



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

September 25, 1995

Morrison Knudsen Corporation
ATTN: L. E. Pardi
Executive Vice President
MK-Ferguson Plaza
1500 West 3rd Street
Cleveland, Ohio 44113-1406

SUBJECT: NRC NOTICE OF VIOLATION

Thank you for your letters dated September 13, 1995, in response to our letter and Notice of Violation dated August 14, 1995. We have reviewed your reply and find it responsive to the concerns raised in our Notice of Violation. We will review the implementation of your corrective actions during a future inspection at Fort St. Vrain to determine that full compliance has been achieved and will be maintained.

Sincerely,

A handwritten signature in black ink, appearing to read "Ross A. Scarano".

Ross A. Scarano, Director
Division of Radiation Safety
and Safeguards

EA: 95-079
Docket: 50-267
License: DPR-34

9509260359 950925
PDR ADOCK 05000267
Q PDR

cc w/enclosures:

Public Service Company of Colorado
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Public Service Company of Colorado
ATTN: M. H. Holmes
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Fort St. Vrain Services
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Public Service Company of Colorado
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Public Service Company of Colorado
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Colorado Department of Health
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Commitment Control Program Coordinator
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bcc to DMB (IE01)

bcc distrib. by RIV:

- L. J. Callan, RA
- J. T. Greeves, NMSS/DWM (T7J9)
- L. Bell, NMSS/DWM/LLDP (T7F27)
- C. L. Pittiglio, NMSS/DWM (T7F27)
- P. B. Erickson, NRR/DOPS (011B20)
- J. D. Weiss, OC/LFDCB (T9E10)
- C. L. Cain, DRSS/FCDB
- F. A. Wenslawski, WCFO
- R. J. Evans, DRSS/FCDB
- MIS System
- RIV Files
- FCDB

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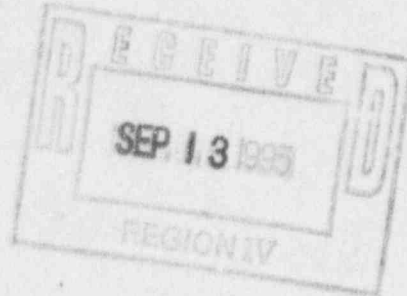


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THOMAS H. ZARGES
PRESIDENT & CEO

September 13, 1995



U. S. Nuclear Regulatory Commission
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Attn: **Document Control Desk**

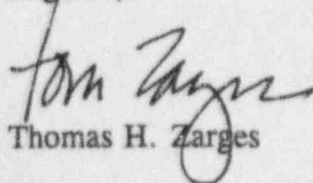
Subject: "Reply to a Notice of Violation" EA-95-079

Sirs:

Since becoming aware that the potential of a hostile or "chilling" work environment could exist at our Fort St. Vrain Project, I have required that Lou Pardi, MK's Executive Vice President, Power Division keep me apprised of activities at the project.

I have reviewed the corrective actions taken by MK and the Westinghouse team at Fort St. Vrain and feel they adequately address the problems encountered. Of equal importance I have reviewed MK's actions toward assuring that similar inappropriate work environments will not exist at other sites where MK is doing work regulated by the NRC. I personally issued a Safety Alert Bulletin to all of our projects. This bulletin clearly states MK's policy relative to safety, the open exchange of information, and the rights of protected workers. I believe that this bulletin along with other actions taken by MK which are described in our attached response and a significantly enhanced sensitivity to these issues on the part of all MK management will prevent the occurrences of similar problems on other ongoing or new MK projects.

Regards,


Thomas H. Zarges

THZ:poc

95-2074

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LOUIS E. PARDI
EXECUTIVE VICE PRESIDENT

September 13, 1995

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Mail Stop P1-37
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11555 Rockville Pike
Rockville, MK 20852-2738
Attn: **Document Control Desk**

Subject: "Reply to a Notice of Violation" EA-95-079

Sirs:

Morrison Knudsen (MK) has prepared this response to the NRC's letter of August 14, 1995, which advised MK of a Notice of Violation (EA-95-079) related to the creation of a hostile work environment by MK employees at Public Service Company of Colorado's Fort St. Vrain Facility. This response has been put in the format as specified in the instructions of the Notice of Violation.

Reason for Violation

The decommissioning of Fort St. Vrain has been and continues to be a challenging project. Many of the activities performed at Fort St. Vrain, such as concrete cutting, underwater diving and demolition, and rigging/handling of activated materials have never been done on the scale encountered on this project. At Fort St. Vrain, unlike a conventional construction project, all of these activities have to be done with the care, excellence, and discipline required in a nuclear facility. Additionally, the efforts at Fort St. Vrain required the coordination of all activities of the four principals involved; i.e., The Public Service Company of Colorado and the Westinghouse Team (WT) comprised of Westinghouse Electric Corporation (W), Scientific Ecology Group (SEG), and Morrison Knudsen (MK). In the initial phase of this project and through those activities culminating approximately in March, 1994, Morrison Knudsen did not recognize that within an intense work environment as described above special care must be exercised to avoid the development of a work environment which could be perceived as hostile or "chilling". As a result a significant number of personnel working at the site did have the perception that production was emphasized over safety and raising such safety concerns could result in retaliation.

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While, as the Stier, Anderson, Malone Report indicates, there was no one singular act or cause for this situation there were a number of contributing causes including:

- A lack of sensitivity on the part of certain MK superintendents as to how readily the perception of a hostile work environment can be created.
- Middle and upper level project management were not aware that the perception existed. The project's safety and ALARA performance, as shown in pages 30 and 31 of Exhibit I, were/are exemplary (loss time incident rate less than 10% of industry average and personnel contaminations and total dosage significantly below industry average and the project's goals) and may have in fact served to mask these perceptions. Because a chilling effect inherently can keep concerns from being expressed management must pro-actively look for evidence of a hostile work place beyond the data and indices normally used to monitor project performance.
- Inadequate communications between various employees and entities engaged in the project.
- Lack of teamwork particularly between MK and SEG employees.

Corrective Action and Results

Immediately upon becoming aware that a hostile work environment apparently existed at Fort St. Vrain, PSC, Westinghouse, SEG, and MK took immediate corrective action. MK was aggressive in these actions and fully supported PSC's efforts including the Stier, Anderson, Malone investigation. Many of the corrective actions taken on the part of PSC and MK are detailed in the presentation made to the NRC on June 1, 1995, at the predecisional enforcement conference, a copy of which is attached as Exhibit I. Specific corrective actions which MK took on unilaterally or as part of the PSC/Westinghouse team and the results of these actions follow.

- Corrective Action for Improved Superintendent Awareness/Training

During the February, 1994 time frame, the WT obtained a copy of the January 18, 1994, release of "The Report of the Review Team for Reassessment of the NRC's Program for Protecting Allegers Against Retaliation". The MK operations manager distributed copies to key personnel and numerous discussions took place to sensitize the MK staff to the expectations and interpretations contained within this document which was shortly thereafter released as NUREG-1499.

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On February 24, 1994, L. E. Pardi, MK Executive Vice President, Power Division, removed the MK superintendent responsible for intimidating remarks to an SEG employee from the project. This superintendent was re-assigned to another (non-nuclear) project. Mr. Pardi met with this superintendent again on August 17, 1995, and discussed MK's Notice of Violation with him to underscore the seriousness of his actions.

On March 9 and 10, 1994, all MK management, supervisory, and craft personnel attended a presentation on project values. Central to this presentation was the importance of industrial and radiation safety and the ability of employees to raise concerns. The project's ongoing "open door" policy which has always encouraged employees to discuss job related concerns with project management was also emphasized. The outline of this presentation is shown as Exhibit II.

On March 31, 1994, Mr. Pardi participated in a joint MK, PSC, Westinghouse, and SEG presentation related to corporate philosophies, values, and expectations. This presentation was made to all supervisory employees at Fort St. Vrain including union general foremen and is included as Exhibit III.

During the March 25, 1994 work stoppage training lesson plans were revised to include enhanced coverage of 10 CFR 50.7 requirements. It was mandatory that each employee take restart training prior to his/her badge being reactivated. Copies of applicable parts of this lesson plan are included as Exhibit IV.

On August 15, 1994, MK's operations manager at Fort St. Vrain issued "Guidelines for Reduction in Force Actions" to all MK Superintendents and union foremen and general foremen, specifically pointing out the requirements of 10 CFR 50.7. These guidelines are attached as Exhibit V.

Corrective Action for Increased Management Awareness

MK management became pro-active in looking for signs of a hostile environment during the 1994 work stoppage when all union business agents were requested to contact their constituents for feedback on the work environment. MK continues to meet with business agents on a regular basis and with the Building Trades Council quarterly for feedback.

Beginning March 14, 1994, Public Service has opened a confidential "Hotline" phone answering service which enables employees to voice concerns anonymously.

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MK is committed to investigating and resolving these concerns. Additionally, MK has been conducting exit interviews of all employees, including craft and subcontractors, as they are terminated or work becomes completed. Copies of sample exit interviews are included as Exhibit VI.

MK's operations manager, the Westinghouse project director, and SEG's project radiation protection manager meet weekly to exchange information pertinent to the project work environment. These same managers and their direct reports, including the supervisors of radiation technicians and final survey radiation technicians, also meet weekly. Additionally, MK's operations manager, the Westinghouse project director and Public Service's project director meet weekly with periodic briefings by PSC's oversight staff who conducts audits of the work environment.

An important activity developed to give senior site management direct "from the field" information is the Safety Surveillance Tour in which a key manager from the WT tours the project with representatives from the craft and radiation protection technicians and an MK safety supervisor. An example of one of these surveys, which are conducted monthly, is attached as Exhibit VII.

Corrective Actions Related to Improved Communications and Teamwork

In March, 1994, executives of PSC and the Westinghouse Team realized that enhanced communications and teamwork were needed. Westinghouse provided the services of their Manager of Communication Services who acted as a facilitator for a number of communication workshops attended by SEC and MK personnel. The objectives of these workshops included instilling the importance of two way communications, appreciation of accomplishments made through teamwork, and the importance of mutual trust. A memorandum initiating and describing these workshops is included as Exhibit VIII.

For many years MK has conducted "Tool Box" safety meetings on all of our projects. These meetings, which are an excellent form of communication, are usually led by a safety specialist and are a forum for the discussion of safety topics. During these meetings craft personnel are encouraged to raise any questions or concerns about any task. An example documenting one of these meetings which included an ALARA update is shown in Exhibit IX.

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At Fort St. Vrain MK also conducts ongoing briefings of the requirements of work packages and radiation work permits. These meetings which are attended by engineering, supervisors, craft, ALARA coordinators and radiation protection technicians provide yet another opportunity for workers to raise concerns.

Results

The corrective actions have achieved the desired results. In fact, the Stier, Anderson, and Malone report concluded that the major elements of the atmosphere of harassment and intimidation were no longer factors when the stop work order was issued in late March, 1994. From this, it is apparent that the substantial corrective actions undertaken by PSC, SEC, and MK began to be effective very shortly after the hostile atmosphere was identified.

MK continues to refine mechanisms to promote comfortable, open communication of safety issues. The focus is to maintain the trust of the work force by considering and acting on identified safety concerns. Two notable examples are the support of the core support floor (CSF) for segmentation and the removal of Kaowool insulation from the beltline concrete segments. The first example relates to the support system for supporting one half of the CSF above the other half while the crane monorails and insulation were removed from the top half. This system had been adequately engineered to support the load although minor deformation did occur due to a point load. Some of the ironworkers who were required to work underneath the floor questioned the adequacy of the support system. The superintendent called for engineering to evaluate the situation and meet with the workers. Even with the explanation of the adequacy of the system, it was agreed not to proceed until additional support members were placed beneath the floor. The second example involves the removal of Kaowool insulation from the beltline concrete segments. The airborne radiation levels had been monitored and had been determined not to require respiratory protection. The Kaowool had been questioned in regard to being a possible carcinogen and due to the lack of data to show otherwise and until such time that testing shows that fiber counts are below acceptable levels, respirators are being utilized during this activity.

Communication continues to receive focus in weekly tool box meetings and job briefings to seek out concerns and show active interest in their resolution.

Recent exit interviews for craft labor and subcontractors have been very encouraging. These interviews have been performed by our Senior Safety

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Supervisor, who reports directly to the operations manager. The remarks of the interviewee are recorded by the Safety Supervisor and then the interviewee signs the acknowledgement. These employees have expressed a sincere willingness to contemplate further employment with MK and have not expressed any sense of intimidation related to expression of safety concerns. Nor have there been any safety concerns or harassment and intimidation calls placed through the project "Hotline" relative to MK's activities on the project.

As endorsed by PSC during the predecisional enforcement conference, the project now demonstrates an appropriate atmosphere where employees are comfortable to bring up safety concerns and the program identifies problems or conflicts and with management involvement, if necessary, they are resolved.

Many times difficult problems serve as a catalyst for pulling people together and in working their way towards a solution people find that they have a common cause. This was indeed the case at Fort St. Vrain. Employees, supervisors, managers, and executives of all the companies involved appreciate each others position on the various issues involved and have developed a sense of teamwork and trust. Because of this intercompany relationships are now excellent. A commitment by SEG to promote efficiency and by MK to support RPT activities has been openly embraced by both companies.

Corrective Actions to Avoid Further Violations

We believe that the corrective actions discussed above combined with a diligent continuing effort of implementation of these policies, procedures, and attitudes developed as part of these corrective actions will prevent the recurrence of a hostile work environment at Fort St. Vrain.

Of equal importance to MK senior management is the prevention of the occurrence of a hostile or chilling environment at any of our projects at NRC licensed facilities. To assure that this does not happen MK has/will implement the following actions:

1. On June 6, 1995, Tom Zarges, President and CEO of MK's Engineering and Construction Group issued a Safety Alert Bulletin to all projects. This bulletin (attached as Exhibit X) discussed the need for open communications particularly as relates to safety concerns and the employee protection requirement of federal statutes including 10 CFR 50.7.

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2. In early June, 1995, L. E. Pardi drafted and circulated for comments an MK Project Management Bulletin entitled "Harassment and Intimidation in the Workplace". This document was released for implementation on August 24, and is included as Exhibit XI. It clearly expresses MK's policy of ensuring that our employees are not subject to harassment or intimidation in the workplace pointing out that such activities at NRC licensed facility is a violation of federal law. The bulletin requires that each project working under 10 CFR 50.7 requirements shall have a procedure which as a minimum requires (a) indoctrination and training of all MK supervisory employees (including union foremen and general foremen) to the requirements of 10 CFR 50.7; (b) indoctrination of all employees of their rights to express workplace safety concerns; and (c) a method of collecting and dispositioning employee concerns.
3. MK recognizes the need for, and is in the process of developing, a formal "open door" policy which will be distributed to and used at all MK projects. Prior to this MK's "open door" policy existed but it was not a part of our written project requirements.
4. All of the information contained in this response will be forwarded to all NRC licensed projects where MK is working. Each project manager will be required to read and document his understanding of this response.
5. MK's executive management has been sensitized to H&I issues as a result of our Fort St. Vrain experience. In working with PSC, Westinghouse, and SEG, we have learned much about the importance of workplace attitude and more importantly ways in which employees can be encouraged to have open discussions about workplace concerns. We are committed to achieving this open atmosphere on all of our projects.

Date Full Compliance is Anticipated

As noted above, the Stier, Anderson, and Malone report concluded that the major elements of the atmosphere of harassment and intimidation were no longer factors when the stop work orders were issued in late March, 1994. From this, it is apparent that the substantial corrective actions undertaken by PSC, SEG, and MK were effective early on in their implementation. However, it is clear to MK that continued unrelenting efforts to maintain open communication are the only means to guarantee that the perception of harassment and intimidation will not recur.

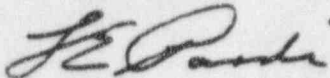
U. S. Nuclear Regulatory Commission

Page 8

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MK believes that compliance has been achieved, that communication mechanisms are in place and functioning in a manner that will prevent similar violations at other NRC licensed facilities where MK is performing NRC licensed activities.

Sincerely,



L. E. Pardi

LEP:pcx

attachments

cc: L. J. Callan
Regional Administrator
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Region IV
611 Ryan Plaza Drive, Suite 400
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A. Clegg Crawford
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LOUIS E. PARDI
EXECUTIVE VICE PRESIDENT

September 13, 1995



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One White Flint North
11555 Rockville Pike
Rockville, MK 20852-2738

Attn: **Document Control Desk**

Subject: "Reply to a Notice of Violation" EA-95-079

Sirs:

Please be advised that there is an error in my letter (L. E. Pardi to U. S. Nuclear Regulatory Commission, dated September 13, 1995) which was forwarded to your office with a copy to L. J. Callan, Region IV.

Please refer to page 6, paragraph one of the subject letter. In the last sentence of this paragraph I have stated:

"Nor have there been any safety concerns or harassment and intimidation calls placed through the project "Hotline" relative to MK's activities on the project".

This statement is incorrect. Please replace it with the following:

"To date two calls have been received through PSC's "Hotline". Each of these calls was thoroughly investigated and corrective actions taken as necessary".

Additionally, I am enclosing herewith my affirmation which was not included in my previous correspondence.

Sincerely,


L. E. Pardi

LHP:poc

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MORRISON KNUDSEN CORPORATION

ENGINEERING, CONSTRUCTION
& ENVIRONMENTAL GROUP

In the Matter)	
)	EA 95-079
Morrison Knudsen Corporation)	

AFFIDAVIT

Louis E. Pardi, being first duly sworn, deposes and says: That he is Executive Vice President of Morrison Knudsen Corporation, Engineering and Construction Group, Power Division, and that he has prepared the information presented in the letters dated September 13, 1995 - Subject: "Reply to a Notice of Violation" - EA-95-079, and knows the contents thereof, and that the statements and matters set forth therein are true and correct to the best of his knowledge, information and belief.

Louis E. Pardi

Louis E. Pardi
Executive Vice President
Power Division

STATE OF OHIO

COUNTY OF CUYAHOGA

Subscribed and sworn to before me, a Notary Public on this 13th day of September, 1995.

Frances E. Buford

Notary Public

FRANCES E. BUFORD, Notary Public
State of Ohio
My Commission Expires Nov. 20, 1999

My commission expires 11-20-99.

cc: L. Callan
C. Crawford
R. Edmister
W. Hug