



P.O. Box 24593

Tempe, AZ 85282

(602) 256-9697

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CONTACT: Jill Morrison (602) 839-6965

COALITION DEMANDS INDEPENDENT INVESTIGATION
INTO SAFETY PROBLEMS AT PALO VERDE

A coalition of local and national organizations concerned about the safety and cost of the Palo Verde Nuclear Plant are requesting the Nuclear Regulatory Commission ("NRC") to order an independent investigation of two nuclear workers' allegations of faulty electrical work, rushed startup testing and inadequate training of workers at the Palo Verde Plant. The coalition includes the Washington-based Government Accountability Project ("GAP"), the Palo Verde Intervention Fund, the Coalition for Responsible Energy Education ("CREE"), Sun City Ratepayers, Arizonans for a Better Environment and the Southern California Alliance for Survival.

Among the flaws identified in the NRC's original investigation into these workers' allegations are the following:

- The NRC did little more than a paperwork review even after its own investigation discovered that documentation on electrical work at Palo Verde was falsified.
- The NRC failed to examine whether deliberate falsification of documentation was a widespread practice which occurred in other construction activities or the quality assurance program after it found such falsified documentation for electrical work;
- The NRC failed to identify the Bechtel Corporation ("Bechtel") and Arizona Public Service Company ("APS") managers responsible for the falsification or the root cause of the deliberate violation of NRC and APS procedures;
- The NRC violated promises of confidentiality to Mr. Robert Gunderson, an electrician with 19 years experience who at great personal and professional cost brought potential safety problems to NRC and public attention;
- The NRC forewarned APS and Bechtel of the problems it was investigating so that nonconformances were fixed and job specifications changed prior to the NRC's inspections on-site;
- The NRC delayed issuing a report on Mr. Gunderson's allegations for over a year with the knowledge that APS may wish Unit 1 to be in operation prior to resolution of these safety concerns;

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- The NRC accepted without further investigation APS and Bechtel technical justifications for departures from job specifications and their commitments to the NRC;

- When the NRC found workers' allegations substantiated it determined without explanation that their allegations had no safety significance.

In May, 1982, Mr. Gunderson first forwarded detailed charges that APS and Bechtel had directed the falsification of documents, had tolerated or even directed deficient work on the plant's shutdown systems, and had failed adequately to train quality assurance personnel. In November, 1982, Mr. Wallace Royce, a Bechtel startup engineer, told the NRC that rushing of startup testing compromised the quality of the testing program and Bechtel's duplication of many tests increased the cost of Palo Verde and diminished reliability of safety systems. Today, 14 months after Mr. Gunderson's original allegations were forwarded to the NRC, the agency has not issued a final investigative report, despite its repeated promises the report would be completed and publicly available first in August, 1982, then in September, then in November, and most recently in the Spring, 1983.

NRC's Region V, which oversees nuclear plants in the Western United States, including Palo Verde, is now considering enforcement action against APS for the deliberate falsification of documents on electrical work. Yet the NRC Staff has failed to conduct even a minimally acceptable investigation into Mr. Gunderson's other allegations. The flaws in Region V's investigative program, recently scrutinized by Congressman Edward J. Markey's Subcommittee on Oversight and Investigations of the Committee on Interior and Insular Affairs, are all evident in Region V's investigation of Mr. Royce and Mr. Gunderson's charges.

In an attempt to examine the adequacy of Region V and the Office of Investigation's ("OI") lagging investigation, GAP requested from the NRC all documents collected or used in the course of that investigation. The NRC responded by informing GAP that two inspection reports on the matter, addressing a small portion of Mr. Gunderson's allegations, were publicly available. However, GAP has not received one document which supports the basis for the NRC's conclusions that most of Mr. Gunderson's allegations did not point out significant safety problems. Because of the NRC's refusal to produce or even identify responsive documents, GAP filed suit under the Freedom of Information Act on July 12, 1983, to obtain all backup documentation to the investigation. Only by reviewing these documents can GAP and the Palo Verde Intervention Fund do a thorough inquiry into the adequacy of Region V's investigation.

Joining with GAP and the Arizona-based groups in calling for an independent investigation into safety problems at Palo Verde is Tim Carpenter of the Southern California Alliance for Survival. The Alliance requested a similar independent examination of Region V's handling of charges, by welder Earl Kent, that Bechtel welding

procedures at the San Onofre nuclear plants do not meet general industry standards. Mr. Carpenter criticized Region V for totally abdicating its responsibility to conduct a thorough and credible investigation into Mr. Kent's allegations.

Myron Scott of the Coalition for Responsible Energy Education stated that many of the safety problems described by Mr. Gunderson and Mr. Royce have increased the construction costs of Palo Verde. Bechtel's duplication of work and poor construction practices which necessitate rework and repairs may well increase the cost of the electricity that APS hopes to produce at the plants.

Jill Morrison, of the Palo Verde Intervention Fund, concluded that only an independent investigation into Mr. Royce and Mr. Gunderson's allegations and a hard look into Region V's mishandling of the original investigation can restore fading public confidence in the Nuclear Regulatory Commission's ability to monitor safe construction and operation of the Palo Verde nuclear plants.