



CHAIRMAN

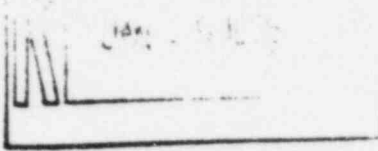
UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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JAN 17 1986

The Honorable Dan Glickman, Chairman
Subcommittee on Administrative Law and
Governmental Relations
United States House of Representatives
Washington, DC 20515



Dear Congressman Glickman:

In his letter to you dated December 13, 1985, Carlton Kammerer of our Office of Congressional Affairs noted that answers from the NRC would be forthcoming on two questions in your November 21, 1985 letter, i.e., the basis upon which the Commission decided to issue the Wolf Creek operating license, as well as the process for determining which complaints at Wolf Creek to pursue and which to disregard.

The bases for the Commission's decision to issue a license were several. The NRC staff had completed its review of the plant design and engineering, the construction program and its implementation, the start up and testing program, and the adequacy of operating personnel and procedures. Further, all contested adjudicatory issues raised by the public in the hearing process were resolved. Moreover, the staff expended substantial resources on other uncontested safety issues, inspecting Wolf Creek and investigating the allegations that there were significant safety problems at the plant. The staff satisfied both itself and the Commission that Wolf Creek complied with all NRC requirements, and that none of the allegations warranted denial of a full power license. Enclosed is the transcript of the June 3, 1985 public meeting at which the staff briefly summarized to the Commission its inspections and investigations, and the reasons for its conclusion that issuance of a full power license was warranted.

During the construction of Wolf Creek, the NRC staff, through its audit review, performed various reviews and onsite inspections to assure that components, systems and structures important to safety were designed, fabricated, and tested to quality standards commensurate with the importance of the safety functions to be performed. These reviews were conducted by some 50 different technical disciplines within the Office of Nuclear Reactor Regulation. In addition, resident inspectors and region-based specialist inspectors carried out a comprehensive inspection program related to plant construction and testing.

Region-based specialist inspectors assess welding, nondestructive examinations, civil, mechanical, electrical and instrumentation engineering, preoperational testing, emergency preparedness, and environmental protection. Resident inspectors typically apply more general experience in construction activities related to installation of equipment and structures.

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For Wolf Creek, approximately 40 inspectors spent varying amounts of time on inspection activities and readiness for operation of the plant. The staff expended significant efforts during the final stages of construction review in 1984 to provide reasonable assurance that the construction had been completed in accordance with Commission requirements. The results of each of these inspections have been documented in inspection reports issued by the NRC.

I hope that this letter, and the enclosed transcript, will help dispel your concern that the Commission might have granted a license in disregard of serious, unresolved allegations. In fact, the staff had evaluated the technical safety significance of allegations NRC received over the course of the construction and preoperational testing of Wolf Creek up to the time of its licensing, and NRR did not issue a low power license until completion of a 100% reinspection of accessible, structurally significant welds. Detailed summaries of these and similar efforts are contained in information previously sent to you in letters dated June 5, 1984 and March 11, 1985, from W. J. Dircks, our former Executive Director for Operations. Moreover, a full power license was not authorized until the Commission had reasonable assurance that the plant complied with all NRC safety requirements, notwithstanding allegations of drug use, intimidation of inspectors, inadequate quality assurance/quality control, and records falsification.

During 1984 and 1985, the NRC staff carried out six inspections to review programmatic aspects of the utility's Quality First ("Q-1") Program, and audited approximately half of the Q-1 files to assure that the applicant was dealing appropriately with self-identified concerns. In May 1985, a special team of NRC technical specialists and investigators performed a detailed review of all 271 Q-1 case files and the 752 concerns contained therein. The staff's inspection effort and findings are discussed in more detail in Inspection Report 85-28, which is enclosed for your information.

Based upon these inspections, the staff reported to the Commission: 1) that from the standpoint of construction, startup testing, and operation, there were no significant safety issues still open; and 2) that the utility had satisfied all requirements for a full power license.

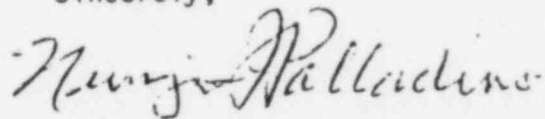
The Commission's actions conformed with its policy for handling of late allegations, which explains that "if the staff determines that an allegation raises a significant safety concern regarding operation of a facility or about quality assurance or control or management conduct, which brings into question the safe operation of the facility at a given stage of operation, the allegation must be addressed prior to authorizing that stage." 50 Fed. Reg. 11030 (3/19/85) (attached).

The Office of Investigations (OI) also complied with the above-referenced Policy Statement regarding late allegations. OI initially conducted an assessment of wrongdoing allegations and investigations completed by the utility's Q-1 Team at Wolf Creek. Focusing on the documentation in the Q-1 case files, without reference to information outside those files, OI found approximately thirty cases which appeared to have been improperly or inadequately investigated or followed up by utility personnel.

Prior to full power licensing, OI informed the Commission of these conclusions and, as noted above, the Commission and its technical staff agreed that these preliminary results did not raise a sufficiently serious safety concern to postpone licensing. Nevertheless, these preliminary investigative results were considered sufficiently significant to warrant followup. Accordingly, on July 1, 1985, the OI Field Office Director for Region IV met with the Regional Administrator and his staff to review these problem cases. From the approximately thirty cases reviewed, ten were chosen as having obvious investigative deficiencies. Out of those ten, OI decided to select three cases in differing subject areas as a sampling for further OI examination.

The Region IV-OI office opened these three cases as investigations. Our Office of Investigations is nearing completion of reports in two of the cases. We will be reviewing the reports with our staff. Since OI believes that the reports contain information that may lead to further investigations, possible enforcement action, or criminal referral, these reports are not being publicly released. Public release at this time could compromise further investigation. Hence, we will be providing the reports to you under separate cover to avoid any compromise of an OI investigation. We respectfully request that the two reports, when delivered, be held in confidence and disseminated to the Members and staff of your Subcommittee only on a need-to-know basis.

Sincerely,



Nunzio J. Palladino

- Enclosures: 1. Transcript of June 3, 1985 - INBI²
Commission meeting
2. Inspection Report 85-28
3. Commission Policy Statement
dtd March 19, 1985

cc w/o encl: Rep. John Dingell
Rep. Morris Udall
Rep. Bob Whittaker