

STATUS OF ALLEGATION PROGRAM

FISCAL YEAR 1999

ANNUAL REPORT

# CONTENTS

EXECUTIVE SUMMARY .....	1
OVERVIEW OF THE ALLEGATION PROGRAM .....	3
<u>Description of Allegation Process</u> .....	3
<u>Summary of Audit Results</u> .....	4
Region I .....	5
Region II .....	5
Region III .....	6
Region IV .....	6
NRR .....	7
NMSS .....	7
<u>Alleger Feedback on Performance</u> .....	8
<u>Protecting the Identity of Allegers</u> .....	8
<u>Resources Expended on Allegations</u> .....	8
<u>Program Accomplishments</u> .....	11
STATUS OF IMPLEMENTATION OF RECOMMENDATIONS TO IMPROVE THE ALLEGATION PROGRAM .....	11
<u>Recommendations of Review Team for Reassessment of the NRC's Program for     Protecting Allegers Against Retaliation</u> .....	11
<u>General Accounting Office Recommendations</u> .....	12
TRENDS IN ALLEGATIONS .....	12
<u>General Trends</u> .....	13
<u>Allegation Trends at Reactor Licensees</u> .....	16
St. Lucie .....	17
Millstone 2 & 3 .....	18
Byron .....	19
D.C. Cook .....	20
South Texas .....	21
San Onofre .....	21
Oyster Creek .....	22
<u>Allegation Trends at Material Licensees</u> .....	22
<u>Allegation Trends at Vendors</u> .....	23
CONCLUSIONS .....	24
RECOMMENDATIONS .....	24
APPENDIX 1 .....	25

## EXECUTIVE SUMMARY

In SECY-94-089, "Response to the Report of the Review Team for Reassessment of the NRC's Program for Protecting Allegers Against Retaliation," the staff committed to have the Agency Allegation Advisor (AAA) prepare an annual report for the Executive Director for Operations (EDO) that assesses the conduct of the allegation program in each NRC office and region that routinely handles allegations. This annual report fulfills that commitment. In this report, the staff discusses the status of recommendations for improving the allegation program, reviews allegation data for adverse trends for reactor and materials licensees and vendors, and reviews the resources expended on following up on technical allegations. Because the Office of Investigations prepares an annual report covering the follow-up of allegations involving wrongdoing, this report does not specifically address activities concerning allegations of wrongdoing.

Overall, the implementation of the allegation program has improved in all areas in the last year. The findings from the 1999 audits and NRC's performance measures for the allegation program indicate continuing improvements in reviewing, documenting, tracking, and completing evaluations of allegations. The timeliness and quality of communications with allegers also continue to improve. For Fiscal Year 1999 (FY99), the staff instituted an effectiveness measure for the allegation program. The measure uses the results of the audit of the allegation program to determine whether the staff has identified and appropriately resolved all of the concerns submitted by allegers. Based on the allegations reviewed during the audit, the allegation program achieved an effectiveness rating of 97 percent. One area that showed particular improvement in FY99 is protecting the identity of allegers. No inappropriate disclosures occurred in FY99, as compared to three inappropriate disclosures in FY98. However, given the importance of this issue, training continues to emphasize the staff's personal responsibility and accountability for protecting the identity of allegers.

After receiving increasing numbers of allegations in FY96 and FY97, the trend reversed significantly in FY98 and that reversal continued in FY99. The NRC received 21 percent fewer allegations and 26 percent fewer concerns in FY98 compared to FY97. Comparing FY99 and FY97, the staff received 41 percent fewer allegations and 46 percent fewer concerns. The staff believes the primary contributor to the decrease in the number of allegations submitted is the efforts of reactor licensees to improve the effectiveness of line managers in dealing with employee concerns and the effectiveness of employee concerns programs. This in turn has resulted in improvements in the work environment at most sites and fewer allegations being submitted to the NRC.

The NRC review team that reassessed the NRC's program for protecting allegers from retaliation made 47 specific recommendations in January 1994 addressing how the agency could improve its program for protecting allegers against retaliation. The staff has completed action on 45 of the 47 recommendations. The remaining recommendations are (1) submitting proposed legislation to revise Section 211 of the Energy Reorganization Act of 1974 to provide realistic time frames for the Department of Labor's (DOL's) review of discrimination complaints and (2) determining whether the staff should provide feedback forms to allegers as one method to assess the effectiveness of the allegation program. With respect to the draft legislation, upon completion of the Office of Management and Budget (OMB) review process, DOL requested the opportunity to review the legislative package again, before a final package for

signature by both agencies was prepared. Therefore, the package was returned to DOL and further NRC action is pending DOL's final review.

With respect to the feedback forms, on April 14, 1999, the Commission approved proceeding with enclosing feedback forms in all allegation closure letters for a one-year trial period. At the conclusion of the trial period, the staff will make a recommendation to the Commission on the need to continue providing a feedback form to all alleged or to move to a periodic survey. The staff submitted the new feedback form to OMB for approval on November 3, 1999 and anticipates approval by January 14, 2000. If the form is approved as expected, the staff will start including the forms in letters issued on or after January 31, 2000.

In preparing this report, a 5-year history of allegations was reviewed for reactor and material licensees and vendors to identify adverse trends. Given current increased emphasis on establishing and maintaining a safety-conscious work environment, the analysis focused on allegations that originated from onsite sources, either from licensee or contractor employees, former employees, or anonymous sources. For reactor licensees, the staff used the criteria outlined in the October 21, 1997, memorandum to the Commission from the EDO to identify reactor sites warranting additional review. After applying those criteria to the allegations received from on-site sources, the staff selected seven reactor sites for a more in-depth review: St. Lucie, Millstone, Byron, D.C. Cook, South Texas, San Onofre, and Oyster Creek. Each of these sites is discussed in the report.

Only two materials licensees were the subject of allegations at a level similar to those received concerning the reactor sites listed above. The two licensees, the Portsmouth and Paducah gaseous diffusion plants, warranted a more in-depth review. On the basis of FY99 allegation statistics, the review did not identify any other materials licensees warranting additional review. Also, the FY99 allegation statistics indicate that no additional review is warranted for any vendors or contractors.

Over the last 3 years, the trend in resources expended on follow-up of technical allegations has changed. The hours expended increased from approximately 31,000 in FY92 to 67,700 in FY97 (approximately 51 full time staff or Full Time Equivalent (FTE)). In FY98, the resources expended dropped to 64,050, representing approximately 49 FTE. This decrease paralleled the decline in the number of allegations received. Although the FTE expended dropped, it was still 4 more FTE than the agency budgeted in FY98 to follow up on allegations.

Because resources are budgeted two years in advance, FY99 resources budgeted for allegations were based on the increase in allegations experienced in FY96 and FY97. However, the number of allegations received continued to decline in FY99 and in FY99 the budgeted resources exceeded expended resources. The staff budgeted 43.5 FTE for follow-up of reactor related allegations and expended 34.3 FTE. For the follow-up of materials related allegations, the staff budgeted 5.4 FTE and expended 4 FTE.

In summary, the staff continues to emphasize addressing each allegation fully in a timely manner and the implementation of the allegation program continues to improve. However, continued emphasis must be placed on properly implementing the allegation program in handling each allegation, particularly with regard to protecting the identity of alleged.

## OVERVIEW OF THE ALLEGATION PROGRAM

The Commission established the allegation program to provide a way for individuals working in NRC-regulated activities and members of the public to provide safety and regulatory concerns directly to the NRC. The program includes a mechanism for the staff to track concerns submitted to the NRC to ensure that safety-significant concerns are evaluated and resolved in a timely manner, and that the results of NRC's actions are communicated to the individual who submitted the concerns, when appropriate.

### Description of Allegation Process

All of the regions and offices generally follow the same basic process in receiving, processing, and evaluating allegations. The Allegation Coordinator is the focal point for receiving, processing, and closing allegations and communicating with alлегers. All incoming written allegations are forwarded to the Allegation Coordinator and calls made to the toll-free safety hotline are directed automatically to the regional Allegation Coordinators according to the geographical location of the caller, i.e., an alлегer's call is directed to the region that covers the alлегer's location.

The Allegation Coordinator reviews the incoming allegations to determine whether the issues involve reactor, material, or vendor issues and the immediacy of safety issues. An Allegation Review Board (ARB) is scheduled on the basis of this review. The Allegation Coordinator prepares the material for the ARBs, guides the ARB members on implementing the allegation process, and keeps the minutes for the ARB meetings. ARBs normally meet once a week and allegations are usually discussed within 2 weeks of receipt. Following the ARB meeting, the Allegation Coordinator notes the directions to the staff in the allegation tracking system. The responsible division director or a designee chairs the ARB. Other ARB participants include technical staff and managers and, in cases involving wrongdoing, the regional counsel and a representative from the Office of Investigations (OI) field office. Letters acknowledging receipt of the allegation are usually sent to alлегers after the ARB meets.

The assignment of allegations for evaluation and closure varies slightly between the regions and offices. Generally, the technical staff evaluates technical allegations and sends a copy of an inspection report or a memorandum to the Allegation Coordinator with the result of the evaluation. The Allegation Coordinator reviews the information and, if all of the issues have been sufficiently addressed, prepares a closure letter to the alлегer based on the information provided. If the issues have not been addressed, the allegation and the evaluation are usually discussed at a subsequent ARB meeting to determine what additional actions are necessary to complete the evaluation and close the allegation.

For wrongdoing issues for which OI completes an investigation and determines whether the allegation was substantiated, the report of investigation serves as a basis for responding to the alлегer. The responsible technical division will review the OI report and will either provide input to or prepare a draft closure letter to the alлегer. If OI does not complete the investigation to the point at which OI can determine if wrongdoing occurred, the Allegation Coordinator prepares a closure letter informing the alлегer that because of limited resources and the relative safety significance of the issue, the investigation was terminated without reaching a conclusion about whether wrongdoing occurred.

### Summary of Audit Results

The FY99 audit results show that, overall, the implementation of the allegation program continues to improve in the areas of timeliness and quality of communications with allegeders, documenting of concerns and the bases for closing allegations, quality of technical review and resolution, maintaining a status of the resolution of concerns, timeliness of ARB meetings, and the timeliness of resolving allegations. The improvements in timeliness noted during the audits are corroborated by the performance indicators. However, management needs to continue to be attentive to the quality of the technical review and avoiding unnecessary delays in resolving individual allegations.

The FY99 audits consisted of a review of a sample of closed allegation files and discussions with the Allegation Coordinators and other staff members concerning specific allegations and the allegation process. The selected allegations included technical and wrongdoing issues involving contractors and reactor, materials, and Agreement State licensees. The goal for the sample size was 10 percent of the total number of allegations received during the approximately one-year audit period. The actual sample size varied slightly from the goal, depending on the complexity of the allegations selected for review and the time available for the audit.

A summary of the results of the audits of each region, the Office of Nuclear Reactor Regulation (NRR), and the Office of Nuclear Materials Safety and Safeguards (NMSS) follows. The summary includes a discussion of relevant performance indicators. The performance of each region, NRR, and NMSS in conducting ARB meetings and issuing acknowledgment letters is compared with the performance goals established in the operating plans for FY99. ARBs are to be conducted within 30 days of receipt of the allegation. Ninety percent of acknowledgment letters are to be issued within 30 days and one hundred percent within 45 days.

Agency performance continued to improve in FY99, with all but one goal met. The goals for closing technical allegations within 180 days and closing wrongdoing allegations within 540 days, on average, were met at 117 days and 339 days respectively. The goals of issuing 90 percent of the acknowledgment letters and conducting all ARBs within 30 days were met. However, 1 of the 518 acknowledgment letters issued (.02 percent) exceeded the 45-day goal.

In addition to timeliness goals, the staff instituted an effectiveness goal for the allegation program for FY99 and beyond. The goal is that staff followup of allegations appropriately captures and responds to each issue raised in 90 percent of the allegations reviewed during the annual audit. For FY99, 97 percent of the allegations reviewed appropriately captured and responded to each issue in the allegation.

## Region I

Region I's implementation of the allegation program was audited in April 1999; 20 allegation files were reviewed. The audit revealed continuing improvement in the implementation of the allegation program. The regional staff responded very quickly to allegations with safety significance. These allegations were brought to an ARB and evaluated expeditiously. Allegations were thoroughly reviewed and bases for closure were well documented. This is supported by Region I achieving 100 percent with respect to the effectiveness goal. For the 20 allegations reviewed, the region had addressed all the concerns. The quality of the correspondence with allegeders also improved.

The timeliness of acknowledgment letters and initial ARB meetings continued to improve. During FY99, Region I held 140 initial ARB meetings and issued 108 acknowledgment letters. All ARBs were held within 30 days. The region issued 99 percent of the acknowledgment letters within 30 days and 100 percent within 45 days. This is an improvement over FY98, in which four ARBs did not meet within 30 days and only 87 percent of the acknowledgment letters were issued within 30 days.

The region's average time to close technical allegations has improved during the last 6 years, decreasing from 157 days in FY94 to 90 days in FY99. This compares very favorably with the agency's goal of 180 days. This improvement is due to the high level of attention the regional administrator places on the timeliness of responding to allegations. The division managers have monthly meetings with the staff to discuss any allegation that is open more than 120 days and to review the staff's efforts to complete the review of the allegation. Overall, the region is doing an outstanding job of responding to allegations.

## Region II

Region II's implementation of the allegation program was audited in April 1999; 18 allegation files were reviewed. Region II staff responded well to the allegations received, processing and evaluating allegations expeditiously. In general, allegations were thoroughly reviewed and bases for closure were well documented. The region addressed all of the concerns received. However, the closure letter for one allegation did not discuss the staff's actions to address the specific examples provided by the allegeder even though the staff had reviewed the specific examples. As a consequence, Region II received a rating of 96 percent with respect to the effectiveness goal.

The timeliness of issuing acknowledgment letters and conducting ARB meetings remained about the same. During FY99 Region II held 148 initial ARB meetings and issued 118 acknowledgment letters. All ARBs were held within 30 days. The region issued 99 percent of the acknowledgment letters within 30 days and 99 percent within 45 days. One acknowledgment letter was not issued until 72 days following receipt of the allegation because the allegation was not entered in the tracking system upon receipt. During FY98, all ARBs met within 30 days and the region issued 99 percent of the acknowledgment letters within 30 days. One letter was sent 45 days after receipt.

In the last 6 years, Region II has significantly improved the average time to close technical allegations. From FY94 to FY97 the region's average has ranged from 203 days to 99 days. For FY99, the region's timeliness improved to 94 days from the 113 days for FY98. The

improvement over the last 5 years is due to the high level of attention the regional administrator places on the timeliness of responding to allegations. The regional administrator or his deputy conducts weekly meetings with senior regional management and the allegations staff to discuss the status of all open allegations involving technical issues and to assess the staff's efforts to complete the review of each allegation. In addition, on a monthly basis meetings are also conducted with the Office of Investigations to review the status and investigative priority of allegations involving potential wrongdoing. Overall, the region is doing an very good job responding to allegations.

### Region III

Region III's implementation of the allegation program was audited in March 1999; 21 allegation files were reviewed. In general, Region III's performance in implementing the allegation program showed substantial improvement in FY99. Improvements were noted in the quality of acknowledgment, status, and closure letters, the timeliness of initial and follow-up ARB meetings, correspondence with alлегers, and evaluation and closure of allegations. However, the closure letter for one allegation did not discuss the specific examples provided by the alлегer. Additionally, it was not clear that the staff had reviewed the specific examples. As a consequence, Region III received a rating of 96 percent with respect to the effectiveness goal.

The timeliness of issuing acknowledgment letters and conducting ARB meetings improved significantly. During FY99, Region III held 189 initial ARB meetings and issued 113 acknowledgment letters. All of the ARBs were held and all of the acknowledgment letters were issued within 30 days. This compares favorably with FY98 in which one ARB did not meet until 68 days after receipt. Additionally, in FY98 the region issued 93 percent of the acknowledgment letters within 30 days and 99 percent within 45 days.

During the 5-year period of FY94 through FY98, the region's average time to close technical allegations oscillated, with a low of 109 days and a high of 125 days. For FY99, the average was 107 days, an improvement over the 119 days for FY98. Overall, the region is doing an very good job responding to allegations.

### Region IV

Region IV's implementation of the allegation program was audited in April 1999; 19 allegation files were reviewed. Overall, the region is doing an very good job of receiving, evaluating, assigning, referring, and investigating allegations. Allegations are being properly handled when received, ARBs meet in a timely manner, and the ARB's decisions reflected sound judgment and good safety perspective. With one exception, allegation closeouts were timely and communications with alлегers addressed their concerns. In one instance, the staff closed an issue in an allegation based on a licensee's postulation of the outcome of a licensee evaluation that had not been completed. This was not considered an appropriate basis for concluding the issue was unsubstantiated and resulted in the Region IV receiving a rating of 95 percent with respect to the effectiveness goal.

The timeliness of issuing acknowledgment letters and conducting ARB meetings improved significantly. During FY99, Region IV held 192 initial ARB meetings and issued 126 acknowledgment letters. All of the ARBs met within 30 days. The region issued 99 percent of the acknowledgment letters within 30 days and 100 percent within 45 days. This compares



favorably with FY98 in which two of the ARBs did not meet within 30 days; the tardiest meeting took place 67 days after receipt of the allegation. Additionally, in FY98 the region issued 89 percent of the acknowledgment letters within 30 days and 98 percent within 45 days.

The region's average time to close technical allegations has ranged from a low of 81 days in FY94 to a high of 111 days in FY97, with an FY98 average of 103 days. For FY99, the average time to close technical allegations was 112 days, well within the agency's goal of 180 days. Overall, the region is doing an very good job responding to allegations.

## NRR

NRR's implementation of the allegation program was audited in April 1999; 8 allegation files were reviewed. Overall, NRR is doing an very good job of receiving, assigning, and referring allegations. The sample reviewed indicates allegations are being properly handled when received, all ARBs meet in a timely manner, and ARB decisions reflect sound judgement and good safety perspective. Additionally, communications with allegers addressed the concerns. For FY99, NRR achieved a rating of 100 percent for the effectiveness goal.

During FY99 NRR held 61 initial ARB meetings and issued 47 acknowledgment letters. All of the ARBs were held within 30 days. NRR issued 96 percent of the acknowledgment letters within 30 days and 100 percent within 45 days. This compares very favorably with FY98 in which six of the ARBs did not meet within 30 days, with the tardiest one held at 49 days. Additionally, in FY98 NRR issued 81 percent of the acknowledgment letters within 30 days and 97 percent within 45 days.

NRR's average time to close technical allegations has varied depending on how many older allegations are closed in a given year. The average time to closure has ranged from 346 days in FY95 to 116 days in FY97. During FY99, NRR closed 10 allegations that had been open more than one year, causing the average time to close to rise from the 181 days in FY98 to 199 days in FY99. However, the closure of older allegations was a priority for the office FY99 and should result in a significant reduction of the average time to close allegations in FY2000. Overall, NRR is doing an outstanding job responding to allegations.

## NMSS

NMSS' implementation of the allegation program was audited in March 1999; four allegation files were reviewed. The documentation of concerns received, minutes of the ARB meetings, correspondence to allegers, and bases for resolution of concerns were all of high quality. NMSS' average time to close technical allegations has ranged from 42 days in FY95 to 174 days in FY98. The average time to close technical allegations for FY99 was 130 days. During FY99, NMSS held 16 initial ARB meetings and issued 6 acknowledgment letters. All initial ARBs met within 30 days and all acknowledgment letters were issued within 30 days. Additionally, NMSS achieved a rating of 100 percent for the effectiveness goal. Overall, NMSS is doing an outstanding job of implementing the allegation program.

## Alleger Feedback on Performance

Alleger feedback received in FY99 indicates that the performance of the allegation program has improved. During FY98, the staff received feedback from several allegers that in specific

instances allegations were not handled in accordance with agency guidance or management expectations. The issues raised by the allegers included incorrect conclusions due to lack of technical expertise of the assigned staff, failure to understand and address the issue submitted, and closure of an issue prior to completing the evaluation. Based on the feedback from the allegers, the staff re-evaluated its previous actions and conclusions. In several cases, the staff determined the allegers were correct and revised its conclusions or withdrew them pending completion of the evaluation. While the staff received similar feedback from several allegers in FY99, re-examination of the staff's actions and conclusions resulted in confirming the staff's initial decisions. Therefore, the staff concluded that while several allegers disagreed with the staff's conclusions, the performance of the allegation program in addressing individual concerns had improved.

The staff is implementing a more independent and comprehensive feedback mechanism. On April 14, 1999, the Commission approved proceeding with enclosing feedback forms in all allegation closure letters for a one-year trial period. The feedback form will provide more complete and quantitative data on the performance of the allegation program. At the conclusion of the trial period, the staff will make a recommendation to the Commission on the need to continue providing a feedback form to all allegers or to move to a periodic survey. The staff submitted the new feedback form to OMB for approval on November 3, 1999 and anticipates approval by January 14, 2000. If the form is approved as expected, the staff will start including the forms in letters issued on or after January 31, 2000.

#### Protecting the Identity of Allegers

One element of the allegation program that is essential to its credibility is protecting the identity of allegers to the extent possible. During FY99, the staff did not inappropriately disclose the identity of any allegers. This compares very favorably with three instances in FY98 in which the staff inappropriately released allegers' identities or information that could have led to allegers being identified. Given the importance of protecting the identity of allegers' identities, personal responsibility and accountability continues to be emphasized in training sessions.

#### Resources Expended on Allegations

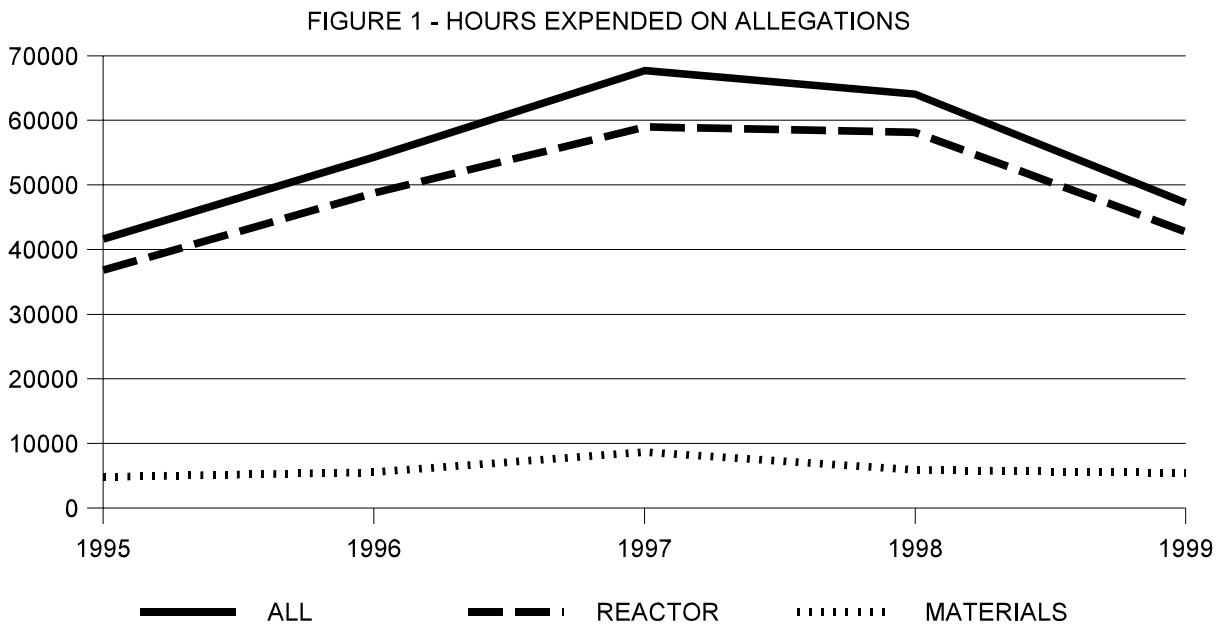
Lesson 5 from the River Bend Review Team noted that resource expenditure on the handling of allegations by the headquarters and regional staff needs to be fully documented in the agency's automated data processing systems and that the current level of resources being spent on handling allegations needs to be periodically evaluated.

As part of this report, the resources expended on handling allegations were reviewed. Figure 1 below shows the hours expended by the technical staff in handling allegations from FY95 through FY99, including a breakdown for allegations concerning reactor and materials licensees. The graph shows a significant increase in the hours expended on technical allegations from FY94 through FY97, rising from 30,897 hours to 67,668 hours, or 51 FTE. The trend changes in FY98 with a decrease to 64,050 hours. This trend continued in FY99 with a decrease to 47,232 hours. As noted below, the increase in FY96 and FY97 and the decrease in FY98 and FY99 are almost entirely due to changes in the hours expended on allegations concerning reactors.

The hours expended on reactor related allegations in FY98 (58,140 hours) exceeded the 39.9 FTE NRR budgeted for allegation followup in FY98. In consideration of trends at the time the

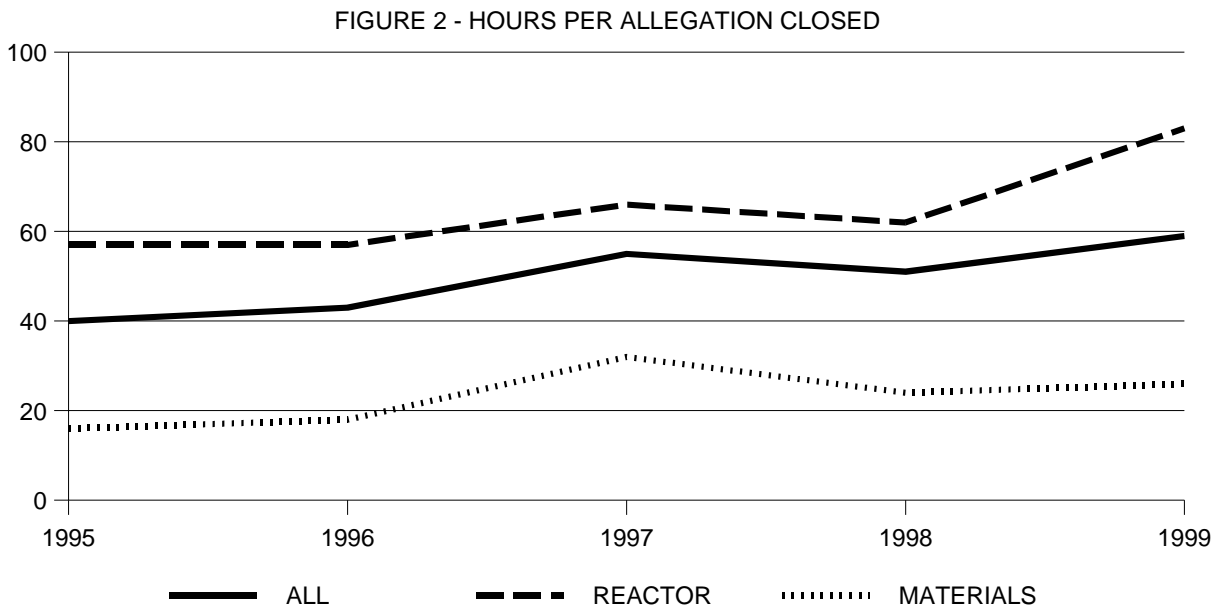
FY99 budget was developed, NRR increased the FY99 resources budgeted for allegation followup to 45.5 FTE. In developing the operating plan for FY99, the staff considered the decline in allegations received in FY98 and adjusted the number of FTE allocated for allegation followup to 43.5. The NRC actually expended 34.3 FTE (42,812 hours) following up on reactor related allegations in FY99.

The time expended in FY98 resolving allegations concerning materials licensees declined to 5,910 hours (4.4 FTE) from 8,682 hours (6.4 FTE) in FY97. However, NMSS had only budgeted 3 FTE for allegation followup in FY98. For FY99, NMSS increased the budgeted resources to 5.4 FTE based on a rising number of allegations received at the time the budget was developed. NMSS actually expended 4 FTE (5420 hours) on allegation follow-up in FY99. With the lead time necessary for preparing budget estimates, the staff's assumptions will continue to lag actual expenditures in volatile areas like allegations due to the difficulty in predicting how many allegations will be received.



As one would expect, with fewer allegations being received, the NRC staff is spending less resources on allegation followup. Figure 1 clearly shows that the hours expended on allegation followup have declined. Figure 2 displays the hours expended per allegation closed for all allegations, reactor allegations, and materials allegations. This figure shows that the labor rate for closing allegations has increased significantly for reactor allegations.

As noted in the section on audits, the staff continues to improve in the accuracy of recording the number of hours expended on allegation followup. As the staff becomes more diligent in properly recording the hours spent on allegation follow-up, the labor rate will increase until the accuracy is close to 100 percent. While the audits noted improvements, they also found examples in which the staff still is not recording all of the hours expended on allegation followup. This indicates the labor rates are likely to increase in the next year. Because this has been a finding in the audits for the last three years, on August 26, 1999, the Agency Allegation Advisor issued a memorandum providing additional guidance on reporting time for allegation followup.



Another reason for the increase in the labor rate for reactor allegations may be the increased administrative burden associated with the allegation program. The allegation coordinators in the regions are funded by NRR and report their time under NRR Planned Accomplishment codes, even though they spend a portion of their time on materials allegations. This may skew the labor rate for reactor allegations.

## Program Accomplishments

To emphasize the importance of the program and improve its implementation, the staff completed the following actions during the year:

- Management Directive 8.8, "Management of Allegations" (MD 8.8), was revised to incorporate previously issued interim guidance (Allegation Guidance Memoranda) and to parallel the actual processing of an allegation. This revision made MD 8.8 much easier to use and explain and contributed to the efficiency and effectiveness of the allegation program.
- A web page was posted to the external NRC web site that includes answers to frequently asked questions, statistics on allegations received concerning power reactors, the public brochure, and program guidance. The web page provides data to licensees and the public on the number of allegations received by the NRC. The availability of the data has made licensees aware of adverse trends and resulted in licensees performing work environment surveys and modifying their employee concerns programs to address the trends without additional prompting from the staff.
- The staff issued Administrative Letter 99-04 to all licensees informing them that NRC Form 3, "Notice to Employees," had been revised and that they were required to post the latest version. Form 3 was revised to accommodate the Department of Labor notification requirements, resulting in licensees being able to meet DOL notification requirements by posting NRC's Form 3.

On the basis of the results of the 1999 audits and the allegation program performance indicators as of September 30, 1999, the changes made to the allegation program in the last three years continue to have a positive affect on the allegation program.

## STATUS OF IMPLEMENTATION OF RECOMMENDATIONS TO IMPROVE THE ALLEGATION PROGRAM

### Recommendations of Review Team for Reassessment of the NRC's Program for Protecting Allegers Against Retaliation

On January 7, 1994, the review team issued its report, NUREG-1499, "Report of the Review Team for Reassessment of the NRC's Program for Protecting Allegers Against Retaliation." The review team made 47 specific recommendations addressing how the agency could strengthen its program for protecting allegers from retaliation. The staff has completed action on 45 of the 47 recommendations. The two recommendations awaiting completion are II.C-2, support legislative changes to Section 211 of the Energy Reorganization Act of 1974, and II.B-8, develop a standard form to be included with allegger closeout correspondence to solicit feedback on the NRC's handling of a given concern.

- (1) Recommendation II.C-2 stated that the Commission should support legislation to amend Section 211 to produce more realistic timeliness goals for completing steps in the DOL process for investigating and litigating discrimination complaints.

NRC and DOL agreed upon draft legislation that would provide more realistic and more explicit timeliness standards for the DOL process for investigating and adjudicating complaints filed by nuclear whistleblowers. The agencies also agreed to cosponsor the legislation. After this agreement was reached, the NRC submitted the legislation to OMB for Executive Branch review, which is required before DOL can officially sponsor legislation. Upon completion of the OMB process, DOL requested the opportunity to review the legislative package again, before a final package for signature by both agencies was prepared. Therefore, the package was returned to DOL and further NRC action is pending DOL's final review.

- (2) Recommendation II.B-8 stated that NRC should develop a standard form to be enclosed in allegor closeout correspondence to solicit feedback on the NRC's handling of a given concern.

On April 14, 1999, the Commission approved proceeding with enclosing feedback forms in all allegation closure letters for a one-year trial period. At the conclusion of the trial period, the staff will make a recommendation to the Commission on the need to continue providing a feedback form to all allegors or to move to a periodic survey. After publishing the feedback form for public comment, the staff submitted the new feedback form to OMB for approval on November 3, 1999 and anticipates approval by January 14, 2000. If the form is approved as expected, the staff will start including the forms in letters issued on or after January 31, 2000.

#### General Accounting Office Recommendations

The General Accounting Office (GAO), in its report "NUCLEAR EMPLOYEE SAFETY CONCERNS – Allegation System Offers Better Protection, but Important Issues Remain," made specific recommendations for improving the timeliness of the DOL's allegation processing, the NRC's ability to monitor the allegation process, and the NRC's knowledge of the work environment at nuclear power plants. At the end of FY99, two recommendations remained open. The two recommendations that remain open were endorsements of the two recommendations from the NRC review team that are discussed in the section above. As such, the status of the GAO recommendations is as stated above.

#### TRENDS IN ALLEGATIONS

Review Team Recommendation II.B-14 stated that the NRC should monitor both technical and discrimination allegations to discern trends or sudden increases that might justify the NRC questioning the licensee as to the root causes of such changes or trends. In preparing this report, a 5-year history of allegations was reviewed for reactor and material licensees and vendors.

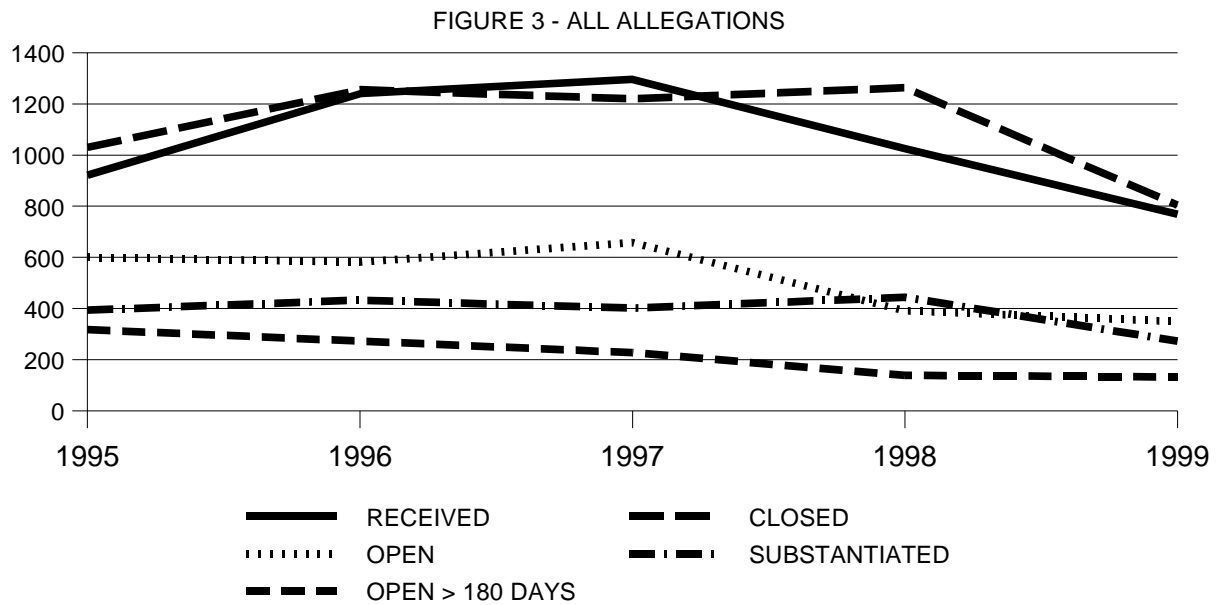
With the increased emphasis on establishing and maintaining a safety-conscious work environment, the staff focused on those allegations that had the potential to provide insights into the environment. To achieve this goal, the staff selected only those allegations submitted by licensee or contractor employees or by former employees or by anonymous sources. The staff is currently performing the analysis twice a year – in the first quarter of the fiscal year to support the annual report and in the third quarter to support the Senior Management Meeting (SMM) assessment process. In addition, an analysis for a particular site or licensee may be performed

whenever allegations or inspection findings indicate it is warranted. The discussions in the sections on trends concerning reactor and materials licensees and vendors or contractors that follow are based on allegations from onsite sources.

The staff also reviews trends in allegations to identify national trends for reactor and materials allegations, shifts in users of the allegation program, and to assess the impact on the workload in the regions and NRR and NMSS. These trends are discussed in the next section on general trends.

General Trends

National trends are of interest because they are used in developing budget assumptions, labor rates, and preparing operating plans. As the following graphs indicate, there can be significant changes in the number of allegations received due to internal and external influences. Figures 2, 3, and 4 below show the 5-year trends for all allegations, allegations concerning reactor licensees, and allegations concerning materials licensees, respectively. As the figures indicate, from FY98 to FY99 the total number of allegations received declined 25 percent, the number of allegations concerning reactor licensees declined 29 percent, the number of allegations concerning material licensees decreased 14 percent, the number of discrimination allegations for reactor licensees remained the same, the number of discrimination allegations concerning materials licensees and certificate holders increased by 13 or 54 percent, and the number of open allegations declined 11 percent.



With the publishing of statistics on allegations received by the NRC, licensees are analyzing that data and comparing it with trends in corrective action programs and ECPs. To the extent the analysis indicates a problem, licensees are adjusting their programs to encourage employees to raise concerns through internal processes. Anecdotal information indicates these improvements are resulting in fewer allegations being submitted to the NRC.

FIGURE 4 - REACTOR ALLEGATIONS

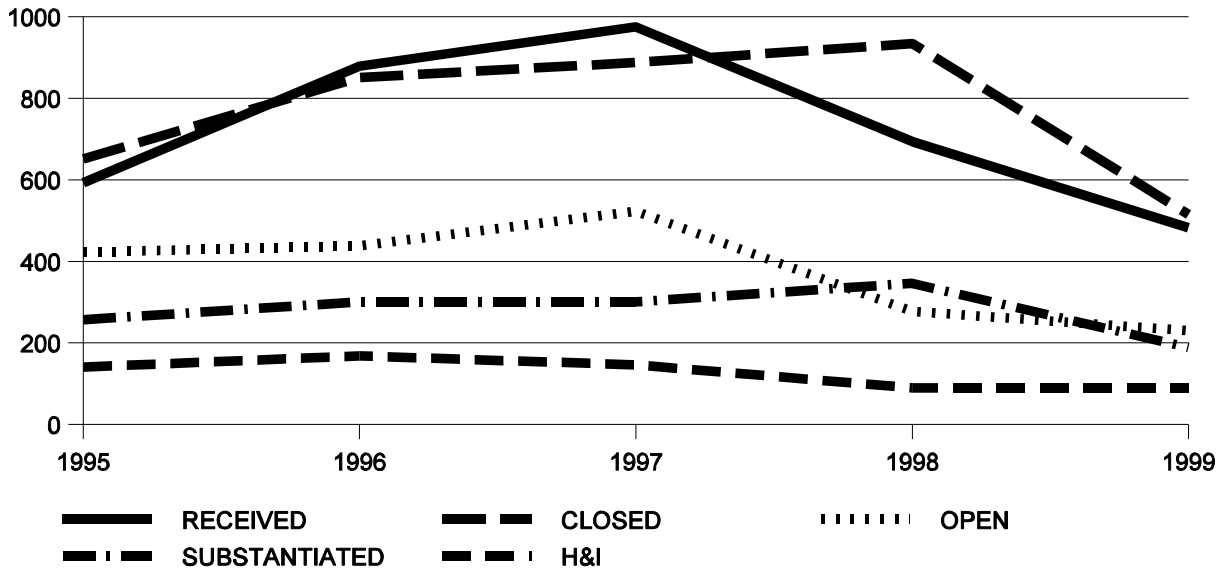
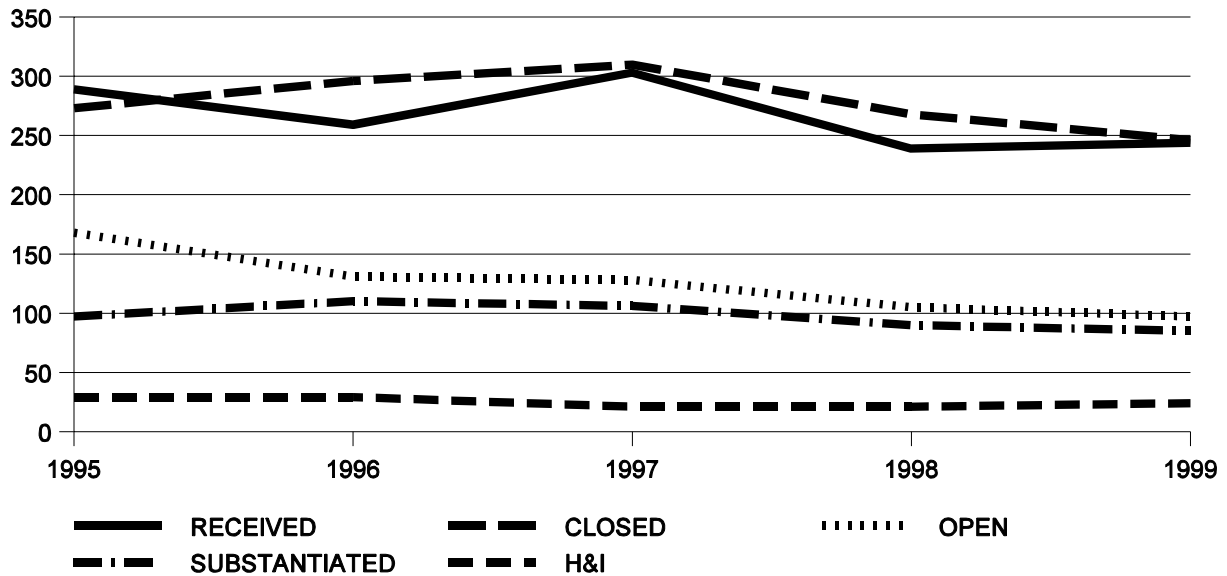


FIGURE 5 - MATERIALS ALLEGATIONS





As stated above, the staff also looks for trends in the workload by organization, disciplines or organizations from which allegations originate, and the sources of allegations. The new allegation tracking software that was deployed in October 1996 provides for tracking the source category for each allegation and the discipline for each concern. With 3 years of data available, the staff is analyzing and reporting statistics at the allegation level and at the concern level. The concern level analyses produce a better picture of the allegation workload and allow the staff to track whether individual concerns are substantiated.

Figure 6 provides a breakdown of concerns received by NRC organization over the last three years as a percentage of the total concerns received. This figure shows a reduction in allegation workload in Region I and increases in Regions III and IV, as a percentage of the overall workload. With the NRC's budget prepared two years in advance, budgeted resources may not reflect the actual workload in the organization when you have shifts in workload as you see in allegations.

**FIGURE 6 - CONCERNS RECEIVED BY OFFICE/REGION**

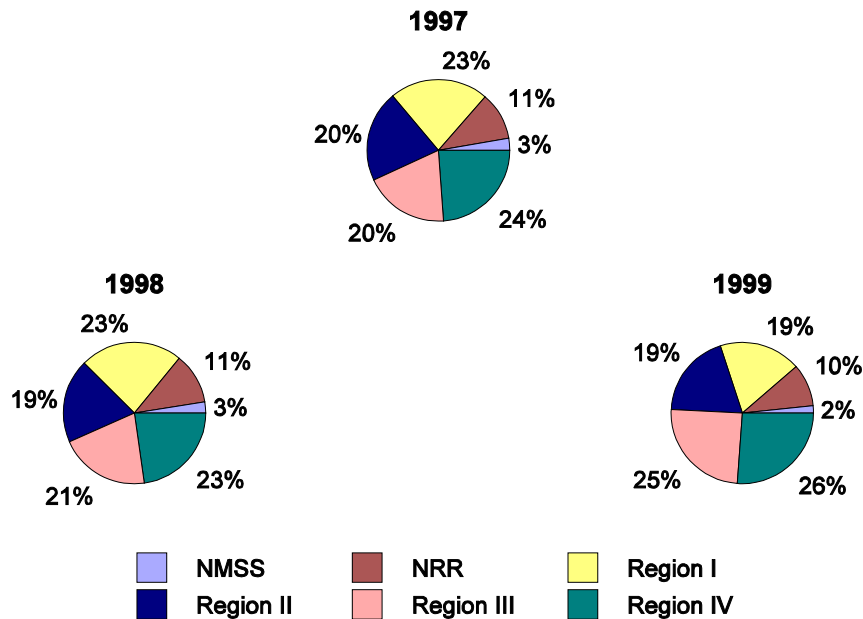


FIGURE 7 - ALLEGATIONS RECEIVED BY SOURCE CATEGORY

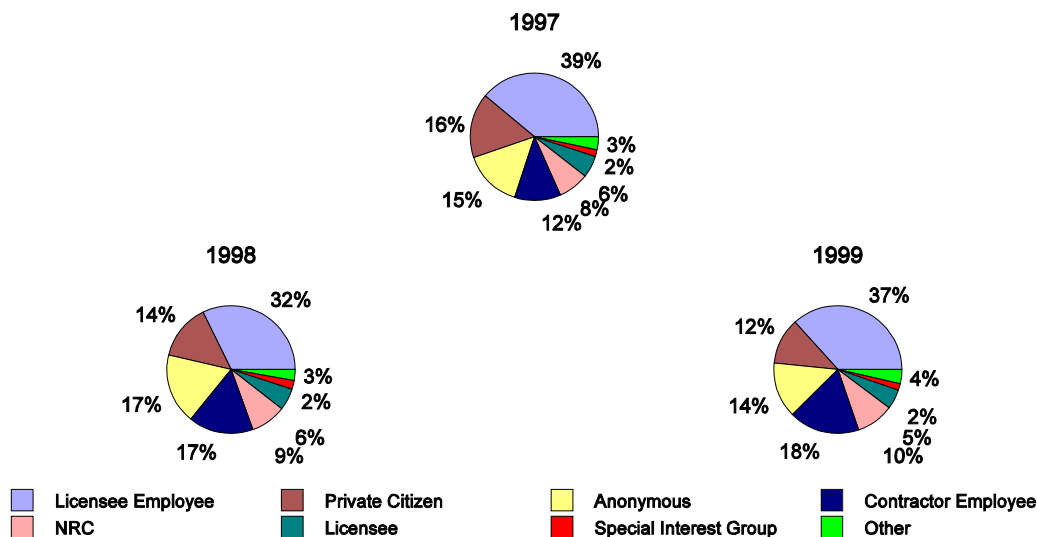


Figure 7 provides a breakdown of allegations received by categories of sources for the last three years. What these graphs indicate is that while there may be a shift from one year to the next, there are no large shifts in one direction over the three year period.

Two categories deserve some explanation. The source category “NRC” is used for when the NRC staff suspects a violation of requirements is deliberate or due to careless disregard and the Office of Investigations opens an investigation. The category “Licensee” is used for the same kinds of issues that are reported by a licensee to the NRC. An allegation number is used to track the followup on the technical and wrongdoing aspects of the issue.

As more data is collected at the concern level, the staff will move more towards analyzing the data at that level. However, for consistency, the staff will continue to analyze and report statistics at the allegation and concern level until 5 years of data at the concern level is accumulated.

#### Allegation Trends at Reactor Licensees

For reactor licensees, statistics on allegations received from October 1995 through September 1999 by operating reactor site are given in the tables in Appendix 1. The tables include allegations received, discrimination allegations received, allegations substantiated, and allegations open as of October 1, 1999.

The NRC received 452 allegations concerning reactor licensees or their contractors in FY99, involving 945 individual concerns. This represents a 29 percent drop in allegations received and a 33 percent drop in concerns received when compared to FY98 statistics. This is the second year in which there has been a fairly significant downward trend. Anecdotal information gathered by the Allegation Coordinators during conversations with allegers, employee concerns program (ECP) managers, and licensee managers indicates that the orders issued to Millstone and South Texas continue to have a significant positive impact on the industry. The industry

continues to improve training for employees and managers on how to effectively raise and respond to employee concerns and initiated actions to improve the responsiveness of corrective action and employee concern programs.

In determining which reactor sites should receive a more in-depth review, the staff applied the following criteria:

- 1) The number of allegations received exceeds 1.5 times the median value for the industry, but does not exceed two times the median, and there is a 50 percent increase in the number of allegations received over the previous year.
- 2) The number of allegations received exceeds 2 times the median value, but does not exceed 3 times the median, and there is a 25 percent increase in the number of allegations received over the previous year.
- 3) The number of allegations received exceeds 3 times the median value.

The seven reactor sites that met one of these criteria are St. Lucie (31), Millstone (22), Byron (17), D.C. Cook (15), South Texas (14), San Onofre (13), and Oyster Creek (9). St. Lucie, Millstone, Byron, D.C. Cook, South Texas, and San Onofre each exceeded 3 times the industry median of 4 allegations. Oyster Creek exceeded 2 times the median and experienced more than a 25 percent increase in the number of allegations concerning the site. A more detailed discussion of each of these sites follows. Appendix 4 contains the trend plots of allegations received for these selected sites.

#### St. Lucie

In FY99, the NRC received more allegations from on-site sources concerning St. Lucie than any other reactor site. During the 5-year period analyzed, FY95 through FY99, the number of allegations received from onsite sources increased from 14 in FY95 to 61 in FY97, decreased to 33 in FY98, and decreased again slightly in FY99 to 31. A review of the trend of allegations received per month indicates an overall declining trend since June 1997, with some oscillations. The number of allegations of discrimination rose from 1 in FY94 to 3 in FY96, dropped to 0 in FY97, and rose to 2 in FY98. The NRC received 1 allegation of discrimination concerning St. Lucie in FY99. NRC review of the allegations of discrimination received in the last 5 years has been completed and none were substantiated. As of December 14, 1999, there are no open discrimination allegations pertaining to St. Lucie.

Following the FY96 Annual Report, a discussion of the number of allegations received by the NRC and the licensee's efforts to improve the environment for raising concerns was added to the February 1997 bimonthly meeting between Region II staff and the licensee's staff. The licensee discussed a number of efforts to improve its corrective action and employee concerns program. The efforts were developed to improve the timeliness of corrective actions and to ensure that employees were informed of how their concerns were addressed. The NRC also conducted an inspection of the licensee's ECP in June 1997. The inspection found that the program was effectively investigating employees' concerns and safety issues were being addressed. However, the inspection did identify a weakness in that the program did not verify that corrective actions for substantiated concerns were appropriately completed. The licensee took additional corrective action to address these issues.

In mid-1999, the Region II staff noted that approximately 50 percent of the concerns received pertaining to St. Lucie involved plant security issues. In following up on issues raised to the NRC, in June 1999 Region II inspectors noted that the security department generated a lower number of condition reports than actual problems that had been identified and corrected. The low usage of the condition reporting system was discussed with the licensee. The staff also noted that the security guard force was recently converted to a contract guard force and security management changed recently.

Based on the finding of NRC inspectors, the licensee conducted a comprehensive evaluation of condition report usage by various departments throughout the plant. The licensee identified that several departments (e.g., Work Control, Health Physics, Nuclear Materials, Maintenance) did not appear to be using the condition report process on a frequent basis for resolving problems. Subsequent actions were immediately taken by senior site management to stress the importance and promote utilization of the condition report process as an integral part of the site corrective action program at regular management meetings. In addition, the site Vice President issued a memo to each department manager identified above requesting them to provide a written action plan for improving their department's utilization of the condition report process and monitoring its effectiveness. Furthermore, in "A Message from the Site Vice President" to plant employees, utilization of the condition report process for identifying and resolving problems was re-emphasized. Since these efforts, NRC inspectors and licensee personnel have noted a marked increase in the number of condition reports initiated in these departments.

In addition to these efforts to improve the usage of the condition report process, the licensee has assembled a task force to review the Employee Concern Program. The task force includes worker representatives. The task force is bench marking Employee Concern Programs at other utilities and will recommend changes to the licensee's Employee Concern Program. The NRC staff is following the licensee's activities in this area.

The regional staff continues to pursue why licensee expectations for using the condition reporting system were not being met and why the licensee had not previously identified the low usage. These issues will be pursued during an inspection of the licensee's programs for problem identification and resolution in the second quarter of FY2000. Part of the inspection will involve discussing condition reports with the originators and soliciting their thoughts on the condition reporting system. Additionally, the staff will continue to monitor allegation trends for St. Lucie as part of the normal assessment process.

### Millstone 2 & 3

During the 5-year period analyzed (FY95 through FY99), the number of allegations received from onsite sources increased from 23 in FY95 to a peak of 41 in FY96. The trend then turned and allegations have declined in the last three years, 37 in FY97, 32 in FY98, and 22 in FY99. The number of allegations of discrimination received rose from 8 in FY95 to a peak of 16 in FY96 following a reduction in the workforce at Millstone 2 & 3. Again, the trend turned with a drop to 10 in FY97 and 7 in FY98. However, the number of allegations of discrimination rose in FY99 to 11. The rise in allegations of discrimination occurred at a time in which the licensee is reducing the workforce from levels needed for the recovery effort to a level necessary for normal operations.

As of December 14, 1999, there were 2 open discrimination allegations concerning Millstone, one received in FY88 and one received in FY99. To date, the NRC has not substantiated a claim of discrimination based on discriminatory acts alleged to have occurred in FY98 or FY99. However, the staff continues to monitor the work environment at Millstone. Although a civil penalty was issued on March 9, 1999, for discriminatory acts against employees associated with the motor-operated valve program, and a Notice of Violation was issued on April 6, 1999, for discriminatory acts against employees engaged in protected activities, these discriminatory acts occurred prior to FY98.

From October 24, 1996, until March 11, 1999, the licensee was under an NRC Order to develop, implement and maintain a comprehensive plan for handling Millstone employee safety concerns. In addition, the Order required independent third party oversight of the employee concerns program and safety conscious work environment, which was provided by Little Harbor Consultants. After the NRC and Little Harbor Consultants determined that the licensee had made adequate progress in restoring a safety conscious work environment at Millstone, the Order was closed.

An NRC Staff Requirements Memorandum response dated May 25, 1999, specified that the NRC would continue to monitor and assess the employee concerns and safety conscious work environment areas at Millstone using regional initiative inspection procedure 40001. These inspections would coincide with quarterly, third-party assessments by Little Harbor Consultants. The first NRC inspection was conducted as part of a team inspection of the problem identification and resolution system at Millstone Unit 3 in June 1999, and the second inspection was conducted in October 1999.

The team observed a generally healthy safety conscious work environment at Millstone. The Employee Concerns Program, Employee Concerns Oversight Panel, and Safety Conscious Work Environment departments were effective in performing their respective roles. Team interviews found that site employees were familiar with programs and processes for handling concerns, and they would be willing to raise nuclear safety concerns.

The result of the review of the allegations is consistent with the inspection team's findings. The staff will continue to monitor the work environment at Millstone through the allegations received and the quarterly inspections. Another staff inspection of the work environment at Millstone is scheduled for January 2000.

## Byron

During the 5-year period analyzed (FY95 through FY99), the number of allegations received from onsite sources increased fairly steadily from 3 in FY96 to 17 in FY99. The number of allegations of discrimination remained fairly low with one received in FY96, one in FY98 and two in FY99. Additionally, three discrimination allegations have been received in the first quarter of FY2000. Although no discrimination allegations have been substantiated in the last three years, as of December 14, 1999, there were four open discrimination allegations.

As a result of allegations received in the later part of FY98, in August 1998 the staff asked the licensee to address specific examples of what appeared to be behavior by supervisors and managers at Byron that may discourage employees from raising safety issues. The licensee conducted an assessment of the work environment at Byron and responded to the staff in

November 1998. In March 1999, the staff asked for additional information concerning the licensee's assessment of the work environment at Byron and requested that the licensee attend a public meeting to discuss the work environment issues. The licensee responded to the staff in a letter dated May 26, 1999, and on May 27, 1999, met with the staff to discuss the control of overtime and work environment issues.

While the licensee's assessment concluded that some of the specific examples were substantiated, the licensee stated that (1) the work environment at Byron is conducive to raising safety concerns, (2) workers are not hesitant to raise safety issues, (3) there is a strong nuclear safety ethic demonstrated at Byron, and (4) alternate means to raise safety issues are being used. The licensee also described actions taken to improve the work environment, including training for all managers and first line supervisors on establishing and maintaining a safety conscious work environment and individual coaching sessions for some supervisors. Additionally, the licensee committed to perform a followup assessment.

The follow-up assessment was completed recently and the NRC staff is awaiting the results. The licensee has not provided those results to us yet because they want to provide a consistent response to the environment issue company-wide and to the escalated enforcement action (Severity Level II NOV and \$88,000 proposed civil penalty) issued November 3, 1999, for discrimination that occurred at Zion in 1997. The licensee has requested a copy of the Office of Investigation's report and exhibits in order to respond to that enforcement action. The staff's evaluation of the work environment allegations and the overall work environment concern is ongoing.

The issue of the number of Byron allegations and the NRC's concern was raised with the licensee during a public meeting that was held in Region III on December 10, 1999, to discuss overall performance at all ComEd sites. As noted previously, the staff is waiting for the results of the licensee's recent assessment and after review of the assessment will consider whether any additional action is needed. At the December 10, 1999 meeting, ComEd stated that they had made significant improvement in their control of overtime at all sites.

#### D.C. Cook

During the 5-year period analyzed (FY95 through FY99), the number of allegations submitted by onsite sources was at or below the median until FY98. The NRC received four allegations in FY95, two allegations in FY96, and three allegations in FY97. In FY98, the NRC received 12 allegations concerning D.C. Cook. In FY99, the number received rose to 17. This trend is consistent with trends exhibited by other plants that have been in extended shutdowns.

The number of discrimination allegations was low at D.C. Cook from FY95 through FY98. The NRC received one or two discrimination allegations in each of those years. However, in FY99 the NRC received seven allegations of discrimination. Although there have been no findings of discrimination, four of the allegations of discrimination received in this time frame are still open. Additionally, one allegation received in FY96 was still open as of December 14, 1999, pending a decision by DOL's Administrative Review Board (ARB) concerning the Administrative Law Judge's (ALJ's) decision that discrimination for raising safety concerns was not a factor in the termination of employment of a security guard. The staff also received an allegation of discrimination in November 1999 that is still open.

While the number of allegations received and the number of allegations of discrimination have increased, neither the number of allegations nor the issues raised support a conclusion that the work environment is not conducive to raising concerns. The staff does not intend to take any action at this time other than to continue monitoring the outcome on the discrimination allegations and the general allegation trend.

#### South Texas

During the 5-year period analyzed (FY95 through FY99), the number of allegations received from onsite sources remained fairly steadily with 13 in FY95, 15 in FY96, 13 in FY97, 12 in FY98, and 13 in FY99. The number of allegations of discrimination declined steadily from 6 in FY95 to 1 in FY98. However the number of discrimination allegations rose to 8 in FY99. Six of the 8 discrimination allegations received in FY99 have been closed and none were substantiated. Two of the discrimination allegations were open as of December 14, 1999.

Although South Texas met the criteria for additional review based on exceeding three times the median number of allegations for the industry, the trend in allegations received is flat. Neither the trend or the content of the allegations provide additional insight into the work environment at the site. The increase in the number of allegations of discrimination does warrant additional discussion. Because of a finding of a hostile work environment for conditions that existed in 1996, the licensee agreed, under a June 9, 1998, confirmatory order, to perform (1) comprehensive cultural assessments at 18 to 24 month intervals, (2) intermediate "mini" surveys in selected areas, and (3) mandatory continuing training for all supervisors and managers on dealing with conflicts in the work place in the context of maintaining a safety-conscious work environment. As part of the order, the licensee agreed to submit the results of the cultural assessments and the "mini" surveys. The staff reviewed the assessments submitted by the licensee and determined no additional actions were needed with regard to the work environment at South Texas.

Neither the trend in allegations nor the results of the licensee's cultural assessments and "mini" surveys indicate additional action is needed. The staff will continue to monitor the work environment at South Texas through these sources of information.

#### San Onofre

During the 5-year period analyzed (FY95 through FY99), the number of allegations received from onsite sources oscillated every other year. The NRC received 26 allegations in FY95, 15 in FY96, 32 in FY97, 6 in FY98, and 13 in FY99. The number of allegations of discrimination remained fairly steadily in the range of two to four, with the exception of FY97 when the 9 allegations of discrimination were received. There has not been a substantiated allegation of discrimination in the last four years. There is one open allegation of discrimination pending from 1995 before the DOL Administrative Review Board. The allegor appealed the ALJ's finding of no discrimination.

Although San Onofre met the criteria for additional review based on exceeding three times the median number of allegations for the industry, neither the trend nor the content of the allegations indicate an unhealthy work environment at the site.

#### Oyster Creek

During the 5-year period analyzed (FY95 through FY99), the number of allegations received exhibits a slow trend upward. The NRC received 4 allegations in FY95, 4 in FY96, 5 in FY97, 7 in FY98, and 9 in FY99. The number of allegations of discrimination remained steadily at one a year from FY95 to FY98. In FY99, the NRC received 3 allegations of discrimination. There has not been a substantiated allegation of discrimination in the last four years and there are no open allegations of discrimination.

Although Oyster Creek met the criteria for additional review based on exceeding twice the median number of allegations for the industry and exhibiting a 25 percent increase in the number of allegations received by the NRC, neither the trend nor the content of the allegations indicate an unhealthy work environment at the site.

### Allegation Trends at Material Licensees

Because of the small number of allegations received concerning contractors and individual materials licensees and because of the potential for a licensee or contractor to identify an allexer, tables of statistics on allegations concerning these two categories have not been included this year. With the exception of the Portsmouth and Paducah gaseous diffusion plants, none of the contractors or licensees received a sufficient number of allegations in FY98 to discern an adverse trend or pattern. For those two facilities the statistics indicated that a more in-depth review was warranted.

From FY97 through FY99, the number of allegations received concerning the Paducah site have increased fairly rapidly, 3 in FY97, 9 in FY98, and 24 in FY99. The number of allegations of discrimination received concerning the Paducah site has also increased, rising from 0 in FY97 to 2 in FY98 and 8 in FY99. As of December 20, 1999, there were 9 open allegations of discrimination concerning the Paducah site. On December 20, 1999, the staff issued a Severity Level II Notice of Violation and \$88,000 civil penalty to the licensee and a Severity Level II Notice of Violation to the responsible manager for a substantiated allegation of discrimination. At the enforcement conference, the licensee denied that it had discriminated against the allexer. The staff's and licensee's actions to address the work environment at the USEC sites are discussed below.

From FY97 through FY99, the number of allegations received concerning the Portsmouth site have oscillated with 8 received in FY97, 13 in FY98, and 8 in FY99. The number of allegations of discrimination received concerning the Portsmouth has also oscillated with 2 received in FY97, 3 in FY98, and 2 in FY99. As of December 20, 1999, there has not been a substantiated allegation of discrimination at the Portsmouth site. However, there were three open allegations of discrimination at the Portsmouth site.

On December 8, 1997, the staff sent a demand for information (DFI) to the U.S. Enrichment Corporation (USEC), the NRC certificate holder responsible for operating the Paducah and Portsmouth facilities. The DFI noted that the NRC had received a number of allegations concerning discrimination for raising safety concerns and "chilling effect." Interviews with managers in Quality Assurance, Problem Reporting, and the Employee Concerns Program and with other employees indicated a lack of understanding of the responsibilities and obligations to perform duties in compliance with NRC requirements. Additionally, there appeared to be a lack



of understanding of responsibilities regarding the right of employees to raise safety concerns without fear of retaliation or discrimination.

To gain a better understanding of the staff's concerns, USEC met with the staff. During that public meeting, USEC stated that it had hired a consulting firm to perform a site-wide survey of the work environment at both facilities. At a subsequent public meeting in June 1998, USEC presented a summary of the results of the survey and committed to address issues identified as needing improvement. During the meeting, USEC requested additional time to develop specific corrective actions and the staff granted USEC's request.

On November 13, 1998, USEC submitted its action plan to resolve the issues raised by the work environment survey. As of the end of December, the staff had reviewed the response and determined that additional information was needed. Additionally, several events indicated that corrective actions may not have been entirely effective in establishing a work environment conducive to raising safety and regulatory concerns in all work groups. Consequently, the staff conducted another public meeting with USEC in January 1999 to discuss the effect of recent events on the work environment and the effectiveness of the licensee's corrective actions.

In a letter dated October 29, 1999, USEC described additional actions it is taking to improve the work environment at both sites and to prevent discrimination in the future. The actions include (1) improvements to the Employee Concerns Program, (2) training for supervisors and managers in how to deal with employees who raise issues in a constructive manner, (3) training for employees in how to raise issues and their rights and responsibilities, (4) training for senior management in detecting and preventing retaliation, and (5) another assessment of the work environment by the independent consultant in calendar year 2000.

Because of the recent finding of discrimination, the staff will continue to closely monitor the work environment and the effectiveness of the corrective actions. Following receipt of the licensee's response to the enforcement action, the staff will consider whether additional actions are needed.

#### Allegation Trends at Vendors

Because none of the vendors or contractors received a sufficient number of allegations to discern a trend or pattern, or provide insights into the work environment, more in-depth reviews were not performed. Statistics by contractor or vendor are not given in this report because publishing the number of allegations received has the potential of identifying the allegor.

#### CONCLUSIONS

Overall, the implementation of the allegation program has improved in the last year. The findings from the 1998 audits and NRC's performance measures for the allegation program indicate improvements have occurred in receiving, documenting, tracking, and completing evaluations of allegations. The timeliness and quality of communications with allegors have also improved. Although there has been a general improvement in the handling of allegations, the audits continue to identify isolated examples of untimely resolution of allegations and communications with allegors. However, the number of occurrences declined throughout the fiscal year.

As noted in the previous discussions of specific licensees, the analysis of allegations has provided insights into the work environment at several facilities. The staff continues to take a deliberately measured approach in addressing work environment issues with licensees. To date, licensees have been responsive to this approach and have taken action to address the staff's concerns. As this report indicates, the staff continues to monitor work environment issues at several facilities.

## RECOMMENDATIONS

The staff has no recommendations for program changes at this time. The staff is waiting for Commission guidance in response to SECY-99-273 on the impact of the revised reactor oversight process on the allegation program. Program changes may be necessary based on the Staff Requirements Memorandum.

## APPENDIX 1

### ALLEGATIONS STATISTICS – OPERATING REACTORS

NUMBER OF ALLEGATIONS RECEIVED IN FISCAL YEAR  
ONSITE SOURCES ONLY

Site	1995	1996	1997	1998	1999
ARKANSAS 1 & 2	5	2	2	3	2
BEAVER VALLEY 1 & 2	8	2	6	3	1
BRAIDWOOD 1 & 2	1	3	9	6	8
BROWNS FERRY 2 & 3	5	10	12	8	6
BRUNSWICK 1 & 2	10	4	18	17	1
BYRON 1 & 2	4	2	6	14	17
CALLAWAY	3	4	5	3	2
CALVERT CLIFFS 1 & 2	3	7	4	3	5
CATAWBA 1 & 2	2	4	3	5	3
CLINTON	9	9	22	13	10
COMANCHE PEAK 1 & 2	7	5	10	5	3
COOK 1 & 2	3	2	3	12	15
COOPER	6	9	7	3	3
CRYSTAL RIVER	4	15	17	7	2
DAVIS-BESSE	3	3	4	2	2
DIABLO CANYON 1 & 2	11	20	13	14	6
DRESDEN 2 & 3	14	3	11	11	1
DUANE ARNOLD	3			1	1
FARLEY 1 & 2	1	3	2	2	5
FERMI	5	7	7	6	1
FITZPATRICK	5	3	4	5	1
FORT CALHOUN	3	2	4	5	1
GINNA	2	2			1
GRAND GULF	2	7	2	5	2
HARRIS 1 & 2	2	2	2	7	3
HATCH 1 & 2	6	4	15	8	5
INDIAN POINT 2	5	6	6	11	3
INDIAN POINT 3	9	4	16	6	8
KEWAUNEE					1
LASALLE 1 & 2	7	7	7	9	9
LIMERICK 1 & 2	3	3	7	4	1
MCGUIRE 1 & 2	2	4	1	1	1
MILLSTONE 2 & 3	23	41	37	32	22
MONTICELLO		6	1		2
NINE MILE POINT 1 & 2	7	7	8	15	8
NORTH ANNA 1 & 2	6	5			
OCONEE 1, 2, & 3	1	7	2	6	4
OYSTER CREEK	4	4	5	7	9
PALISADES	8	2	3	1	
PALO VERDE 1, 2, & 3	19	14	17	5	6
PEACH BOTTOM 2 & 3	3	4	6	1	1
PERRY		7	8	2	6
PILGRIM	6	3	2	3	4

POINT BEACH 1 & 2	3	1	9	5	4
PRAIRIE ISLAND 1 & 2	2	3	2	1	4
QUAD CITIES 1 & 2	4	6	7	10	7
RIVER BEND	10	14	6	1	6
ROBINSON	4	1	1	1	1
SALEM/HOPE CREEK	13	41	21	11	1
SAN ONOFRE 2 & 3	26	15	32	6	13
SEABROOK	1	2	3	5	3
SEQUOYAH 1 & 2	20	19	9	5	4
SOUTH TEXAS 1 & 2	13	15	13	12	13
ST LUCIE 1 & 2	14	42	61	33	31
SUMMER	3	8		2	
SURRY 1 & 2	3	3	1		1
SUSQUEHANNA 1 & 2	2	29	19	15	7
THREE MILE ISLAND	1		4		
TURKEY POINT 3 & 4	9	17	17	15	9
VERMONT YANKEE	2	1	4	7	2
VOGTLE 1 & 2	8	5	10	3	3
WASHINGTON NUCLEAR	9	12	15	8	4
WATERFORD	5	24	9	4	4
WATTS BAR	46	28	17	4	6
WOLF CREEK	2	10	13	10	5

NUMBER OF DISCRIMINATION ALLEGATIONS RECEIVED IN  
FISCAL YEAR  
ONSITE SOURCES ONLY

Site	1994	1995	1996	1997	1998	1999
ARKANSAS 1 & 2	1	2	1			
BEAVER VALLEY 1 & 2		4	1	1	1	
BRAIDWOOD 1 & 2	4	1		2	2	
BROWNS FERRY 2 & 3	4	1	3	2	1	3
BRUNSWICK 1 & 2		2	2	4		1
BYRON 1 & 2	1		1		1	2
CALLAWAY	1	1	1	1		1
CALVERT CLIFFS 1 & 2		2	3			2
CLINTON	1	1	2	6	5	2
COMANCHE PEAK 1 & 2	1	1	1	3	1	1
COOK 1 & 2	3	1	1	2	1	7
COOPER	2	3		2		
CRYSTAL RIVER	1	2	5			
DAVIS-BESSE		1	1	1		
DIABLO CANYON 1 & 2	2	1	4	2	5	3
DRESDEN 2 & 3		1	1	1		
DUANE ARNOLD		1			1	
FERMI	2	3	4		1	
FITZPATRICK		2		1		
FORT CALHOUN	1	1	1	1		
GRAND GULF	1		1		1	1
HARRIS 1 & 2	1				1	1
HATCH 1 & 2						2
INDIAN POINT 2		3	1		1	1
INDIAN POINT 3	5	5	1	2	1	2
LASALLE 1 & 2	1		4	1	2	4
LIMERICK 1 & 2	2			3		
MCGUIRE 1 & 2	4				1	1
MILLSTONE 2 & 3	6	8	16	10	7	11
NINE MILE POINT 1 & 2	1	4	1		2	3
NORTH ANNA 1 & 2			1			
OCONEE 1, 2, & 3		1	1	1		
OYSTER CREEK		1	1	1	1	3
PALISADES		1		1		
PALO VERDE 1, 2, & 3	8	5	2	1	2	2
PEACH BOTTOM 2 & 3	2		1	1		
PERRY	3		4	3		1
PILGRIM	1	3		2		1
POINT BEACH 1 & 2			1	3	2	2
PRAIRIE ISLAND 1 & 2		1				
QUAD CITIES 1 & 2	1		2	1	3	1
RIVER BEND	1	8	2	2		2

SALEM/HOPE CREEK	4	6	12	3	3	
SAN ONOFRE 2 & 3	4	3	4	9	3	2
SEABROOK					1	
SEQUOYAH 1 & 2	6	3	5	1		1
SOUTH TEXAS 1 & 2	8	6	5	3	1	8
ST LUCIE 1 & 2	1	2	3		2	1
SUMMER			1			
SUSQUEHANNA 1 & 2		1		1	5	1
THREE MILE ISLAND				1		
TURKEY POINT 3 & 4			2	1	1	1
VERMONT YANKEE		1			1	1
VOGTLE 1 & 2				1		
WASHINGTON NUCLEAR		3	3	3	1	1
WATERFORD		3	9	2	1	2
WATTS BAR	17	16	5	6		2
WOLF CREEK				3		1

NUMBER OF SUBSTANTIATED ALLEGATIONS  
COUNTED IN FISCAL YEAR RECEIVED

Site	1995	1996	1997	1998	1999
ARKANSAS 1 & 2	2	1			
BEAVER VALLEY 1 & 2	4	1	1	1	
BRAIDWOOD 1 & 2	1		2	2	
BROWNS FERRY 2 & 3	1	3	2	1	3
BRUNSWICK 1 & 2	2	2	4		1
BYRON 1 & 2		1		1	2
CALLAWAY	1	1	1		1
CALVERT CLIFFS 1 & 2	2	3			2
CLINTON	1	2	6	5	2
COMANCHE PEAK 1 & 2	1	1	3	1	1
COOK 1 & 2	1	1	2	1	7
COOPER	3		2		
CRYSTAL RIVER	2	5			
DAVIS-BESSE	1	1	1		
DIABLO CANYON 1 & 2	1	4	2	5	3
DRESDEN 2 & 3	1	1	1		
DUANE ARNOLD	1			1	
FERMI	3	4		1	
FITZPATRICK	2		1		
FORT CALHOUN	1	1	1		
GRAND GULF		1		1	1
HARRIS 1 & 2				1	1
HATCH 1 & 2					2
INDIAN POINT 2	3	1		1	1
INDIAN POINT 3	5	1	2	1	2
LASALLE 1 & 2		4	1	2	4
LIMERICK 1 & 2			3		
MCGUIRE 1 & 2				1	1
MILLSTONE 2 & 3	8	16	10	7	11
NINE MILE POINT 1 & 2	4	1		2	3
NORTH ANNA 1 & 2		1			
OCONEE 1, 2, & 3	1	1	1		
OYSTER CREEK	1	1	1	1	3
PALISADES	1		1		
PALO VERDE 1, 2, & 3	5	2	1	2	2
PEACH BOTTOM 2 & 3		1	1		
PERRY		4	3		1
PILGRIM	3		2		1
POINT BEACH 1 & 2		1	3	2	2
PRAIRIE ISLAND 1 & 2	1				
QUAD CITIES 1 & 2		2	1	3	1
RIVER BEND	8	2	2		2
SALEM/HOPE CREEK	6	12	3	3	



SAN ONOFRE 2 & 3	3	4	9	3	2
SEABROOK				1	
SEQUOYAH 1 & 2	3	5	1		1
SOUTH TEXAS 1 & 2	6	5	3	1	8
ST LUCIE 1 & 2	2	3		2	1
SUMMER		1			
SUSQUEHANNA 1 & 2	1		1	5	1
THREE MILE ISLAND			1		
TURKEY POINT 3 & 4		2	1	1	1
VERMONT YANKEE	1			1	1
VOGTLE 1 & 2			1		
WASHINGTON NUCLEAR	3	3	3	1	1
WATERFORD	3	9	2	1	2
WATTS BAR	16	5	6		2
WOLF CREEK			3		1

NUMBER OF ALLEGATIONS OPEN AS OF OCTOBER 1, 1999

Site	1996	1997	1998	1999	Total
ARKANSAS 1 & 2				1	1
BEAVER VALLEY 1 & 2				1	1
BRAIDWOOD 1 & 2				3	3
BROWNS FERRY 2 & 3				5	5
BRUNSWICK 1 & 2	1	1		2	4
BYRON 1 & 2			1	9	10
CALLAWAY				1	1
CALVERT CLIFFS 1 & 2				4	4
CATAWBA 1 & 2				4	4
CLINTON				6	6
COMANCHE PEAK 1 & 2				4	4
COOK 1 & 2	1	1	2	9	13
COOPER				1	1
CRYSTAL RIVER				1	1
DAVIS-BESSE				1	1
DIABLO CANYON 1 & 2			1	3	4
DRESDEN 2 & 3				1	1
DUANE ARNOLD				1	1
FARLEY 1 & 2				2	2
GINNA				1	1
GRAND GULF			1	3	4
HARRIS 1 & 2				2	2
HATCH 1 & 2				3	3
INDIAN POINT 2				2	2
INDIAN POINT 3			1	5	6
KEWAUNEE				1	1
LASALLE 1 & 2				6	6
LIMERICK 1 & 2				1	1
MCGUIRE 1 & 2			1	1	2
MILLSTONE 2 & 3		1	3	4	8
NINE MILE POINT 1 & 2				6	6
NORTH ANNA 1 & 2				2	2
OCONEE 1, 2, & 3				1	1
OYSTER CREEK				3	3
PALO VERDE 1, 2, & 3				2	2
PEACH BOTTOM 2 & 3				1	1
PERRY	1			5	6
PILGRIM		1		2	3
POINT BEACH 1 & 2		1		2	3
QUAD CITIES 1 & 2		1	1	1	3
RIVER BEND				4	4
SALEM/HOPE CREEK	1	1		1	3
SAN ONOFRE 2 & 3		1		18	19
SEABROOK				1	1

SEQUOYAH 1 & 2	1		1	4	6
SOUTH TEXAS 1 & 2	1			7	8
ST LUCIE 1 & 2				12	12
SUSQUEHANNA 1 & 2			1	2	3
TURKEY POINT 3 & 4				3	3
VERMONT YANKEE			1	2	3
WASHINGTON NUCLEAR				3	3
WATERFORD			1	4	5
WATTS BAR		2	4	6	12
WOLF CREEK				2	2