

Firewall. Day 843 +

May 15, 1975

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NOTE TO: Robert Warnick, I&E ✓

Attached is a copy of a letter from the Appeal Board to David Kartalia of this office.

You will note that the Appeal Board no longer wishes to be supplied with copies of the reports, from Applicant to Staff, prepared in compliance with ALAB-106. However, the Applicant is to continue to supply these reports to the Staff.

Please take the necessary steps to see that the Appeal Board is no longer served with copies of these reports.

Albert V. Carr, Jr.

Albert V. Carr, Jr.

by Gist

cc: D. Kartalia
L. Engle
E. Goulborne

*Stopped
Last sent in April. 75*

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PDR FOIA
RICE84-96 PDR

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

May 13, 1975

David E. Kartalia, Esq.
Office of the Executive
Legal Director
Nuclear Regulatory Commission
Washington, D. C. 20555

II
David Kartalia
FF

Re: Consumers Power Co. (Midland Plant
Units 1 and 2), Docket Nos. 50-329, 50-330

Dear Mr. Kartalia:

The Appeal Board which had been assigned to the construction permit phase of the above-styled proceeding has directed me to advise you that it will no longer be necessary for the NRC staff to furnish the Board with copies of the reports which the Consumers Power Company must submit in compliance with ALAB-106, RAI-73-3 182, 186 (March 26, 1973). The requirement that the reports be submitted to the staff remains, however, in full force and effect. The Board assumes that they will continue to receive the attention of appropriate staff officials upon their receipt.

Sincerely,

Romayne M. Skrutski
Romayne M. Skrutski
Secretary to the
Appeal Board

cc: Docketing &
Service Section



8007280740

Al,
Take steps to see
that information
of report to Appeal
Board is
forthwith.
FF

Fiorelli Deposition # 8
for ID, no ...
2/17/81
Middland
E.L. To ... (Eq. ... + C. ...)
F...

- a. The number, type, and nature of enforcement actions.
- b. The number and nature of licensee event/deficiency reports.
- c. Escalated enforcement actions such as: civil penalties, orders, enforcement conferences, and immediate action letters.
- d. The licensee's responsiveness and ability to take meaningful corrective action on problems identified by the IE inspection program and by their management control system. This evaluation is somewhat subjective and shall include the collective judgement of the Board considering, as a minimum, the following factors in each of the functional areas listed in the appendices:

1. Adequacy of management controls (procedures, instructions, etc.).
2. Communications within the functional group and between other groups providing technical support.
3. Adequacy of committee and supervisory reviews and audits.
4. Adequacy of records and record control systems.
5. Qualification and training of licensee personnel.
6. Overall effectiveness and attitudes of personnel in complying with NRC regulatory requirements to assure safe operations.

... for prosecution -- which was inadequate.

The results of the evaluation will be documented on the forms provided in the appendices. The forms will document the enforcement history and the event/deficiency reports which were used in the evaluation. The evaluation form will indicate that the licensee's performance in each of the functional areas warrants an increase, decrease, or no-change in the frequency and/or scope of inspection activities.

The Board will provide written justification for the evaluation of an area judged as requiring increased inspection scope/frequency. Comments for the other areas may also be provided.

The evaluation results will be forwarded to IE Headquarters for evaluation by the SALP Review Group. A copy of the appraisal will also be sent to the licensee and to the PDR.

2955-07 CORRECTIVE ACTION PLANNED (APPENDIX C)

After the regional board has completed the performance evaluation, regional management will determine the appropriate action to be taken and document this

Fiscelli Report on EX # 4,
for I D, ... - 6
2/17/81

U. S. NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT

INSPECTION AND ENFORCEMENT MANUAL

CHAPTER 2955

MC 2955 REGIONAL EVALUATION OF LICENSEE PERFORMANCE

2955-01 PURPOSE

The purpose of this manual chapter is to describe the regional evaluation portion of the IE program for the systematic appraisal of licensee performance.

2955-02 APPLICABILITY

① This chapter applies to the performance evaluation of all power reactors with operating licenses and construction permits and to those major fuel facilities and major by-product licensees so designated by the applicable IE Division Directors.

2955-03 OBJECTIVES

② The objectives of the Systematic Assessment of Licensee Performance (SALP) are to:

- a. Identify exceptional or unacceptable licensee performance,
- b. Improve licensee performance,
- c. Improve the IE Inspection Program,
- d. Provide a basis for management's allocation of NRC resources, and
- e. Achieve regional consistency by evaluating licensee performance from a national perspective.

2955-04 DISCUSSION

A formal licensee appraisal program for the Regional Offices is an integral part of the Systematic Assessment of Licensee Performance (SALP) Program which is to be implemented in accordance with the commitments of Task I.B.2 of the "Action Plan for Implementing Recommendations of the President's Commission and Other Studies of TMI-2 Accident." This program will provide NRC management (regional and headquarters) with a basis for determining the adequacy of the inspection and enforcement programs and for effectively utilizing IE resources to cause improvement in licensee performance.

The implementation of this program will provide IE with a formal and consistent appraisal program. This appraisal program will identify those licensees to

- 4/
- a. The number, type, and nature of enforcement actions.
 - b. The number and nature of licensee event/deficiency reports.
 - c. Escalated enforcement actions such as: civil penalties, orders, enforcement conferences, and immediate action letters.
 - d. The licensee's responsiveness and ability to take meaningful corrective action on problems identified by the IE inspection program and by their management control system. This evaluation is somewhat subjective and shall include the collective judgement of the Board considering, as a minimum, the following factors in each of the functional areas listed in the appendices:
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d/ The Board will provide written justification for the evaluation of an area judged as requiring increased inspection scope/frequency. Comments for the other areas may also be provided.

e/ The evaluation results will be forwarded to IE Headquarters for evaluation by the SALP Review Group. A copy of the appraisal will also be sent to the licensee and to the PDR.

4/ 2955-07 CORRECTIVE ACTION PLANNED (APPENDIX C)

After the regional board has completed the performance evaluation, regional management will determine the appropriate action to be taken and document this

- d. Performance evaluation - summary of semiannual and special performance evaluations; indications of significant performance trends; capability (technical and managerial) and attitudes (commitment to safety) of licensee personnel.

The Regional Director or Deputy Director will also identify those areas of the licensee's operation which, based on performance evaluations, need improvement and will receive additional inspection attention. He will also discuss safety-related problems with emphasis on those which do not appear to be in the process of being promptly and adequately resolved.

Other matters such as the adequacy of Bulletin responses, access provisions for inspectors, IE needs for access to information, significant changes in the general environs, etc. can also be discussed at the discretion of the Regional Director.

The licensee should be encouraged to have the following management representatives participate in the meeting:

- . Corporate officer responsible for facility overall operations.
- . Management officials responsible for the major function wherein problem areas have been identified (e.g., Health Physics, Security, Engineering).
- . Senior Site Manager.

IE representatives for this meeting should include:

- . Regional Director or Deputy Director, and
- . Responsible Branch Chief(s), as appropriate, and/or
- . Responsible Section Chief(s), as appropriate, and/or
- . Assigned inspector(s) as appropriate.

MC 2955

APPENDIX A

REGION _____

LICENSEE PERFORMANCE EVALUATION (OPERATIONS)

Facility:

Licensee:

Unit Identification:

Docket No.

License No./Date of Issuance

Unit No.

Reactor Information:

Unit 1

Unit 2

Unit 3

NSSS

Mwt

Appraisal Period:

Appraisal Completion Date:

Review Board Members:

MC 2955 (App. A)

C. Escalated Enforcement Actions

Civil Penalties

Orders

Immediate Action Letters

D. Management Conferencas Held During Past Twelve Months

E. Justification of Evaluations of Functional Areas Categorized as Requiring an Increase in Inspection Frequency/Scope (See evaluation sheets)

Fiscal ...
...

STAFFING OF NEW QA ORGANIZATION

1. Not perceived as aggressive and effective.
2. Some QA managers are perceived as incompetent or showing a lack of knowledge in Quality Assurance.
3. Many personality differences have surfaced between Consumers Power personnel and Bechtel where these people have a QA interface.
4. Many vacancies exist - some QA supervisors appear to be running with excessive backlogs.

LACK OF CONTROL OF BECHTEL'S ACTIVITY

1. Bechtel appears not be be open with CPCO and appears to have Bechtel's concerns ahead of the Midland site. Example of Bechtel reluctant to give Consumers' Part 21 report on Detaval engines.
- *2. Consumer takes Bechtel's word for many things without independent verification of facts.
3. CPCO Project Management and QA Management not aware of resolution of problems and important root causes of problems.

TIMELINESS OF PROVIDING DOCUMENTATION TO NRC

1. Records for qualification of compaction equipment took months to get because Bechtel was reluctant to provide data.
2. Reluctance to provide calibration data for post-tensioning jacks. Bechtel maintained jacks were not Q listed.
3. QA did not have a complete package of audit performed in May 1980 and was not able to provide within several days at the site. Package did not include responses to audit findings and granting relief on timeliness of responses to these findings.

Adequacy of ^{new} Management Controls.

After June 30, 1980

^{note from reader rewritten after verbal discussion}

The new Integrated QA organization is still not functioning smoothly in several functional areas.

1. Several QA groups were identified by an NRC inspector which there was stated reluctance to work with each other because of personality conflicts ^{or other problems} between Bechtel and CPCO.

Example Audit M-01-55-0 was performed in May 1980 in which there was a lack of communications between the groups.

Better overview and coordination is needed including closed management attention (QA Manager at site?)

2. There is a general feeling among some of the inspectors that Bechtel ~~is~~ is still more interested in protecting Bechtel than informing CPOO of problem areas.

Example Part 21 report on De level engines

3. On a number of occasions our inspectors ~~have attempted~~ have been informed that unresolved items are ready to be closed.

see next page

When looking into the matter we find that ~~the resolutions are not well thought out and our inspectors find that the resolution for closure of an item is not acceptable.~~ ^{the resolutions are not well thought out and our inspectors find that the resolution for closure of an item is not acceptable.} Additionally, the ~~resolutions~~ ^{resolutions} ~~do not have the action complete documentation to support CPOO~~ ^{do not have the action complete documentation to support CPOO} ~~or in some cases even a summary conclusion are not always available within a reasonable period of time.~~ ^{or in some cases even a summary conclusion are not always available within a reasonable period of time.}

and CPOO takes word w/o verifying accuracy of statements.

DICK As a belated thought I am giving you a version of the same substance. TRY IT FOR A SIZE!

It is obvious that CPCO did not ^{thoroughly} ^{adequately} ^{efficiently} ~~do~~ ^{11/2/80}

& independantly verify that Bechtel (QA or other depts)

to completed ^{the} corrective action [narrated in their

VP's letter to the NRC] prior to informing the

NRC inspectors; this as such it was belatedly

^{determined} found that corrective action was incomplete

or not taken. ~~Look~~ It is our opinion that

lack of adequate (checks and balances) management

controls ^{resulted in the failure} to detect such instances by management

and ~~instructed~~ Bechtel to perform correct these

instances { 1. Unit 2 Cont. Personnel hotel
2. Lower Cask Spreading Room Support welds
on etc } Since

Bechtel QA is integrated demonstrate that ~~with~~

~~adequate control~~ { such instances would not be reported }
{ you have established means to control these

instances in a timely manner.

(this page
is
not
page)

c. ~~the next~~ ~~conclude~~ that ~~issues~~ ~~to~~ ~~be~~ ~~the~~ ~~same~~

to find ~~unacceptable~~ ~~issues~~ ~~with~~ ~~the~~ ~~site~~

starts ~~with~~ ~~investigation~~, NCRs, ~~corrective~~ ~~actions~~, ~~investigation~~ and trend analysis. The ~~site~~

CPLC Site ~~problem~~ personnel are aware of this attitude but they are unable to convince ~~or~~ ~~super~~

their supervisor ^{WHO} ~~who~~ is operator from Jackson and saying "I think everything is beautiful. fine"

d. License ~~do not~~ ^{neither} appreciate non-compliance nor inspectors who identify them, which is understandable. ~~They are inspect~~ I feel discouraged that the license reported to obscure ^{relevance of the} findings by calling R111 section chiefs and pleading "He no understood."

4. A number of the inspectors feel that many of the QA ~~staff~~ staff are more interested in getting resolution of NCRs than they are at determining the root cause of the NCRs and establishing corrective action at that level. In other words what can we do to make this nonconforming condition OK rather than correcting what caused it in the first place.

Rec'd

5. Several of the inspectors feel that some of the ^{supervisory} personnel in the organization do not understand the CPCO QA program and requirements. It is felt that these people have to rely very heavily on those people working for them and as a result there is a general lack of direction in these groups.

Comments apply to new copy for the

6. Additionally, there are a number of vacancies in the new organization it is felt that this has led to a number of the problems discussed in prior sections.

7. ~~there is a tendency for a quick fix on a problem rather than doing the job thoroughly.~~ (Inspection on act 7-23) (attempting to compute data rather than going to the Vendor to see if the data exists) or a determination on why the document package was accepted without the required test lists.

Major documents

Documentation checks still not adequate.

1979

- Feb. 6, 1979 in EV's office
2. Feb. 27 - Boyd's office, HDT and RES
3. March 7 - with Ross
4. August 16, 8:30 w/Vasallo
5. November 2 - discuss civil penalty
6. November 28 - Rm 319, Keppler, Fiorelli, GWR, RES
7. " " - with Stello
8. November 29 - 12 noon with Case
9. " " - with Lieberman
10. December 5 - 10 a.m., Case, Murray, Ingram
11. December 6 - 9:15, Murray and Case

30

1. May 28 - Albosta's office (Moffett Hearing)
2. July 8 - 8:15, Eisenhut and Tedesco
3. " " - 9:30 with Henderson re Midland orders
4. August 25 - 8:30 with Taylor

*Interview Report 17
1-19-81 C.M.B.*

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
773 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

2. J. Gallagher
EXHIBIT
CPCo 2
11-15-80 mg

October 27, 1980

MEMORANDUM FOR: Ray Sutphin, Reactor Inspector
FROM: E. J. Gallagher, Reactor Inspector
SUBJECT: INPUT FOR SALP APPRAISAL ON MIDLAND 1 AND 2

The following is to inform you of the inspector's input for the SALP appraisal on the Midland 1 and 2 project. The inspector has been associated with the Midland project since October 1978 to the present in the civil/structural area. The following items have been designated for SALP appraisals:

1. Adequacy of management controls
Consumers Power Co. has not provided adequate management control for the construction of the Midland project. Management has not been properly informed or involved in significant construction items.
2. Communication within functional group providing technical support
Communication and technical support between CPCo and design organization has been poor. The design organization (Bechtel) has not provided clear technical direction.
3. Adequacy of committee and supervisory reviews and audits
Audit findings have been made with CPCo management not directing attention to the "root cause" of the deficiency. Improvements are needed in this area.
4. Adequacy of records and record control systems
In-process inspection records have not been maintained adequately. Findings have been made where in-process inspection records have been determined to be incorrect. Final review of these records have been taking place too far into the work activities to prevent poor records throughout a work activity.

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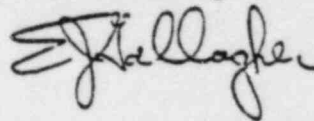
5. Qualification and training of licensee personnel

Findings were made where the licensee did not adequately control the qualifications of the contractor's quality control personnel for the post-tensioning work activity. In general, CPCo performance in the area has not been adequate. The civil QA supervisor for CPCo has been in need of more staff to control the civil work activities for some time. Management has not supplied this personnel as of this appraisal.

6. Overall effectiveness and attitudes

CPCo in conjunction with their contractor has a poor attitude in compliance. In addition, CPCo has been reluctant to give the NRC requested documents without first clearing it with upper CPCo management. This has been considered as an inhibiting factor in our inspection program.

E. J. Gallagher



cc:
G. Fiorelli
D.W. Hayes
R.C. Knop