

March 7, 2002

MEMORANDUM TO: William D. Travers  
Executive Director for Operations

FROM: Edward T. Baker III  
Agency Allegation Advisor

SUBJECT: STATUS OF ALLEGATION PROGRAM - FISCAL YEAR 2001 ANNUAL  
REPORT

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 provide an independent annual report to the Executive Director for Operations that assesses the conduct of the allegation program in each office and region. A copy of the annual report for Fiscal Year 2001 is attached for your information. The staff intends to provide copies to the Commission and place the report on the ADAMS public library ten days from the date it is forwarded to you, unless you direct otherwise.

The report contains an assessment of the allegation program, a review of allegation data for adverse trends for reactor and materials licensees and contractors, and a review of the resources expended on follow up of technical allegations. Because the Office of Investigations prepares an annual report covering the follow up of allegations involving wrongdoing, this annual report does not specifically address activities concerning those allegations.

Attachment: Annual Report

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Attachment: Annual Report

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STATUS OF ALLEGATION PROGRAM

FISCAL YEAR 2001

ANNUAL REPORT

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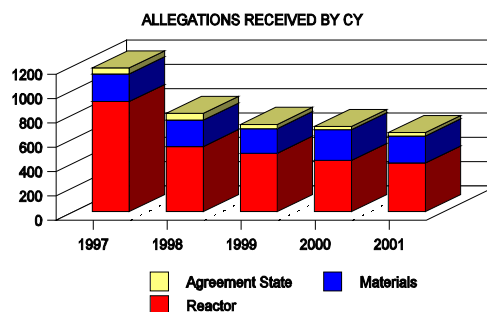
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## EXECUTIVE SUMMARY

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 allegation 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.

The findings from the Fiscal Year (FY) 2001 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. Based on the FY 2001 audit of the allegation program, the allegation program achieved an effectiveness rating of 98.6 percent, compared to a rating of 98.7 percent in FY 2000. Additionally, no inappropriate disclosures of the identity of allegers occurred in FY 2001, continuing the performance of the last two years.

One change that occurs in this year's report is the trending of allegation data on a calendar year basis when discussing general trends and trends at licensee facilities. This change was made so that the data presented in this report is consistent with the data used in the Reactor Oversight Process and the Agency Action Review Meetings. As the figure to the right indicates, there has been a fairly steady decline in the number of allegations received by the NRC from 1997 through 2001 when looking at calendar year data.



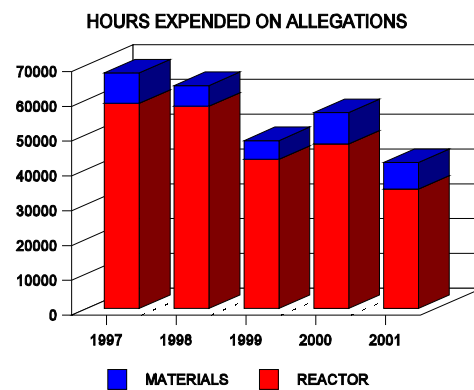
The staff believes that a major contributor to this trend is due to the emphasis the Commission and the staff have placed, and continue to place, on licensees establishing and maintaining work environments that encourage employees to raise issues and it is due to the industry's effort to create and maintain such an environment. Through this period, the staff has increased the information available to licensees by placing allegation statistics on the NRC's web page, referring more allegations to licensees for evaluation and reply, and discussing trends that emerge with licensees. For their part, licensees have used the statistics on allegations and trend information provided by the staff as an opportunity to understand why licensee employees are raising issues to the NRC rather than using internal reporting processes. In general, licensees have been responsive in addressing employee concerns with using internal processes and, as a consequence, more employees are using internal mechanisms and fewer issues are coming to the NRC.

However, for some licensees the NRC continues to receive allegations in numbers that warrant additional analysis. In preparing this report, a 5-year history of allegations was reviewed for reactor and material licensees and vendors to identify adverse trends. Given the Commission's

continuing 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. The staff identified ten reactor sites for a more in-depth review: Dresden, St. Lucie, Byron, Susquehanna, Columbia Generating Station, Indian Point 2, D.C. Cook, Turkey Point, Cooper, and Catawba. Each of these sites is discussed in the report.

Only two materials licensees were the subject of allegations at a level that warranted additional analysis, the Portsmouth and Paducah gaseous diffusion plants. On the basis of allegation statistics for 2001, the review did not identify any other materials licensees warranting additional review. Additionally, no vendors or contractors were the subject of allegations in sufficient number to warrant additional review.

Over the last four years, the trend in resources expended on the follow-up of technical allegations has generally followed the trend in allegations received. The hours expended on allegation follow-up decreased from approximately 67,700 in FY 1997 to approximately 42,000 in FY 2001. However, the staff has also contributed to the decline by scheduling allegation followup activities during planned inspections, to the extent possible, and referring more allegations to licensees for evaluation and response. The extent to which this can be done is limited by the NRC's goals for timely closure of allegations and the willingness of licensees to conduct objective and complete reviews and provide candid results back to the NRC.



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. For this improved performance to continue, emphasis must be placed on properly implementing the allegation program in handling each allegation, particularly with regard to protecting the identity of allegers and adequately addressing the issues.

## OVERVIEW OF THE ALLEGATION PROGRAM PERFORMANCE

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 database that allows the staff to track concerns submitted to the NRC to ensure that the concerns are evaluated and resolved in a timely manner, consistent with the associated safety or risk significance, and that the results of NRC's evaluation are communicated to the individual who submitted the concerns, when appropriate.

The performance of the allegation program is measured against goals for protecting the identity of allegeders and conducting an appropriate review of all concerns in a timely manner. The goal for protecting the identity of allegeders is no inappropriate release of an allegeder's identity. Timeliness goals have been established for the initial evaluation of the concerns by the allegation review board (ARB), sending the initial correspondence to the allegeder, and completing the evaluation of the concerns and providing the results to the allegeder. The quality of the staff's review and its correspondence with the allegeder is assessed during the annual audits.

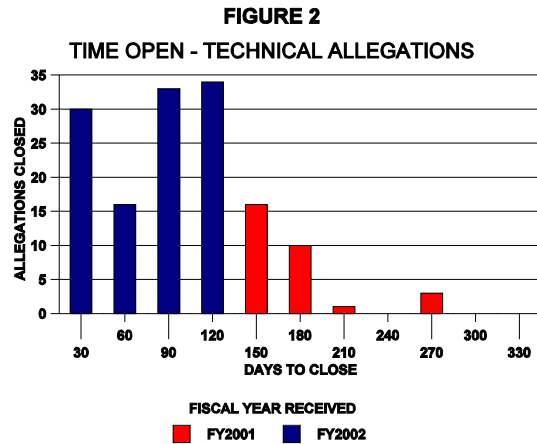
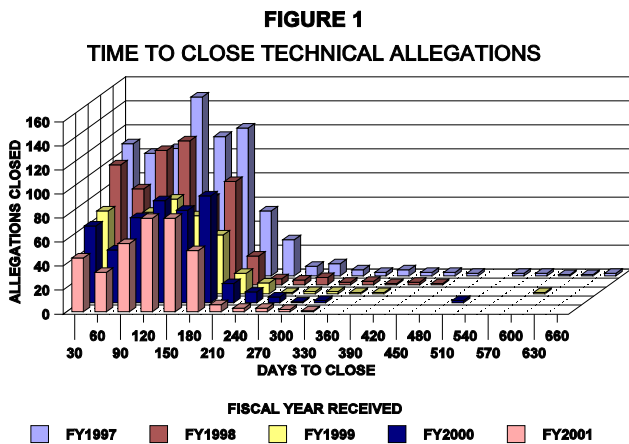
### Protecting the Identity of Allegers

One element of the allegation program that is essential to its credibility is protecting the identity of allegeders to the extent possible. The metric used to measure performance is no substantiated complaints of inappropriate release of an allegeder's identity as determined by either the Office of Inspector General (OIG) or the staff. For FY 2001, neither the OIG nor the staff substantiated an inappropriate release of the identity of any allegeders. This is the third consecutive year that the staff has met this goal. Given the importance of protecting the identity of allegeders, personal responsibility and accountability continues to be emphasized in training sessions with the staff.

### Timeliness Goals

The goal for the initial evaluation of the allegation and staff assignment for followup is to have this occur at the ARB within 30 days for all allegations. The staff met this goal in FY 1999 and FY 2000. In FY 2001, one of the 564 allegations discussed at ARBs exceeded the goal by four days because of an error in the software used to alert the staff to allegations that need to be discussed. The allegation did not involve any issues that required quick evaluation or response and the delay in discussing it at an ARB did not adversely affect timely resolution of the allegation. The results of the staff's evaluation were mailed to the allegeder within 107 days of receiving the allegation. The intent of the goal was met even though the actual goal was not. Additionally, the software error has been fixed to prevent recurrence.

Initial correspondence with the allegeder acknowledges receipt of the allegation and documents the specific concerns as understood by the NRC staff. The goals for issuing letters acknowledging receipt of allegations are 90 percent within 30 days and 100 percent within 45 days. The staff met these goals in FY 1999, FY 2000, and FY 2001. The longer goal was instituted to improve the efficiency of the process for those cases in which the NRC staff believes it needs more information than initially provided by the allegeder before proceeding. The longer goal provides an opportunity to contact the allegeder by telephone to solicit additional information prior to sending a letter acknowledging receipt, thus avoiding preparing two letters for the sole purpose of meeting the shorter performance goal.



The agency's goal for closing technical, non-wrongdoing, allegations is 180 days on average. The staff met this goal in FY 1999 (117 days), FY 2000 (108 days), and FY 2001 (112 days). Figures 1 and 2 above show the distribution of the time to close allegations and demonstrate that the staff has continued to improve the time it takes to close an allegation.

Quality Goal

The staff instituted a quality or effectiveness goal for the allegation program in FY 1999. 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. During the FY 2001 audits, the staff found that out of the 76 allegations reviewed, several issues in one allegation were not adequately addressed in the closure letter to the alieger.<sup>1</sup> This resulted in a quality or effectiveness rating of 98.6 percent for FY 2001. This goal was also met in FY 1999 and FY 2000.

Alieger Feedback on Performance

On October 1, 2000, the staff initiated a trial program that solicited feedback from aliegers on the performance of the allegation program. For one year the staff included a feedback form in all letters informing aliegers of the results of the staff's review. The original schedule for reporting the results to the Commission was the end of March 2002. However, delays in mail delivery as a consequence of the anthrax contamination and subsequent compensatory measures have delayed receipt of returned forms as much as three months. Consequently, the due date for the Commission paper was extended until June 28, 2002. Surveys received as of the end of January 2002 indicate that the staff treats aliegers in a professional manner and allegations are acknowledged and responded to in a timely manner. The areas for improvement are ensuring our written responses clearly address the concerns submitted and clearly explaining our review and the bases for our conclusions. The Commission paper will provide a more detailed analysis of the responses.

Resources Expended on Allegations

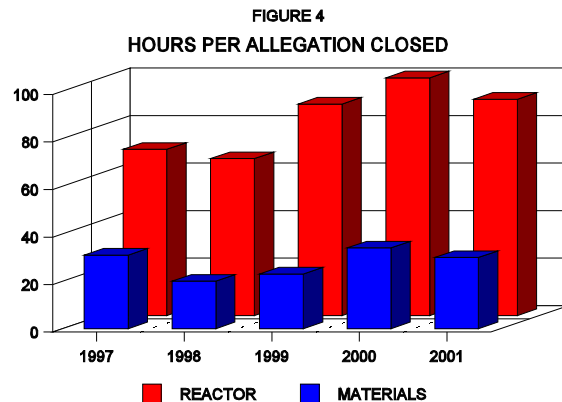
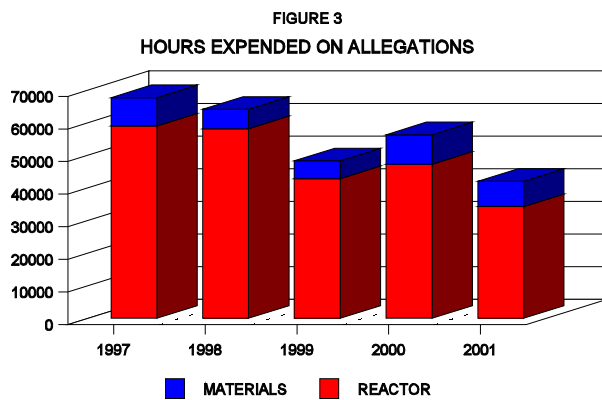
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<sup>1</sup> In response to the audit finding, the staff provided a supplemental response to the alieger addressing the results of the staff's review.

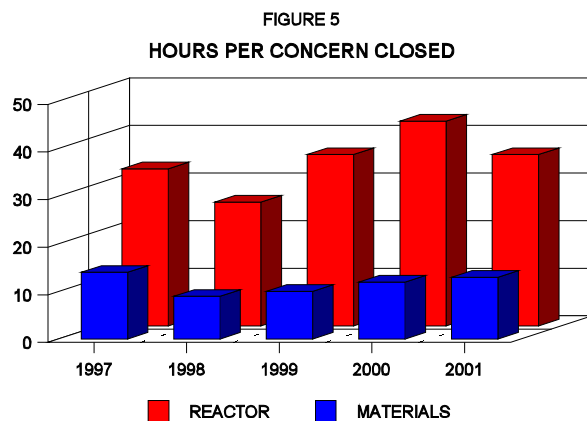


Lesson 5 from the River Bend Review Team noted that the resources expended on the handling of allegations by the headquarters and regional staff need to be fully documented in the agency's automated data processing systems and that the level of resources being spent on handling allegations needs to be periodically evaluated. The audits conducted in FY 2001 found that while there have been improvements in correctly reporting time spent on allegations, the staff is still not consistently and accurately reporting all time spent on followup of allegations. This was a finding in the FY 2000 and FY 1999 audits as well.

As part of this report, the resources expended on handling allegations were reviewed. Figure 3 below shows the hours expended by the technical staff in handling allegations concerning reactor and materials licensees<sup>2</sup> from FY 1997 through FY 2001. The graph shows a gradual decrease in the hours expended on allegations from FY 1997 through FY 2001. As noted below, the changes are most heavily influenced by the decline in the number of reactor-related allegations received and the associated decline in the hours expended. Figure 4 displays the hours expended per allegation closed. Because the number of issues contained in an allegation varies from allegation to allegation, this can have a large impact on

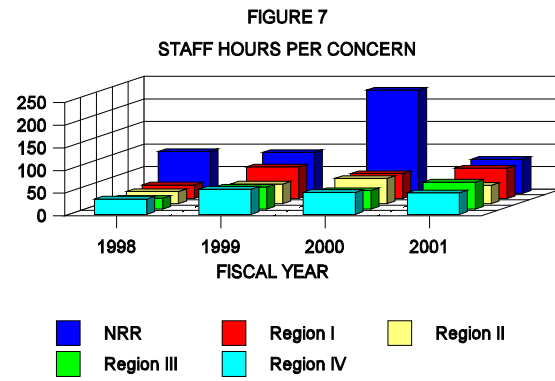
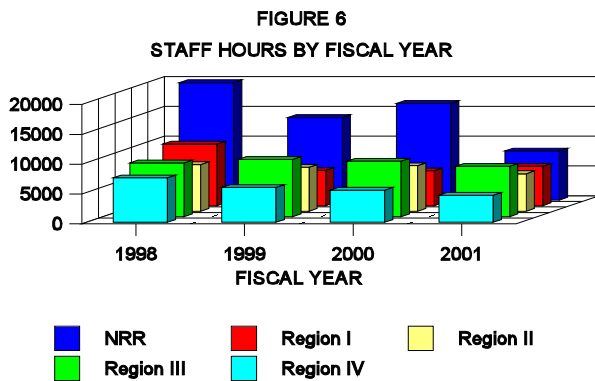


the number of hours expended. To account for this, Figure 5 displays the hours expended on a concern basis. While the trend curve is similar, the number of hours expended per concern is a more accurate measure and is a more appropriate indicator of efficiency. Because of the significant increase in the time expended per reactor related allegation and concern in FY 1999 through FY 2000, the labor rates for reactor-related concerns were calculated for NRR and the four regions. Figure 6 displays the total hours expended by NRR and each region and Figure 7 displays the labor rates for each for FY 1998 through FY 2001.



<sup>2</sup> Hours for materials allegations includes time spent by the regions and NMSS on allegations concerning agreement state licensees. Time spent on issues concerning agreement state licensees is not tracked separately.

Historically, NRR's labor rate has been higher than the regions because the issues addressed in NRR are the generic, more complex, technical issues involving the design bases and/or



licensing bases for nuclear power plants that sometimes involve a class of plants, e.g., all Westinghouse pressurized water reactors. Additionally, it is more difficult to refer these types of issues to licensees or their contractors for review. Consequently, the regions refer a higher percentage of allegations to licensees, which helps reduce their labor rate. However, this alone does not totally explain the large increase in the labor rate experienced in FY 2000. To address the increase, NRR management made some organizational changes to more closely manage the allegation effort and the time charged to allegations. Based on the significant reduction in the labor rate within NRR, it appears the efforts were successful.

The staff continues to emphasize the importance of the accurate recording of the number of hours expended on allegation followup. In response to last year's audits, the regions conducted additional training on properly reporting time spent on allegations and conducted periodic reviews of the time reported. As the staff becomes increasingly 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.

### 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 continuing emphasis on establishing and maintaining a safety-conscious work environment, the staff focused on those allegations that have 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 calendar year to support the Reactor Oversight Process (ROP) end-of-cycle assessments and this annual report and in the third quarter to support the ROP mid-cycle assessments. 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 are based on allegations from onsite

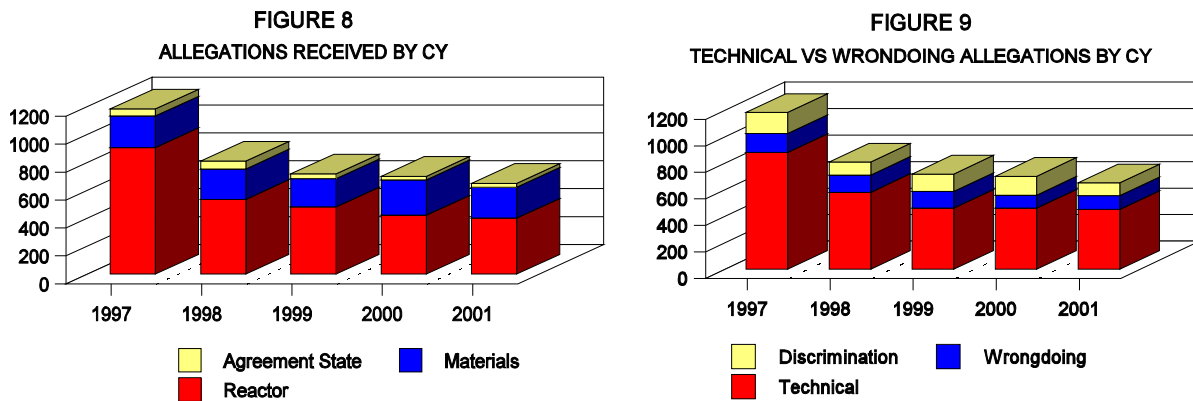
sources and are calendar year trends, rather than fiscal year trends. Calendar year trends are used to be consistent with the ROP cycle.

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

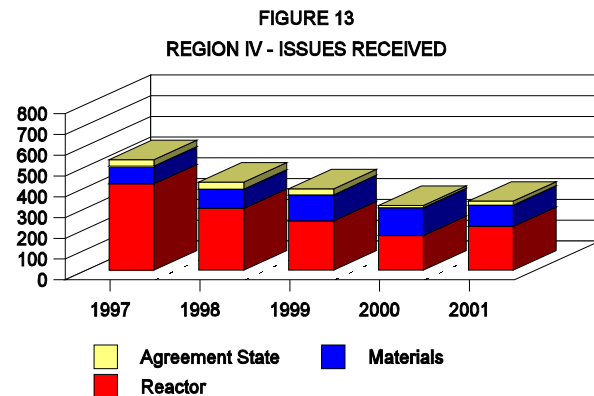
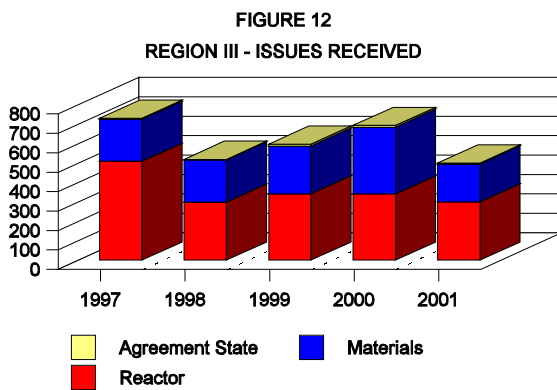
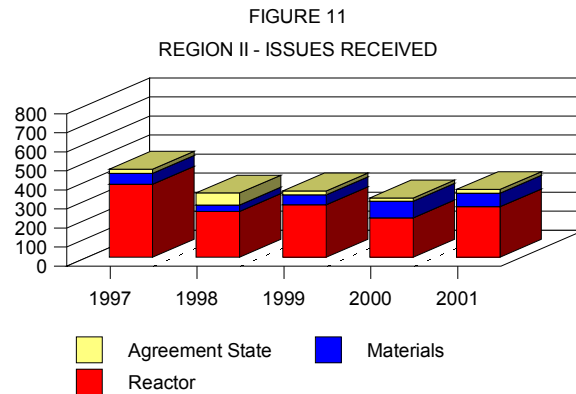
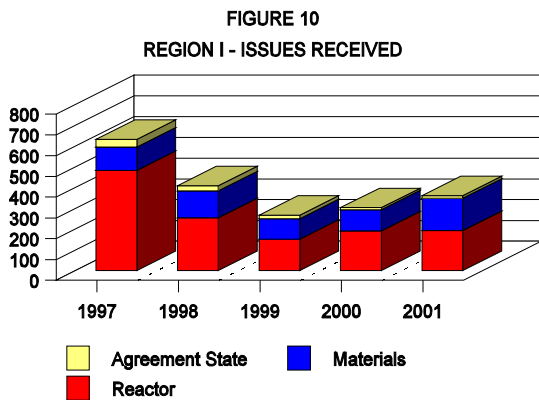
National trends are of interest because they are used in developing budget assumptions, labor rates, and preparing operating plans. As the following graphs indicate, there can be significant changes in the number of allegations received due to internal and external influences. Figures 8 and 9 below show the 5-year national trends. From Figure 8 it is clear that there has been a downward trend in the number of allegations received by the NRC. This trend is a result of licensees being more responsible to employees concerns and the NRC staff providing more information to licensees on trends in allegations. This information has allowed licensees to identify areas in which they may need to focus more attention on the willingness of employees to use internal reporting processes. From Figure 9, one can see that the number of allegations involving discrimination or other types of wrongdoing has remained fairly constant as a percentage of total number of allegations.

As stated above, the staff also looks for trends in the workload by organization, disciplines or departments from which allegations originate, and the sources of allegations. The 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 five 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.

Figures 10, 11, 12, and 13 show the shift of allegation workload in the regions at the concern or issue level. With the NRC's budget prepared two years in advance, budgeted resources may not reflect the actual workload in the organization when shifts in workload occur as happens with allegations.



While the number of issues or concerns received declined agency wide from 2000 to 2001, the graphs above clearly show that impact is not evenly distributed across the regions. While Regions I, II, and IV experienced small increases, the number of issues received by Region III declined fairly significantly, particularly in the materials area. The drop in materials related issues in Region III can be largely attributed to a drop in the number of issues received concerning the Paducah and Portsmouth gaseous diffusion plants. The number of issues received concerning the Paducah plant declined 37 percent and the number concerning the Portsmouth plant declined 35 percent.

In addition to having different workloads, the mix of staff skills necessary to address the issues received also varies by region and office. The differences are driven by events at licensee facilities and the reaction of the industry, industry workers, and private citizens to national events. As an example, this year issues concerning security became the predominant issue nationwide following the September 11 attack on the World Trade Center. However as Figure 18 indicates, security was not the predominant issue in Region III.

Figures 14 through 19 depict the ten areas that represent approximately 80 percent of the issues received nationwide and the distribution of those issues in NRR and the four regions.

FIGURE 14 - NATION WIDE

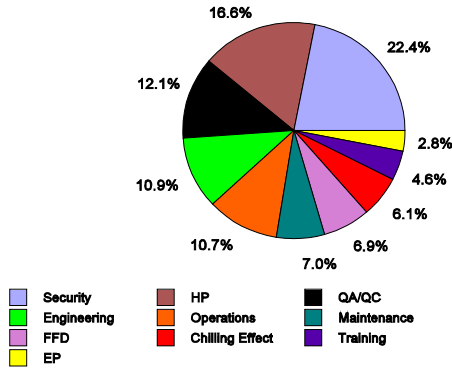


FIGURE 15 - NRR

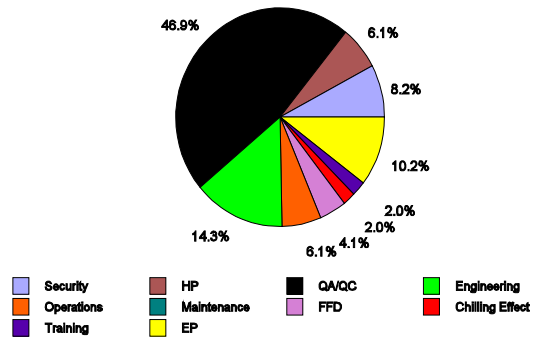


FIGURE 16 - REGION I

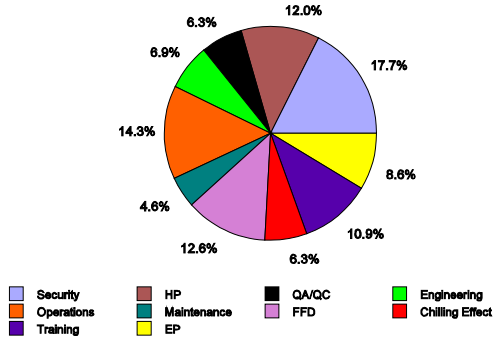


FIGURE 17 - REGION II

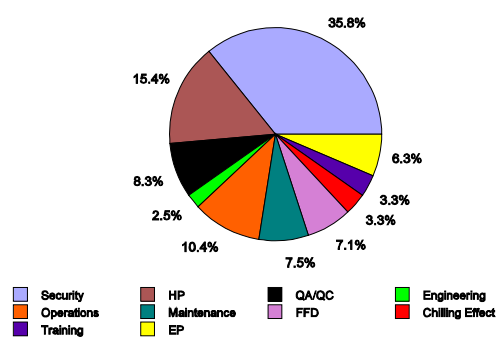


FIGURE 18 - REGION III

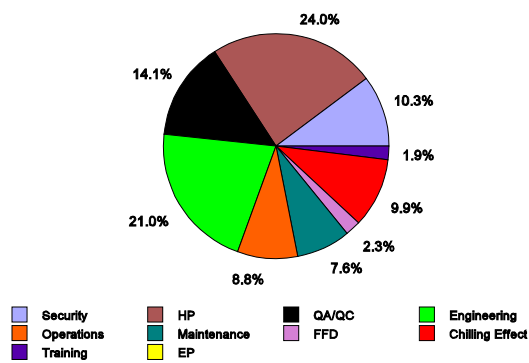
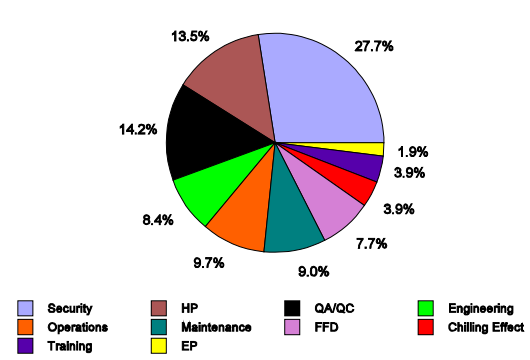


FIGURE 19 - REGION IV



HP - Health Physics or Radiation Protection, QA/QC - Quality Assurance/Quality Control  
 FFD - Fitness For Duty, EP - Emergency Planning

Because the activities performed by materials licensees are not as homogeneous as those performed by reactor licensees, a comparison at the “Discipline” level doesn’t produce meaningful results. To provide further insights into the areas in which the NRC is spending resources on materials-related allegations, the following graphs depict the ten license categories that represent approximately 80 percent of the issues received nationwide and the distribution of those issues in NMSS and the four regions.

FIGURE 20 - NATION WIDE

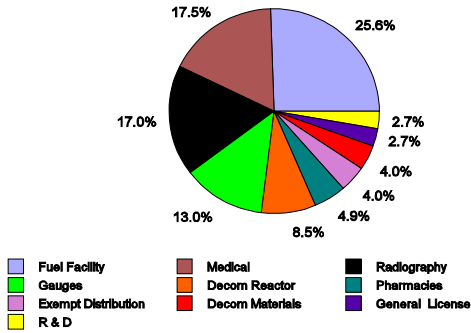


FIGURE 21 - NMSS

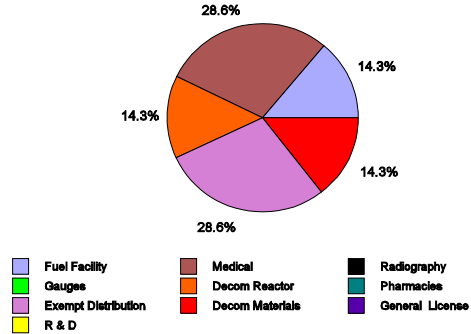


FIGURE 22 - REGION I

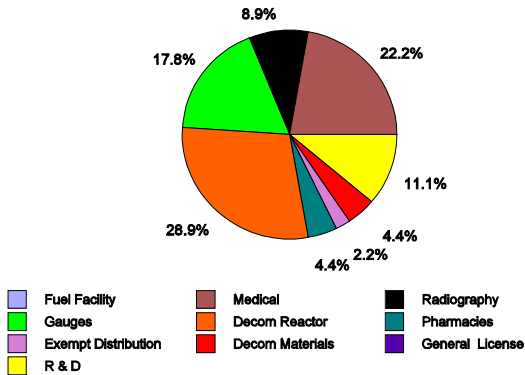


FIGURE 23 - REGION II

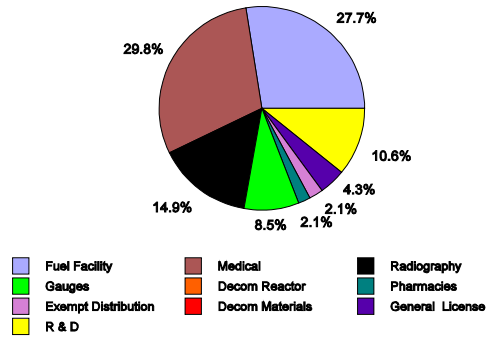


FIGURE 24 - REGION III

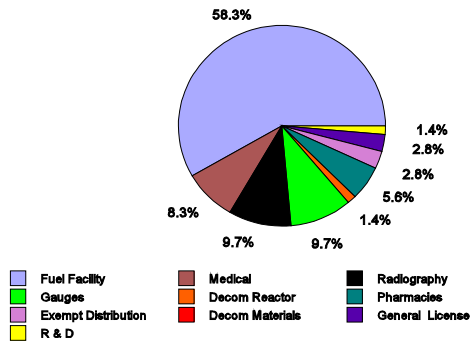
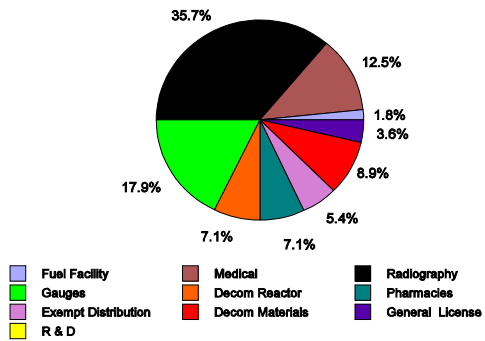


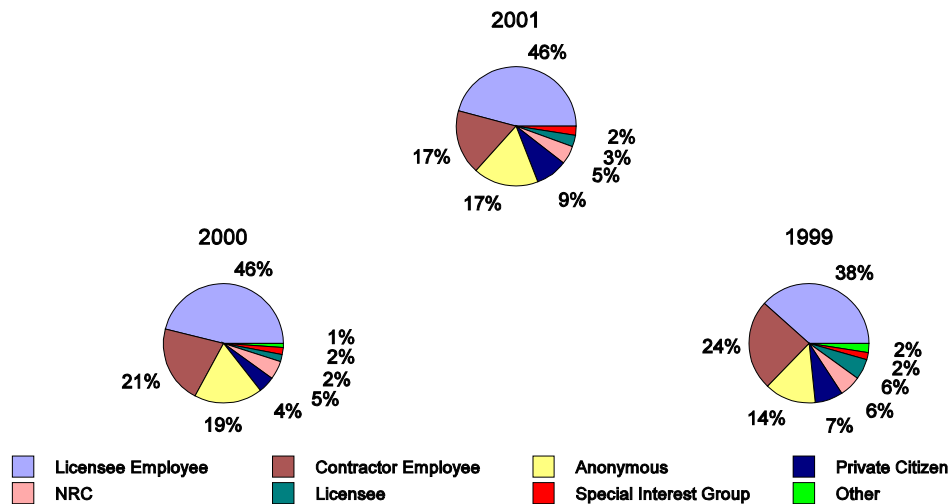
FIGURE 25 - REGION IV



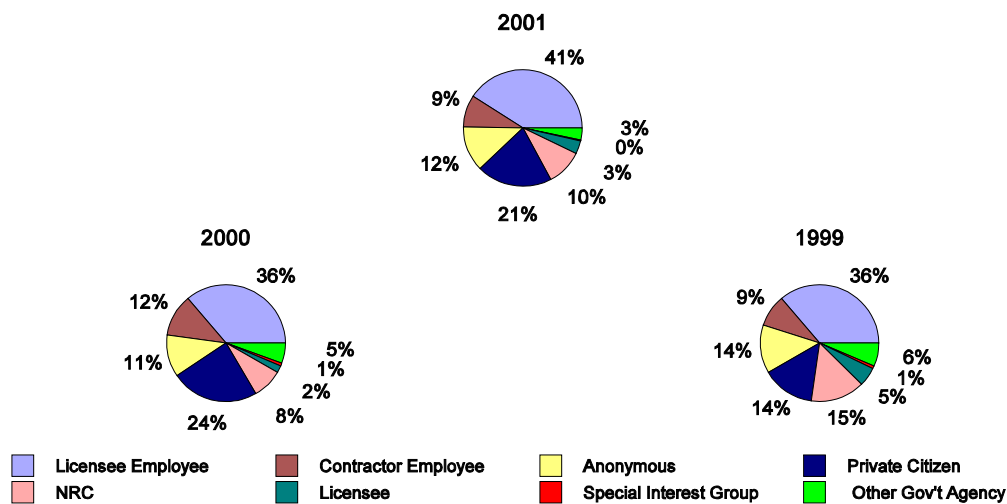
Decom Materials - Decommissioning Materials Site  
 Decom Reactor - Decommissioning Reactor Site  
 R&D - Research & Development Company

Figures 26 and 27 provide a breakdown of allegations received by categories of sources for the last three years for reactor and materials allegations. For reactor-related allegations, there has been a steady decline in allegations received from contractor employees. Anecdotal information provides several reasons for this decline: 1) licensees are using fewer contractor employees, 2) licensees are more clearly stating their expectations that contractors be responsive to issues raised by their employees, and 3) licensees are providing more training to contractors and their employees on how to appropriately raise and respond to issues.

**FIGURE 26 - REACTOR ALLEGATIONS BY SOURCE CATEGORY**



**FIGURE 27 - MATERIALS ALLEGATIONS BY SOURCE CATEGORY**



In comparing the sources for materials vs. reactor-related allegations, Private Citizen and Anonymous are more prevalent sources for materials-related allegations and Contractor Employees are less prevalent. This is logical because materials licensees' activities are more visible to the public, materials licensees are usually smaller companies and alлегers may be more concerned with being identified, and these smaller licensees use fewer contractors.

Two of the 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.

### Allegation Trends for Selected Reactor Sites

As noted previously, the trending of allegations received concerning individual reactor sites is one method the NRC staff uses to monitor the work environment at reactor sites. Statistics on allegations received concerning all operating reactor sites are given in Appendix 1. The statistics cover the allegations received during the period January 1997 through December 2001.

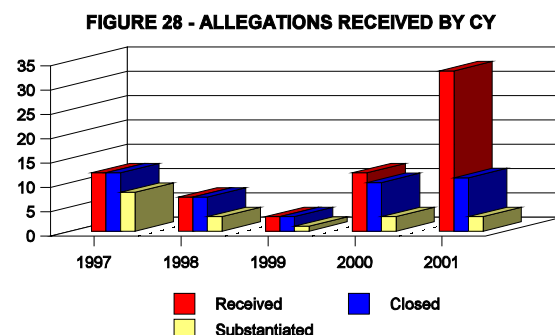
In determining which reactor sites should receive a more in-depth review, the staff applied the following criteria:

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

For CY 2001, the median number of allegations per reactor site was three. The ten reactor sites that met one of these criteria are Dresden (33), St. Lucie (27), Byron (20), Susquehanna (15), Columbia Station (13), Indian Point 2 (12), D.C. Cook (12), Turkey Point (11), Cooper (8), and Catawba (7). The first eight sites exceeded 3 times the industry median of three allegations. Cooper and Catawba exceeded 2 times the median and experienced more than a 50 percent increase in the number of allegations concerning the site. A more detailed discussion of each of these sites follows.

### Dresden

As can be seen in Figure 28, an increase in allegations that started in 2000 accelerated in 2001. A review of the issues received indicates a majority of the issues concern activities in the health physics/radiation protection area. In addition to an increase in the total number of allegations received, the number of allegations of discrimination and chilled work environment<sup>3</sup> also rose.



In a letter dated October 9, 2001, the NRC staff informed the licensee of the trend of allegations concerning radiation protection activities. The

<sup>3</sup> A chilled work environment is one in which employees are reluctant or unwilling to raise safety or regulatory issues because of a fear of retaliation or because employee perceive management is discouraging use of reporting systems, e.g., corrective action program, employee concerns program.



NRC staff requested that the licensee evaluate the possibility of a chilled work environment within the Radiation Protection department at Dresden. On February 11, 2002, the licensee responded to the staff's request.

The licensee concluded that non-bargaining unit employees within the Radiation Protection department were free to raise and willing to raise safety issues. With regard to bargaining unit employees, the licensee concluded that a number of factors created perceptions that discouraged some of these employees from raising safety issues. The licensee has taken a number of actions to address this perception, including bringing in a new Radiation Protection Manager in December 2001. The licensee also reports an increased use of the corrective action program by non-bargaining unit employees within the department.

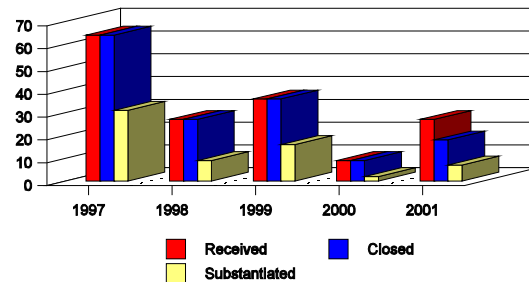
While there has not been a substantiated allegation of discrimination in the last five years concerning activities at the operating units at the Dresden site, the NRC received four allegations of discrimination in 2000 and twelve in 2001. As of January 31, 2001, two of the allegations received in 2000 and four of the allegations received in 2001 had been closed. None of the closed allegations were substantiated. While the NRC has not completed its review for eight of the allegations received in 2001, a Department of Labor Area Director issued findings that discrimination for engaging in protected activities was not a factor for six of those allegations.

The staff will continue to monitor the work environment at Dresden by monitoring the trend of allegations concerning the health physics/radiation protect area, trends in the licensee's corrective action program, the outcome of the allegations of discrimination, and the general allegation trend.

#### St. Lucie

While there has been a general decline in allegations since the 64 received in 1997, there was a significant rise from 2000 (9) to 2001 (27). Additionally, the NRC staff noted that a number of alлегers expressed a reluctance to use the corrective action program because they perceived that supervisors were discouraging its use because it added to their workload.

FIGURE 29 - ALLEGATIONS RECEIVED BY CY



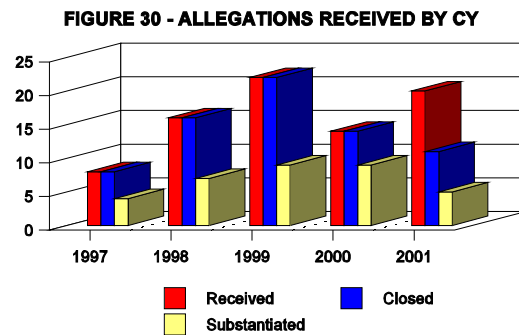
In a referral of an allegation to the licensee, the NRC staff informed the licensee of its observation and requested that the licensee address the general concern as well as the specific issues being referred. The licensee reviewed the use of the program by department. In departments where it appeared that appropriate issues were not being entered in the corrective action program, the licensee took a number of actions to reinforce its expectations. Coaching sessions were held with supervisors, training on the use of the program was provided, and reviews were conducted to ensure adequate resources were available. Based on the fact that no additional allegations concerning use of the corrective action system were received in the last three months of the year, it appears the licensee's actions were successful.

With regard to allegations of discrimination, there has not been a substantiated case of discrimination since 1996. Two allegations of discrimination were received in 2000 and in 2001. As of January 31, 2002, one allegation of discrimination was still under review.

The staff will continue to monitor the outcome on the open discrimination allegation and the general allegation trend.

## Byron

As a result of allegations received in 1998, the staff asked the licensee to address specific examples of behavior by supervisors and managers at Byron that employees perceived as discouraging them 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.

The issue of the number of allegations concerning Byron was raised again with the licensee during a public meeting that was held in Region III on December 10, 1999, to discuss overall performance at all Commonwealth Edison sites, now Exelon's Mid-West Regional Operating Group. The issue was also a topic of discussion at a meeting with licensee management on June 27, 2000. During that meeting, the licensee stated that based on their internal assessments, employees at Byron are comfortable raising safety concerns.

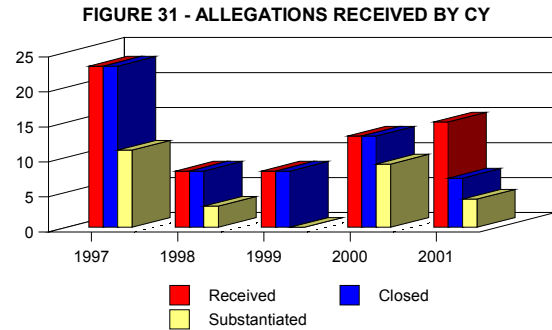
Notwithstanding the assessment the licensee provided during the June 27, 2000, meeting, during 2001 the NRC received an increasing number of allegations. The issues received predominately concern activities within the Operations department. The licensee is aware of this trend because 50 percent of the issues concerning Operations activities were referred to the licensee for review and response, including issues concerning a chilled work environment within the department. The licensee provided a supplemental response on January 25, 2002. As of the end of January, the NRC staff was reviewing the response to determine if any additional action is needed.

With regard to allegations of discrimination, there has not been a substantiated allegation in the last four years. As of January 31, 2002, there were two open allegations of discrimination. In

addition to reviewing the licensee's recent response, the staff will continue to monitor the outcome on the open discrimination allegations and the general allegation trend.

### Susquehanna

In 2000, the number of allegations received from onsite sources rose to 13. A review of the issues indicated that a majority of the issues concerned activities in the radiation protection department. Additionally, some employees in the department perceived they were being discouraged from submitting condition reports. Following an evaluation of the issue, the licensee took a number of actions, including a change in management, meetings with the employees in the department to clearly state the expectation the corrective action program would be used, providing training in the use of the corrective action program, and providing training for supervisors and employees on how to raise and respond to issues.



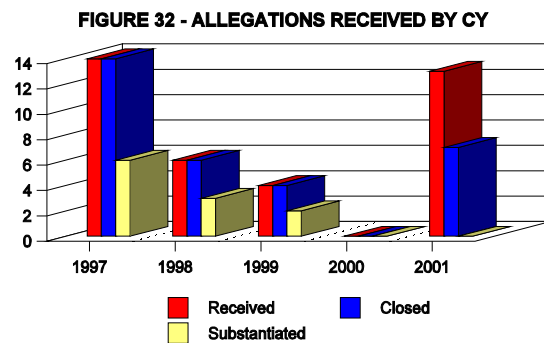
While the number of allegations received by the NRC concerning Susquehanna increased in 2001, a review of the issues found no pattern or trend in the issues received or the department involved. The trend of issues concerning activities in the radiological protection department did not continue into 2001. From that perspective the licensee's actions to address the issues in that department appear to have been successful.

With regard to allegations of discrimination, there has not been a substantiated allegation of discrimination in the last five years. As of January 31, 2002, there were three open allegations of discrimination. While the NRC continues to review all three allegations, a Department of Labor Area Director issued a finding that discrimination for engaging in protected activities was not a factor for one of the allegations.

Based on the conclusion that no trends are evident in the allegations received in 2001, the NRC staff plans no action other than continuing to monitor the open allegations of discrimination and the general allegation trend.

### Columbia Station

As can be seen in Figure 32, the Columbia Station experienced a rapid increase in the number of allegations received by the NRC after four years in which the number of allegations steadily declined. A review of the individual issues found no pattern or trend in the issues received or the department involved. With regard to allegations of discrimination, there has not been a substantiated allegation of discrimination in the last five years. As of January 31, 2002, there were three open allegations of discrimination. While NRC continues to review all

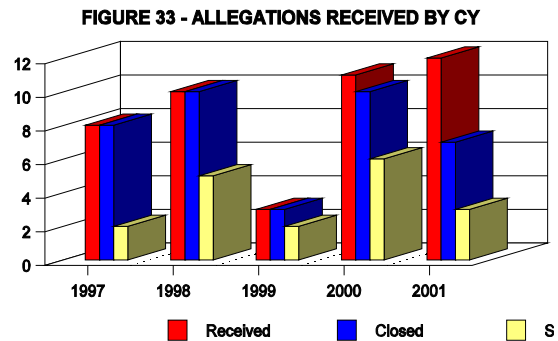


three allegations, a Department of Labor Area Director issued a finding that discrimination for engaging in protected activities was not a factor for one of the allegations.

Based on the conclusion that no trends are evident in the allegations received in 2001, the NRC staff will continue to monitor the open allegations of discrimination and the general allegation trend.

### Indian Point 2

While the number of allegations the NRC received met the threshold for additional evaluation, the review of the issues found no pattern or trend in the issues received or the department involved. Three factors that could have contributed to the increased number of allegations are the increased level of regulatory scrutiny following the steam generator tube rupture, the increased number of employees on site for the steam generator replacement, and the purchase of the plant by Entergy. Additionally, the new owner has been introducing new practices to improve plant operations. It is not uncommon for the number of allegations to increase given any one of these reasons.

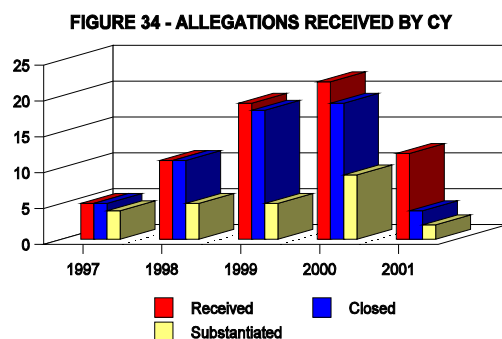


With regard to allegations of discrimination, there were three open allegations of discrimination as of January 31, 2002. While NRC continues to review all three allegations, a Department of Labor Area Director issued a finding that discrimination for engaging in protected activities was a factor for one of the allegations. Following that finding, the NRC requested that the licensee address any potential for a chilling effect resulting from the action that DOL found to be discriminatory. The staff continues to evaluate the licensee's response.

Based on the conclusion that no trends are evident in the allegations received in 2001, the NRC staff plans no action other than continuing to monitor the open allegations of discrimination and the general allegation trend.

### D.C. Cook

Figure 34 displays a trend that is consistent with trends exhibited by other plants that have been through extended shutdowns. The number of allegations submitted to the NRC tends to rise as the work performed and the workforce at the plant increases. As the plant gets closer to startup and workforce reductions are announced, allegations generally rise further. The number of allegations received by the NRC generally peaks several months after startup and then start to decline to levels consistent with most operating plants. During 2001, a significant portion of the issues involved activities in the engineering area, including issues of discrimination and chilled work environment.



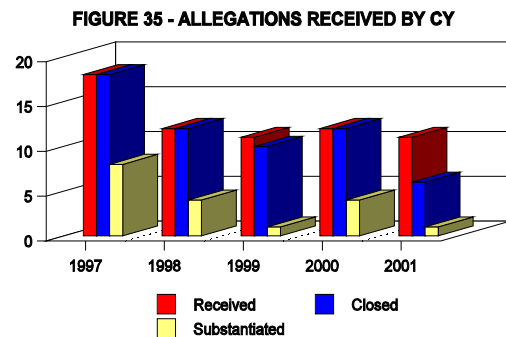
The NRC received a high number of allegations of discrimination in 1999 (6), 2000 (6), and 2001 (5) compared to other reactor sites. In May 2000, the NRC issued a Notice of Violation for a discriminatory act by a contractor that occurred in October 1998. The staff did not issue a civil penalty because of the corrective actions taken by the licensee. The corrective actions included, but were not limited to: (1) promptly settling the complaint before an OSHA investigation; (2) holding meetings with all supervisors; (3) enhancing the employee concerns program (ECP) and publicizing it; (4) strengthening the utility's policy on discrimination; (5) providing training to all managers and supervisors; and (6) taking steps to ensure that contractors understand and abide by the licensee's policy on discrimination.

On January 17, 2002, the NRC issued another Notice of Violation for a discriminatory act by another contractor. Again, staff did not issue a civil penalty because of the immediate corrective actions taken by the licensee upon learning of the circumstances surrounding the termination of employment by the contractor. The corrective action included offers for re-employment. Currently, the NRC has eight allegations of discrimination under evaluation. For four of the eight allegations, a Department of Labor Area Director issued findings that discrimination for engaging in protected activities was not a factor in the employment actions taken. In one allegation, a Department of Labor Area Director issued a finding that discrimination for engaging in protected activities was a factor in the employment actions taken. In this same allegation, the NRC's Office of Investigation concluded that the evidence did not support a finding of discrimination. The licensee has appealed the Area Director's finding and the NRC is waiting for the results of the hearing before making a final decision.

The staff will continue to monitor the outcome of the evaluation of the open allegations and the general allegation trend. Based on the fact that there has not been a substantiated allegation of discrimination concerning a licensee employee, the extensive actions taken by the licensee for discriminatory acts by contractors, and the decline in allegations in 2001, the staff plans no further actions at this time.

### Turkey Point

Since 1998, the number of allegations received by the NRC concerning Turkey Point has been fairly steady. A review of the individual issues received during 2001 found no pattern or trend in the issues or the department involved. With regard to allegations of discrimination, there has not been a substantiated allegation of discrimination in the last five years. As of January 31, 2002, there were two open allegations of discrimination. In one case, both the NRC's Office of Investigation and a Department of Labor Administrative Law Judge concluded discrimination for engaging in protected activities was not a factor in the employment action. However, the judge's decision was appealed and NRC continues to monitor the outcome of the appeal. The NRC's evaluation of the second allegation continues.

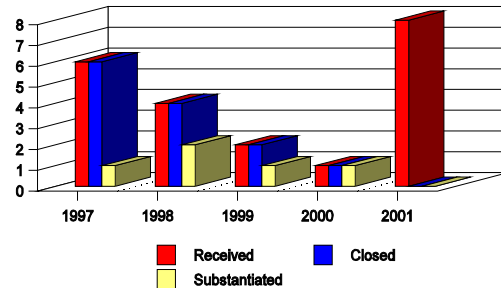


Based on the conclusion that no trends are evident in the allegations received in 2001, the NRC staff plans no action other than continuing to monitor the open allegations of discrimination and the general allegation trend.

## Cooper

In the last five years the NRC has received few allegations concerning the Cooper Station. In 2001, the number of allegations increased after four years of declining numbers. A review of the individual issues found no pattern or trend in the issues received or the department involved. With regard to allegations of discrimination, there has not been a substantiated allegation of discrimination in the last five years. As of January 31, 2002, there were three open allegations of discrimination. While NRC continues to review all three allegations, a Department of Labor Area Director issued a finding that discrimination for engaging in protected activities was not a factor for one of the allegations.

FIGURE 36 - ALLEGATIONS RECEIVED BY CY

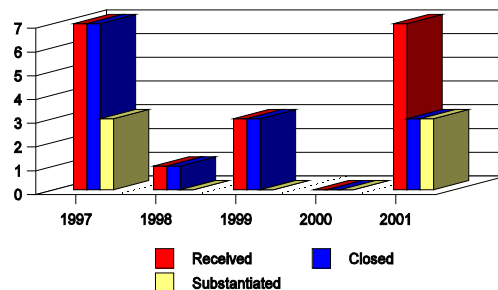


Based on the conclusion that no trends are evident in the allegations received in 2001, the NRC staff plans no action other than continuing to monitor the open allegations of discrimination and the general allegation trend.

## Catawba

In the last five years the NRC has received few allegations concerning Catawba. In 2001, the number of allegations increased to the same level as received in 1997. A review of the individual issues found no pattern or trend in the issues received or the department involved. With regard to allegations of discrimination, only two allegations were received during the five years reviewed and those were received in 2001. While NRC continues to review those two allegations, a Department of Labor Area Director issued findings that discrimination for engaging in protected activities was not a factor for the allegations.

FIGURE 37 - ALLEGATIONS RECEIVED BY CY



Based on the conclusion that no trends are evident in the allegations received in 2001, the NRC staff plans no action other than continuing to monitor the open allegations of discrimination and the general allegation trend.

## Allegation Trends at Materials Licensees

Because of the small number of allegations received concerning individual materials licensees and because of the potential for a licensee or contractor to identify an alleged, tables of statistics on allegations concerning these two categories have not been included in this report. With the exception of the Portsmouth and Paducah gaseous diffusion plants, none of the contractors or licensees received a sufficient number of allegations in discern an adverse trend or pattern.

## Paducah



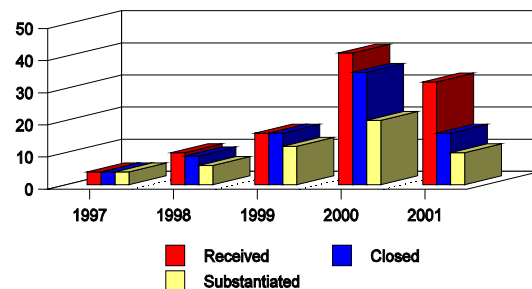
On December 20, 1999, the staff issued a Severity Level II Notice of Violation and an \$88,000 civil penalty to the licensee for a substantiated allegation of discrimination at the Paducah facility. Although, the licensee denied that it had discriminated against the allogger, the licensee initiated extensive actions to address the issue. The U. S. Enrichment Corporation (USEC) hired a consulting firm to perform a site-wide survey of the work environment at both facilities. At a subsequent public meeting, 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.

The actions USEC took included (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, and (4) training for senior management in detecting and preventing retaliation. To assess the effectiveness of these actions, in May 2000, USEC conducted another assessment of the work environment using the same independent consultant. Employee responses to the May 2000 assessment provided very good ratings for nuclear safety culture and safety conscious work environment. Both ratings had improved 5 percent from the previous rating.

As displayed in Figure 38, there has been a decline in the number of allegations coming to the NRC. The number of allegations received declined 22 percent and the number of issues received declined 37 percent. The number of allegations of discrimination have also declined, dropping from 15 in 2000 to 7 in 2001.

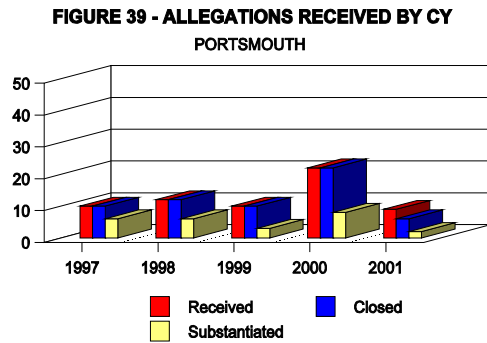
While it appears the actions taken by the licensee are having a positive effect, the NRC staff continues to receive allegations that some employees at Paducah are reluctant to use internal processes for reporting safety concerns. Additionally, the number of allegations of discrimination received remains relatively high. Because the licensee has already taken extensive action to address these concerns, the staff is planning on meeting with the licensee to discuss what additional actions the licensee is considering. Following that meeting, the staff will determine whether any additional regulatory action is needed.

**FIGURE 38 - ALLEGATIONS RECEIVED BY CY**  
PADUCAH



## Portsmouth

Figure 39 indicates that actions taken by the licensee have been more successful at the Portsmouth facility. Additionally, as of January 31, 2001, there has not been a substantiated allegation of discrimination at the Portsmouth site and there is only one open allegation of discrimination at the site. Based on the current downward trend of allegations at the Portsmouth facility, the NRC staff plans no action other than continuing to monitor the open allegation of discrimination and the general allegation trend.



### 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 allexer.

## CONCLUSIONS

Overall, the implementation of the allegation program has improved in the last year. The findings from the 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 allexers have also improved. Although there has been a general improvement in the handling of allegations, the audits continue to identify isolated examples of incomplete communications with allexers. However, the number of occurrences has been reduced.

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.



## APPENDIX 1

### ALLEGATIONS STATISTICS – OPERATING REACTORS

## ALLEGATIONS RECEIVED FROM ONSITE SOURCES

Site	1997	1998	1999	2000	2001
ARKANSAS 1 & 2	3	2	2	5	3
BEAVER VALLEY 1 & 2	7	2	4	3	6
BRAIDWOOD 1 & 2	10	4	13	14	5
BROWNS FERRY 2 & 3	11	6	4	4	2
BRUNSWICK 1 & 2	23	9	1	1	1
BYRON 1 & 2	8	16	22	14	20
CALLAWAY	3	3	5	9	6
CALVERT CLIFFS 1 & 2	6	1	6	3	2
CATAWBA 1 & 2	7	1	3		7
CLINTON	19	12	9	10	1
COLUMBIA PLANT	14	6	4		13
COMANCHE PEAK 1 & 2	7	4	5	5	5
COOK 1 & 2	5	11	19	22	12
COOPER	6	4	2	1	8
CRYSTAL RIVER	17	3	3	4	2
DAVIS-BESSE	4	1	3		2
DIABLO CANYON 1 & 2	12	17	4	6	6
DRESDEN 2 & 3	12	7	3	12	33
DUANE ARNOLD		1	4	2	3
FARLEY 1 & 2		5	3	8	3
FERMI	6	2	1	4	3
FITZPATRICK	5	3	1	6	1
FORT CALHOUN	4	5	1	1	2
GINNA			2	1	
GRAND GULF	2	4	2	3	5
HARRIS 1 & 2	3	6	4	1	1
HATCH 1 & 2	16	8	6	12	2
INDIAN POINT 2	8	10	3	11	12
INDIAN POINT 3	15	5	10	9	6
KEWAUNEE			1		4
LASALLE 1 & 2	9	7	11	4	2
LIMERICK 1 & 2	8	2	1	2	2
MCGUIRE 1 & 2	1	1		1	

MILLSTONE 2 & 3	42	23	22	8	2
MONTICELLO	1		3	1	
NINE MILE POINT 1 & 2	8	16	7	11	4
NORTH ANNA 1 & 2				4	1
OCONEE 1, 2, & 3	2	5	4	2	5
OYSTER CREEK	8	7	6	3	5
PALISADES	2	1			4
PALO VERDE 1, 2, & 3	17	4	4	3	3
PEACH BOTTOM 2 & 3	5	1	1	4	2
PERRY	8	3	4	7	7
PILGRIM	2	3	5	2	3
POINT BEACH 1 & 2	7	5	6	5	7
PRAIRIE ISLAND 1 & 2	2	1	3		
QUAD CITIES 1 & 2	11	9	5	6	1
RIVER BEND	2	1	9	2	1
ROBINSON	2		1		1
SALEM/HOPE CREEK	18	9	1	1	3
SAN ONOFRE 2 & 3	21	7	15	15	7
SEABROOK	3	4	2	3	3
SEQUOYAH 1 & 2	9	4	4	7	2
SOUTH TEXAS 1 & 2	11	10	13	10	4
ST LUCIE 1 & 2	64	27	36	9	27
SUMMER	2		1	3	3
SURRY 1 & 2	1	1		4	2
SUSQUEHANNA 1 & 2	23	8	8	13	15
THREE MILE ISLAND	3			1	5
TURKEY POINT 3 & 4	18	12	11	12	11
VERMONT YANKEE	2	9		2	
VOGTLE 1 & 2	9	2	3		1
WATERFORD	9	4	4	2	2
WATTS BAR	13	6	6	4	4
WOLF CREEK	14	8	6	6	4

## APPENDIX 2

### DESCRIPTION OF THE ALLEGATION PROCESS

## DESCRIPTION OF THE 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 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.