

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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USNRC

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BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

In the Matter of:)
)
TEXAS UTILITIES ELECTRIC) Dockets Nos. 50-445 and
COMPANY, et al.) 50-446 OC
)
(Comanche Peak Steam Electric) (Application for
Station, Units 1 and 2)) Operating License)

AFFIDAVIT OF JOSEPH J. LIPINSKY

My name is Joseph J. Lipinsky. I am employed by O.B. Cannon & Son, Inc., 5600 Woodland Avenue, Philadelphia, PA 19143. A statement of my educational and professional qualifications is attached to this affidavit.

On July 26, 27 and 28, 1983, I visited Comanche Peak Steam Electric Station to evaluate certain aspects of the Applicants' coatings program. After that short site visit, I prepared a Trip Report. I understand that a copy of the Trip Report has been submitted to the Board in this proceeding. Because the observations and conclusions in the Trip Report no longer represent my views or the views of O.B. Cannon & Son, this affidavit will discuss in some detail each of the areas mentioned in the Trip Report.

CIRCUMSTANCES OF MY VISIT
TO COMANCHE PEAK

I understand that Applicants retained C.B. Cannon during the summer of 1983 to evaluate certain aspects of the Comanche Peak coatings program, including observation and analysis of production, work procedures, scheduling, training and painter qualification, quality assurance, management, and specifications. In early July, the president of O.B. Cannon, Mr. Roth, instructed me to become involved in Cannon's efforts and to visit the site to provide additional input.

My initial visit to Comanche Peak was July 26 through July 28, 1983. On July 26, I met Mr. C.T. Brandt and several other individuals involved with the coatings program. We briefly discussed the purpose of my visit and I described how we would proceed. I then proceeded to tour the site and observe various activities related to the coatings program. I talked with several individuals to familiarize myself with the activities. We discussed the job status, project conditions and work activities. The majority of my time on July 26 was spent in the containment building for Unit 1.

On July 27, I returned to the site and continued with my review of the containment building for Unit 1. I observed work on the polar crane and dome. I then had about a 10-minute meeting with Messrs. Tolson and Brandt.

On July 28, I met with Mr. John Norris, who is an O.B. Cannon Vice-President in Houston, to discuss my observations. I then reviewed the FSAR commitments and other documentation. Finally, I participated in an exit interview. I expressed a few concerns regarding material storage, painter qualification, compliance with ANSI requirements and possible coatings integrity. Mr. Tolson asked me to provide specifics on these points, and I told him that I was unable to do so without conducting an in-depth review. The meeting was then concluded, and Mr. Norris, Mr. Merritt and I met with Mr. Joe George, the TUSI Vice President in charge of construction. (I mistakenly identified Mr. George as Mr. Church in my August 8 memorandum.) Mr. Merritt summarized the exit interview for Mr. George.

THE TRIP REPORT

On July 28, I returned to my office in Philadelphia and drafted Trip Report OBC Job No. H8301 (Comanche Peak Unit 1--Glen Rose, TX). After the report was finalized on August 8, I provided copies of it to Mr. Roth and Mr. Norris. This document was intended for use strictly in-house, by O.B. Cannon. To my knowledge, Applicants did not become aware of the existence of my Trip Report until mid-

October, when Mr. Merritt called Mr. Roth and asked for a copy. Mr. Roth sent Mr. Merritt a copy of the Trip Report on October 12.

When I prepared the Trip Report, I was not aware that the Report would be distributed publicly or that it would be submitted as evidence in hearings before the NRC. Had I been aware of the pendency of this case and the ramifications of my Trip Report, I would have more carefully and aggressively pursued the concerns I expressed in that report before memorializing those concerns in writing. I also would have been more assertive in my dealings with site management so that my concerns were known and addressed to my satisfaction at that time. Finally, had I known that the Trip Report might be considered to be my final views on the adequacy of the Comanche Peak coatings program, I would not have prepared the Report because I did not have sufficient information to make final judgments. In fact, at the time I received my assignment to visit the site in late July, I believed that three days was insufficient time for me to evaluate adequately the coatings program.

I do not know how my Trip Report became public. I understand that the NRC has concluded that it was "surreptitiously" taken by someone who provided it to the NRC. I assume that the word "surreptitiously" taken means that it was stolen. If the Report was taken from me it was so taken without my knowledge or consent.

CURRENT STATUS OF THE
TRIP REPORT

I conducted an additional site visit in early November, at which time, in extended conferences, Applicants provided me with detailed information relating to each of the issues that I had earlier identified in my August 8 Trip Report. Applicants have subsequently provided me with additional information and documentation as to those issues. The specific issues identified in my Trip Report are materials storage, workmanship, coatings integrity, and inspector morale. Had I possessed, at the time, the information that has now been presented to me, I would not have expressed the concerns that I did in the Trip Report. This affidavit discusses each of the issues and statements identified or contained in the Trip Report.

MATERIALS STORAGE

When I first visited the Comanche Peak site I was looking at certain things that, to me, would indicate good materials storage practices. I looked for such things as status indicator tags (accept tags), reject areas and hold areas. Reject areas are locations where coating materials that have been rejected are stored. Hold areas are locations where coating materials of indeterminate quality are stored. I saw no indications of the use of status tags, and

I saw no reject areas or hold areas. Further, regarding the control of coating materials in general, I saw no system of tracking for control of mixed materials.

I have reviewed the affidavit of C. Thomas Brandt regarding the Comanche Peak procedures for coatings storage and control. Having reviewed his affidavit and supporting documentation, I am satisfied that the procedures at Comanche Peak used to track and document satisfactory coating materials satisfies the requirements of ANSI 101.4 and Appendix B. Had I been familiar with these procedures at the time of my site visit, I would not have criticized these aspects of materials storage and traceability in my August 8 Trip Report.

Specifically, I now know that the reason that I did not see reject areas or hold areas was because these areas are located at the Receiving Warehouse, which I did not visit while on site. With respect to traceability, I now understand that storage, mixing, and use of coating materials are fully overseen and documented by QC personnel. Again, had I been familiar with these procedures at the time that I wrote my August 8 memorandum, I would have had no basis on which to criticize Applicants' methods of handling mixed coating materials. Based on my current understanding of the Comanche Peak storage and traceability program, I have no criticisms of practices and procedures utilized by Applicants.

WORKMANSHIP

My August 8 Trip Report identified workmanship as a problem at Comanche Peak. The only basis for this criticism was my observation of sags and runs in applied film. What I saw was, however, really was no different from what I have seen at most other job sites involving construction of nuclear power plants. Sags and runs are typically encountered in cured films. They may be acceptable or unacceptable, depending on the requirements of the relevant procedures and specifications.

I have reviewed Mr. Brandt's affidavit regarding the Comanche Peak procedural requirements for dry film thickness (DFT) readings. According to Mr. Brandt, areas that include sags and runs are routinely inspected by QC inspectors for compliance with the relevant requirements. If, therefore, a sag or run would cause rejection of the coatings work in question, Comanche Peak procedures would require either rework or disposition by engineering as acceptable. I am satisfied that Applicants have addressed any problems that sags or runs might present in procedures.

PAINTER QUALIFICATION AND
INDOCTRINATION

During my site visit in July, 1983, I was told by one or more QC inspectors that Applicants did not qualify painters by actually requiring the application of coating material as a test for competence. This information, however, was erroneous. On a subsequent visit to Comanche Peak I observed craft personnel undergoing testing by applying zinc primer to test panels. I have also reviewed Mr. Brandt's affidavit regarding qualification of painters. Based on his discussion, I am satisfied that my original misapprehension was without basis.

I was also concerned, when I prepared my Trip Report, that the QA/QC organization did not monitor qualification processes for craft painters. I now understand from Mr. Brandt's affidavit that QC inspectors conduct visual examination of the test panels coated by the craft during the qualification and indoctrination program. I believe that this overview by QC is appropriate and important because it assures that the craft painters can apply the film in a manner that meets quality requirements.

In sum, I am now satisfied that my original impressions regarding the qualification and indoctrination of craft painters was erroneous.

ADEQUACY OF DOCUMENTATION

My August 8 Trip Report also mentioned documentation deficiencies as a concern. The areas on which I had focused were painter qualification forms and Inspection Reports (IRs). In order to meet ANSI standards the program must assure that pertinent data is recorded regarding both painter qualification and daily inspections. My conversations with a few individuals made me concerned that Applicants' painter qualification forms and IRs did not provide for a recording of all pertinent information. I do not recall whether this concern was triggered by actual review of these documents; my impression is that this observation was based on discussions with QC inspectors.

I have reviewed Mr. Brandt's affidavit with respect to Applicants' painter qualification forms and IRs. I have also reviewed the sample painter qualification forms and IRs attached to his affidavit. I am satisfied that Applicants' use of both forms complies with ANSI standards, and that my impression to the contrary, based on a very short visit to the site without any in-depth review of this documentation, was erroneous.

COATINGS INTEGRITY

My August 8 Trip Report indicated possible concerns with coating integrity. My specific concerns are listed in Paragraphs E and F of Page 4 of the Report, which address Applicants' practice of power grinding CZ-11, and applying new Phenoline 305 over old Phenoline 305 without extensive surface preparation. These observations were not based on a study of the specifications for the coatings systems, and were simply my observations based upon what I saw in the field. I now understand from Mr. Brandt's affidavit that Applicants have raised each of these issues with the coatings manufacturer, and I note that the manufacturer has approved these practices in writing. The manufacturer's approval of these practices satisfies any concerns that I might have had.

MORALE PROBLEMS

The basis for my concern that morale problems existed at Comanche Peak was my discussion with several QC inspectors. Management at the site acknowledged that morale was not high, and stated that they were taking steps to rectify the matter. I have no basis for concluding that morale at

the site was detrimental to quality. I believe that the most important thing is that management is aware of the situation and is taking steps to rectify it.

MANAGEMENT'S COMMITMENT
TO QUALITY

When I prepared my August 8 memorandum, my impression was that Comanche Peak management was disinterested in quality and actually attempted to discourage efforts to report quality problems. I have concluded that my initial impression was based on misinformation and was erroneous.

I had a brief discussion with TUGCO's quality assurance manager, Ronald G. Tolson, on July 27, 1983. I attempted to discuss with him a few concerns regarding quality matters. I learned later that he understood my comments to relate to licensing questions. Mr. Tolson stated that he was not concerned with licensing questions, but my impression was that he was expressing disinterest in quality matters. I was frankly very surprised with his comment (as I then interpreted it) but did not pursue it with him at that time. Subsequent discussions with Mr. Tolson convinced me that my original impression (as reflected in the Trip Report) was incorrect and that he is in fact sincerely concerned about the quality of the project without regard to the licensing proceeding.

My impression that management at Comanche Peak discouraged efforts to report quality programs was principally based on my understanding (from what I was told by QC inspectors) that coatings inspectors were not permitted to use non-conformance reports (NCRs). As noted above, I further believed at the time that the IRs used at Comanche Peak did not adequately document non-conformance conditions. I did not review the Comanche Peak quality procedures to verify the inspectors' claims. I now understand, however, based on Mr. Brandt's affidavit, that inspectors are not precluded from using NCRs in appropriate circumstances, and further that the IRs used at Comanche Peak are fully adequate to document non-conformance conditions. In my judgment, this approach is acceptable from a quality assurance standpoint. Indeed, O.B. Cannon & Son uses a similar program in its work at other nuclear plants.

Based on my discussions with site management subsequent to August 8, I now believe that management is concerned and dedicated to maintaining quality as to the project coating program and that management encourages the reporting of non-conforming conditions or any other quality concerns.

BROWN AND ROOT'S
HOSTILITY TO AUDITS

When I wrote the Trip Report, I perceived that Brown & Root was hostile to the idea of an audit and that no action would be taken by Brown & Root even if problems were detected in an audit. This impression was largely based on comments made by Mr. Tolson in an exit interview on July 28, 1983, during which he repeatedly stated that an audit by O.B. Cannon would be redundant. I took this to mean that he was hostile to an audit.

I should explain, first of all, that I was under the impression at the time that Mr. Tolson was employed by Brown & Root. I now know that he is employed by TUGCO. Thus, references to Brown & Root should have been references to TUGCO, with respect to audits.

I now understand more fully the basis and intent of Mr. Tolson's statements that an audit by me or by O.B. Cannon would not be productive. He has reconfirmed his view to me as recently as November 10, 1983. The basis for his belief, I now know, is the fact that during the period 1981 to 1983, the Comanche Peak QA/QC program has been subjected to repeated internal and external audits. In particular, as discussed in Mr. Brandt's affidavit, Texas Utility's corporate QA department has conducted several audits, and the program has been audited further by external agencies, including the NRC itself. Provided that these audits were

of sufficient scope and depth, and in view of the ongoing NRC review of the coating program, I agree with Mr. Tolson that an additional audit at this point would be redundant and unnecessary.

COMPARISON OF COMANCHE
PEAK TO ZIMMER

My August 8 memorandum stated that "to some extent a parallel can be drawn with Comanche Peak and Zimmer." This unfortunate observation was my feeling at the time, based on my limited familiarity with the program, that Comanche Peak might be developing into a Zimmer-type situation. The poor quality of the coatings at Zimmer would have required a complete rework of that plant's coatings. Based on the information with which I have been provided by site personnel subsequent to my August 8 memorandum, I believe that this conclusion was in error. Based upon my understanding of the program and the procedures in place at Comanche Peak I now believe that there is no parallel between Comanche Peak and Zimmer and I regret having made such a comparison.

MISCELLANEOUS CONCERNS

My Trip Report stated that "if quality work is put in place then they will be a long way to resolving site problems." That statement simply reflected my belief that if craft is careful in its application of coatings then the QC inspectors' job becomes routine and simple. If craft is careless, then the inspectors' job becomes more difficult. Obviously, the more desirable approach is to have the craft apply coatings in a quality-conscious manner. I did not intend for this statement to imply that the practices at Comanche Peak are not compatible with my philosophy, nor did the statement imply that coatings at Comanche Peak have been improperly applied or applied without regard to quality.

My Trip Report also referred to a "no win" situation on site between craft and QC inspectors. My impression was that the craft and inspectors were not functioning as a team but rather each seemed to be doing its job without regard for an integrated approach. My philosophy is that craft and inspectors should work together in a harmonious relationship to accomplish the objective. I questioned whether that objective was being met at Comanche Peak based upon my assessment at the time that the morale of the inspectors was low and that the attitudes of the craft and inspectors were in conflict. As I noted above, I expressed this point to

site management, which acknowledged that morale was not high and stated that they were taking steps to rectify the matter.

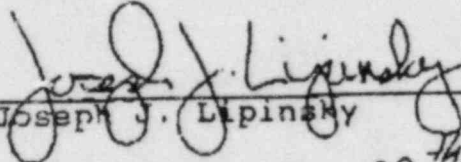
My Trip Report also discussed air supply problems experienced by the craft. The craft was experiencing problems on site with the air supply for spray painting or sand blasting. The air apparently contained water or oil, and the craft was spending a great deal of time correcting the problem, without being able to sandblast or apply coatings. Mr. Norris later provided site management with a description of equipment that would solve the problem, and my understanding is that the equipment was purchased. I have no reason to believe that the air supply problem adversely affected the quality of applied coatings because management was aware of it and took appropriate steps to rectify it.

The summary of my Trip Report includes the statement that Brown and Root wanted to "buy the 'right' answer." That statement relates back to my initial impression that Mr. Tolson was disinterested in quality matters. Again, my reference to "B&R" in the Trip Report was erroneous. Further, I am now convinced that my original impression of Mr. Tolson's attitude was also erroneous.

CONCLUSION

My August 8, 1983 Trip Report reflected my initial impressions conveyed during a very short visit to the site during which I had little opportunity to discuss my concerns with site management. My subsequent in-depth discussions with site management have demonstrated to me that my initial impressions were incorrect. I have not been induced in any way to retract my Trip Report, and I have not been subjected to any harassment, intimidation or threats by my employer, the Applicants or anyone associated with this proceeding. Indeed, I was asked by the intervenor, Mrs. Ellis, to testify on her behalf in this proceeding, and I tentatively agreed. My testimony would have been the same had I testified for Mrs. Ellis. It is unfortunate that a Trip Report innocently prepared by me to advise my superior of my observations and concerns in early August has apparently become the basis for a challenge to the adequacy of the Comanche Peak coatings program. As I have stated earlier, the Trip Report was based on incomplete information. Further, it was not, nor was it intended to be, a final view

of me or my company. It was merely input to the broader deliberations that my company needed to undertake in order to fully evaluate the adequacy of the Comanche Peak coatings program.



Joseph J. Lipinsky

Subscribed and sworn to before me this 28th day of September, 1984.



Notary Public

DANIEL F. ECKMAN, NOTARY PUBLIC
PHILADELPHIA, PHILADELPHIA COUNTY
MY COMMISSION EXPIRES APRIL 2, 1987
Member, Pennsylvania Association of Notaries

This is a telecopy facsimile. The original will be sent under separate cover.

RESUME
for
JOSEPH J. LIPINSKY

EDUCATION

Pennsylvania State University
Associate Degree - Liberal Arts, 1974
Bachelor of Science - Biology, 1977

EMPLOYMENT

Oliver B. Cannon & Son, Inc. - 1978-Present
Philadelphia, PA. 19143

- 1981-Present CORPORATE QUALITY ASSURANCE DIRECTOR -
Responsible for developing, implementing and
coordinating all aspects of the Quality
Assurance Program and Quality Work Procedures
as related to ANSI N101.4, Class I and II
Service Levels. Also responsible for
non-nuclear work with regard to Quality Work
Procedure development and implementation. In
addition, responsibilities include inspector
training and qualification, providing technical
direction as needed for nuclear and
conventional work, providing continuity and a
point of interface between manufacturers,
clients and technical representatives.
Currently certified as a Level III Coatings
Inspector in accordance with ANSI N45.2.6.
- 1980-1981 CORPORATE QUALITY ASSURANCE AUDITOR -
Responsible for satisfying the internal and
external audit requirements relating to all
nuclear contracts. Certified as a Lead Auditor
in accordance with ANSI N45.2.12 and ANSI
N45.2.23.
- 1979-1980 QA/QC MANAGER - Responsible for all quality
activities and the supervision and direction of
field personnel on the WNP-1/4 and WNP-2
nuclear projects, Richland, Washington. In
addition, functioned as the OBC quality
assurance representative on these sites.
- 1978-1979 LEAD FIELD QUALITY CONTROL INSPECTOR (Level II)
- Responsible for the implementation of the OBC
Quality Assurance Program and Quality Work
Procedures on the Three Mile Island and Perry
Nuclear Power Plant projects. Responsible for
the quality assurance testing of surface
preparation and coating application of Class I
nuclear coatings applied on these sites.

PROFESSIONAL AFFILIATIONS

American Nuclear Society - Member since 6/82
National Association of Corrosion Engineers -
Member since 4/81
American Society for Quality Control - Member
since 4/81