



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20548

April 16, 1991

[Handwritten signature]

The Honorable Jolene Unsoeld
U.S. House of Representatives
Washington, D.C. 20515

Dear Congresswoman Unsoeld:

In a March 6, 1991 letter to John B. Martin, Regional Administrator for Nuclear Regulatory Commission (NRC) Region V, you forwarded for our review a document sent to your office voicing concerns about the construction of three nuclear power plants: the Washington Public Power Supply System project at Satsop, Washington (WNP-3); WNP-2, in Benton County, Washington; and Trojan Nuclear Power Plant, at Rainier, Oregon. Among other things, your correspondent expressed concern about substandard piping supplied to those facilities, and mentioned that Familian Northwest and B. F. Saul were indicted for this practice.

In late 1984, the NRC became aware of allegations that Familian Northwest had falsified certificates and altered markings on piping, valves and fittings destined for nuclear power plants. In response to these allegations, the NRC alerted all of its power reactor licensees and applicants to these concerns in Information Notice (IN) 85-19, dated March 11, 1985.

The concern with piping at Trojan was investigated by the FBI and the NRC between 1984 and 1989. As noted in the document attached to your letter, Familian Northwest was indicted for its role in supplying piping to Trojan. However, the NRC concluded, based upon its inspections and information provided by the licensee, that no piping had been installed at Trojan which would adversely affect nuclear safety. Specifically, metallurgical testing of piping supplied by Familian Northwest to Trojan and installed in safety related systems demonstrated that the piping satisfied all applicable requirements. The licensee also examined its supplier records and concluded that B. F. Saul of New Jersey had not been used as a supplier of material to Trojan.

Similarly, we are aware of no facts suggesting that impermissible piping is in use at WNP-2 in such a way as to adversely affect nuclear safety. In April 1985, in response to IN 85-19, the Supply System performed an audit of its purchases and those of its contractors. Based on that audit, the Supply System concluded that as of April 1985, neither it nor its contractors had purchased any materials from Familian Northwest for installation in safety related systems. However, in May 1989, WNP-2 purchased one order of commercial grade, small bore, pipe fittings from Familian Northwest. Procurement and installation of these materials by WNP-2 were governed by their NRC approved quality assurance program. The licensee has also concluded that B.F. Saul supplied no materials to WNP-1, 2, or 3.

NRN FILE CENTER COPY

[Handwritten signature] CCSZ
11

9104290194 9104
XAL
APR 19 1991
05000544
CE

5/14

APR 15 1991

As you know, WNP-3 has not been licensed to operate, and the proceeding on the application for an operating license has been suspended indefinitely. If and when that proceeding is reactivated, the NRC will resume its inspection of the plant to assess compliance with NRC requirements, and the Supply System will be granted an operating license only if the plant has been constructed in accordance with the application for that license and the NRC has reasonable assurance that the plant's operation will not pose an undue risk to public health and safety. One of the issues to be resolved prior to the granting of a license would be whether the applicant has satisfactorily addressed the questions raised by IN 85-19. Regarding the concerns about misaligned pipe tramways and cooling vanes at WNP-3, the individual's concerns are not sufficiently detailed to provide our inspectors the necessary information for followup. If your correspondent has more detailed information, such as a description of the applicable components, their locations, and the specific problems, we would be pleased to assess these issues if and when the proceeding is reactivated.

If your correspondent has more detailed information on these concerns, we hope that he or she will bring them to our attention so that we can deal with them in a responsible manner.

Sincerely,

Original Signed By

James M. Taylor

James M. Taylor
Executive Director
for Operations

bcc: J. Dyer, NRR, G. Cook, Allegation File RV-86-A-0097, Resident Inspector/Trojan, Resident Inspector/WNP-2

Distribution: EDO r/f, EDO 6311, GPA/CA, SECY, JTaylor, JSniezek, HThompson, JBlaha, TMurley, NRR; JMartin, RV; MBlume, PMorrill, WMcNulty, DKirsch, SRichards, RZimmerman.

*See previous concurrences

RV	RV	RV	RV	RV
MBlume	AJohnson	PMorrill	WMcNulty	DKirsch
4/4/91*	4/4/91*	4/4/91*	4.4.91*	4/4/91*
RV	RV	RV	EDG	CAJH
SRichards	RZimmerman	JMartin	JTaylor	4/16/91
4/4/91*	4/4/91*	4/5/91*	4/12/91	

7-16



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555
EDO Principal Correspondence Control

ACTION

FROM:

DUE: 03/27/91

EDO CONTROL: 0006311

DOC DT: 03/06/91

FINAL REPLY:

Rep. Jolene Unsöld

TO:

John Martin, RV

FOR SIGNATURE OF:

** GRN **

JRC NO:

Executive Director

DESC:

ROUTING:

ALLEGED IMPROPRIETIES DURING CONSTRUCTION OF THE
WASHINGTON PUBLIC POWER SUPPLY SYSTEM PROJECT AT
SATSOP, WASHINGTON

Taylor
Sniezek
Thompson
Blaha
Hurley, NRR
OCA
SECY

DATE: 03/13/91

ASSIGNED TO:

CONTACT:

RV

JMartin

SPECIAL INSTRUCTIONS OR REMARKS: