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GOVERNMENT ACCOUNTABILITY PROJECT

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July 27, 1984

DOCKETED
USNRC

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Nunzio J. Palladino, Chairman
Thomas Roberts, Commissioner
James Asselstine, Commissioner
Frederick Bernthal, Commissioner
Lando Zech, Commissioner
1717 H Street, N.W.
Washington, D.C. 20555

OFFICE OF SECRETARY
DOCKETING & SERVICES
BRANCH

*W/o Attachment H
WHL*

Re: Diablo Canyon Nuclear Power Plant, Units 1 and 2
Docket Numbers 50-275 and 50-323 (2.206)

Dear Commissioners:

Pursuant to 10 C.F.R. 2.206, on behalf of Timothy J. O'Neill, the Government Accountability Project (GAP) petitions the Commission to defer any further licensing decisions on the Diablo Canyon nuclear power plant, until -- 1) the effects are neutralized from a wave of harassment and retaliation on-site that has intensified since the April 13, 1984, low-power testing decision; and 2) management restores the organizational freedom for inspectors to report quality assurance (QA) violations as required by law.

From July 5, 1983 until July 24, 1984, Mr. O'Neill was a quality control (QC) inspector for Pullman Power Products, a major contractor at Diablo Canyon. In his July 24 resignation letter, Mr. O'Neill informed Pullman QA/QC manager Harold Karner:

It is with sincere regret that I am forced to submit this letter of resignation in protest of working conditions that do not provide the required organizational freedom from harassment for me to perform my duties in accordance with Federal law. Recent events have indicated that my personal safety has been compromised, and I can no longer work in an atmosphere of harassment and intimidation.

Over the past year . . . [a]s an inspector I endeavored to work to the letter of our approved procedures, and if these seemed unworkable, I took steps to offer what I felt to be viable solutions. For these actions I have been physically harassed, verbally intimidated and threatened with disciplinary action.

Mr. O'Neill's resignation letter is enclosed as Attachment 1.

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I. SPECIFIC RELIEF REQUESTED

More specifically, Mr. O'Neill petitions the Commission to defer any further licensing decisions on Diablo Canyon until --

(A) completion of a corrective action plan to restore organizational freedom, including --

- (1) receipt of signed statements by all Diablo Canyon Project personnel that they are on notice that harassment of QA/QC personnel is a criminal violation of section 235 of the amended Atomic Energy Act, and violations will result in immediate termination and referral for criminal prosecution; and
- (2) completion by all personnel including construction and QA/QC management, of a Commission approved training program on the requirements for organizational freedom in 10 C.F.R. 50, Appendix B, Criterion I.

(B) opportunity for Mr. O'Neill to complete his interrupted May 22, 1984 disclosure to NRC Inspector Isa Yin on specific Quick Fix violations.

(C) completion of a third party reinspection by the Quadrex Corporation, as well as any necessary corrective action, on hardware which could be affected by the following 12 alleged quality assurance deficiencies -- 1/

- (1) (January 13, 1984) use of A307 Grade B bolts for welding applications, including the containment liner and other safety-related pipe support systems.
- (2) (January 1984) falsification of quality assurance documentation for material traceability on pipe attachments for safety-related systems.
- (3) (February 21, 1984) compliance with code requirements for weld procedures on all safety-related piping and pipe supports.
- (4) (February 29, 1984) undocumented drilling and installation of concrete anchor bolts for safety-related pipe supports; and failure to conduct required inspections for resulting damage to reinforcement bars.
- (5) (March 2, 1984) lack of controls in storage areas for materials, with the result that items qualified for safety-related systems could be and were mixed with items only qualified for non-safety-related systems, and vice versa.

1/ The dates in parentheses refer to Mr. O'Neill's attempt to report the violations. In most instances, he persisted in pursuing the issues until his July 1984 resignation.

- (6) (April 30, 1984) improper installation of Hilti stud-type expansion anchors in safety-related systems generally.
- (7) (June 11, 1984) inadequate weld filler rod metal control on safety-related welding, resulting in improper substitutions such as carbon rods for stainless, although the paperwork said the correct rods are in place.
- (8) (June 30, 1984) installation of trough-bolting without control by documented procedure, instruction or drawing, for safety and non-safety-related work throughout the plant.
- (9) (July 4, 1984) unacceptable weld contours that violate current specifications and code requirements, for seismic Class I welds on the fire protection system.
- (10) (July 14, 1984) inadequate controls on argon gas flow for all Gas Tungsten Arc Welding.
- (11) (July 21, 1984) improperly controlled installation of Phillips shell-type concrete expansion anchors generally, including falsification of installation records.
- (12) (July 24, 1984) improperly controlled grouting repairs to fill holes in safety-related work, with resulting concrete voids, and unacceptable installations in abandoned baseplate holes.
- (13) all alleged Quick Fix violations reported by Mr. Yin, after he and Mr. O'Neill conclude the interview they began on May 22, 1984.
- (14) all reports of quality assurance violations that have been reported on memoranda or informal substitutes to quality assurance (QA) forms, as well as all QA reports which have been voided.

(D) investigation by an Office of Inspector General at a government agency outside the NRC, of the NRC staff's handling of Mr. O'Neill's allegations.

The twelve specific alleged QA violations within (C), supra, are illustrative rather than comprehensive. 2/ Mr. O'Neill selected them, because in each case they represent violations of such severe

2/ An affidavit in support of this petition will be filed today with the Office of Investigations (OI) in Walnut Creek, California. Mr. O'Neill is available for intensive briefing and disclosures to OI, and to Mr. Yin. Due to previous staff misconduct, Mr. O'Neill will not participate in any interviews with Region V personnel. He has lost faith in Region V's credibility, due to the staff's violation of his confidentiality on two occasions and the staff's practice of promptly turning his evidentiary submissions over to the utility.

safety significance that PG&E may be required to report them within 48 hours under 10 C.F.R. Part 21 or 10 C.F.R. 50.55(e), depending on whether the violation occurred in Unit 1 or Unit 2. ^{3/} In each instance, however, PG&E did not submit the required report. Instead, management instructed Mr. O'Neill not to write any formal report, voided those he already had submitted, transferred him, issued warning notices to him, threatened his dismissal, and aggravated the physical threats and harassment until it reached a dangerous level.

The harassment has intensified since the April 13 low-power test vote, when 14 out of the 20 reprisals have occurred. During the last few weeks, the harassment has become intolerable, particularly after management released copies to construction personnel of his July 14 memorandum protesting an incident where he was doused with a fire extinguisher during a July 10 inspection. This week he has been subjected to repeated catcalls and was "accidentally" rope-whipped. On his way out from work Monday, Mr. O'Neill overheard construction workers threatening to shoot him and another inspector with a ".44."

Under the Atomic Energy Act and 10 C.F.R. 50.7, a license cannot be granted under a cloud of repression against disclosure of QA violations on safety-related work. In 1981, Diablo Canyon's operations were held up because PG&E allowed the mandatory disclosure system to work -- management forwarded the discovery of reversed blueprints to the government. In 1984, PG&E is assuring that the reporting system does not work again. It has been shut down, and inspectors who persist are browbeaten into submission or resignation. Mr. O'Neill kept working within the system until it became physically dangerous to continue. An NRC license for full power operation should not be management's reward for a coverup.

Respectfully submitted,

Thomas Devine

Thomas Devine
Counsel for Mr. O'Neill

^{3/} Since both units were covered by the same QA program and procedures, violations confirmed in one unit would have to be checked in the other to determine the full extent of similar deficiencies.
