

March 27, 1986

John J. Stefano, Project Manager
Division of BWR Licensing
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

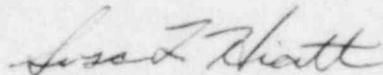
Re: Cleveland Electric Illuminating Co. (Perry Nuclear Power
Plant, Units 1 and 2), Docket Nos. 50-440 and 50-441

Dear Mr. Stefano:

In January of this year OCRE became aware of a letter sent to the Commission by the Government Accountability Project ("GAP") concerning programmatic deficiencies in the quality assurance program at General Electric. See Attachment 1. Because OCRE had heard that these deficiencies may affect the Perry plant, OCRE sought more specific information from GAP, in a letter dated January 31, 1986. See Attachment 2.

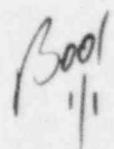
On March 24, 1986 GAP replied to OCRE's request, indicating that GAP cannot provide the requested information but that the NRC Staff could. See Attachment 3. OCRE would therefore appreciate it if you could provide us with the information requested in OCRE's January 31 letter.

Sincerely,



Susan L. Hiatt
OCRE Representative
8275 Munson Rd.
Mentor, OH 44060
(216) 255-3158

8604070270 860327
PDR ADOCK 05000440
A PDR



GOVERNMENT ACCOUNTABILITY PROJECT

1555 Connecticut Avenue, N.W., Suite 202
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*Williams
Billie copy*

(202) 232-8550

ATTACHMENT 1

October 5, 1985

Honorable Chairman Nunzio Palladino
Honorable Lando Zech
Honorable James Asselstine
Honorable Thomas Roberts
Honorable Frederick Bernthal
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

*copy to
Sue Hiatt
Res. 1-29-86 SOH*

Dear Commissioners:

The Government Accountability Project (GAP) has identified potentially serious deficiencies in the Design Control, Quality Assurance/Quality Control (QA/QA) program at General Electric's facility in San Jose, California. The programmatic deficiencies have been identified by a former GE engineer. The deficiencies potentially impact GE components supplied to all power plants utilizing GE equipment.

GAP has been in contact with GE regarding this matter for over a year. We had hoped that GE would have been able to identify and correct the internally reported problems. We also expected that, by now, GE would have voluntarily reported the QA/QC deficiencies to the Commission. Unfortunately, GE continues to insist that it has almost no records indicating any possible deficiencies in its Design Control and QA/QC program, except with respect to problems already confirmed by the NRC. The former GE engineer had, however, provided detailed reports notifying his supervisors of numerous actual and potential violations. We now fear that there has been yet another violation at GE -- destruction of nuclear safety-related documents. In light of GE's failure to notify the NRC of what we believe are potentially serious generic problems reportable under 10 C.F.R. Part 21, we are doing so.

GAP consultant Charles Stokes conducted a review and analysis of the information provided to us, as well as an in-depth review of evidence of problems at five GE plants which would have, or did, stem from the QA/QC breakdown reported to us. Mr. Stokes has prepared a report of his research and assessment of the allegations. The report is an analytical summary of the GE engineer's disclosure regarding programmatic and specific deficiencies since 1973.

Additionally, the report demonstrates the NRC's inability to successfully audit the GE project. The regulatory history of five plants was studied to determine (1) whether the problems identified at GE have manifested themselves at plant sites and (2) whether or not either GE or the NRC traced actual problems back to their generic source. Our investigation indicates that the regulatory audit systems failed to detect the programmatic design control deficiencies, and failed to follow through successfully in monitoring corrective action even after confirming violations.

In fact, the report documents numerous examples of design-related deficiencies, such as (1) knowingly building products differently than indicated by the construction drawing; (2) performing a review of drawing quality (layout, readable) without verifying the accuracy of information on it; (3) alterations of design documents by GE staff who did not appear on the document (many ECNs); (4) documents signed indicating they were reviewed when they were not; (5) incomplete testing of components, such as the Reactor Mode Switch; (6) labeling errors (a part would have two names); (7) duplicate labeling errors similar to (6) above but where two different parts have the same name; and (8) shipping equipment to power plants with known defects.

Other examples of system problems are: (1) appropriate training not being implemented for new employees; (2) a routine program environment that discouraged individual initiatives to verify legal compliance, and encouraged a "let someone else check that aspect" attitude; (3) inadequately documented procedures combined with incomplete or no training (ICER codes); (4) a computer tracking system which erased prior information when new information entered, destroying the chain of records (EIS); (5) use of a computer tracking system for safety-related components covered by the Quality Assurance program, when the computer system was not covered by the Quality Assurance program (EIS); (6) use of unverified documents to verify a document (this practice was routinely encouraged by management); (7) generic structural weaknesses tainting the entire program, such as a QA manager reporting to production; and (8) the practice of deferring verification on safety-related equipment. Based on our discussions with GE, we fear that only the last deficiency has been addressed with any serious corrective action. That effort only occurred after NRC confirmation of the illegal deferred verification program. Furthermore, our client has convinced us that the remedial program was seriously incomplete.

We propose that a meeting be arranged as soon as possible with representatives of the Office of Nuclear Reactor Regulation's division on GE's reactors, the Quality Assurance/Quality Control branch, and representatives of the Division of Engineering, the Division of Safeguards, and the Office of Investigations. We will present our consultant's report, which

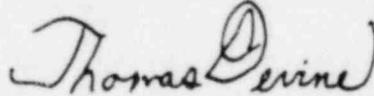
is both extremely technical and lengthy, to the personnel to whom the Commission refers this matter. If necessary, we will also make the consultant and the allegor available to the NRC for a more detailed discussion.

This case has the highest priority at the Government Accountability Project. To a significant degree this year GAP has curtailed its initiatives at plants under construction because of our growing concern that generic quality assurance breakdowns are currently endangering public health and safety at operating GE plants around the country. We hope that the NRC will treat this matter as seriously as we have.

Sincerely,



Billie Garde, Director
Environmental Whistleblower Project



Thomas Devine, Director
Public Employees Project

January 31, 1986

Ms. Billie Garde
Government Accountability Project
1555 Connecticut Avenue NW
Suite 202
Washington, DC 20036

ATTACHMENT 2

Dear Ms. Garde:

Ohio Citizens for Responsible Energy, Inc. (*OCRE*) has become aware of GAP's October 5, 1985 letter to the NRC Commissioners concerning serious deficiencies in the QA/QC program at General Electric's San Jose, CA facility. OCRE is concerned that these deficiencies may compromise the safety of the Perry Nuclear Power Plant and thus endanger OCRE members living in its vicinity. OCRE would therefore request that GAP elaborate on any such problems affecting the Perry plant; specifically:

A. Please identify any and all GE components supplied to or used in the Cleveland Electric Illuminating Company's Perry project with known deficiencies in their design and manufacture; for each such component identified, give:

- (1) component name, part number, and serial number(s);
- (2) where and how the component is used in the Perry plant, and its safety function;
- (3) the specific design and/or manufacturing deficiencies affecting the component;
- (4) how the component's safety function is impaired by said deficiencies;
- (5) the root cause of said deficiencies, if known;
- (6) the corrective action required to rectify said deficiencies;
- (7) whether GE, CEI, or the NRC are aware of said deficiencies, and if so,
 - (i) was any corrective action taken;
 - (ii) was the corrective action taken sufficient to solve the problem;
 - (iii) was the root cause of the deficiencies identified, investigated and corrected so as to ensure that the problem would not be repetitive.

B. Please identify any and all GE components supplied to or

used in the Cleveland Electric Illuminating Company's Perry project which are of indeterminate quality due to programmatic QA/QC deficiencies at GE; for each such component identified, give:

- (1) component name, part number, and serial number(s);
- (2) where and how the component is used in the Perry plant, and its safety function;
- (3) the specific programmatic QA/QC deficiencies which have rendered the component's quality indeterminate;
- (4) the root cause of the programmatic QA/QC deficiencies, if known;
- (5) the corrective actions required to revalidate the component, if possible, or to otherwise rectify the problem;
- (6) whether GE, CEI, or the NRC are aware of said programmatic QA/QC deficiencies, and if so,

(i) was any corrective action taken;

(ii) was the corrective action taken sufficient to solve the problem;

(iii) was the root cause of the programmatic QA/QC deficiencies identified, investigated and corrected so as to ensure that the problem would not be repetitive.

It would be most helpful if as much detail as possible is given in response to this request. For example, if GAP, its consultant, and/or client are aware of NRC inspection reports, CEI nonconformance reports, GE QA/QC records, etc. concerning these matters, please identify them by originator, document type, date, number, and any other identifying information. In identifying programmatic QA/QC concerns, please indicate which of the 18 criteria of 10 CFR 50 Appendix B was violated.

OCRE would appreciate a prompt response to this request, as fuel load for Perry 1 is scheduled for sometime in February.

Sincerely,

Susan L. Hiatt
OCRE Representative

Susan L. Hiatt
8275 Munson Road
Mentor, OH 44060

GOVERNMENT ACCOUNTABILITY PROJECT

1555 Connecticut Avenue, N.W., Suite 202
Washington, D.C. 20036

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March 24, 1986

ATTACHMENT 3

Ms. Susan L. Hiatt
Ohio Citizens for Responsible Energy, Inc.
8275 Munson Road
Mentor, Ohio 44060

Dear Ms. Hiatt,

We are in receipt of your letter of January 31, 1986, inquiring into certain information about potential problems at the Perry nuclear power plant in its General Electric equipment.

We are unable to provide you the information which you seek. However, we suggest that you contact the NRC staff which has the information you seek.

I am sorry that we cannot be of more assistance to you.

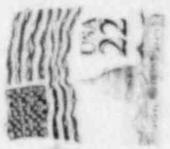
Sincerely,

Billie Pirner Garde

Billie Pirner Garde
Director, Environmental
Whistleblower Clinic

22008

Susan L. Hiatt
8275 Munson Road
Mentor, OH 44060



John J. Stefano, Project Manager
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