

TESTIMONY  
OF  
NUNZIO J. PALLADINO  
CHAIRMAN  
U. S. NUCLEAR REGULATORY COMMISSION  
BEFORE THE  
SUBCOMMITTEE ON ENERGY AND THE ENVIRONMENT  
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
ON  
DIABLO CANYON LICENSING CONCERNS  
JANUARY 24, 1984

(REVISED 1/20/84 5:00 P.M.)

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, WE AGAIN APPRECIATE THE OPPORTUNITY TO DISCUSS WITH YOU THE ISSUES AND CONCERNS REGARDING THE STATUS OF THE LICENSING PROCESS FOR THE DIABLO CANYON NUCLEAR POWER PLANT. WE LAST DISCUSSED THESE MATTERS WITH YOU NEARLY A YEAR AGO ON MARCH 8, 1983. MR. CHAIRMAN, IN YOUR LETTER TO ME OF DECEMBER 20 OF LAST YEAR YOU IDENTIFIED AS YOUR PARTICULAR CONCERN "THE STATUS OF THE LICENSING PROCESS AND THE RESULTS OF THE NRC'S REVIEW OF THE DIABLO CANYON DESIGN AND CONSTRUCTION." FIRST, I WILL DISCUSS THE STATUS OF THE DESIGN VERIFICATION EFFORT; SECONDLY, THE ONGOING HEARING PROCESS; AND THIRDLY, THE MATTER OF ALLEGATIONS THAT HAVE BEEN RAISED IN RECENT MONTHS. THE COMMISSION STAFF HAS MADE CONSIDERABLE PROGRESS IN ADDRESSING AND RESOLVING THE QUESTIONS ASSOCIATED WITH DIABLO CANYON. I WOULD LIKE TO ADD, HOWEVER, THAT MANY OF THESE QUESTIONS ARE STILL BEFORE EITHER THE COMMISSION OR THE NRC'S APPEAL BOARD FOR DECISION.

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#### DESIGN VERIFICATION PROGRAM

THE DESIGN VERIFICATION PROGRAM FOR DIABLO CANYON UNIT 1 HAS ESSENTIALLY BEEN COMPLETED. THE PROGRAM WAS ORDERED BY THE COMMISSION IN NOVEMBER OF 1981 WHEN WE SUSPENDED THE LOW POWER LICENSE FOR UNIT 1. IT INCLUDED THE VERIFICATION OF THE SEISMIC DESIGN, REFERRED TO AS PHASE I, AND THE NON-SEISMIC DESIGN, REFERRED TO AS PHASE II. IT CONSISTED OF TWO COMPLEMENTARY

EFFORTS: THE INDEPENDENT DESIGN VERIFICATION EFFORT, CALLED IDVP, WHICH WAS PERFORMED UNDER THE DIRECTION OF AN INDEPENDENT CONTRACTOR (TELEDYNE ENGINEERING SERVICES), AND THE INTERNAL TECHNICAL PROGRAM, CALLED THE ITP, WHICH WAS PERFORMED BY PACIFIC GAS AND ELECTRIC COMPANY WITH THE ASSISTANCE OF THE BECHTEL CORPORATION UNDER THE DIABLO CANYON PROJECT.

THE IDVP EFFORT CONSISTED OF SEISMIC DESIGN VERIFICATION IN SELECTED AREAS AND NON-SEISMIC DESIGN VERIFICATION OF THREE MAJOR SAFETY-RELATED SYSTEMS. THE IDVP ALSO PERFORMED AN AUDIT OF DESIGN QUALITY ASSURANCE PROGRAMS AND THEIR IMPLEMENTATION. THE PG&E EFFORT INCLUDED A VERIFICATION OF THE SEISMIC DESIGN OF ALL SAFETY-RELATED STRUCTURES, SYSTEMS, AND COMPONENTS; RESOLUTION OF CONCERNS IDENTIFIED BY THE IDVP; AND MODIFICATIONS TO THE PLANT AS NECESSARY.

SEMI-MONTHLY REPORTS ON THE STATUS OF BOTH THE IDVP AND PG&E PROGRAM WERE ISSUED. THESE REPORTS PARTICULARLY FOCUSED ON IDENTIFYING NEW CONCERNS. IN ADDITION, THE IDVP ISSUED IN EXCESS OF 60 INTERIM TECHNICAL REPORTS. REPORTS WERE ISSUED WHEN THE VERIFICATION OF A PARTICULAR ASPECT HAD BEEN SUFFICIENTLY COMPLETED TO ALLOW THE IDVP TO REACH A CONCLUSION. THE IDVP ISSUED A FINAL REPORT ON ITS EFFORTS IN SEGMENTS BETWEEN MAY AND OCTOBER 1983. THE FINAL REPORT INCLUDED AN EVALUATION OF ALL DESIGN ERRORS AND THE BASIC CAUSE FOR THESE ERRORS. AN ERROR DESIGNATION MEANS THAT A DESIGN CRITERION WAS NOT MET OR AN

OPERATING LIMIT WOULD HAVE BEEN EXCEEDED. THE RESOLUTION OF AN ERROR REQUIRED A PHYSICAL MODIFICATION, A CHANGE IN OPERATING PROCEDURE, MORE REALISTIC CALCULATIONS, OR RETESTING. PG&E ISSUED SEPARATE FINAL REPORTS FOR PHASE I IN SEPTEMBER 1982 AND PHASE II IN JUNE 1983. ALL REPORTS WERE AMENDED THROUGH OCTOBER 1983, DISTRIBUTED TO ALL PARTIES, AND RELEASED TO THE PUBLIC.

THE IDVP BASED ITS VERIFICATION ON INFORMATION THAT HAD BEEN PROVIDED BY PG&E. THE INFORMATION WAS EVALUATED WITH RESPECT TO LICENSING CRITERIA AND COMMITMENTS IN THE FINAL SAFETY ANALYSIS REPORT AND IN OTHER LICENSING DOCUMENTS FOR DIABLO CANYON. IN EXCESS OF 300 ERRORS OR OPEN ITEMS WERE IDENTIFIED AND REVIEWED BY THE IDVP. BASED ON FURTHER INFORMATION PROVIDED BY PG&E AND THE INDEPENDENT ANALYSIS OF THE IDVP, ABOUT EIGHT PERCENT OF THESE CONCERNS WERE CLASSIFIED AS ERRORS.

THE DESIGN VERIFICATION EFFORT BY THE IDVP AND PG&E RESULTED IN EXTENSIVE MODIFICATIONS TO THE PLANT. WHILE SOME OF THOSE CHANGES WERE DUE TO THE CONCERNS IDENTIFIED BY THE IDVP, THE MAJORITY WERE THE RESULT OF PG&E'S INTERNAL SEISMIC DESIGN VERIFICATION OF ALL SAFETY-RELATED STRUCTURES, SYSTEMS, AND COMPONENTS. IN MOST CASES WHERE A QUESTION AROSE REGARDING THE NEED FOR A MODIFICATION, THE PLANT WAS UPGRADED TO ENSURE THE DESIGN BASES FOR THE PLANT WERE MET. SUCH MODIFICATIONS WERE OFTEN MADE IN LIEU OF FURTHER ANALYSES AND EVALUATIONS. EVEN



THOUGH, ANOTHER ANALYSIS OR EVALUATION MIGHT HAVE PROVEN THE MODIFICATIONS UNNECESSARY.

IN MID-1983 THE DESIGN VERIFICATION EFFORTS WERE SUFFICIENTLY COMPLETED FOR OUR STAFF TO EVALUATE THE PROGRAM AND ITS FINDINGS. THE INITIAL SEGMENT OF THE STAFF'S EVALUATION WAS ISSUED ON AUGUST 5, 1983 AS SUPPLEMENT 18 TO THE SAFETY EVALUATION REPORT. FURTHER STAFF EVALUATIONS AND RESOLUTION OF CONCERNS IDENTIFIED IN THE REPORT WERE SUBSEQUENTLY ISSUED ON OCTOBER 14 AND ON DECEMBER 23, 1983 AS SUPPLEMENTS 19 AND 20. FINAL STAFF ANALYSIS OF MATTERS RELEVANT TO FULLPOWER OPERATION OF THE PLANT WILL BE FORTHCOMING.

THE NRC STAFF CONCLUDED IN SUPPLEMENT 18: (1) THAT THE IDVP HAD MET THE REQUIREMENTS AND OBJECTIVES OF THE DESIGN VERIFICATION EFFORT, (2) THAT THE DESIGN VERIFICATION EFFORTS BY THE IDVP AND PG&E HAD IDENTIFIED ALL SIGNIFICANT DESIGN DEFICIENCIES, AND (3) THAT APPROPRIATE CORRECTIVE ACTIONS HAD BEEN AND WERE BEING TAKEN TO ENSURE THAT THE DESIGN OF DIABLO CANYON UNIT 1 CONFORMS TO THE LICENSING CRITERIA.

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#### LICENSING AND HEARING PROCESS

THE LICENSING REVIEW ACTIVITY IS FOLLOWING A THREE-STEP LICENSING PROCESS. THIS PROCESS WAS PROPOSED BY PG&E AND APPROVED BY THE

COMMISSION IN DECEMBER 1982. IN THIS PROCESS THE REINSTATEMENT OF THE LOW POWER LICENSE AND ISSUANCE OF THE FULL POWER LICENSE WERE TO BE ACCOMPLISHED IN THE FOLLOWING STEPS:

STEP 1: A DECISION REGARDING THE LOADING OF FUEL INTO THE REACTOR VESSEL AND PERFORMANCE OF PRECRITICALITY TESTING. (THE REACTOR IS IN THE SUBCRITICAL CONDITION, AND THEREFORE NO FISSION PRODUCTS ARE GENERATED).

STEP 2: A DECISION REGARDING CRITICALITY AND OPERATION AT A POWER LEVEL UP TO 5 PERCENT.

STEP 3: A DECISION REGARDING THE ISSUANCE OF THE FULL POWER LICENSE.

AT AN OPEN MEETING ON OCTOBER 28, 1983 THE COMMISSION CONSIDERED THE MATTERS RELATED TO THE REINSTATEMENT OF THAT PORTION OF THE LOW POWER LICENSE THAT AUTHORIZED FUEL LOADING AND COLD SYSTEM TESTING. PRESENTATIONS WERE MADE BY OUR STAFF, PG&E, AND THE JOINT INTERVENORS. ON NOVEMBER 8 THE COMMISSION AUTHORIZED PG&E TO COMMENCE FUEL LOADING AND CERTAIN PRECRITICALITY TESTS (COLD SYSTEM TESTING). THIS DECISION ENCOMPASSED ONLY A PORTION OF THE STEP 1 AUTHORIZATION. THE REMAINING ELEMENT OF PG&E'S PRECRITICALITY TESTING PROGRAM, THAT IS, HOT SYSTEM TESTING, WAS

NOT ADDRESSED AT THAT TIME BECAUSE PG&E HAD NOT THEN SOUGHT THE FULL STEP 1 AUTHORIZATION.

PG&E STARTED THE FUEL LOAD OPERATIONS ON NOVEMBER 15 FOLLOWING THE U. S. COURT OF APPEALS DENIAL OF A STAY REQUESTED BY THE JOINT INTERVENORS. FUEL LOAD OPERATIONS WERE COMPLETED ON NOVEMBER 20 AND THE REACTOR VESSEL HEAD WAS BOLTED DOWN ON NOVEMBER 29. PG&E HAS NOW COMPLETED COLD SYSTEM TESTING.

ON JANUARY 4, 1984, PG&E REQUESTED AUTHORITY TO CONDUCT FURTHER PRECRITICALITY TESTING IN THE HOT SHUTDOWN AND HOT STANDBY CONDITION. SUCH ACTIVITIES ENCOMPASS THE REMAINDER OF STEP 1. THE REACTOR WILL NOT BE PERMITTED TO ACHIEVE CRITICALITY AND FISSION PRODUCTS WILL NOT BE GENERATED. SUCH OPERATION ALLOWS FURTHER TESTING OF SYSTEMS AND COMPONENTS AT ELEVATED TEMPERATURES, INCLUDING, FOR EXAMPLE, A CHECK FOR THERMAL EXPANSION OF PIPING AND EQUIPMENT. PG&E HAS INFORMED US IT EXPECTS DIABLO CANYON UNIT 1 TO BE READY FOR SUCH TESTING ACTIVITIES THIS WEEK. WE HAVE ALSO BEFORE US A REQUEST BY PG&E TO IMPLEMENT STEP 2 OF THIS PROCESS, THAT IS, TO PERMIT CRITICALITY AND LOW POWER OPERATION. WE HAVE TENTATIVELY SCHEDULED A MEETING FOR FEBRUARY 10TH TO DISCUSS THIS REQUEST WITH THE PARTIES TO THE LICENSING PROCEEDING .

REGARDING THE HEARING PROCESS, THE ATOMIC SAFETY AND LICENSING APPEAL BOARD CONDUCTED A HEARING ON THE REOPENED ISSUE OF DESIGN

QUALITY ASSURANCE IN NOVEMBER OF LAST YEAR IN AVILA BEACH, CALIFORNIA. AT THE HEARING, EVIDENCE ON A NUMBER OF DESIGN-RELATED ISSUES WAS PRESENTED BY OUR STAFF, PG&E, GOVERNOR DEUKMEJIAN AND THE JOINT INTERVENORS. ALL PARTIES HAVE FILED PROPOSED FINDINGS WITH THE APPEAL BOARD AND A DECISION IS EXPECTED IN THE NEAR FUTURE. THE COMMISSION HAS NOT YET DECIDED WHETHER TO AWAIT THAT APPEAL BOARD DECISION BEFORE ADDRESSING PG&E'S REQUEST FOR AUTHORITY TO GO CRITICAL AND CONDUCT LOW POWER TESTS. AS A SEPARATE MATTER, THE APPEAL BOARD DENIED MOTIONS BY THE GOVERNOR AND THE JOINT INTERVENORS TO REOPEN THE HEARING ON CONSTRUCTION QUALITY ASSURANCE ISSUES. THE OPINION EXPLAINING THAT DECISION WAS ISSUED IN DECEMBER, APPEALED BY BOTH THE GOVERNOR AND THE INTERVENORS, AND IS PRESENTLY UNDER CONSIDERATION BY THE COMMISSION.

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### STATUS OF ALLEGATIONS

FINALLY, I NOW WILL DISCUSS THE MATTER OF DESIGN AND CONSTRUCTION ALLEGATIONS THAT HAVE BEEN RAISED REGARDING THE DIABLO CANYON PLANT. AS OF THE END OF 1983, APPROXIMATELY 100 SEPARATE CONCERNS HAD BEEN IDENTIFIED. THE ALLEGATIONS WERE RECEIVED FROM A VARIETY OF SOURCES, INCLUDING PRIVATE CITIZENS, FORMER AND CURRENT WORKERS AT THE PLANT AND AT THE PG&E OFFICES, NEWS MEDIA, INTERVENORS, AND CONGRESSIONAL OFFICES. IN SOME CASES, THE SOURCE HAS REMAINED COMPLETELY ANONYMOUS; IN OTHERS THE SOURCE IS



KNOWN ONLY TO THE NRC; HOWEVER, IN MOST CASES THE SOURCE HAS BEEN PUBLICLY IDENTIFIED.

IN LIGHT OF THE NUMEROUS ALLEGATIONS, OUR STAFF ESTABLISHED AN ALLEGATION MANAGEMENT PROGRAM FOR DIABLO CANYON TO BETTER COORDINATE THE ACTIONS OF THE VARIOUS NRC OFFICES. THE PROGRAM WILL PROVIDE A CLEARER UNDERSTANDING OF EACH ALLEGATION, A DETAILED TECHNICAL REVIEW OF THE APPROPRIATE AREA OF THE ALLEGATION, AND ON-SITE INSPECTIONS AND DISCUSSIONS WITH THE ALLEGER AS NECESSARY. A STATUS OF THESE EFFORTS AS OF LATE DECEMBER WAS ISSUED AS SAFETY EVALUATION REPORT SUPPLEMENT 21. I WOULD NOTE THAT A SECOND PART OF THIS DOCUMENT WAS ISSUED WITH A LIMITED DISTRIBUTION IN ORDER TO PROTECT THE ANONYMITY OF SOME ALLEGERS AND TO ASSURE THAT NRC'S ONGOING INVESTIGATION EFFORTS WOULD NOT BE IMPEDED.

WE ARE DETERMINED TO REVIEW AND EVALUATE EACH ALLEGATION AND TO RESOLVE EACH ALLEGATION INsofar AS IT IS RELEVANT TO PARTICULAR STAGES OF OPERATION SUFFICIENTLY TO PROVIDE REASONABLE ASSURANCE OF SAFETY BEFORE AUTHORIZING EACH SUCH STAGE OF OPERATION. MOST OF THE ALLEGATIONS HAVE BEEN EXAMINED IN SUFFICIENT DETAIL TO ALLOW THE NRC STAFF TO CONCLUDE THAT THEY DO NOT PRESENT A SIGNIFICANT SAFETY ISSUE OR REQUIRE FIXES OR REPRESENT A SUBSTANTIAL BREAKDOWN OF MANAGEMENT OR QUALITY CONTROL SYSTEMS. THE STAFF NOTES, HOWEVER, THAT THESE ARE THE ALLEGATIONS THAT WERE MOST AMENABLE TO RESOLUTION.

MANY OF THE REMAINING ALLEGATIONS HAVE BEEN PARTIALLY EXAMINED. THEY INVOLVE MORE COMPLEX AND DIFFICULT ISSUES. IN ADDITION, WE CONTINUE TO RECEIVE NEW ALLEGATIONS. THE STAFF HAS NOT YET DETERMINED WHETHER ANY SIGNIFICANT SAFETY ISSUE OR SUBSTANTIAL BREAKDOWN OF MANAGEMENT OR QUALITY CONTROL SYSTEMS WILL EMERGE FROM THE CONTINUING EVALUATION OF THE ALLEGATIONS. THESE ALLEGATIONS INVOLVE SUCH ISSUES AS SMALL BORE PIPING, ANCHOR BOLT INSTALLATION, CONSTRUCTION RECORDS CONTROL, INSPECTOR QUALIFICATIONS AND HARASSMENT OF PERSONNEL. OUR STAFF HOPES TO COMPLETE ITS EXAMINATION OF MOST OF THESE ALLEGATIONS AND TO DRAW A CONCLUSION IN THE NEXT FEW WEEKS.

BASED ON THE ALLEGATIONS ALREADY REVIEWED, THE STAFF IDENTIFIED SOME ACTIONS THAT IT BELIEVES SHOULD BE COMPLETED PRIOR TO A DECISION REGARDING AUTHORIZING CRITICALITY. SEVERAL OTHER ACTIONS HAVE BEEN IDENTIFIED FOR COMPLETION PRIOR TO AUTHORIZING OPERATION ABOVE 5 PERCENT POWER. THERE MAY BE ADDITIONAL ACTIONS IDENTIFIED AS THE STAFF COMPLETES ITS EXAMINATION. COMMISSION REVIEW OF THE STAFF ANALYSES AND RECOMMENDATIONS IS IN PROGRESS.

IN CLOSING, I WANT TO ASSURE YOU THAT, WHILE PG&E EXPECTS TO BE READY TO PROCEED TO CRITICALITY SHORTLY, WE WILL NOT AUTHORIZE ANY SUCH ACTIVITY UNTIL WE ARE SATISFIED THAT THERE IS REASONABLE ASSURANCE THAT THE HEALTH AND SAFETY OF THE PUBLIC IS ADEQUATELY PROTECTED.

UDALL 2/22

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MORRIS K. UDALL, ARIZ., CHAIRMAN

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# COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

February 22, 1984

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AND COUNSEL  
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ASSOCIATE STAFF DIRECTOR

LEE McELVAIN  
GENERAL COUNSEL  
TIMOTHY W. GLUDEN  
REPUBLICAN COUNSEL

OFFICE OF CLERK  
RECORDING & COMM.  
BRANCH

The Honorable Nunzio Palladino  
Chairman  
United States Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Mr. Chairman:

Pursuant to the Committee's ongoing inquiry into the functioning of the nuclear regulatory process at the Diablo Canyon Nuclear Power Plant, I am writing to request the following information:

1. Please summarize the status of the staff's inquiry into allegations that pipe support calculations were not performed in accord with the requirements of the NRC regulations. Which piping systems, if any, will be modified as a result of errors in the pipe support calculations?
2. It has been alleged that inspectors at Diablo Canyon were instructed that they should not inspect welds on materials supplied by vendors, even in situations where the welds appeared defective on the basis of visual observations. Has the Commission established whether such instructions were issued? If such instructions were issued, what was the purpose and did they constitute a violation of the Commission's QA requirements?
3. With respect to the findings of ongoing inquiries, SSER 21 (P. E-13,14) states that "... no direct evidence was offered by the interviewees concerning experiencing or knowing of any corner cutting, intimidation or harassment ..." and that management was "responsive and supportive" of employee concerns. Does the NRC now possess substantial evidence that would cause the staff to change SSER 21's findings regarding harassment and intimidation?
4. What is the nature of ongoing investigations into allegations of intimidation and harassment? When did the Office of Investigations initiate its investigation into this matter? How many investigators have been assigned to the task? When will the investigation be complete?



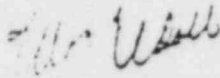
5. Does the Commission believe that PG&E fulfilled its commitment to comply with the Commission's regulations pursuant to Appendix B of 10 CFR 50 in the design and construction of the Diablo Canyon powerplant?
6. Were the QA requirements committed to by PG&E vis-a-vis Diablo Canyon significantly different from requirements committed to by utilities that received construction permits in 1972? In 1975?
7. Was full documentation demonstrating compliance with the Commission's QA requirements turned over to PG&E by Pullman Power Products and the Foley Company prior to issuance of the low power Operating License in September 1981?
8. Does PG&E (as opposed to its contractors) possess now a comprehensive collection of the records (e.g. work packages) indicating that specific tasks (e.g. specific welds) were carried out in accordance with the NRC's quality assurance requirements? If not, when will such records be turned over to PG&E?
9. What specific rework has been required at Diablo Canyon as a result of inquiries, undertaken since September 1983, into allegations of failures to comply with design or construction QA requirements? What is the time schedule for completing such work?
10. The following refers to the summary findings of the Pullman audit of Pullman Power Products conducted by Nuclear Services Corporation (NSC) in 1977.
  - a. What is the Commission's assessment of these findings?
  - b. To what extent do these findings indicate significant violations of the NRC's QA requirements?
  - c. Please describe the nature of inquiries conducted to determine whether the NSC findings were valid and if so, what the implications might be? Please provide all reports prepared by NRC staff and contractors in conjunction with the staff's assessment of NSC's findings.
  - d. The Pullman audit states on Page 22 under Item 10 that control of the welding process was inadequate in several respects. During what period, if any, did such deficiencies exist? If the deficiencies listed under Item 10 did exist, what is the basis for a determination that weld quality is that required by the Commission's regulations? Does documentation exist to demonstrate the adequate resolution of the alleged deficiencies listed under Item 10?

- e. The Pullman audit states on page 25 that " ... there is no confidence that welding done prior to early 1974 was performed in accordance with welding specification requirements?" Does the Commission have documentation to refute this finding? If not, what is the basis for a finding that, for welds produced prior to early 1974, weld quality was that required by the Commission's regulations?
- f. Do the Commission's regulations require prompt reporting to the NRC of findings such as those listed in the NSC audit of Pullman Power Products? Did the failure to promptly report the NSC findings constitute a violation of the Commission's regulations?

I would appreciate receiving the Commission's response to the foregoing questions (including additional views of individual Commissioners) prior to April 1, 1984.

Thank you for your assistance.

Sincerely,



MORRIS K. UDALL  
Chairman

UDALL RESPONSE

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

June 13, 1984

OFFICE OF THE  
CHAIRMAN

The Honorable Morris K. Udall  
Chairman  
Committee on Interior and Insular Affairs  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Pursuant to your February 22, 1984 request for answers to ten questions related to the functioning of the nuclear regulatory process at the Diablo Canyon Nuclear Power Plant, I have enclosed our responses.

I trust that these answers are responsive to your questions.

Thank you for your interest.

Sincerely,

A handwritten signature in cursive script, reading "Nunzio Palladino", is written over the typed name.

Nunzio Palladino  
Chairman

Enclosures:  
As stated

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QUESTION 1:

Please summarize the status of the staff's inquiry into allegations that pipe support calculations were not performed in accord with the requirements of the NRC regulations. Which piping systems, if any, will be modified as a result of errors in the pipe support calculations?

Answer.

As a result of the Independent Design Verification Program (IDVP) the piping and piping supports, both small bore (i.e., less than 2.5 inch diameter) and large bore were reviewed by Pacific Gas and Electric Company's (PG&E) Diablo Canyon Project (DCP). The results of that effort were reported in Supplement 18 of the Safety Evaluation Report (SSER 18). Resolution of some issues identified were addressed in SSER 19 and SSER 20. In late 1983 a number of allegations were made regarding the adequacy of design piping and piping supports, in particular for small bore piping. On March 19 of this year the NRC issued SSER 22 which summarized in Section 5.1 the status of the staff evaluation of allegations on small bore piping as follows:

"The principal technical finding is that the analyses performed by computer for small bore piping supports have been determined to have an unexpectedly large error rate, on the order of twenty percent as compared to ten or less percent that experience has shown is likely. On the other hand the error rate in the hand calculations for small bore piping supports was acceptably low. In light of these findings the staff will require that PG&E establish a program to review all computer analyses for small bore piping supports."

"In partial response to those staff findings the licensee has reported the results of a review of approximately 130 small bore piping support computer analyses including the analyses in which the staff has previously identified errors. The licensee reported that, with errors corrected where necessary, all completed calculations showed final acceptability of the supports. The staff concluded a special inspection to evaluate the process used to re-review the small bore piping calculations packages."

"We found with minor exception, that the review process was comprehensive, was being carried out by qualified individuals, and was conducted in a manner to assure that the results could be accepted with high confidence."

"Analyses of the type and significance of the deficiencies seen to date has led the staff to conclude that, although the design QA program for the OPEG is not up to acceptable standards, the impact in terms of design adequacy, has not been significant."

"Based on the results of the staff's review to date and the types of errors that have been identified it is very likely that modifications, if any, would be minor and only to fully meet seismic criteria with little or no impact on operability of systems under the full range of plant operations. Since some piping support modifications are normally required as a result of initial plant operation, due to unexpected thermal motions or operating requirements of attached or supported equipment, there is sound logic in conducting the required calculations review during low power operation so that any resulting modifications could be included in a orderly and consolidated program prior to full power operation."

On March 26 and 27, 1984 the staff briefed the Commission on a number of issues related to the reinstatement of the suspended low power license. Among other matters, the staff addressed the issue of small bore piping as presented in SSER 22 and stated above. At the meeting Mr. Isa Yin of the NRC staff informed the Commission of the results of his conclusions — regarding inspection and audit activities he performed at the Diablo Canyon site and at the PG&E engineering offices in San Francisco. A copy of Mr. Yin's prepared statement at the meeting is attached. He concluded that Diablo Canyon Unit 1 should not be permitted to go critical and perform low power operations until his concerns have been appropriately addressed.

We directed the staff to further review and evaluate these matters and in particular address each of Mr. Yin's concerns. Furthermore, we requested the Advisory Committee on Reactor Safeguards (ACRS) to review the area of disagreement and to provide us with their evaluation by April 10, 1984. On April 5 - 7, 1984, the ACRS reviewed the technical issues arising from the Diablo Canyon licensee's design control measures for small and large bore piping. During this review members of the NRC staff, including NRC Inspector Isa Yin, representatives of PG&E and of the IDVP organizations, and Mr. Charles Stokes, a member of the public, gave presentations. In a letter dated April 9, 1984 (attached) the ACRS provided their recommendations on this and the additional comments of three members. The ACRS recommended that low power operation be permitted and that the several actions proposed by the NRC staff for completion before operation above five percent power will provide a suitable basis for considering operation at full power. At this time we do not consider the issue of small bore piping and supports resolved. We have not determined that piping system modifications, if any, will be required as a result of these efforts.

The Commission approved a low power license for Diablo Canyon on April 19, 1984.

QUESTION 2:

It has been alleged that inspectors at Diablo Canyon were instructed that they should not inspect welds on materials supplied by vendors, even in situations where the welds appeared defective on the basis of visual observations. Has the Commission established whether such instructions were issued? If such instructions were issued, what was the purpose and did they constitute a violation of the Commission's QA requirements?

ANSWER.

The staff has established that instructions were issued in an April 3, 1980 memorandum to Pullman Power Products (PPP) stating, in part, that "Pullman need not report further test results on shop welds."

To put the memorandum in perspective, it is important to understand what was occurring at Diablo Canyon at the time. In late 1978, cracks were detected by visual inspection of pipe rupture restraint welds made by PPP in the Unit 1 pipeway structure. The welds in question involved high strength alloy steel not widely used. The welds were in thick sections and thus highly restrained. The weld defects in question apparently displayed a delayed cracking phenomena which was not immediately noticeable at the time of welding. This is sometimes a problem with high strength alloy steel. On May 3, 1979, PG&E issued a 10 CFR 50.55(e) construction deficiency report to the NRC.

A substantial repair and testing program was initiated to identify the type, cause and extent of the defects. The program included Ultrasonic Testing (UT) of a sampling of these Pullman high strength welds. Problems were found during the initial repair and testing program such that PG&E expanded the program in order to form a data base to establish the adequacy of these welds. The repair program was a large scale effort well known to PG&E and Pullman welding personnel. The effort was extensively reviewed by NRC. On December 9, 1980, PG&E issued their final 10 CFR 50.55(e) report for Unit 1, which summarizes the background, scope and results of actions taken.

During the evaluation and repair of field welds, a parallel program to examine pipe rupture restraint vendor welded materials (shop welds) was implemented. Vendor welds made with the self-shielded, flux core process were found to be a particular problem. PG&E reviewed all joints where these electrodes had been used. Discrepancies were found and repairs were made.

By April, 1980, PG&E had sufficient data on the other types of shop weld defects to make an engineering evaluation and concluded that the type of indications found were not a problem. They consequently notified Pullman that they had enough data.

Taken in proper context, it would appear that the April 3, 1980 memorandum was written with sufficient information to be understood by those involved in the large scale repair and test program. In fact, the April 3, 1980 memorandum stated that PG&E believed that sufficient data on shop welds existed to preclude the need for Pullman welding inspectors to report further inspection findings on shop welds.

Some in Pullman appear to have been concerned that this April memorandum meant that unless the shop weld defects directly affected their work they were to ignore the defect. Over time, while the repair program was completed on Unit 1 and continued on Unit 2, confusion crept in and prompted PG&E to issue a July 26, 1982 letter to Pullman to clarify the intent of the April 3, 1980 memorandum.

The July 26, 1982 letter states that unless a shop weld defect directly affects Pullman work, there is no need to address that defect because of the extensive engineering evaluation discussed above. The letter also states that shop weld defects not directly affecting Pullman's work should be reported separately and turned over to PG&E.

To address the issue of whether or not there were shop welds that were ignored between April 3, 1980 and July 26, 1982, the staff interviewed six welding inspectors. This represents an estimated 20 percent sample of welding inspectors on site during that interval. Five of the interviewees were on site during this subject time frame. All of the interviewees stated that they were aware of PG&E's engineering evaluation which accepted all shop welds. They also stated, however, that shop weld defects were reported when noticed by issuing a DCN (Deficient Condition Notices) and that final walkdown packages included this information.

In summary, it is the staff's opinion that the technical aspects of this issue were handled properly and that PG&E's April 3, 1980 memorandum was proper when taken in context. Later, confusion apparently spread so PG&E responsibly responded to that confusion in their July 26, 1982 letter to Pullman.

Finally, the April 3, 1980 memorandum which included instructions to Pullman to not report further results on shop welds did not violate the Commission's QA requirements.



QUESTION 3: With respect to the findings of ongoing inquiries, SSER 21 (P. E-13,14) states that "...no direct evidence was offered by the interviewees concerning experiencing or knowing of any corner cutting, intimidation or harassment..." and that management was "responsive and supportive" of employee concerns. Does the NRC now possess substantial evidence that would cause the staff to change SSER 21's findings regarding harassment and intimidation?

ANSWER.

Based on the staff work in this area it appears that a few individuals feel strongly that they have been directly intimidated. Some have offered specific and detailed reports in support of their allegation. These cases are complex. The staff could not readily tell whether the cases involve intimidation, proper exercise of management prerogatives, or just poor communication. As appropriate, these few cases (eight total) are being addressed through the Department of Labor regulatory process, and/or review by the NRC Office of Investigations. A few additional individuals were concerned about intimidation but indicated their views stemmed from events not directly related to their own experience, such as: general perceptions that the pressure was on to get the job done; rumors of the layoff or firing of another employee as a result of writing a nonconformance report; or, media reports of intimidation. The staff does not detect any widespread company attitude to suppress employee concerns or corrupt the overall effectiveness of the Quality Assurance Program. The staff also found in the conduct of the vast majority of personnel interviews that employees were not afraid to identify and deal with quality problems in a responsible manner, both within their own organizations and with the NRC.

The staff concludes that a widespread suppression problem does not exist at Diablo Canyon, however, the staff is concerned with employee perceptions in this area. Licensee management shares this concern. The staff has reviewed this subject with licensee management and notes that the licensee has undertaken steps to make improvements. This effort includes such actions as the development of video tape presentations for all existing and new employees regarding surfacing of quality concerns; an "800" telephone number for receiving quality concerns; and a system for receipt and resolution of concerns. The licensee's activities in this area will be monitored by the staff.

QUESTION 4: What is the nature of ongoing investigations into allegations of intimidation and harassment?

ANSWER.

OI presently has eight investigative matters involving, either singularly or collectively, intimidation, harassment, and threats. These investigations involve allegations of threats of physical harm; firing of individuals, transferring of persons who raise questions to other jobs; oral reprimands to persons who raise issues; directing quality control inspectors to disregard violations on the grounds defects will be caught by other departments; persons who have used the hotline to report concerns have been contacted by a construction superintendent and either told directly he did not like the person's complaint or questioning the persons about their call giving them a definite chilling effect about using the hotline; and supervisors instructed not to discuss matters any further with management.

QUESTION 4: When did the Office of Investigations initiate its investigation into this matter?

ANSWER.

The Office of Investigations became involved with the series of allegations referred to in the referenced letter as "this matter" in early December 1983. Initially, the Investigators listened to the testimony of one of the alleged to determine if any of his concerns came under OI's jurisdiction. Following this interview, 11 investigative matters involving Diablo Canyon were opened by the Office of Investigations.

As of March 23, 1984, the Office of Investigations has 17 pending investigative matters involving Diablo Canyon. In addition, the Office of Investigations is just beginning a review of approximately 54 allegations that may fall under the Office of Investigations jurisdiction. These allegations have to be further evaluated by OI as to whether or not they should best be investigated by the Office of Investigations.

QUESTION 4: How many Investigators have been assigned to the task?

ANSWER.

OI presently has two Investigators (OI's total investigative compliment based in OI's Region V Field Office) assigned to investigating allegations against a vendor who supplied fabricated steel to Diablo Canyon. Assisting these two investigators is a Vendor Inspector specialist from Region IV and a Reactor Inspector, who is a metallurgist from Region V. Two OI Investigators have been detailed initially for 90 days from OI's Region II office to work on the pending investigations at Diablo Canyon. The first of these two investigators reported to the OI Region V Field Office on March 5, 1984. They began their work as a team at Diablo Canyon on March 12, 1984. The majority of the OI Field Office Director's time for Region V has been dedicated to supervising OI's investigative efforts concerning Diablo Canyon since early December 1983.

QUESTION 4: When will the investigation be complete?

ANSWER.

OI is addressing the numerous allegations as individual investigative matters and not as one investigation as most of these matters are not interrelated. Because of the number and variety of investigative matters involved, it is impossible to forecast a completion date with any degree of accuracy.

QUESTION 5:

Does the Commission believe that PG&E fulfilled its commitment to comply with the Commission's regulations pursuant to Appendix B of 10 CFR 50 in the design and construction of the Diablo Canyon powerplant?

ANSWER.

The Commission believes that PG&E has sufficiently fulfilled its quality assurance commitments to allow restoration of the low power testing authorization. The Commission is aware that there have been instances of non-compliance with these commitments. The significance of this must be decided in reaching a decision on full power operation.



QUESTION 6: Were the QA requirements committed to by PG&E vis-a-vis Diablo Canyon significantly different from requirements committed to by utilities that received construction permits in 1972? In 1975?

ANSWER.

The QA requirements committed to by PG&E for the design and construction of Diablo Canyon generally reflected the evolving NRC regulations such that the PG&E commitments during 1972 were comparable to commitments of utilities that received construction permits in 1972.

Utilities whose Preliminary Safety Analysis Reports were reviewed after detailed NRC guidance on QA was issued in the 1973-1974 time period\* were required to commit to meet the guidance or provide specific detailed alternatives. PG&E and other utilities with construction permits issued before the guidance were not required to commit to meet the guidance during the design and construction of their plants.

\*Guidance issued during this time period included the following "WASH" documents:

- (a) "Guidance on Quality Assurance Requirements During Design and Procurement Phase of Nuclear Power Plants," June 7, 1973 (WASH-1283) and Rev. 1, May 24, 1974
- (b) "Guidance on Quality Assurance Requirements During the Operations Phase of Nuclear Power Plants," October 26, 1973 (WASH 1284).
- (c) "Guidance on Quality Assurance Requirements During the Construction Phase of Nuclear Power Plants," May 10, 1974 (WASH 1309).

QUESTION 7:

Was full documentation demonstrating compliance with the Commission's QA requirements turned over to PG&E by Pullman Power Products and the Foley Company prior to issuance of the low power Operating License in September 1981?

ANSWER.

No. Pullman Power Products and Foley had not turned over to PG&E all documents demonstrating compliance with the Commission's QA requirements prior to issuance of the low power Operating License in September 1981, because they were still on site and performing work.

QUESTION 8: Does PG&E (as opposed to its contractors) possess now a comprehensive collection of the records (e.g. work packages) indicating that specific tasks (e.g. specific welds) were carried out in accordance with the NRC's quality assurance requirements? If not, when will such records be turned over to PG&E?

ANSWER.

PG&E (as opposed to its contractors) does not now possess a comprehensive collection of the Unit 1 records indicating that all specific tasks were carried out in accordance with the NRC's quality assurance requirements.

Some contractors who worked at Diablo Canyon have completed their contractual requirements, but are no longer engaged in work at the site. Prior to their departure, PG&E took custody of all quality records generated by that contractor.

PG&E does not currently have custody of all quality records generated by contractors currently engaged in quality related work at Diablo Canyon (Pullman and H. P. Foley). These Unit 1 records are in the process of being turned over to PG&E.

Prior to exceeding 5% power, all H.P. Foley and Pullman Power products quality related records will be turned over to PG&E with the exception that records for work in progress will be turned over within 60 days of work completion.

QUESTION 9: What specific rework has been required at Diablo Canyon as a result of inquiries, undertaken since September, 1983, into allegations of failures to comply with design or construction Q.A. requirements? What is the time schedule for completing such work?

ANSWER.

Post September 1983 review of allegations and NRC inspection items concerning allegations has resulted in the following minor modifications and repairs:

1. PG&E review of small bore pipe support number 100-111, identified for NRC review by an allegor, resulted in a modification. The support provides restraint of the valve operator and the pipe at the valve. The modification was the addition of an axial restraint at the pipe to prevent transfer of forces to the operator in the axial direction. This change was made for consistency with Project standard practices even though analysis showed the change was not necessary to meet acceptance criteria.
2. One 1/2 inch diameter electrical raceway anchor bolt was replaced during the audit of concrete anchor bolt embedment. The original bolt was removed to verify, by physical measurement, the depth of embedment as indicated by ultrasonic measurement. The replacement bolt was fully embedded; however, engineering analysis would, in all probability, have shown qualification of the initial installation. Thirty-nine similar installations were analyzed and adequate safety factors were demonstrated as reported in PG&E letter DCL-84-059, dated February 16, 1984.
3. The NRC review of allegations related to electrical wire traceability led to the following change: Approximately eighty-four feet of Continental HTR wire, installed in the Control Room Positive Pressure Ventilation System was replaced. The wire was documented to be qualified and of the proper type and color code, however traceability to the source (wire reel) was not established. This is discussed in PG&E letter DCL-84-066, dated February 17, 1984.
4. Eighty ASTM A325 bolts were welded to the Unit 1 containment fan cooler support structure in order to mount component cooling water pipe supports. Although these installations had been verified to be capable of meeting design assumptions, the licensee elected to weld the support plates to the fan cooler supports; thus, removing the welded bolts from the support loads. This was done to provide added assurance of pipe support adequacy throughout plant life.



In addition to the above listed items, the investigation of allegations has resulted in extensive records review and some engineering analysis and testing to demonstrate the acceptability of existing installations.

QUESTION 10: The following refers to the summary findings of the Pullman audit of Pullman Power Products conducted by Nuclear Services Corporation (NSC) in 1977.

(a) What is the Commission's assessment of these findings?

ANSWER.

The staff's assessment is provided in the following NRC Inspection Reports:

- a. Report Nos. 50-275/83-37, 50-323/83-25; paragraph 44
- b. Report Nos. 50-275/83-34, 50-323/83-24; paragraphs 4.a, 4.b and 4.c

NRC Inspection Report Nos. 50-275/83-37, 50-323/83-25 (paragraph 44) states, in part, the following:

"Although, the NRC has identified a potential violation (paragraph 17) during this inspection, regarding the qualification of Pullman visual welding inspectors, this item is of reduced significance since all but two of the inspectors had adequate backgrounds and experience in the areas of welding or quality control inspection. It does not appear that this problem was chronic or widespread.

It is the staff's opinion that the NSC audit findings do not provide a basis for concluding that the Pullman-Kellogg Quality Assurance Program suffered a major breakdown during the time period prior to the NSC audit. Furthermore, based on this significant sample of the most important NSC findings it is concluded that examination of the remaining items is not warranted."

The staff's findings, documented in NRC Inspection Report Nos. 50-275/83-34, 50-323/83-24, did not identify any instances of regulatory noncompliance on programmatic quality assurance deficiencies.

QUESTION 10(b): To what extent do these findings indicate significant violations of the NRC's QA requirements?

ANSWER.

NRC Inspection Report Nos. 50-275/83-37 and 50-323/83-25 identifies, in paragraph 17 and Appendix A, one violation regarding the qualification of Pullman visual welding inspectors. Paragraph 44 of that same report further states that "this item is of reduced significance since all but two of the inspectors had adequate backgrounds and experience in the areas of welding or quality control inspection. It does not appear that this problem was chronic or widespread."

Also, NRC Inspection Report Nos. 50-275/83-34, 50-323/83-24 documents that no items of noncompliance or deviations were identified in the area of compliance with QA requirements.

QUESTION 10(c): Please describe the nature of inquiries conducted to determine whether the NSC findings were valid and if so, what the implications might be? Please provide all reports prepared by NRC staff and contractors in conjunction with the staff's assessment of NSC's findings.

ANSWER.

The nature of the staff's inquiries and assessments are described in NRC Inspection Report Nos. 50-275/83-37, 50-323/83-25 and 50-275/83-34, 50-323/83-24. Additionally, Attachment No. 1 to NRC Inspection Report No. 50-275/83-37, 50-323/83-25 documents the work of an NRC consultant's (Parameter Incorporated) independent verification of field work and records for compliance with code requirements.

Based on the staff's inspection effort, as documented in the above — referenced NRC inspection reports, the staff concluded that the Pullman Quality Assurance program did not suffer a major breakdown during the time period prior to the NSC audit.

The referenced NRC Inspection Reports 50-275/83-37, 50-323/83-25 and 50-275/83-34, 50-323/83-24 are enclosed.



QUESTION 10(d): The Pullman audit states on Page 22 under Item 10 that control of the welding process was inadequate in several respects. During what period, if any, did such deficiencies exist? If the deficiencies listed under Item 10 did exist, what is the basis for a determination that weld quality is that required by the Commission's regulations? Does documentation exist to demonstrate the adequate resolution of the alleged deficiencies listed under Item 10?

ANSWER.

The staff's assessment of the items referenced on page 22 under item 10 of the NSC Pullman audit are contained in NRC Inspection Report Nos. 50-275/83-37 and 50-323/83-25 paragraphs 34 and 18 through 30. One item, regarding welder BF (see second paragraph on page 23 of the NSC audit report) is addressed in paragraph 4.c of NRC Inspection Report Nos. — 50-275/83-34, 50-323/83-24. The basis for the staff's determinations are provided in these two inspection reports, wherein the staff concludes that isolated welding discrepancies were identified and corrected by the Pullman welding program. However, the staff concluded that the aggregate of problem areas were not so pervasive as to support the NSC conclusion that "There is no confidence that welding done prior to early 1974 was performed in accordance with welding specification requirements."

The referenced NRC Inspection Reports, including Inspection Report 50-275/84-16, provide the basis for the staff's assessment and conclusions regarding the alleged deficiencies listed under Item 10 of the NSC Audit Report. The documentation reviewed by the staff in forming this conclusion is identified in Inspection Report 50-275/84-16 and those documents exist at the Diablo Canyon site.

QUESTION 10(e): The Pullman audit states on page 25 that "...there is no confidence that welding done prior to early 1974 was performed in accordance with welding specification requirements?" Does the Commission have documentation to refute this finding? If not, what is the basis for a finding that, for welds produced prior to early 1974, weld quality was that required by the Commission's regulations?

ANSWER.

The staff's documentation to refute the NSC finding is contained in NRC Inspection Reports No. 50-275/83-37, 50-323/83-25, and 50-275/83-34, 50-323/83-24. These reports clearly document the staff's basis and conclusions. Also, as a result of discussion at the March 26 Commission meeting, the staff reviewed the Pullman audits and the Pacific Gas and Electric Company audits done in the pre-1974 time period in more detail. The results are reported in Inspection Report 50-275/84-16 in which the staff confirms that the audit program met the requirements of Appendix B.

The documentation reviewed by the staff on forming their conclusion exists at the Diablo Canyon site.

QUESTION 10(f): Do the Commission's regulations require prompt reporting to the NRC of findings such as those listed in the NSC audit of Pullman Power Products? Did the failure to promptly report the NSC findings constitute a violation of the Commission's regulations?

ANSWER.

The question of the reportability of the NSC audit is addressed in the attached "Director's Decision under 10 CFR 2.206" which was issued by the Director of the Office of Inspection and Enforcement. The decision is currently pending before the Commission for its possible review in accordance with the provisions of 10 CFR 2.206(c).

PANETTA 2/8

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LEON E. PANETTA  
15TH DISTRICT, CALIFORNIA

COMMITTEES:

BUDGET

CHAIRMAN  
TASK FORCE  
JOINT PROCESS

AGRICULTURE

CHAIRMAN  
SUBCOMMITTEE ON DOMESTIC  
MARKETING, CONSUMER RELATIONS,  
AND NUTRITION

HOUSE ADMINISTRATION  
(ON LEAVE)

MAJORITY REGIONAL WHIP

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

February 8, 1984

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Mr. Nunzio J. Palladino, Chairman  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Chairman Palladino:

I am writing to thank the Commission for its contribution to a recent hearing considering issues relative to licensing of the Diablo Canyon nuclear power plant, and to express my continued interest in licensing and safety of the plant.

At the January 24 hearing, the Commission provided substantial reassurances to the Energy and the Environment Subcommittee in several respects. Chief among those reassurances to receive my support is the Commission's view that design quality assurance issues under review by the Atomic Safety Licensing Appeal Board may be fundamental to adequacy in the design verification process at the plant. Consistent with this view, I anticipate that consideration of a full-power license for the plant should occur after the Appeal Board has concluded its review of design QA issues under appeal, and after the Commission has had the opportunity to review the Board's decision in this regard.

In addition, I welcome the formation by Commission staff of a coordinated, systematic program to evaluate the numerous allegations which have been raised regarding the adequacy of quality assurance and construction efforts at the Diablo plant.

In general, the NRC's efforts to ensure the safety of Diablo are commendable. However, the January 24 hearing left unresolved several issues which I would like to bring to the Commission's attention.

In order to ensure that <sup>for</sup> evaluation of allegations regarding construction quality assurance at the plant is both thorough and applicable to a licensing decision, I recommend that -- prior to a Commission decision regarding licensing of the plant for post-criticality testing and full-power testing -- the Commission provide guidelines governing

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Mr. Nunzio J. Palladino  
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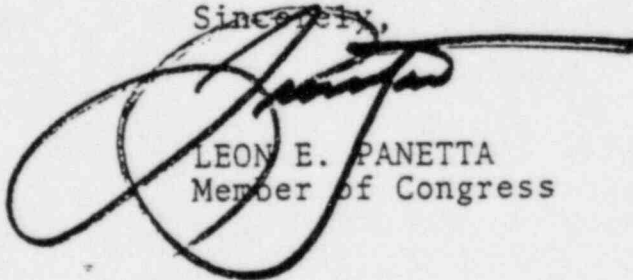
the evaluation of those allegations. I recommend that those guidelines ensure that staff: a.) provide particular attention to both prospective and historic implications of quality assurance deficiencies; b.) evaluate specific findings and patterns which develop from those specific findings, and; c.) ensure that determinations regarding both regulatory compliance and safety significance are made during resolution of claims.

In addition, I remain concerned over an apparent tendency of engineering and other staff in quality assurance programs at Diablo to assume that wide margins of safety established by Commission construction criteria need not be adhered to in systems which -- in the staff's view -- are not pivotal to safety. This practice was described in testimony given by Commission staff at the January 24 hearing. I remain concerned by the implications of such a practice, which supplants the Commission's established standards of regulatory compliance with a less precise, ad hoc standard of safety.

In establishing the NRC, Congress placed in the Commission's hands the responsibility to ensure the safe design and construction of nuclear facilities. Now, as then, I look to the Commission to ensure compliance with its procedures in an effort to ensure the safety of those who live and work near licensed nuclear power facilities. I commend the Commission's successful efforts to achieve these ends, but exhort it to employ the full range of its abilities to ensure the safety and compliance of the Diablo Canyon plant with current regulations.

Thank you for your consideration of this matter. I look forward to your response.

Sincerely,



LEON E. PANETTA  
Member of Congress

LEP:mcd

PANETTA RESPONSE

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