

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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- Number pages
consecutively
with Transmittal

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

19691

In the Matter of)	
)	Docket Nos. 50-445-OL 2
TEXAS UTILITIES ELECTRIC)	50-446-OL 2
COMPANY, <u>et al.</u>)	
)	(Application for
(Comanche Peak Steam Electric)	Operating Licenses)
Station, Units 1 and 2))	

TESTIMONY OF JOSEPH J. LIPINSKY

Q.1. Please state your name and business address for the record.

A.1. Joseph J. Lipinsky, Oliver B. Cannon & Son, Inc.,
5600 Woodland Avenue, Philadelphia, PA 19143.

Q.2. What is your position with Oliver B. Cannon & Son, Inc.?

A.2. I am the Quality Assurance Director for the Company.

Q.3. Please state your educational background and work experience.

A.3. I was awarded an associate degree in Letters, Arts, and Sciences from Pennsylvania State University in 1974. I was awarded a bachelor in science degree

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in biology in November 1977. I have attended continuing education courses or seminars offered by Carboline Co., Columbia Basin Community College, STAT-A-MATRIX, and National Association of Corrosion Engineers. I am a member of the ASTM Committee D33 on "Protective Coatings." Additionally, I am a member of the American Nuclear Society, National Association of Corrosion Engineers, and the American Society of Quality Control.

I joined O.B. Cannon & Son, Inc. in March of 1978 as a quality control inspector trainee. I have worked for Cannon to the present in levels of increasing responsibility in the areas of quality assurance and quality control. I have worked on or been assigned to the following nuclear projects: Grand Gulf 1 and 2, Hope Creek Nuclear Station, Oyster Creek, WPPSS No. 2, WPPSS Nos. 1 and 4, Pilgrim Station, Zimmer Nuclear Station, Perry Nuclear Power Plant Unit 1 and 2, and Three Mile Island Unit 1 and 2.

Q.4. When did you first learn that you might be performing work at Comanche Peak?

A.4. I first became aware of the fact that I might be

working on the Comanche Peak project during a telephone conversation with John J. Norris on July 15, 1983. My workload was such that no commitment could be made at that time as to when I might be available. Norris was to get back with me on July 18, 1983 to set up plans for me to go to the Comanche Peak site for one or two days at the end of July. I was subsequently advised by Ralph Trallo that I should plan on visiting the Comanche Peak site on July 26 and 27 and, if needed, the 28th. I did visit the site on those dates.

Q.5. Did you work on the Comanche Peak assignment prior to your trip to the site?

A.5. Yes. As a result of several conversations with John Norris, I developed a list of questions and topics that could be used as a guide to conduct his overview of the coatings program. I sent this list to Norris on July 18. I also contacted Mr. Evert Mouser, a quality control inspector, who was working at Comanche Peak, and Mr. W. S. Avery, who had worked at Comanche Peak as a quality control inspector.

Q.6. Why did you contact Avery and Mouser?

A.6. I was interested in obtaining background information concerning the Comanche Peak coatings program prior to my trip to the site in order to minimize the time I would have to spend on such matters. Avery had worked for me at Cannon as a quality control inspector and I thought it would be helpful to discuss matters with him. I became acquainted with Mouser when we worked together at the WPPSS site. I was part of the Cannon work force at WPPSS and Mr. Mouser was working at the site at that time for Bechtel in a quality control capacity. We became friends and for that reason I called him to obtain some insight into the coatings program at Comanche Peak.

Q.7. What did they tell you?

A.7. I don't remember much of my conversation with Bill Avery except that he did mention the retrofit program being conducted at Comanche Peak. Evert Mouser, in response to my questions, provided information concerning the manner in which coating materials were stored and mixed. We also talked about what

type or degree of surface preparation was required, and how that surface preparation was accomplished. Along these same lines we talked about the coating systems being applied at Comanche Peak, and the method of coating application. I seem to recall that we may have also talked about the type of work procedures in use at Comanche Peak.

As a result of these conversations, I was able to get some insight into how Comanche Peak went about performing these activities. Additionally, I was able to initially focus my review on the areas I discussed with Mr. Mouser. Because of the time lag between my site visit and this testimony, it is difficult to separate when I discussed some items with E. Mouser. I know that after my arrival on site, we discussed painter qualifications, the writing of non-conformance reports by inspection personnel, workmanship or the appearance of the applied coating material, repair procedures, inspectors' attitudes, as well as other items regarding the site situation.

Q.8. Please describe your activities during the first day of your visit to the Comanche Peak site.

A.8. I arrived on the morning of July 26, 1983. I encountered Mr. Mouser almost as soon as I arrived, and after some additional discussion about the coatings program, he introduced me to Mr. Brandt, the quality control supervisor. I outlined to Mr. Brandt what I was going to do on site, and asked who I should contact for information that I might need. Brandt introduced me to H. Williams, the paint quality control supervisor, who gave me a tour of the site. I also asked Williams to provide me with applicable portions of the Comanche Peak FSAR.

When I returned from the tour, I met Ray Posgay, a consultant retained by Mr. Norris. I discussed with him the conditions and problems on site that I was aware of as a result of my earlier conversation with Mr. Mouser. These topics were methods for surface preparation and coatings application, painter qualification, and procedures addressing these subjects. I also discussed painter qualifications with Mr. Posgay. Thereafter, Posgay and I ran into Gene Crane, Texas Utilities' construction resident manager, in the hallway. Mr. Posgay informed him of the problems that I had mentioned earlier.

I then met and had an introductory discussion with Mark Wells. It is my understanding that Mr. Wells is a Brown & Root engineer responsible for the coatings specification. I also told Wells that I wanted to look at the FSAR. I then met Mouser again and we discussed in more detail some of his concerns identified earlier in this answer. I also questioned Mouser as to why the paint cans had no status tags. He indicated he didn't know the answer to my question, but he believed the lack of tags indicated a problem.

During that day I also began my review of the Comanche Peak coatings specification.

Q.9. Did you continue your review of the Comanche Peak coatings program on July 27?

A.9. Yes. I arrived on site in the morning and conducted a walk-down. I observed work on the polar crane and the dome. It appeared to me that there was too much sanding being performed on the existing zinc primer prior to application of the top coat. I either met Mr. Mouser or ran into him near Brandt's office, and we talked about this situation. Also, I asked about what type of surface preparation was performed prior to the application of the new topcoat material over

old topcoat material. It was my understanding that the only surface preparation between coats of topcoat material was a solvent wipe. I felt that because of the age of the first coat, as well as the accumulation of fumes and contaminants, a solvent wipe was not adequate.

About 10:00 a.m. I met with Ron Tolson, the Texas Utilities' quality assurance supervisor, and Mr. Brandt. The meeting lasted only ten or fifteen minutes. I advised them that my preliminary assessment was that Comanche Peak had problems in the areas of material storage, painter qualification, satisfaction of ANSI requirements and, possibly, coating integrity. I said all of these items could affect licensing, to which Mr. Tolson replied, "That's not my job or concern." I interpreted this to mean that he was less concerned about quality assurance matters than I thought he should be. This judgment reinforced my growing concern that quality problems existed in the Comanche Peak coatings program. I explained that I would be unable to provide a more accurate assessment without the benefit of a detailed review or audit. I went on to tell him that quite a few former Cannon personnel were employed on site and that my views were based in part on the concerns

they had expressed about the coatings program. At this point all of the various views had been explained to me by Mr. Mouser. I later talked to the inspectors directly to confirm their views.

During the course of the day I again toured the site with Mr. Mouser, as well as going out to the paint yard or shop where I met H. Gunn, a quality control inspector in the coatings program. We discussed the operation of the paint shop. I also looked at the paint warehouse and mixing areas where I again noticed the lack of status tags on paint cans.

While walking to the containment building, Mr. Mouser and I passed a pallet on which sat a container of mixed coating material destined for the containment building. I commented that letting mixed material sit out in the heat would likely shorten its pot life. Mouser looked for some type of form that he expected to be with the container, but there was no form or other type of documentation.

I spoke with Mr. Wells about the project specifications, painter qualifications, procedures, and FSAR commitments. Mr. Wells indicated that painter qualifications were handled by production personnel.

He also said something to the effect that only 34 out of 452 individuals on site listed as painters were of any use as painters.

I spoke with L. Adams and C. Owen, two paint quality control inspectors who had formerly worked for Cannon. We discussed the site conditions and problems and their jobs in general. They confirmed in general terms what I had discussed with Mr. Mouser. I also met and talked with D. Ambrose and T. L. Miller, two other paint inspectors who were former Cannon employees. I shared with them some of my observations and things I had been told by others, and they confirmed these concerns. We also talked about documentation, and I looked at what I was told were daily inspection reports. They asked about Cannon's need of inspection personnel. I told them that if we had a need, I would keep them in mind.

On the way out of containment, I passed a shed where painting of small items had taken place. At this point I met and talked with M. Lucke, another paint inspector who was a former Cannon employee. Basically, she confirmed what I had been told, and we also talked about things of a general nature.

Q.10. Did your site visits on July 26 and 27 complete your preliminary review of the Comanche Peak coatings program?

A.10. No. I completed my preliminary assessment on July 28, 1983. I arrived on site that day and met with Jack Norris.

I gave him a rundown of my observations and potential problem areas. At this time I pointed out that if Comanche Peak was committed to the regulatory standards in its FSAR, then Comanche Peak must satisfy all regulatory requirements. However, if there were no commitments in the FSAR, then either the specification requirements could be relaxed or there was no problem with regard to satisfying regulatory requirements. As a result, John Norris wanted me to accurately determine FSAR commitments prior to the meeting that we were to have with Mr. Merritt. I went to Mr. Wells' office and quickly went over with him the commitments to the applicable ANSI Standards contained in the FSAR and the coating specification. I determined that the Comanche Peak coatings program was committed to the significant ANSI Standards and Regulatory guide 1.54.

I advised Norris to this effect.

Q.11. What happened next?

A.11. Later that morning, John Norris and I attended a meeting with Messrs. Merritt, Crane and Tolson, and Mr. McBay, the manager of engineering.

Mr. Norris gave an introduction and then turned over the meeting to me. I started by stating that based on my observations and in light of commitments to the coatings specification and ANSI requirements, there were areas for people to be concerned about at Comanche Peak. I went on to say that O. B. Cannon had extensive experience on nuclear projects and was familiar with various methods of satisfying ANSI requirements. At this point Ron Tolson asked me to identify specific problem areas or items. I described what I thought to be problems with material storage, painter qualification and indoctrination, possible documentation deficiencies, and morale problems. I went on to say that by their own estimate only 34 out of 452 individuals were of any value as painters. I also stated that more specifics could not be given without a thorough review or audit. Tolson indicated

that he did not want an audit.

I also stated that if quality work is put in place, then they would be a long way to resolving site problems. That is, no amount of inspection can inspect quality into the work. Further, I said that currently a "no win" situation exists on site between the craft and quality control, and even though this sounded corny, Brown & Root needed to develop a "win-win" situation. At this point Mr. Merritt was outspoken and agreed wholeheartedly.

The conversation then took off on the areas of assuring that individuals putting work in place are doing an adequate job or getting disciplined, and of improving morale. At one point, Ron Tolson was discussing what was being done to increase morale among production and quality control employees (a party or something along those lines). In response to a statement that the party had not been well attended by the quality control inspectors I remarked that they sounded like a bunch of losers or words to that effect. I was referring to the fact that quality control personnel did not join the attempt to draw production and quality control employees together.

The meeting then centered on what, if any, changes O. B. Cannon would recommend for the coatings specifications. We recommended no changes at this time because a change this late in the game for Unit 1 would only confuse matters. It was agreed that Mr. Norris would recommend revisions to the specification with respect to the topic of painting touch-up. Problems with the quality of the compressed air supply used by the painters were discussed. It was agreed that John Norris would specify the proper equipment to correct the problem. After some additional conversation, the meeting ended.

Mr. Norris and I stayed in the same room and Mr. Merritt brought in Mr. George, the Texas Utilities vice-president in charge of engineering/construction. Mr. Merritt briefly summarized the first meeting, including mentioning that I had some concerns. After further discussion, Mr. Merritt directed us not to do any more work, other than recommend air equipment, until notified by Texas Utilities. He thanked us for our help and ended the meeting.

Q.12. Did you draft a report after returning from your trip to Comanche Peak?

A.12. Yes. On August 2, 1983, after returning to Philadelphia, I drafted a report, relying on notes I had made at the site, which I disposed of after writing the report. These notes contained details of my observations and the conversations I had with people at the site. I based the concerns enumerated in my trip report in large part on what I had been told by Mr. Mouser and quality control inspectors at the site. I had a certain level of confidence in their opinions and I had attempted to cross-check what I learned during my discussions with the various inspectors. In addition, I had attempted to confirm or disprove these statements by what personal observations I could make in the days I was on site. I based several general conclusions about the overall management of the quality assurance program on my impression of the attitude of Messrs. Tolson and Brandt as reflected in their conversations with me. This attitude seemed to me to lend credence to what I had been told by the inspectors.

Q.13. What did you do with the draft report?

A.13. I provided Ralph Trallo with a copy, which he marked with some comments and questions. After discussing

these with Ralph, I forwarded the marked copy of my draft to Robert Roth.

On August 8, Mr. Roth approved my draft for internal Cannon distribution. I made some minor changes to incorporate his and Mr. Trallo's comments. I gave the trip report a letter number and dated it to reflect its final form. I provided Mr. Roth a copy.

Q.14. Did you later return to the Comanche Peak site?

A.14. Yes. John Norris informed me there would be a meeting at the site on August 9. He said that he and Mr. Roth would attend and requested that I attend as well. We were to provide advice and assistance that might be useful to improve matters under the coatings program.

Mr. Roth and Mr. Kelly of EBASCO were asked to obtain information on the acceptance range for dry film thickness of Carbo-Zinc 11. I was asked to develop a procedure for the application of inorganic zinc paint with a topcoat of Phenoline 305 paint. Messrs. Roth and Norris agreed that I should stay over to get information from Mark Wells in order to

develop this procedure.

I arrived on site on August 10, 1983, and discussed with Mr. Wells the appropriate format and content for a work procedure. During that morning I allowed Mr. Mouser to read my August 8 trip report. I did not provide Mr. Mouser with a copy of the report.

Q.15. When did you hear about your trip report?

A.15. On October 3, 1983, Mr. Mouser told me that copies of the report were "popping up" around the site. He said that he would try to track down the source. A week later he still had no information on this subject. In response to my questions, he confirmed that I had not given him a copy and stated that he had not taken one from me.

Q.16. Did you tell anyone about Mr. Mouser's call?

A.16. No. I was busy on the Zimmer, Grand Gulf and Hope Creek projects, and the information conveyed by Mr. Mouser didn't seem important to me at the time.

Q.17. Do you know when other Cannon representatives learned that the trip report had come to the attention of personnel at the Comanche Peak site?

A.17. On October 10, John Norris called and told me that Mr. Merritt had asked him what my reasons were for believing that rework was necessary because the work in place was not salvageable. I had stated in the trip report that if Cannon should try to obtain a contract at the Comanche Peak site, this contract should be a rework contract as opposed to a continuation of the current work activities. What I was trying to explain was that the effort needed to save a portion of the work was a lot more than the effort needed to perform a complete rework from both a practical and paper work standpoint.

Norris asked me if the Comanche Peak retrofit program would lead me to change my opinion. I stated that the retrofit program may resolve my concern, but I have not reviewed any of the results and, therefore, I could not comment on the acceptability of the retrofit program.

Q.18. Did you become involved in these discussions?

A.18. Yes. On October 12, 1983, I was called into Mr. Roth's office. He was on the squawk box with Mr. Merritt. Merritt asked about my trip report, and Roth acknowledged that it existed, but emphasized that it did not represent the Company's position. During the conversation, Merritt asked him to read the portion of the trip report relating to the ability to accomplish any rework. Mr. Roth did so, but slightly modified the wording as described in Answers 12 and 13 of his testimony.

Q.19. Did Mr. Roth ask you to sign the revised report?

A.19. Yes.

Q.20. Why did he want you to sign the revised report?

A.20. I don't know for certain, but I think he may have felt that my signature was required to authenticate the report.

Q.21. Did you sign the revised report?

A.21. No.

Q.22. Why not?

A.22. Based on advice I received from relatives and Ralph Trallo, I decided that I would not sign the changed report. Although the changes were not important in my view, I felt that if I had signed the changed report, the existence of two versions of the same report might be interpreted by a third party as perjury or fraud. ~~In retrospect~~ had the date been changed or the changes somehow marked, I would have signed the changed report.

Q.22.A. What was Mr. Roth's reaction to your refusal to sign the revised report?

A.22.A. At first Robert Roth just let the matter pass and didn't press the issue. However, in mid to late November 1983, he became more insistent on my signing the changed report. When I suggested that I would not commit perjury to explain the existence of two reports, Mr. Roth told me not to commit perjury. Thereafter, Mr. Roth asked me several times to sign the report. I refused each, time, and the matter was dropped.

Q.23. I notice that you detailed these events very carefully in your calendar diary. Why did you

maintain this diary?

A.24. I did so primarily on the advice of Messrs. Driskill and Griffin of the NRC. They had received a copy of my trip report and spoken with me about it several times. In mid-November 1983, I spoke with them again, and in the course of the conversation I believe I asked about what would happen if I was fired as a result of my trip report. I think the subject came up in the context of talking about Mr. Dunham's job security after he had spoken to NRC. Mr. Driskill said that they could not give me advice regarding my job status, but remarked that if he was in my position he would keep a detailed diary.

Q.25. Was your job or employment status threatened in any way by your refusal to sign the revised report?

A.25. No.

Q.26. Was your job or employment status threatened in any way by the fact that you had written the trip report and that it had leaked to the public?

A.26. No, but I think I perceived that this was the case at the time. In retrospect, I believe I was simply agitated and under a great deal of stress. This was primarily because of the November 9-11 events at the Comanche Peak site, in which attention was focused on me and my trip report. No one at Cannon said anything about my job being in danger, and in fact in December, when Cannon employees receive salary reviews, I received an annual increase and distribution of an incentive compensation plan in line with what I had received in prior years.

Q.27. Did you perform any further work in connection with the Comanche Peak project?

A.27. Yes. Mr. Roth spoke with me on November 4, 1983 about a meeting with Texas Utilities personnel which he had attended in Dallas on the previous day. He indicated that O. B. Cannon would perform a further review on site to satisfy the concerns raised in my trip report. Keith Michels and myself began to prepare a list of things to review in order to

resolve these concerns. We estimated that the review would take at least ten days. Mr. Roth instructed me that Mr. Michels and I would meet Mr. Norris on site on November 9 to begin performing a review or audit. Mr. Roth wrote a memorandum the same day establishing a Task Force, headed by Ralph Trallo, to carry on these further review activities. The memorandum listed areas to be reviewed, including some areas not addressed in my trip report.

Q.28. Did you return to the site to conduct this further review?

A.28. Yes. Mr. Michels and I traveled to the site area on the evening of November 8, 1983. We were to meet Mr. Norris for breakfast the following day and proceed to the site with him. I found out later he would be delayed.

When Mr. Michels and I arrived on site, I found that the badge I had been issued on my previous visit was no longer valid, and we had to wait at the gate. Mr. Merritt's secretary picked us up there and drove us to his office. We met with Mr. Merritt and gave

him the four-page list of items to review that we had prepared. Mr. Merritt seemed surprised and displeased by the extent of our list. He asked if Mr. Norris knew about the document and we replied that he did. Mr. Merritt wanted to know why Norris was not on site and he called Mr. Trallo to find out.

Mr. Merritt then escorted us to an empty office and told us to wait there. After about 30 minutes he escorted us back to his office. He told us to return to our hotel and await the arrival of Mr. Norris. He explained that there was some misunderstanding about the scope of work that O. B. Cannon was to perform and told us not to proceed until it was ironed out.

When I returned to the hotel I called Ralph Trallo and he instructed me not to return to the site before he arrived that evening. Norris arrived on site and called me, asking whether I wanted to begin reviewing documents. I told him of Trallo's instructions. I spoke with Trallo again, and he informed me that a meeting would be held on the following day to question me on my trip report. I told Ralph that I didn't want to discuss the report, but he pointed out that I couldn't really refuse the client's request.

Q.29. Did you attend this meeting?

A.29. Yes. When we arrived on site, Messrs. Trallo and Norris met briefly with Messrs. Merritt and Tolson. Then we all went into a conference room. Before the general meeting started, Mr. Trallo informed me that he had stated that I was not out to do Mr. Tolson in and said that he had only agreed to the meeting on the condition that it did not turn into a kangaroo court or a witch hunt. Mr. Merritt presided at the meeting and a stenographer was present with a tape recorder. I was extremely nervous and agitated, to the point that my hands were shaking. I had decided in advance to say very little because I was convinced that the purpose of the meeting was to railroad me into changing my opinion.

Q.30. What happened at the meeting?

A.30. The meeting consisted largely of Mr. Tolson describing how Comanche Peak satisfies the specification and regulatory requirements that led to the concerns raised in my trip report. I concluded that if these activities were being implemented properly, my concerns would no longer be valid. He also stressed the number of quality control audits that had been, and were being,

performed on site. He indicated that findings, if any, resulting from these audits were minor. If these audits were of sufficient scope and depth, my confidence in the adequacy of the coatings program would increase considerably. I, of course, could not tell whether the activities described by Tolson were actually taking place.

Following this meeting, the O. B. Cannon Task Force met alone and discussed what had occurred and what course of action we should take. We continued our discussions later that day, and everyone on the Task Force agreed that if the site management were doing all they said they were doing, we would have no concerns. We decided to accept the information and assurances given by Mr. Tolson and Co. at face value. We also agreed that without doing a thorough audit, we could not confirm what we had been told.

Q.31. Were you "railroaded" into changing your views?

A.31. No. Despite the stressful atmosphere at the meeting, what Tolson described was a reasonable approach to implement a quality program in the coatings area. If the people at Comanche Peak were doing what was described, then my concerns would be satisfied. Moreover, during conversations with members of the

Cannon Task Force after the meeting on the 10th, we discussed these matters in more relaxed surroundings. These discussions confirmed my own opinion of the views expressed by the Texas Utilities people.

Q.32. Did you meet with anyone else on November 10?

A.32. Yes. That afternoon I met with Mr. Griffin of the NRC at my motel, as we had previously agreed. He showed me a copy of a memo by Mr. Driskill of the NRC which indicated that my trip report had been provided to NRC personnel by an individual who had obtained it in a surreptitious manner. I assumed the use of the word "surreptitious" meant the trip report had been stolen.

Mr. Griffin asked about the meeting on site earlier that day. I described the format to him, and he asked if I just pretended to agree with whatever I was told in order to get out of the meeting. I explained that I had been extremely nervous and uncomfortable during the meeting, but that I honestly believed if Texas Utilities was doing everything they said they were, then I wouldn't have a problem with their quality assurance program. I noted, however, that I could not give an

opinion one way or the other as to whether they were in fact doing what they had told me.

Q.33. Did the Cannon representative meet with Texas Utilities again?

A.33. The following morning, November 11, we met briefly and Ralph Trallo delivered the consensus opinion of the Cannon Task Force.

Q.34. Did you prepare and sign an affidavit on September 28, 1984 addressing the concerns set forth in your August 8, 1983 trip report?

A.34. Yes.

Q.35. Have you recently reviewed that affidavit and the accompanying affidavit of C. Thomas Brandt?

A.35. Yes, at your request I have reviewed both affidavits to confirm whether or not I still hold the views indicated in my September 28 affidavit.

Q.36. What was the result of that review?

A.36. Sufficient technical information is provided in the Brandt affidavit so that I can reconcile in my mind the comments I made in the trip report. Consequently, with the exceptions noted below, I reaffirm the statements I made on September 28.

Q.37. What are the exceptions?

A.37. On page 8 of the affidavit I stated that with respect to the qualification of painters, I was satisfied that the concern indicated in my trip report was without basis, given the Brandt affidavit. Since the effective date of the pertinent forms attached to that affidavit are dated after my July 26-28, 1983 site visit, I cannot be certain they were in place at the time of my visit. Therefore, I am revising the statement on page 8 to the effect that I am presently satisfied that my concern on painter qualifications is without basis.

In the second paragraph on page 8 of my affidavit, I stated that based on the Brandt affidavit, QC inspectors conducted visual examinations of test panels. However, I am unable to confirm my statement on the

basis of the attachments to the Brandt affidavit. I should have asked for objective evidence on this point because rather than accepting assurances as I did during the meetings on November 10 and 11, I was interested in reviewing confirming documents at the time my September 28, 1984 affidavit was written. I assume that the documentation does exist on the practice of QC inspectors examining test panels.

I also note with respect to coatings integrity, the letters I refer to on page 10 of my affidavit were issued in 1976. In retrospect, it would be better if the coating manufacturer that issued the letters would confirm that their 1976 recommendations are still valid.

Finally, I am deleting the last sentence of the affidavit since by the time I wrote the trip report the QA overview requested of Cannon was completed.

Q.38. Can you explain why these matters were not clarified by you before you signed the affidavit?

- A.38. I was simply careless in the case of the last sentence of the affidavit, the effective date of the inspector qualification forms, and in not requesting objective evidence of test panel examination by quality control inspectors. With respect to the need for confirming the 1976 letters, I evaluated the information presented by Mr. Brandt in terms of the applicable ANSI standards and other requirements, and since such confirmation is not required, I did not mention it. However, in response to my counsel's insistence that I cover every eventuality, I thought it would be appropriate to mention it at this time.
- Q.39. Does the September 28, 1984 affidavit represent your voluntary viewpoint?
- A.39. Yes. With the minor corrections noted, that affidavit represented my views then and represents them now with respect to my position on the concerns identified in my August 8, 1983 trip report.

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NUCLEAR REGULATORY COMMISSION

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In the Matter of:)	
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TEXAS UTILITIES ELECTRIC)	Dockets Nos. 50-445 and
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)	
(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.

~~5-4-1983~~
1984

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CIRCUMSTANCES OF MY VISIT
TO COMANCHE PEAK

I understand that Applicants retained O.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.

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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-

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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 ¹⁹⁷⁵¹ 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.

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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.

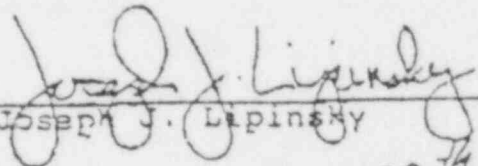
My Trip Report also discussed air supply problems experienced by the craft. The craft was experiencing problems on site with the air supply for spray painting or sand blasting. The air apparently contained water or oil, and the craft was spending a great deal of time correcting the problem, without being 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

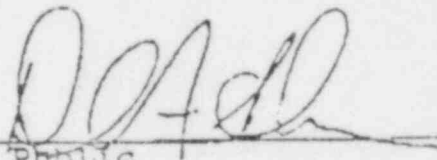
My August 8, 1983 Trip Report reflected my initial impressions conveyed during a very short visit to the site during which I had little opportunity to discuss my concerns with site management. My subsequent in-depth discussions with site management have demonstrated to me that my initial impressions 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. ECINAX, 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.