work habit persists, the action steps can include transfer to
22 another position at the same level; transfer to another
23 position at a lower job level; implement constructive,
24 progressive discipline procedures; when documentation appears
25 to support termination consult with the Human

1 Resources/Personnel to review. None of these procedures were
2 tried with Mr. DelCore." That is kind of interesting, again
3 an atmosphere which is clearly so pervasive about people
4 wanting to come forward you can see how they encouraged me.

5 They interviewed a human resources person, and
6 that person did say in his interview, "I have taken
7 performance improvement actions through accelerated
8 performance reviews... I sent a memo describing a plan of
9 action, including more frequent performance reviews and closer
10 monitoring of work performance. I followed guidelines similar
11 to the Guidelines for Performance Improvement... There are
12 policies and guidelines for handling problems such as
13 misconduct or insubordination," which is what I was charged
14 with when I was fired.

15 They reviewed a human resources person at the
16 site. That person said the following in their interview, "I
17 would say approximately five to eight employees were fired
18 from Millstone in the last two years, half of those were
19 because of fitness for duty (alcohol and drug related). A
20 couple were disciplinary actions and the rest were poor
21 performance over time. Generally Managing Behavior Change
22 "Red Book is followed for progressive constructive discipline
23 cases and formal performance improvement programs...
24 DelCore's and O'Sullivan's situations were not routine. I am
25 not sure why the guidelines were not applied... When there is

1 a firing at Millstone I am usually consulted and/or notified
2 at some point. Sometimes I am involved at the outset, such as
3 performance problem, fitness for duty issue or other
4 disciplinary action, progressive constructive discipline. I
5 would be involved throughout that process."

6 Then it says, "Blank was not told that Mr.
7 DelCore and Mr. O'Sullivan were to be terminated until the day
8 before. Blank was not familiar with the 'High Road Approach,'
9 which is what they claim they were raising my marks to the sky
10 because they were trying to be nice to me. Blank also didn't
11 know who made the decision to terminate Mr. DelCore, or who
12 wrote the termination letter. Blank stated in usual
13 circumstances I would help write the termination letter,"
14 wasn't even involved in it.

15 "This writer found it strange," this is the
16 compliance officer, "that blank on site at Millstone had never
17 been contacted by Mr. DelCore's management regarding his
18 alleged insubordination and/or behavior problems, nor had
19 blank been aware that the firm was considering firing him."

20 This is quite interesting this next paragraph.
21 "During blank's interview," the general counsel for Northeast
22 Utilities he is named and I will not name him, "became very
23 agitated and interrupted several times. At one point asked
24 for a break to use the rest room. When blank returned blank
25 and the general counsel met behind closed doors in his office

1 for approximately 10 minutes before resuming the interview.
2 The general counsel stated to CO's Patrick and O'Leary," who
3 did the interview, "that we couldn't find for the
4 complainant's just because NU did not follow their own
5 personnel policy."

6 I think that is an interesting depiction of what
7 went on. I tried to indicate to you last night that there was
8 a lot of attorney involvement, and, incidentally, in that same
9 document you will find that some higher level corporate
10 officers or one at least made two different statements, one to
11 each one of those compliance officers, and then refused to
12 sign either one when he was caught on the differential. I
13 think again it is indicative of what goes on, and it clearly
14 is not an atmosphere depicted here at NU. That is what I want
15 to do is get that on the record.

16 I think you indicated yourself, Mr. Lieberman,
17 the contractor personnel are actually more at a risk than
18 in-house people, they have a real serious problem. And as you
19 know many of them are involved in those 600 acts of
20 retaliation. I think it is important you do whatever you can
21 to force utilities to protect those individuals. They get
22 passed from plant to plant. They are absolutely necessary in
23 the performance of nuclear work, and because of exposure
24 problems, and they just absolutely have to be protected.

25 Mr. Scace also spoke of a significant reduction

1 in allegations since 1991. And clearly -- I just read about
2 the firing of O'Sullivan and DelCore, who essentially raised
3 some 700 allegations prior to 1991. It is very clear to me
4 why the reduction in allegations was there, it is because we
5 did some ethic cleansing basically, and removed the problem so
6 we immediately saw this huge decrease in allegations, which
7 Northeast Utilities quickly, quickly annotated how effective
8 their new program was.

9 One of the most troublesome areas that I ever
10 found at Millstone, and I think it is probably the major issue
11 which creates most of the allegations for retaliation, and
12 that area is basically when somebody steps forward and tells
13 the management at Millstone or the management at Northeast
14 Utilities that they have a problem with the way something is
15 being done they immediately retaliate back because they don't
16 accept people telling them there is a problem or that they are
17 doing something wrong. That culture has existed at Millstone
18 since I worked there. And it is a culture that they need to
19 change.

20 Mr. Brown is a very good friend of mine. He
21 testified last night, and he said there are a few problem
22 areas. And that is one of the major problem areas with a few
23 managers. There is an enormous amount of great people at
24 Millstone, very capable people at Millstone, and certainly
25 they come under an enormous amount of fire in the newspaper,

1 and when we have those kind of hearings. That stuff isn't
2 directed at those people who do their job. It is directed at
3 the people who are not doing the job. Those types of people
4 who take exception with information being brought forward to
5 management. These guys will not accept they are doing
6 something wrong. The culture has been produce power and shut
7 your mouth, and you guys have to change that.

8 I think it is important for you two guys to
9 remember you are dealing with Northeast Utilities, I mean,
10 that is the very reason why you are here. You are here
11 because there is an enormous amount at Millstone, there is an
12 enormous amount at TVA, and Arizona, and the Texas plants.

13 Look at the normal plant. Take a look at your
14 records, and see how many allegations come out of a plant that
15 has effective relationships between employees and management,
16 and have real effective concerns programs. They are small.
17 There is essentially no problems or very few complaints per
18 plant over the five-year period that OIG looked at that. That
19 is not true at NU or those other five plants. They can tell
20 you anything they want to tell you about the NSCP. It speaks
21 for itself. There is a problem there. We have been telling
22 you for two or three months, we have been conversing with the
23 NRC, we have people calling my home phone, calling Blanch,
24 calling O'Sullivan looking for help. Clearly the help isn't
25 there, and those numbers speak for themselves. Don't be led

1 by the communication that was conveyed to you this morning.
2 Most utilities have very low numbers for employee problems,
3 and there is a pervasive problem there somewhere, and you
4 people need to address it. Thank you for your time.

5 THE CHAIRMAN: Can I ask one question? The
6 individuals who are contacting you, including the individual
7 who raised the question about how the company viewed their
8 allegations, are you referring those people to NRC?

9 SPEAKER NUMBER 5: Absolutely. In many cases --
10 incidentally, Mr. Lieberman, I think that you need to
11 understand that no way would I or Mr. Blanch or Mr. O'Sullivan
12 or anybody for that matter that has a consciousness of it,
13 would ever begin, I can't begin to determine the level of
14 safety and the level of action that needs to be applied to any
15 particular allegation or amount of information that comes to
16 me. So I try to convey it immediately. There have been some
17 instances where it has been delayed slightly because of
18 questions of protection of specific individuals based on the
19 fingerprinting issue.

20 I would like to say here and now first of all
21 one of the reasons we are all here is because of the work of
22 Senator Lieberman. He has done a wonderful job in bringing
23 this to light. In addition, he actually has provided us an
24 avenue where if we have an allegation with an individual who
25 feels he is in jeopardy he has actually gone through and

1 allowed his office to be used as an interim office to relay
2 that information to you people so we can again try to isolate
3 it and recognize that fingerprint, and issues would
4 immediately take place that would at least afford him some
5 protection that somebody other than the utility and the NRC is
6 aware that he made that allegation. So he has been very
7 useful, very instrumental in making a lot of things happen.
8 He deserves an awful lot of credit.

9 THE CHAIRMAN: I don't disagree. An issue we are
10 trying to resolve allegations licensees have said on a number
11 of occasions refer more allegations back to the company. What
12 do you think of the concept of when we have an allegation to
13 give it back to the company, assuming the worker doesn't
14 object to having his name disclosed, to have a joint meeting
15 between the worker, NRC and the company to go -- to give the
16 opportunity for the worker to explain his concern or her
17 concern, then have the company do the investigation, then have
18 the company report back to NRC with the worker present so that
19 the worker can provide his or her perspective to NRC before we
20 do a follow-up inspection?

21 SPEAKER NUMBER 5: With the existing culture that I
22 was exposed to at NU, and I have seen no significant changes
23 in that management, I would say that is not a good idea. I
24 think that is going to create a lot of problems, and what I
25 think you will see is a situation which evolved with Mr.

1 O'Sullivan, myself, Mr. Blanch, Ron, we could go on and on and
2 on if you like. I don't think you are going to gain anything.
3 I think, first of all, in order to get the perception of
4 nuclear workers that there is some integrity involved in the
5 people who are in the programs established to protect them you
6 have to get rid of the ones that didn't protect the people
7 ahead of them. That is what they are seeing. They are seeing
8 they came forward, they got smoked. This guy went to EAP.
9 This other guy they have him going to a psychiatrist. This
10 guy here they suspended him. That is all they see.

11 And the real answer to that is take enforcement
12 action. You guys take enforcement action. And the other
13 problem will solve itself. If you shut Millstone down then
14 Millstone is going to get rid of the management that helped
15 shut it down. But if you don't take any action that same
16 management is going to be there, and you are going to continue
17 to have the same problem.

18 That is before you. That is just some basic
19 logic you guys should be able to apply. It amazes me it has
20 gone on for this amount of time, and you haven't taken some
21 action. I have taken you to task publicly. I am not trying
22 to attack James Lieberman. I am attacking your position. You
23 have the authority to make these guys respond. That is how
24 you are going to get a response. If we nail NU and it costs
25 them \$30 million maybe they will make some management change

1 at NU Unit 2 so people feel like something happened here
2 because of improper action. You don't need any more people.
3 You don't need more people. You don't need to change many
4 laws to be able to accomplish what you need to do. It is in
5 10 CFR, all you have to do is use it, Appendix C. It is all
6 there. Just use it. You will get action that you don't
7 believe.

8 THE CHAIRMAN: Thank you very much. I think we are
9 on Speaker 6, Speaker 6.

10 SPEAKER NUMBER 6: Good morning, Mr. Lieberman, this
11 morning I have no prepared speech. I might ramble a little
12 bit, but I do want to express some thoughts I have expressed
13 to you privately, and also at our semi-private meeting we had
14 approximately two weeks ago, to give some perspective on the
15 whistleblowers that you have heard this morning, that you have
16 heard last night.

17 We are not a bunch of disgruntled employees. We
18 are not retaliating against Northeast Utilities' management.
19 Our objective is nuclear safety. Every one of us want to see
20 these plants operating, operating safely. We want to work
21 with you, with the NRC. We have offered to work with you in
22 achieving what should be your objective also, and that is
23 nuclear safety. I don't think anyone can disagree with that.
24 That is our sole objective. This is a very complex problem.
25 There are many facets to this particular problem from the

1 NRC's handling of issues, to the way the utilities handle
2 these issues, to the Nuclear Safety Concerns Program.

3 One of the most important aspects of a nuclear
4 safety concern program is integrity and trust in that
5 particular program. As I said to Mr. Reynolds a few years ago
6 but I can't say in public, basically if you are in that
7 program and you are in that position and you screw up once you
8 are dead. This program has screwed up many times.

9 To be a little bit more specific, when I left
10 Northeast Utilities in February I got this form letter saying,
11 "Do you have any open safety issues?" I had one with respect
12 to the use of Rosemont transmitters at Connecticut Yankee, and
13 I felt the compliance with regulations could not be verified.
14 I simply asked for a letter of compliance with the regulations
15 from Northeast Utilities. What I got back about six months
16 later from the Nuclear Safety Concerns Program was "Dear Mr.
17 Blanch, we have looked at this issue, and I would like to
18 refer you to memo umty-ump dated such and such. And therefore
19 we close out the issue." I wrote back and I said, "I would
20 like to see a copy of that memo that closed out my concerns."
21 The response I got back was, "We can't give you that memo, it
22 is confidential." These are the kinds of unresponsive
23 feedback I have gotten from the Nuclear Safety Concerns
24 Program.

25 I brought this issue to Mr. Kacich, to Mr.

1 Diedrick, and also to Bill Raymond, the senior resident
2 inspector. The program is not working. And if people don't
3 have confidence in the program it will not work. Another case
4 in point is that the director of the Nuclear Safety Concerns
5 Program actually violated his own procedures, I believe as
6 determined by the office of investigation in dealing with my
7 issue. He violated his own procedures. He violated Northeast
8 Utilities' procedures. And rather than taking my issue or an
9 allegation back to where the procedure states, he took it to
10 his vice president who turned it over to internal auditing,
11 which eventually resulted in a suspension of two of my
12 employees. It is that kind of behavior that discredits the
13 entire program. The program does not work.

14 I as an employee, when I was an employee, and
15 since I have departed Northeast Utilities have been approached
16 by many individuals within Northeast Utilities and throughout
17 the industry with safety concerns, some of them valid, some of
18 them not valid. When I was an employee I had an obligation
19 that if I became aware of a safety concern I had an obligation
20 to dispose of that safety concern because I was an employee as
21 defined by 10 CFR Part 19. I had various routes of disposing
22 of those problems. And many cases when we had a decent
23 Nuclear Safety Concerns Program, which we would use the
24 services of LRS Corporation, many of those problems went
25 directly to LRS. Since LRS has departed I no longer have that

1 vehicle available to me.

2 But, again, I think Mr. Grabinsky here, Mr.
3 DelCore and Mr. O'Sullivan could substantiate the fact I try
4 to resolve these problems. I tried to resolve these problems
5 with them, and with the company, not necessarily with the
6 Nuclear Regulatory Commission. I brought Mr. Grabinsky to the
7 vice president to see whether we could work out his concerns
8 and his director. It didn't work. I brought Mr. DelCore, Mr.
9 O'Sullivan together with the task force that was studying
10 nuclear safety concerns. It didn't work. They were fired
11 shortly after that. I have tried.

12 As I mentioned, I still receive a lot of nuclear
13 safety concerns, and again I won't speak for the validity of
14 these. For the most part I try to dispose of them. I happen
15 to have someone at Northeast Utilities that I can trust, and
16 that is Mr. Kacich. For the most part if I am aware that will
17 not fingerprint the individual I have been able to bring some
18 of those individuals to Mr. Kacich's attention and get
19 adequate resolution without retribution against the individual
20 who has identified that particular problem.

21 There is one case recently in July where someone
22 came to me and was very concerned about the leaking valve that
23 was about to blow on Millstone Unit 2. And he was in
24 management. And he said, "I think they should shut down the
25 plant." And his "management" said "Shut up" or something

1 along those lines "We are going to keep running this plant."
2 I believe I brought that issue, that concern to Northeast
3 Utilities.

4 Again, those are some of the issues that I have
5 been dealing with. And I don't mean to make this a personal
6 issue up here. I want to make nuclear power safer. I want to
7 make Northeast Utilities operate these plants safely. Again,
8 what Mr. Brown said last night certainly has some credibility,
9 that is possibly one avenue of resolving some of these
10 concerns. John Sauger, who is a close friend of mine, used to
11 be a close friend of mine had some good thoughts. We don't
12 need more regulations. It will bankrupt him if he has to
13 employ his lawyers. What we need is effective enforcement of
14 those regulations. Again, I would like to open up a dialogue
15 on behalf of the National Nuclear Safety Network with this
16 task force. And I shared with you this morning, Mr.
17 Lieberman, some of my thoughts as to why we have so many
18 whistleblowers in the industry.

19 And I would like to site a few examples as to
20 why this occurs. I will site one personal example, and one
21 relatively new issue. Let's take the condensate pot issue. I
22 identified the condensate pot issue. Northeast Utilities
23 resolved the condensate pot issue. The condensate pot issue
24 was a clear violation of NRC regulations as admitted by the
25 NRC themselves, presented a clear danger to the operation of

1 many boiling water reactors. And I felt very strongly with
2 respect to nuclear safety. I felt this issue had to be
3 resolved nationally. I became very vocal through my attorney,
4 communications with the commission, attended a commission
5 meeting July 29th, 1992, where I wasn't even allowed to speak
6 prior to the decision being made on the handling of that
7 issue. And basically the NRC said, "Well, we are going to let
8 the plants operate anyway." I didn't become -- I didn't make
9 any accusations, and I never received retaliation as a result
10 of my identification of a condensate pot issue, the reason was
11 because I had become so visible, I believe.

12 The two individuals who have raised the safety
13 concern at the Susquehanna plant are two very dedicated,
14 qualified individuals. They have had to raise safety
15 concerns. They have had to become very visible whistleblowers
16 because the NRC refuses to enforce the regulations. They have
17 real concerns. As they pointed out at the NRC meeting that
18 the potential radioactive releases from this event, which has
19 a relatively high probability, are in excess, a thousand times
20 greater than the limits by the NRC or the regulators in their
21 license. That is a serious issues. These individuals will be
22 coming to you very shortly with claims of retaliation that
23 they won't be rehired by Pennsylvania Power and Light.

24 The failure of the NRC to enforce regulations
25 causes people to come forward. And I think that human nature

1 being what it is and the incentive to produce power causes
2 retaliation. I know as an ex-supervisor at Northeast
3 Utilities if someone came to me with a nuclear safety concern
4 and I didn't agree with it, and they went above my head, went
5 to the press, went to the Nuclear Regulatory Commission, would
6 I retaliate? I think human nature says I would retaliate. I
7 would probably maybe not consciously but subconsciously
8 retaliate against someone who challenged me. That is what
9 happens to whistleblowers. Sometimes it is very subtle,
10 sometimes it is a downgrading of their performance review, but
11 it is human nature.

12 There are many other aspects of this morale,
13 trust, integrity is a very important deterrent to dissatisfied
14 employees. At Northeast Utilities I have discussed this with
15 the chairman of the board of Northeast Utilities that you
16 could significantly reduce the number of whistleblowers,
17 dissatisfied employees if there is some way to improve the
18 morale, trust and integrity. I told Mr. Ellis personally that
19 this should be the foundation of his Performance Enhancement
20 Program. Mr. Ellis responded and said that is part of it. To
21 me it has to be the absolute foundation of the Performance
22 Enhancement Program.

23 I recently saw a report, management report
24 studying what happened at Millstone Unit 2 with respect to
25 that particular valve, and some of the allegations that came

1 forward. And I relayed this to Rick Kacich, and it got back
2 to the same issue. And at Millstone 2 it not only dealt with
3 this valve that was leaking and about to blow up, but it also
4 had to deal with a noncompliance with procedures. If people
5 don't have the right attitude this can contribute to risk in
6 the nuclear industry. People won't give the extra 10 percent
7 that they did give when the morale was way up there.

8 One task force at Northeast Utilities looked at
9 this particular morale issue. I don't think it ever got
10 published, but I interviewed with the task force. And they
11 made a list of all the items over the past five years that
12 improved morale, and all those items that detracted from the
13 morale of employees. And it was a very one-sided list. And,
14 in fact, there was only one item that was on the correct side
15 for improving morale, and I understand that has been
16 subsequently taken away. Someone has got to realize that
17 morale plays a very, very important part in many of these
18 issues, in nuclear safety, in whistleblowers, and just the
19 overall attitude of the individuals working at Northeast
20 Utilities.

21 I realize I have been rambling a little bit. I
22 hope you understand what I am saying. I do want to offer my
23 services constructively as part of the National Nuclear Safety
24 Network to assist you in what you are doing, because I think
25 that at least my objectives are nuclear safety, and I believe

1 that your objectives should also be nuclear safety.

2 THE CHAIRMAN: I agree with that. What was the
3 factor or the element that was dropped you saw as positive to
4 improving morale?

5 SPEAKER NUMBER 6: My understanding was it was the
6 variable work schedule allowed by some of the people. I just
7 heard, and again I am not that close, I heard that was being
8 dropped and reduced.

9 THE CHAIRMAN: You mentioned that it is a natural
10 tendency of a supervisor to retaliate directly or indirectly
11 when someone challenges a supervisor on his or her past
12 performance. How does the company get at that issue, because
13 as long as we have supervisors who do those types of things,
14 especially the subtle-type retaliation, it is hard to ever get
15 this problem solved?

16 SPEAKER NUMBER 6: Well, there are many aspects to
17 this, but I think that if it is a valid safety issue the
18 problem should be fixed. If it is a valid issue with the
19 Nuclear Regulatory Commission the problem should be fixed.
20 There are always going to be a small percentage of
21 dissatisfied employees, no doubt about it, therefore, always
22 people that don't agree with their boss, and always going to
23 be bosses that don't agree with their subordinates that are
24 not necessarily nuclear safety concerns that can be related to
25 any issue. You are not going to solve all the problems. What

1 I am saying here is that I believe 90 percent of the
2 whistleblowers could be -- we could have a reduction by about
3 90 percent if we had proper enforcement of the regulations.
4 That is the root cause of this problem. It was the root cause
5 of the problem with Rosemont, with the condensate pots, with
6 just about every issue that was raised by Ron Gravinsky, Don
7 DelCore, Tim O'Sullivan, and some of these other people. It
8 is just that the NRC is totally inconsistent in the
9 application of the regulations. As I mentioned last night we
10 now find out there are two different types of regulations.
11 And it generates confusion within the minds of the employees
12 of the utilities, and certainly within the management of the
13 utility what regulations -- what are you guys going to do
14 today? It really does generate confusion.

15 I published an article over a year or two ago
16 entitled "The Illusion of Action" that was published in the
17 "New London Day." It was a fairly long article. It was my
18 perception why the NRC operates in the way it does.
19 Enforcement action is very inconsistent. I personally
20 received a violation about a year ago. And I received a
21 violation because I was maybe two days late obtaining a
22 signature on a purchase order for a vendor. I think I
23 received more violations at me personally than all the
24 utilities have for all the allegations that have been brought
25 as a result of whistleblowers. It only took a few weeks for

1 the NRC to issue me a violation. I am not sure that that is
2 relevant to the conversation.

3 THE CHAIRMAN: When you say issued you a violation?

4 SPEAKER NUMBER 6: Issued the company a violation,
5 and then an NRC spokesman made a statement to the press that
6 said, "Mr. Blanch personally violated commission regulations."

7 THE CHAIRMAN: Do you have any idea when that was?

8 SPEAKER NUMBER 6: The article was published in the
9 Cape Cod newspaper November '92 thereabouts.

10 THE CHAIRMAN: Thank you very much.

11 Number 7.

12 SPEAKER NUMBER 7: My name is Joe Besade. I am a
13 pipe fitter, and I have lived in Waterford for over 30 years.
14 And I am concerned about nuclear safety. An incident I had in
15 1987 was HP violation by a Northeast employee followed by a
16 threat from the employee. I talked with the site
17 superintendent and hopefully it was taken care of at that
18 time. But what I was concerned with was the double standard.
19 If it was I as an employee of an outside contractor I would
20 have been terminated and body counted and off the site within
21 20 minute's time. This took weeks or months before it was
22 supposedly taken care of.

23 My second item is that I believe that it is
24 probably wise to have all people who work on nuclear plants be
25 licensed by the State of Connecticut for the craft for which

1 they are performing and no overlapping of crafts. The
2 employees of Northeast Utilities who do maintenance do not
3 have to be licensed. Therefore, I don't know where their
4 experience comes from. I have seen gentlemen hired on to work
5 in the laundry end up doing millwright's work and taking a
6 turbine apart on the different nuclear plants. To me this is
7 not proper. Also, piping done by their in-house people. I
8 believe that just because an outside contractor calls for
9 employees who are licensed by -- because they hold a license,
10 regardless of what the license says, they put them -- they can
11 be oil burner mechanic and then have them working on nuclear
12 piping. To me that is not proper. Thank you.

13 THE CHAIRMAN: Thank you. Speaker Number 3. We have
14 15 minutes to go, Speaker 3. If you want to speak a few
15 minutes I would appreciate you stick to the topic of
16 whistleblowing, because that is what the purpose of this
17 meeting is. If you want to speak five minutes on your subject
18 in general.

19 SPEAKER NUMBER 3: My material is written, two pages,
20 probably take about five minute's presentation.

21 THE CHAIRMAN: Go ahead.

22 SPEAKER NUMBER 3: My name is Marshall Burghardt.

23 The difference between natural and man-made
24 radiation is it its source. Natural radiation is from the
25 sun, and is filtered through the atmosphere before reaching

1 the surface of the planet. Manmade radiation is just the
2 opposite -- it comes from the ground up.

3 "The first reactor was built in in country was
4 started by Dupont in the State of Washington. When they
5 learned they were making a weapon of destruction -- they
6 closed the job site, and moved off the job, and left all the
7 facilities. It was completed by General Electric, and this
8 was about 1943, but with certain restrictions, that is they
9 and their contractors were exempt from all OSHA regulations.
10 This was approved before resumption of work on that particular
11 installation. This exemption still applies to all contractors
12 today.

13 "About 20 or 25 years ago they removed
14 radioactive concrete from a housing project in Rocky Flats,
15 Colorado. The problem was mutations of the human race,
16 because they were occupying the dwellings. I spoke about this
17 incident at a meeting, a seminar held at the Farmington
18 Medical Research Center in Farmington, Connecticut. I asked a
19 question, 'What was the percentage of live births, and what
20 was the type of mutation?' The answer I received I expected,
21 'You will never know.'" And that was the end of that seminar.

22 "The NRC below regulatory concern. When the
23 standards were first established there were 5 millirems per
24 time unit." This is for both atmosphere and water.

25 "Generators had difficulty meeting the standards so it was

1 changed to 10 millirems per time unit. It was changed again
2 to 25 millirems per time unit. And today the standards have
3 been changed again by the elimination of standards and below
4 regulatory control." And I don't know what below regulatory
5 control is. The source of information is the National
6 Institute of Regulation Service. "Is this the viewpoint of
7 the NRC Commission? Have you or one of your contractors ever
8 done an evaluation of the men who worked at the Chaulk River
9 Plant in Ontario, Canada, which burned down about 25 years
10 ago?

11 "Incineration -- Incineration does not destroy
12 or hasten the radioactive waste disposal process. The
13 bubbling radioactive waste through molten glass with the
14 resultant glass beads put in containers to be buried
15 someplace. It does not destroy the radioactive material. Is
16 this the goal of the NRC to build more incinerators for
17 encasing radioactive waste?" I think there are proposals at
18 the present time for three additional incinerators, one in
19 Ohio, one in Pennsylvania, and one in North Carolina. "The
20 Pentagon had a 'state of the art' type of disposal on an
21 Island in the Pacific. Constant monitoring of the natives
22 revealed the Island as being unfit for human habitation. The
23 natives were moved off the Island and will be forever. With
24 the type of disposal being illustrated today -- are we just
25 building 50 more Rondelaps?" Which is the name of the Island.

1 "I am going to mention several sites, and ask
2 for the NRC's evaluation. First is Charleston, Rhode Island,
3 lagoon storage leaked into the aquifer with resultant
4 problems. How did the NRC handle this site?" I have been in
5 communication with Washington and King of Prussia,
6 Pennsylvania relative to this 10 or 12 years go, not recently.
7 "January 6, 1991, the Pentagon recently reported that the
8 Thames River in New London, Connecticut had the most
9 radioactive sediment of any site in the Continental United
10 States. What are the plans of the NRC for the clean up of
11 this radioactive waste?" Third is the Savannah River plant,
12 and fourth is Rocky Flats, Colorado. This is a petroleum
13 manufacturing plant. "This place almost defies the knowledge
14 of man for clean up."

15 "More incineration and deeper burial? More
16 mutations from the leaking tanks of a nuclear reservation, the
17 test sites in Nevada and Utah, how are these going to be
18 cleaned up?"

19 "Last but not forgotten, an article about a
20 reactor that is meltdown proof." This is recent, "June 7th
21 article described General Atomics commitment to development of
22 a second generation nuclear reactor technology. It is
23 noteworthy, however, the important technical characteristics
24 of the gas turbine reactor were not explained." I won't read
25 the whole article. I will just give you the last sentence.

1 "It is also noteworthy that the gas turbine MHR technology
2 combination has never been evaluated by the National Academy
3 of Science. Signed by Neal Blue, Chairman of General Atomics.
4 Of the millions of dollars spent on research by the National
5 Academy and the National Institute of Health General ATomics
6 sees fit to bypass the standard procedure and take this
7 project to Russia with the work of Russian Scientists. This
8 makes the USA nuclear program second class.

9 "Due to the rotation of the World the debris
10 from that reactive will be hours away instead of minutes. No
11 matter where you put it your or members of your committee
12 cannot run away from it. I think it is time the NRC made use
13 of the facilities of the NIH and the National Science
14 Foundation and established guidelines that do not make guinea
15 pigs of the American public." Thank you.

16 THE CHAIRMAN: Thank you. Do you have any more
17 people who would like to speak? Yes.

18 A SPEAKER: Mr. Lieberman, I would like to make a
19 comment on the contractor who just prior to this gentleman
20 commented. This is one of my biggest concerns with the
21 nuclear industry is how they hire people who do not really
22 belong in the field that they are hired for. I have been --
23 when I first entered the commercial end of the nuclear
24 industry in Shoreham I have seen firemen become piping
25 inspectors, teachers become piping inspectors. This is the --

1 no, now, I myself am a -- have been very devoted to this
2 business of quality, especially in exactly my field. And
3 Steve Scace knows what I represent as far as quality goes. I
4 am a very devoted employee. I report problems above and
5 beyond my job description.

6 The things I have seen are people who are doing
7 their job who don't belong there. I tried as a group leader
8 at one time to test somebody who was coming into the receiving
9 inspection department, and my supervisor got really teed off
10 about that because it was not company policy to test somebody.
11 It has been my experience that if I am going to have a
12 receiving inspector I am going to lead that person or if I am
13 going to have to work with them I want to make sure he is
14 going to have a background like in receiving inspection you
15 should have a vast background, manufacturing background either
16 as a machinist or experience as an in-process or final
17 inspector in receiving inspection for parts. You cannot take
18 a piping inspector under ASTN 1A and make him a receiving
19 inspector, it doesn't work. Therefore, I am watching these
20 guys daily doing their inspections and I am looking at parts.

21 Like I say, I have 34 years experience, and all
22 I have to do is look at a part, and I can visually see if it
23 was manufactured properly. And I would say about a good
24 between 80 and 90 percent I would be right in determining if
25 it was manufactured properly, and I could call out a defect by

1 visual. I can see people in parts, pass by people who do not
2 know what they are looking at. What does this do to a person
3 who is devoted to his job? I work for Northeast Utilities.
4 They hired me. They pay me a good salary. I am very thankful
5 for that. I am giving 125 percent of my body and mind to
6 them. And when I see these problems, and bring it to various
7 people and nothing is done, this really upsets me and I am in
8 full agreement with this gentleman saying that these people
9 should be licensed or tested in the field that they are being
10 hired for.

11 If you are going to be an inspector in quality
12 control for piping then you are going to be a piping
13 inspector. If you are going to be a receipt inspector you are
14 going to have to prove that you are able to use the tools,
15 know what you are doing, and that is the way it should be.
16 And then, therefore, I wouldn't have any -- I wouldn't have
17 the problems I have today. Northeast Utilities wouldn't have
18 the problems or concerns that I brought up. So I am in full
19 agreement with this gentleman, and it is a scary thing. Thank
20 you very much.

21 THE CHAIRMAN: Thank you very much. Any more
22 comments?

23 Let me thank everyone for their issues they
24 raised today. We will remind people we do have the comment
25 forms with envelopes to send us if you haven't sent us

1 comments already. With that I close the meeting. Thank you.
2 12:00 p.m.
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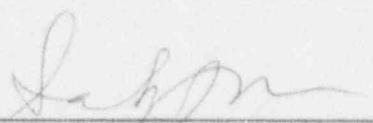
C E R T I F I C A T E

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I hereby certify that the foregoing proceedings were taken by me stenographically and reduced to typewriting under my direction and that the foregoing is a true and accurate transcript of the proceedings.

I further certify that I am neither of counsel nor attorney to any of the parties involved in the proceedings, nor am I interested in the outcome of said proceedings.

Witness my hand and seal as Notary Public this 12th day of October, 1993.



Notary Public

My Commission Expires:
November 31, 1997