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U.S. House of Representatives
Subcommittee on Oversight and Investigations
of the
Committee on Energy and Commerce
Washington, DC 20515

MICHAEL F. BARRETT, JR.
 CHIEF COUNSEL/STAFF DIRECTOR

March 19, 1986

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

Dear Mr. Chairman:

As you know, the Tennessee Valley Authority's (TVA) Nuclear Safety Review Staff (NSRS) was established after the Three Mile Island accident to provide independent advice on nuclear safety matters to the TVA Board. Since 1979, the NSRS has been the source of a series of reports which describe in detail many of the problems that came to the Commissioners' attention only in 1985.

The agreement defining Mr. White's duties provides that the NSRS shall no longer report directly to the Board; instead it will report to Mr. White or one of his deputies. The TVA Board, which holds ultimate TVA responsibility for obligations incurred via its nuclear licenses, no longer has a source of independent advice regarding conditions at its nuclear facilities.

As a result, the Board's information about TVA's nuclear program is channelled through Mr. White who, as TVA's Manager of Nuclear Operations, is subject to pressures to gain an early restart of TVA's reactors. These pressures conflict with, and may exceed, pressures to assure rigorous adherence to NRC regulations. Such conflicting forces being brought to bear upon Mr. White would not in themselves necessarily lead to unsafe conditions; rather, the danger arises from the TVA Board no longer having access to information necessary for it to make independent judgments on nuclear safety issues. Of particular concern is that the Board has been deprived of any real ability to determine whether considerations of schedule and cost are leading TVA officials to press for regulatory exemptions that might ultimately compromise safety.

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In conferring full authority for nuclear operations upon Mr. White and simultaneously eliminating NSRS as an important element of TVA's system of nuclear checks and balances, the TVA Board has placed nearly total authority over its nuclear power program in the hands of one individual. This person, as a practical matter, is simply not subject to the review in a typical utility might normally be exercised by a president, chief executive officer, board of directors, or even stockholders, all of whom have a deep interest in avoiding accidents if only to protect the investment.

In addition to assuming control over NSRS, Mr. White has decided to virtually eliminate the Quality Technology Company from the Employee Concern Program. This has the effect of further impeding the surfacing of information concerning unsafe conditions.

These developments raise the following questions:

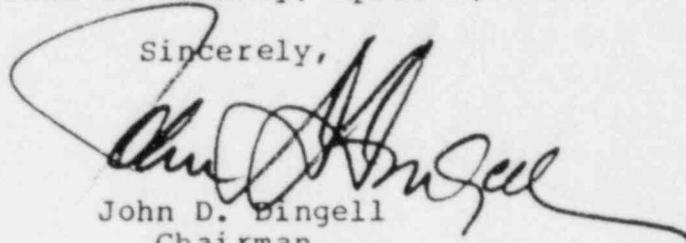
1. Has any other utility delegated such total authority to its manager of nuclear power as has been done by TVA?
2. Do NRC regulations permit a licensee to delegate such total authority to the manager of nuclear power without maintaining an institutional mechanism that allows the licensee's highest level officials to receive nuclear information, assessments, and advice not channelled through the nuclear manager? Is the answer to the foregoing question affected by the fact that at TVA the nuclear manager is not a TVA employee, but rather a person retained through a two-year consulting contract with an architect engineer?
3. Does the current organization of TVA's nuclear program, which does not include a mechanism for providing on a routine basis to the Board information, assessments, and advice independent of that provided through the Manager of Nuclear Operations, comply with NRC regulations and TVA's licensing commitments?
4. Has the Commission reviewed its communications with TVA to determine whether TVA has made commitments that were to be carried out by the NSRS? Do any such commitments exist? If so, how will TVA's ability to fulfill them be affected by the organizational change which brings NSRS under the aegis of the Manager of Nuclear Power?

5. Has the NRC approved TVA's current program for receiving and responding to employee concerns? If not, when does NRC expect to grant such approval? Prior to NRC approval, and in the absence of the Quality Technology Company and NSRS involvement in handling employee concerns, what is the nature of TVA's program for receiving and responding to employee concerns?
6. Does the Commission believe that the Quality Technology Company developed the confidence of TVA employees?
7. Has the Commission received from TVA an explanation as to its reasons for having virtually terminated the Quality Technology Company role in receiving employee concerns? If so, does the Commission agree with that explanation?
8. In view of TVA's history of harassing its employees, why should TVA employees have confidence that they would not be subject to harassment for bringing their safety concerns to management?
9. What is being done by TVA to determine whether persons currently in the TVA management chain shared responsibility for past incidents of harassment and intimidation? What is being done by NRC?
10. What has TVA done to eliminate the distrust of TVA management that led TVA management to retain the Quality Technology Company as a third party to receive and respond to employee concerns?
11. What standards will NRC use in determining whether to approve TVA's new Employee Concern Program?
12. Before approving TVA's Employee Concern Program, does NRC intend to request TVA to address the matters listed in the attached draft letter which was not sent to NRC in view of Mr. White's discussion with Chairman Palladino and Commissioner Asselstine?
13. What is the Commission's response to assertions that TVA has taken a backward step by virtually eliminating the Quality Technology Company from the Employee Concern Program?

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Since the foregoing questions bear on any NRC decision to approve TVA's Employee Concern Program, I assume the Commission has on hand the information necessary to formulate answers. Accordingly, I would appreciate your response to these questions by the close of business on Tuesday, April 8, 1986.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Dingell", written over the word "Sincerely,".

John D. Dingell
Chairman
Subcommittee on
Oversight and Investigations

JDD:PSdb