



Ted C. Feigenbaum
Vice President

Public Service of New Hampshire

New Hampshire Yankee Division

March 11, 1988

NYN-88030

Mr. Victor Nerses, Project Manager
Project Directorate I-3
Division of Reactor Projects
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Nerses:

I am writing to you because I am alarmed at the recent (March 3, 1988) Associated Press newspaper articles associated with Mr. Markey's public responses concerning the NRC evaluation of his investigative report on alleged drug and alcohol abuse at the Seabrook Nuclear Power Station.

As the NRC has done, NHY has carefully examined the report page by page. My staff informs me that they have found no new issues raised by this report and that all specifically identifiable issues have been previously reviewed and documented as having no bearing on the quality and safety of Seabrook Station design, construction, testing and operations.

I want to apprise you of the full extent, as well as the status, of our response to Mr. Markey's report because a number of the allegations made in the report would have fallen outside the scope of reports considered to be routine or which would have required a report to the NRC at the time.

First, our staff undertook a page by page review of the entire report to analyze its accuracy, to determine whether there was substantiation for any of the allegations contained therein and to ensure that, where warranted, additional review would be conducted. That effort has been completed. The documented investigation details, as well as the conclusion that no new nuclear safety related issues have been raised in the report, have been made available to the NRC Senior Resident Inspector.

Second, based on the completion of that effort, Mr. Edward A. Brown, President of New Hampshire Yankee, has submitted a brief letter to Mr. Markey, informing him of these facts. A copy of Mr. Brown's letter is attached. The Markey report clearly contains numerous inaccurate and unsubstantiated allegations on which we cannot take further action without Mr. Markey providing us with factual details or more reasonable substantiation. Should he do so, we are fully prepared

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Mr. Victor Nerses, Project Manager

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to investigate and take specific and appropriate actions to the full extent necessary to get to the bottom of any such issues. As has been our practice throughout the course of Mr. Markey's allegations, we will share the results of any such efforts completely with the Senior Resident Inspector as soon as they are completed.

Third, we are in the process of finishing a more extensive document that is primarily designed for our own internal use and the use of our Joint Owners in response to Mr. Markey's report. We have also apprised the Senior Resident Inspector of this effort and have told him that it will be made available to him upon its completion, which is now targeted for Friday, March 18, 1988. This document is not intended to respond point by point to the Markey Report because the report is so inaccurate and filled with errors. Rather, it addresses the more sensationalized and flagrantly abused issues that have been so frequently repeated in the press.

Finally, we have undertaken efforts to clarify the record associated with the submittal of an affidavit to Mr. Markey deposed by Mr. John Powell. I am concerned that the affidavit, taken alone, is misleading on two important points.

First, in Mr. Powell's third statement, he says "If a substantial amount of controlled substance or alcohol were found on site, I ordinarily would have been contacted and would have been informed." This statement is entirely true for incidents known to be, or even potentially related to his role as Assistant Construction Director on the site. However, the referenced incidents occurred at site locations either already turned over to the Operations disciplines or in the final stages of turnover closeout. Thus, absent cause to believe that the incidents were clearly construction personnel related, construction management including Mr. Powell would not normally have been contacted or otherwise informed of the incidents.

Second, Mr. Powell states in his sixth statement that "... I recommended to the Director of Construction that Pittsburgh Testing Laboratories (PTL) be discharged, and within a few days the company was dismissed from further work at the site." In fact, there was no determination of guilt or negligence on the part of any PTL employee and no potential nuclear safety significant issues have been raised. Therefore, a more orderly transition of the associated project responsibilities occurred. Due to non-nuclear safety concerns related to the December 1985 marijuana security incident report associated with a PTL assigned work location, further coupled with the then on-going rampdown and consolidation of site construction related services, the PTL contract was terminated on March 14, 1986. It was subsequently extended to March 28, 1986 in order to complete outstanding paperwork but UE&C assumed responsibility for lab work from that time forward.

In order to clarify the record associated with these issues, please find attached to this letter two affidavits that resulted from our Employee Allegations Resolution investigation. The affidavits are from Mr. John Powell, Assistant Construction Director, and Mr. George R. Gram, then Director of Construction, and serve to clarify the previous affidavit submitted by Mr. Powell on February 26, 1988.

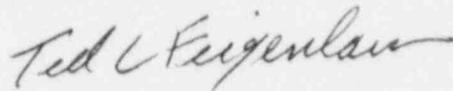
Mr. Victor Nerses, Project Manager

March 11, 1988

In conclusion, I would like to state that we have made every effort to comply fully with Mr. Markey's requests for information and feel that we have been entirely forthright and complete in doing so. We are greatly concerned, however, that Mr. Markey is continuing with his attempts to influence both NRC decisions and public opinion based on less than full or accurate representation of the facts.

I trust that this letter will help to resolve any concern created by Mr. Markey's public or written responses to the NRC staff review and conclusions associated with his report.

Very truly yours,



Ted C. Feigenbaum
Vice President

NAP/TCF:bes

Enclosures

cc: Mr. William T. Russell
Regional Administrator
United States Nuclear Regulatory Commission
Region I
425 Allendale Road
King of Prussia, PA 19406

Mr. Antone C. Cerne
NRC Senior Resident Inspector
Seabrook Station
Seabrook, NH 03874



Public Service of New Hampshire

New Hampshire Yankee Division

March 11, 1988

NHY #880174

Congressman Edward J. Markey
House of Representatives
2133 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Markey:

On January 27, 1988, you released a document entitled "An Investigative Report: Drug and Alcohol Use at the Seabrook Nuclear Power Plant." In this document you express your personal views on the subject of alleged drug and alcohol use at Seabrook Station.

As is our practice regarding all allegations, NHY has undertaken a review of the report to analyze its accuracy, to determine whether there was substantiation for any of the allegations contained therein and to ensure that, if appropriate, we have re-checked quality assurance.

After careful and extensive reverification efforts on our part, we can state that no new issues have been raised in your report. All issues have been previously reviewed and documented as having no bearing on the quality and safety of Seabrook Station design and construction.

Apart from the inaccurate and unsubstantiated allegations, I must protest the manner in which you released your charges. The document was pre-released to the press without notice to New Hampshire Yankee. Even after we began to get specific questions from the press, your staff refused to provide us with a copy of the report.

During the development of the report, we willingly provided all information requested. It appears that those who wrote the report used unverified and frequently unsworn statements, did not check facts, did not make follow-up inquiries of NHY, and did not grant us the opportunity to rebut the errors and misstatements. Conclusions apparently were reached in the same manner. This approach does not lead to the truth.

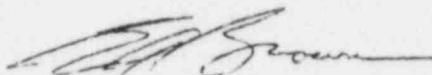
In addition, the report ignores our strong commitment to anti-drug and alcohol detection and prevention programs, which are among the most forceful in effect anywhere.

Congressman Edward J. Markey

March 11, 1988

We wish to state again, that should you be willing or able to provide us with factual details or reasonable substantiation for any allegations, we will investigate thoroughly and take specific and appropriate actions to the full extent necessary. Otherwise, we consider this matter to be closed.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ed Brown", written in dark ink.

Edward A. Brown
President

EAB:bes

AFFIDAVIT OF JOHN POWELL

I, John Powell, being duly sworn hereby depose and state as follows:

1. From March 1984 to September 1986, I served as Assistant Construction Director during the construction of the Seabrook nuclear power plant. In general, my day to day work involved overseeing construction work at the plant to coordinate work among the various contractors so that construction would proceed in a timely and proper fashion. In that regard, I assisted the Construction Director George Gram. On a daily basis, my work included maintaining contact with the sub-contractors and workers on site.
2. A few days before February 26, 1988, I received a telephone call from one Philip Greenberg who represented to me that he was with Congressman Markey's office. Mr. Greenberg specifically told me that he was calling from what he described as the Rayburn Congressional Office in Washington, D.C. Mr. Greenberg stated that he had questions that I was to answer in connection with an investigation being conducted by Congress.
3. Mr. Greenberg asked me whether I was aware that there was found cocaine approximately totalling 100 grams within the protected area at Seabrook in June 1986 on

two occasions within three days, and I truthfully stated I was not aware of that. However, Mr. Greenberg failed to inform me that there were security incident reports prepared regarding the discovery of the cocaine and did not tell me that the cocaine had been transmitted to the Seabrook Police Department for destruction.

4. Mr. Greenberg said he would draft an Affidavit for me. In fact, the first two Affidavits Mr. Greenberg drafted were inaccurate. I informed him that I would not sign an Affidavit which did not contain accurate information. The descriptions set forth in this Affidavit will provide a fuller description of the events.
5. The Affidavit Mr. Greenberg drafted does not refer to the fact that, in the normal course, I would not have had access to all security incident reports for the site. Indeed, during the summer of 1986, including the month of June of 1986, I was working as the Assistant Construction Director on the construction division for New Hampshire Yankee. This construction division was a separate administrative division from the New Hampshire Yankee plant operating division. The usual procedure was that, upon completion of construction of a building or facility, that building or facility would be "turned over" from the construction unit to the plant operating division. I am informed that the areas to which Mr.

Greenberg was referring are described in the security incident reports as the waste processing plant and the guard house to the protected area. Therefore, the referenced incidents occurred at site locations either already turned over to the operations department or involved in the final stages of turnover-closeout.

Thus, these areas would have been under the management and administration of the operations department rather than the construction division in which I worked.

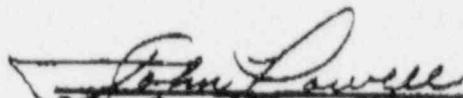
Moreover, Mr. Greenberg failed to ask me whether Peter McKinnon informed me about these cocaine discoveries. I would have responded that Mr. McKinnon had not.

6. The Affidavit drafted by Mr. Greenberg also refers to an incident involving the discovery of marijuana in the facility of Pittsburgh Testing Laboratories. Again, Mr. Greenberg did not inform me that the incident reports and evidence transmittal to the Seabrook Police Department in this matter had been produced to Congressman Markey over a year ago. Had Mr. Greenberg so inquired -- and in order to complete the accuracy of the Affidavit he prepared -- I would have explained that there was an incident where Peter McKinnon informed me that he had reason to believe that there might be marijuana at the Pittsburgh Testing Laboratories (PTL) facility. Thereafter, in December 1985, a small

quantity of marijuana contained in a film vial was found in that facility. Mr. McKinnon informed me that he had applied a dye to the vial in order to determine who would have access to it. The next day, the dye appeared on the hand of one of the PTL workers and on a water cooler in the facility. I reported these facts to my boss, George Gram, the Construction Director. He took action to terminate the PTL contract and there was other appropriate action concerning quality review of the PTL work.

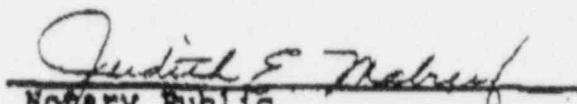
7. In conclusion, I would state that I have been in the nuclear construction field for approximately 22 years. During that time, I have been associated with nuclear plants at 18 different sites. During the years that I worked at New Hampshire Yankee as Assistant Construction Director, there were programs in place to deter and detect the presence of drugs and alcohol. It is my opinion that those programs were effective. As I have stated, in my judgment, no drug or alcohol problems at Seabrook have had any impact on safety related systems or construction. Further, in my judgment, there are no major problems at Seabrook in terms of substance abuse. There were some minor drug and alcohol incidents, but

action was taken. I believe Seabrook is a safe and well built nuclear power plant.



John Powell

Then appeared before me the above-named John Powell on this 11th day of March, 1988, who stated that the above statements are true and correct to the best of his knowledge, information and belief.



Notary Public
My commission expires:

Notary Public State of Florida at Large.
My Commission Expires April 27, 1990

AFFIDAVIT OF GEORGE R. GRAM

I, George R. Gram, hereby depose and state as follows:

1. I was the Director of Construction at the Seabrook Station Nuclear Power Plant. I held that position from March 1984 to November 1986. I am currently Executive Director of Emergency Planning and Community Relations for New Hampshire Yankee (NHY). Among my duties as Director of Construction was management authority for overseeing the progress of the construction at Seabrook Station. My duties included management and coordination of the construction by the major contractor, United Engineers and Constructors (UE&C) and also management and coordination of the construction work by the many sub-contractors.
2. During the construction period from March 1984 to November 1986, the executive administration of New Hampshire Yankee included: (a) a construction division of which I was the Director, and (b) a management administration division for production and operation of the plant. Essentially, the construction division would oversee the building of the various systems, buildings and facilities in the plant, then, when a system, building and facility was completed, the completed elements would be "turned over" to the jurisdiction of production and operation for planned operation. Before such turnover, a complete checklist would be performed on all construction work that had been performed on the particular elements. In this turnover phase, as Director of Construction, I and my staff would follow standard procedures for the complete review prior to turnover of the system, building or facility to NHY plant management.
3. On December 2 - 3, 1985, I was informed by John Powell, who worked as my Assistant Director of Construction, that a search had been conducted in the offices of Pittsburgh Testing Laboratories (PTL) and that a small vile containing marijuana had been found. To seek to determine who had access to the marijuana, an invisible dye was placed on the vile containing the marijuana. Shortly thereafter, Mr. Powell informed me that traces of the dye had been discovered on a water cooler in the PTL laboratory and a hand of one of the workers. It was not possible, however, to prove exactly who had touched the marijuana. I was informed that the particular worker contended that the dye on his hand had come from his contact with the water cooler and not from contact with the marijuana container. Proof could not be established in any definitive way. However, I determined that immediate management action was required by PTL's on-site project management. Discussions between NHY and PTL's management resulted in an unsatisfactory response by PTL. Basically, their position was that there was nothing they could do because of the lack of conclusive proof of any individual's involvement. I then concluded that conservative action should be taken and that the PTL contract would be terminated at our discretion as allowed by the existing contract.

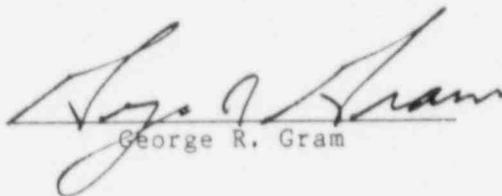
Affidavit of George R. Gram (Continued)

4. Therefore, I arranged for a transfer of the testing responsibilities previously provided by PTL to UE&C. The contract of Pittsburgh Testing Laboratories was terminated in March of 1986. I note that, subsequent to the contract termination, a number of PTL employees contended that there had never been any proof of involvement in the use of any drugs. Indeed, in connection with the proceedings before the National Labor Relations Board, it was determined that NHY should make compensation payments to PTL workers. However, consistent with its high standards, I believe that NHY took conservative action, and acted properly in this instance. It is clear that proof could not have been and can not be established that PTL or any of its workers were involved in drug activity. In any event, I believe the incident reflects NHY's strong commitment to banning drugs from the site.
5. Moreover, as Construction Director, I was assured that all of the work performed by PTL was subject to rechecking and multiple layers of quality assurance. No issue associated with PTL was raised concerning the safety or quality of the plant.
6. In addition, I note that during the period PTL was on site from mid-1976 until March of 1986, audits on PTL activities were performed by UE&C and by Yankee Atomic Electric Company (YAEC) Quality Assurance. These audits included planned and unplanned surveillances on every day activities of the PTL laboratory for all areas of PTL laboratory testing responsibility. No problems were identified that invalidated the quality of their test results.
7. In addition, from 1976 through 1984 the NRC performed numerous inspections and investigations, in the area of containment concrete alone, to verify conformance to specification codes and standards. Observation of ongoing work was an integral part of these inspections. Also, the NRC monitored and witnessed many of the safety related concrete placements.
8. I am further aware that the NRC has also independently performed non-destructive tests; i.e. hammer and windsor probe tests of concrete and safety related structures. These tests indicate an average value of approximately 7200 PSI.
9. I further note that the testing efforts by PTL were a support activity for Perini Construction Company, the civil structural contractor and later for UE&C when UE&C assumed construction responsibilities from Perini. Perini and UE&C reviewed the tests results reported by PTL. Thus, the nature of the tests in the area of concrete were such that no single task by itself, including by PTL, determined the acceptability of the concrete related product. Instead, one test complemented others. Therefore, any significant discrepancies would be apparent in more than one of the tests. As an example, there were several checks of concrete quality. The constituents of concrete (water, cement, aggregate, admixtures, etc.) were sampled and tested at specified intervals as required by codes, specifications and procedures. Inspections were performed to assure that the specified amounts of each constituent were properly discharged to provide the required mix. At the point of placement, the temperature and an air

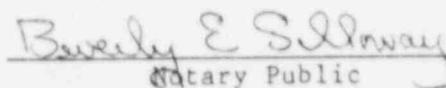
Affidavit of George R. Gram (Continued)

content and slump test was conducted for every 50 cubic yards of concrete placed. In addition, a minimum of two sets of cylinders for compression tests were taken for every 100 cubic yards of concrete placed. Each cylinder was uniquely identified so that it could be correlated to a specific placement. After "setting up", the cylinders were moved to the laboratory curing room where they were maintained until compression tests were performed at 7, 28, 56, and 90 day intervals. The strength of the cylinder test was a direct correlation to the quality of the concrete and produces an independent check.

10. For the containment concrete pours, in particular, the results of cylinder tests indicate the average actual strength of the minimum 4000 PSI mix-design was in excess of 5000 PSI. The test cylinders representing concrete used in the containment structure indicated a strength distribution range from 4400 PSI to 6000 PSI at twenty-eight (28) day intervals.
11. In addition, all PTL test reports were signed by qualified and certified personnel performing the tests and in addition all reports were reviewed by the PTL supervisor or his designee.
12. I am further aware that the Security Incident Report and Evidence Transmittal forms regarding this matter involving PTL were produced to Congressman Markey in or about December of 1986. Congressman Markey's staff never inquired of NHY concerning this matter to determine the true facts.
13. During the period that I was Director of Construction at Seabrook Station, it is my opinion that the Quality Assurance Program was comprehensive and thorough and the highest quality levels were achieved for safety related construction activities in conformance with regulatory and our program requirements.


George R. Gram

Then personally appeared the above named George R. Gram, who read the foregoing and stated that it is true to the best of his information, knowledge and belief.


Beverly E. Sillaway
Notary Public

March 11, 1988

My Commission Expires: March 6, 1990

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By CHRISTOPHER CALLAHAN Associated Press Writer

WASHINGTON (AP) -- A leading nuclear power critic on Thursday labeled the Nuclear Regulatory Commission an "outlaw agency" for not launching an independent investigation following evidence of drug and alcohol abuse at the Seabrook nuclear power plant.

"Like a mother who refuses to confront a child on drugs, the NRC refuses to confront the possibility of danger at Seabrook," said Rep. Edward J. Markey, D-Mass. "They have turned their backs on the people of New England and ignored their own mandate as the agency that insures nuclear plant safety."

Markey renewed his call for an independent investigation after releasing an affidavit from John Powell, former assistant construction director at the New Hampshire nuclear power plant, that said a longtime Seabrook subcontractor was fired in 1986 for alleged drug abuse by its employees.

Powell's sworn affidavit backs up evidence Markey released earlier this year, the congressman said.

David Scanzoni, spokesman for plant operator New Hampshire Yankee, confirmed that Pittsburgh Testing Laboratories, hired in 1976 to test concrete used at the plant, was fired in 1986 following drug allegations. The allegations were never proven, he said.

Scanzoni said the work of Pittsburgh Testing, like other Seabrook subcontractors, went through a series of rigorous tests and internal checks.

And he said the company's work was reviewed again by New Hampshire Yankee following the drug allegations. Scanzoni said he did not know if the NRC re-checked the work after Pittsburgh Testing was dismissed.

NRC Chairman Lando W. Zech Jr., in a letter to Markey this week, said there was no need for an independent review of Seabrook's construction "in light of the extensive safety reviews."

"The NRC staff has carefully reviewed your report and advises us that no new issues have been raised to support the contention that the safe operation of the Seabrook plant is in question due to construction deficiencies caused by drug or alcohol use," Zech wrote.

He said "routine and special inspections" showed that Seabrook is a well-built and safe reactor.

Scanzoni released a statement from Powell, who retired last year, defending the company.

"No drug or alcohol problems at Seabrook have had any impact on safety related systems or construction at Seabrook," Powell said. "In general terms, there have been no major problems at Seabrook in terms of substance abuse. There have been some minor drug and alcohol incidents, but action was taken immediately."

Scanzoni refuted the congressman's charges that New Hampshire Yankee tried to cover up drug problems at the plant, noting that most of the documents cited by Markey came from the company.

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