

OPENING STATEMENT BY THE  
HONORABLE EDWARD J. MARKEY

APRIL 6, 1982

ON DECEMBER 11, I CONTACTED THE NUCLEAR REGULATORY COMMISSION WITH SERIOUS ALLEGATIONS AGAINST THE HAYWARD TYLER NUCLEAR PUMP COMPANY OF BURLINGTON, VERMONT, MADE BY FIVE FORMER WORKERS. THE SWORN AFFIDAVITS GIVEN TO THE OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE BY THESE EMPLOYEES PAINTED A DISTURBING PICTURE OF SHODDY WORKMANSHIP, DEPLORABLE WORKING CONDITIONS, FALSIFIED PAPER WORK AND DISREGARD FOR MANUFACTURING REQUIREMENTS AT A COMPANY WHICH WAS SHIPPING POTENTIALLY FAULTY EQUIPMENT TO NUCLEAR POWER PLANTS BOTH IN THE UNITED STATES AND ABROAD. THESE ALLEGATIONS WERE SPECIFIC AND DETAILED. WITHOUT QUESTION, THEY MERITED CAREFUL AND UNBIASED REVIEW BY THE ONE AGENCY CHARGED WITH ENSURING THE SAFE CONSTRUCTION AND OPERATION OF POWER PLANTS ACROSS THE UNITED STATES.

I, AND THE OTHER MEMBERS OF THIS CONGRESS, ENTRUSTED THE NRC TO EXPLORE THIS ISSUE AND EITHER REFUTE OR SUBSTANTIATE THESE CHILLING CHARGES. WE EXPECTED THIS INVESTIGATION TO BE CONDUCTED FAIRLY, THOROUGHLY AND IMPARTIALLY, WITH THE INTERESTED OF THE AMERICAN PUBLIC FOREMOST IN MIND. OBVIOUSLY, WE EXPECTED TOO MUCH.

THREE MONTHS AFTER THIS INVESTIGATION BEGAN, WE LEARNED THAT THE NRC -- BENDING TO REAL OR PERCEIVED PRESSURE FROM A FORMER NRC CHAIRMAN -- HAS TOTALLY AND IRREPARABLY COMPROMISED THE RESULTS OF THIS IMPORTANT VENDOR INVESTIGATION. WE LEARNED THAT THROUGH A SERIES OF CLOSED-DOOR MEETINGS AND LONG-DISTANCE PHONE CALLS, FORMER-CHAIRMAN MARCUS ROWDEN SUCCEEDED IN REDIRECTING AN NRC INQUIRY IN A WAY TO SATIS

OBJECTIONS OF HIS CLIENT, THE HAYWARD TYLER PUMP COMPANY.

AND FINALLY AND PERHAPS MOST DISBURBINGLY, WE LEARNED HOW THE NRC'S REGION IV OFFICE BUNGLED ALMOST FROM THE BEGINNING A SENSITIVE AND IMPORTANT PROBE THAT COULD HAVE DIRECT IMPACT ON AT LEAST 19 DOMESTIC AND FOREIGN NUCLEAR REACTORS. WE SEE IN THIS CASE A SAD SPECTACLE OF NEGLIGENCE AND INCOMPETENCE WITHIN A REGULATORY AGENCY CHARGED WITH PROTECTING THE PUBLIC.

THE NRC'S POOR HANDLING OF THIS MATTER RAISES QUESTIONS AND SUSPICIONS ABOUT OTHER INVESTIGATIONS CONDUCTED BY THE AGENCY. IT ALSO WARRANTS AN IMMEDIATE GUARANTEE FROM THE NRC TO CONGRESS THAT SUCH CONDUCT WILL NOT BE TOLERATED IN THE FUTURE.

I KNOW THAT BY NOW THE NRC HAS HASHED OUT THE DETAILS OF ITS SORRY PERFORMANCE AND ARRIVED AT AN OFFICIAL EXPLANATION OF THE DISTURBING FACTS OF THIS CASE. WE WILL HEAR TODAY ABOUT THE "LACK OF COMPREHENSIVE POLICY" GOVERNING NRC INVESTIGATIONS AND ABOUT THE "ERRORS IN JUDGEMENT" MADE BY REGION IV ADMINISTRATORS TO RELEASE TO ROWDEN AND OTHER HAYWARD TYLER OFFICIALS COPIES OF DRAFT INVESTIGATIVE AND INSPECTION REPORTS FOR "PROPRIETARY REVIEW." FOR THE RECORD, LET'S LOOK FOR A MOMENT AT THE UNVARNISHED FACTS OF WHAT HAPPENED IN THE HAYWARD TYLER CASE.

IN EARLY JANUARY, THE NRC WENT TO BURLINGTON, VERMONT, TO BEGIN ITS INVESTIGATION OF WORKER ALLEGATIONS AGAINST THE NUCLEAR PUMP COMPANY. FROM THE BEGINNING, THE REGION IV OFFICE REGARDED THIS AS A SPECIAL AND PARTICULARLY SENSITIVE INVESTIGATION BECAUSE OF MEDIA AND CONGRESSIONAL INTEREST. SUPERVISORS ACCOMPANIED FIELD INSPECTORS AND INVESTIGATORS TO MAKE SURE THINGS WERE HANDLED PROPERLY

BUT EVEN BEFORE THE INSPECTION TEAM FLEW OUT OF TEXAS, HAYWARD TYLER HAD MADE CERTAIN THAT THE NRC HAD ANOTHER COMPELLING REASON FOR CAUTION IN ITS HANDLING OF THE PROBE. IT HIRED AS ITS ATTORNEYS THE WASHINGTON LAW FIRM OF FORMER NRC CHAIRMAN MARCUS ROWDEN, HEAD OF THE AGENCY FROM APRIL, 1976, TO LATE JUNE, 1977.

ON JANUARY 19TH, MR. ROWDEN CONTACTED THE NRC TO REQUEST A MEETING ABOUT THE HAYWARD-TYLER INVESTIGATION. ONE OF HIS LAW PARTNERS HAD MADE AN EVEN EARLIER CONTACT TO THE NRC'S LEGAL OFFICES TO COMPLAIN THAT THE AGENCY DID NOT HAVE THE AUTHORITY TO INVESTIGATE HAYWARD TYLER. ON JANUARY 26TH, TWO DAYS AFTER THE REGION IV TEAM SHOWED UP AT THE COMPANY FOR ITS "UNANNOUNCED INSPECTION" OF THE PLANT AND INTERVIEWS WITH WORKERS, THE REGION IV ADMINISTRATOR AND OTHER HIGH-LEVEL AGENCY OFFICIALS MET WITH ROWDEN AND TWO OTHER REPRESENTATIVES OF HAYWARD-TYLER FOR AN "HISTORICAL OVERVIEW" OF THE COMPANY.

TWO DAYS LATER, ON JANUARY 28TH, THE NRC'S REGION IV OFFICIALS DECIDED THAT THE HAYWARD-TYLER INVESTIGATION WAS COMPLETED. THEY REPORTEDLY OVERRULED THE ADAMANT PROTESTS OF THE NRC'S CHIEF INVESTIGATOR, WHO COMPLAINED THAT HE HAD NOT FINISHED WORK ON SEVERAL MAJOR AREAS OF CONCERN. AN EXIT INTERVIEW TO EXPLAIN NRC'S FINDINGS TO THE COMPANY WAS HELD THE NEXT DAY. KARL SEYFRIT, THE REGION'S DEPUTY ADMINISTRATOR, TAKING AN UNUSUAL INTEREST IN THE CASE, PERSONALLY FLEW UP TO CONDUCT THIS MEETING. HE ALSO TOOK THE HIGHLY UNUSUAL STEP OF OFFERING TO HAND-DELIVER A COPY OF THE INVESTIGATIVE AND INSPECTION REPORTS TO HAYWARD-TYLER AS SOON AS THE DOCUMENTS WERE WRITTEN.

PULLED FROM THE TYPEWRITER. ROWDEN CALLED REGIONAL ADMINISTRATOR JOHN COLLINS TO SET UP ANOTHER MEETING FOR FEBRUARY 12TH. BEFORE THE MEETING BEGAN, COLLINS AND HIS DEPUTY, KARL SEYFRIT, DECIDED TO TURN OVER TO THE COMPANY COPIES OF DRAFT REPORTS OF THE INVESTIGATIVE FINDINGS. THEY SOUGHT NO ADVICE ON RELEASING THESE DRAFT REPORTS FROM NRC LAWYERS, ALTHOUGH THEY SHOULD HAVE KNOWN THEIR DECISION WAS A CLEAR DEVIATION FROM CUSTOMARY NRC PRACTICE. THEY TOLD NO ONE ABOUT THE RELEASE.

ON FEBRUARY 24TH, ANOTHER MEETING TOOK PLACE TO ROWDEN'S INITIATIVE. THIS TIME, MR. SEYFRIT AND OTHER REGION IV OFFICIALS CAME DIRECTLY TO MR. ROWDEN'S WATERGATE LAW OFFICE, AGAIN WITHOUT INFORMING OR SEEKING GUIDANCE FROM NRC HEADQUARTERS.

NOT SURPRISINGLY, REGION IV LEARNED AT THIS MEETING THAT HAYWARD TYLER WAS NOT HAPPY WITH THE NRC'S INVESTIGATIVE FINDINGS. THE COMPANY COMPLAINED THAT SOME OF THE NRC'S CONCLUSIONS WERE WRONG AND POORLY RESEARCHED. ROWDEN ARGUED THAT SOME OF THE LANGUAGE OF THE REPORT'S TRANSMITTAL LETTER WAS INCONSISTENT WITH THE FINDINGS OF THE INSPECTION REPORT. HE LISTED AT LEAST THREE SPECIFIC COMPLAINTS, AND TOLD THE REGION IV OFFICIALS THAT HE PLANNED TO STATE HIS CASE AGAIN THE NEXT DAY IN A MEETING WITH THE AGENCY'S EXECUTIVE DIRECTOR IN WASHINGTON. AT THIS MEETING, MR. SEYFRIT RELEASED A COPY OF THE "FINAL" INSPECTION REPORT TO MR. ROWDEN IN SPITE OF SPECIFIC INSTRUCTIONS GIVEN TO HIS SUPERIOR NOT TO DO SO.

THE NEXT DAY, ROWDEN MET WITH EXECUTIVE DIRECTOR WILLIAM DIRCKS

AND SEVERAL OTHER AGENCY OFFICIALS. DIRCKS SAYS HE HAD NOT BEEN INFORMED THAT HIS REGION IV STAFF HAD RELEASED COPIES OF THE DRAFT REPORTS TO HAYWARD-TYLER WEEKS EARLIER. SIMILARLY, HE DID NOT KNOW THAT SEYFRIT HAD MET THE DAY BEFORE WITH ROWDEN. ROWDEN AGAIN VOICED HIS STRONG OBJECTIONS, PLACING BEFORE MR. DIRCKS AND THE OTHER NRC OFFICIALS A COPY OF THE DRAFT REPORT'S TRANSMITTAL LETTER. STILL THESE OFFICIALS DID NOT REACT TO THIS SIGN THAT THE DRAFT REPORT WAS IN THE COMPANY'S POSSESSION.

SHORTLY AFTER THE MEETING, DIRCKS TOLD HIS SUBORDINATES TO "TAKE A LOOK" AT THE HAYWARD-TYLER REPORT TO SEE IF ROWDEN'S CONCERN ABOUT SUPPOSED INCONSISTENCY WAS VALID. REGION IV WAS CONTACTED. SOON AFTERWARD, COPIES OF THE DRAFT REPORT BEGAN CIRCULATING WITHIN THE REGION WITH PENCILED-IN CHANGES WHICH CORRESPONDED WITH THE OBJECTIONS RAISED BY MR. ROWDEN.

FOR REASONS THAT REMAIN UNCLEAR, IT WAS NOT UNTIL MARCH 4TH THAT NRC'S EXECUTIVE DIRECTOR, WILLIAM DIRCKS, AND OTHER TOP AGENCY OFFICIALS LEARNED OF THE RELEASE AND SUBSEQUENT ALTERATIONS OF THE HAYWARD-TYLER DRAFT REPORT. THE AGENCY'S OFFICE OF INVESTIGATOR AND AUDITOR WHICH IS RESPONSIBLE FOR INVESTIGATING AND AUDITING NRC'S OWN OPERATIONS, REALIZED IMMEDIATELY THAT THE REGION'S QUESTIONABLE CONDUCT WOULD PRESENT A "SERIOUS EMBARRASSMENT" TO THE AGENCY. THE INVESTIGATION, TARNISHED BEYOND BELIEF BY THE REGION'S MISHANDLING, WAS TRANSFERRED TO THE WASHINGTON OFFICE IN AN ATTEMPT TO UNSCRAMBLE THE DAMAGE DONE BY THREE MONTHS OF APPARENT COLLUSION AND INEPTITUDE IN REGION IV. THE AGENCY ALSO BEGAN AN INTERNAL INVESTIGATION TO FIND OUT WHAT WENT WRONG WITH THE HAYWARD-TYLER CASE.