

September 24, 2007

Mr. Richard Barkley
U.S. Nuclear Regulatory Commission, Region I
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Mr. Richard Barkley:

This is in response to our phone conversation on Friday September 21, 2007. Frankly, the arrival of the AIT at Peach Bottom means very little given the past history of “inattentiveness to duty” (1) issues that persist at Peach Bottom and Three Mile Island, the incongruence between this present AIT (2) and the NRC’s “secret” inspection at TMI after four “inattentiveness” to duty incidents in 2005-2006, and the NRC’s sudden interest in conducting inspections months after applauding Exelon for exonerating itself at Three Mile Island. (3)

Peach Bottom has a history of security woes and “inattentiveness to duty” dating back to the NRC’s forced shut down of Peach from 1987-1989, (4) an FBI sting relating to a methamphetamine ring, (5) criminal falsification of siren testing (6), and recent falsifications of fire watches (7).

Perhaps most intriguing to our community is that it took four sleeping incidents at Three Mile Island (which is owned by the same company and contacts to the same security vendor) before the NRC woke up and announced a bizarre strategy to probe sleeping on the job:

The agency said it will not announce the findings of the probe. "Due to the nature of the security-related issues ... we are not providing you with further information on this matter," wrote David J. Vito, senior allegation coordinator for the NRC. (9)

The same company that owns Peach Bottom was placed on probation last year at TMI, has had three security chiefs in five years (10) at Three Mile Island, and a memo advising TMI security personnel where they could find the best sleeping spot was made public. (11)

As if Franz Kafka conspired with Lewis Carroll to write Exelon's security manual.

Please take a moment to answer the following questions:

Teleconference between Rich Barkley (Region I) and Jim Trapp (AIT) and Eric Epstein (TMIA) on October 5, 2007, 10:00 to 11:00 am

1) Why are the findings from this AIT inspection publicly available but the NRC's inspection of TMI's "lapses" have yet to be released?

Rich, "Structure of the exit meeting [at Peach Bottom] and wording [designed] in and around, a public forum. This information [has been relayed in a public manner.] [Video] Well advertised [in Baltimore, New York and Philadelphia markets.]"

Eric, "TMI also public" and if events were more wildly reported, TMI may have been subject to the public AIT. It appears the NRC believes Peach Bottom has deeper and more systemic problems.

"[Peach Bottom] Multiple people in multiple occasions, "Rich

Jim, "Anything security related usually not issued in a publicly available IR...We are working hard to open up the public...somethings must be edited due to adversary [competitive advantage]. We're doing better with the ledger."

Eric, "The public didn't support deregulation and the ROP [and we shouldn't have to pay the [rice]...We need to inject accountability into the system."

Rich, "[PB was made public] Also deals with magnitude and timing."

2) Do you have a copy of the video in question at Peach Bottom, and can you supply me with a copy? When did the NRC receive a copy of the video?

"Are there other videos available?" Eric.

“I can’t say exactly for sure...What you saw on CBS and the Internet [with the exception of maybe 10 seconds] is what we saw...They took the worst of the worst...Taken from a cell phone...Less than minute a piece...First saw the tapes on 9/19. CBS contacted NRC on 9/10. Agreed to do an interview after that...Allegation was sent in March and no video sent in March. “[The allegation included a request] I don’t want anyone in the NRC or the company to get back to me. Some of them [allegations] wrong,” Jim

Rich, “Other challenge is identifying the issues.”

3) Is there a culture at the Peach Bottom Atomic Power Station that leads employees not to follow procedures, falsify records, and sleep on the job?

4) Are there any connections or "lessons learned" related to the subcontractor falsification of fire watches, the siren falsifications that were at Peach Bottom in 2001, and the most recent “inattentiveness to duty” issue?

“You involve different staffs over different contractors. We’re always looking for that connection.”

Eric, “Some of the plants don’t experience this.”

Rich, “You have a good point...There is a culture in one team that they accepted the practice of taking a nap in the ready room...A lot of nepotism. I don’t know if it’s related.”

Rich, “It’s been tough on the company. Congressional oversight on Wednesday.”

Eric, Redirected conversation back to Peach Bottom and trending and interconnectedness of events. He also stated he had no sympathy for a profit-making entity that cuts corners.

5) Are there any connections or "lessons learned" related to the subcontractor falsification of fire watches, the siren falsifications that at Peach Bottom in 2001, and the most recent "inattentiveness to duty" issue and Exelon's job cuts? (12)

"[Looking at] Probable causes [for security]. NRC does not view them as related."

Eric, "Why is Peach ta magnet [for numerous FFD issues dating back to 1984?]"

NRC, "Preplexing...it's rare that they're [repeated incidents] happening in this place."

6) How many people work at Peach Bottom? How many people work at Three Mile Island?

"You keep asking that question." The NRC will not provide numbers.

Jim, "We looked very carefully at working hours. Jim

Rich, "[Security] worked 36 and 48 hours. They voted on that."

7) Is there any connection to "inattentiveness to duty" problems at Peach Bottom and Three Mile Island and the NRC "relaxed security requirements?" (13)

Eric, "Cultural or OT issue?"

8) Does Exelon have a chronic problem hiring qualified and competent contractors to perform security functions? Does the NRC place contractors or subcontractors on probation or a do not hire list?

a) *"We don't have any indication [these incidents are related or part of a trend] ...They [Exelon] decided to move away [from Wackehenut by December],*
"Rich

"They are having a challenging attrition rate [11%]," Jim

b) *" We don't have our contracts banned . Banned individuals for 1, 3 and 5 years. [The NRC does not] ban organizations. Rich and Jim weren't sure if Thermo-Lag fellow under the "ban" category.*

9) How many hours of overtime can an NRC employee work in week?

The NRC is rated one of the best workplaces because we don't require a lot of OT. "How many hours you want to work and get paid [is the formula and there seems to be less of return on compensation with OT]. In general, the staff doesn't work that much OT."

10) How does the public know that the NRC has been "attentive" in its duty to prevent the rash of sleeping incidents that have occurred at Peach Bottom and Three Mile Island?

"Doesn't help our reputation," Rich

"Many years ago we use to have unannounced technical inspections. Nowadays they [inspectors] work odd hours. Their required to work backshift and weekend work. We don't announce where or what we're going look at any one day," NRC

Thanks for your assistance in this most urgent matter.

Sincerely,

Eric Epstein,
Chairman, Three Mile Island Alert
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Three Mile Island Alert, Inc., tmia.com, a safe-energy organization based in Harrisburg, Pennsylvania and founded in 1977. TMIA monitors Peach Bottom, Susquehanna, and Three Mile Island nuclear generating stations.

cc:

U. S. NRC Office of the Secretary
U.S. NRC Office of General Counsel
U.S. NRC Region I, c/o Samuel Collins
Office of the Governor of the Commonwealth Of Pennsylvania, c/o Art Stephens
Pennsylvania Department of Environmental Resources, c/o Dave Allard

*Associated Press
Lancaster Intelligencer Journal
Lancaster New Era
Patriot News
York Daily Record
York Dispatch*

What Was Security Like 20 Years Ago at Peach Bottom?

- November 17, 1988 - **The NRC fined PECO \$50,000 because security guards were found sleeping on the job, inattentive duty and improperly posted.** The NRC also noted that "a **key** that could have unlocked doors to a security area was issued to a unauthorized employee, couldn't be found and officials didn't do anything about it once they discovered it was missing." William T. Russell, NRC regional administrator, noted, "The improvements made to date were not effective in precluding the occurrence of the violations." (*The Patriot News*, November 17, 1988, B 2)

- August, 1988: Peach Bottom's **security contractor was replaced due to incompetence.**

- Spring 1988: **A cot for sleeping on the job** was removed from an area located near the control room, and the NRC acknowledged knowing of its presence prior to its removal.

- May 1988: A report issued by the NRC indicated "**that security personnel were forced to work excessively long hours, sometimes up to 12 hour shifts; were not given meal breaks, and were required to remain at posts for extended periods of time without being rotated to other posts,** a violation of NRC regulations." (*York Daily Record*)

- February 1, 1986 to May 31, 1987: The SALP for this period indicated PECO's performance was "**unacceptable**" because of the operators' inattentiveness and management's "inability to identify and correct operator conduct in other areas."

Among the incidents cited by the NRC: **security guards were overworked, and one guard was found asleep** on the job...

NRC plans inquiry into TMI security ***Agency will focus on reports of sleeping, fatigue, excessive hours***

February 28, 2006

Garry Lenton

Patriot-News

The U.S. Nuclear Regulatory Commission plans to investigate the management of the security force at Three Mile Island, focusing on fitness-for-duty issues such as fatigue and sleeping on the job.

The probe, announced in a certified letter delivered to a Patriot-News reporter, was prompted by a story published Jan. 29.

The story reported on a memo in which John Young, head of the Wackenhut security, scolded security supervisors for failing to note that veteran officers were telling new hires safe places to sleep undetected while on duty. Wackenhut is a private security firm hired by plant owner Exelon Nuclear to guard the nuclear station.

The memo also said officers were telling **new hires ways to short-cut patrol duties.**

Of additional concern to the NRC were reports that security officers were being allowed to work excessive hours. The newspaper documented one person who worked more than 150 hours during a 14-day period, and averaged more than 54 hours a week for more than 10 months.

Since March 2004, AmerGen Energy, the operator of TMI, investigated and disciplined five workers for "inattentiveness to duty." The phrase is used by the industry and regulators to cover an array of conditions, including sleeping. Three of those workers were security officers.

Guards, speaking on the condition of anonymity, said fatigue from long hours and boredom were to blame for the inattentiveness.

Guards work 12-hour shifts at TMI. Federal regulations limit those hours to 16 out of 24; 26 hours out of 48; and 72 out of seven days.

The agency said it will not announce the findings of the probe. "Due to the nature of the security-related issues ... we are not providing you with further information on this matter," wrote David J. Vito, senior allegation coordinator for the NRC.

The secrecy reflects a change in policy since the Sept. 11 terrorist attacks, said Rick Urban, an allegations coordinator with the NRC.

3 Probe finds TMI guards' overtime within rules

GARRY LENTON

The Patriot-News

Thursday, July 19, 2007

Overtime hours worked by security officers at Three Mile Island for much of last year were mostly within limits imposed by federal regulators, an **investigation by the U.S. Nuclear Regulatory Commission concluded.**

The NRC initiated the probe in response to a story published in *The Patriot-News* in February, in which security workers expressed concerns about the effect mandatory overtime was having on their effectiveness and their families. The officers, who are employed by Wackenhut Nuclear Services, also said that a manpower shortage was disrupting training schedules and that fatigued staff were reluctant to report themselves unfit for duty for fear of losing their jobs.

Pay records obtained by the newspaper showed that one employee worked 13 hours a day, five to six days a week for six weeks.

But the NRC, relying on an internal investigation carried out by Exelon Nuclear, the parent company of plant operator AmerGen Energy, concluded that the hours worked were allowable under agency rules. Those rules allow individuals to work up to 72 hours a week. The rule also permits plant operators to average the hours worked by several employees, allowing some, but not all, to spend longer hours on the job.

The probe found two exceptions where a security officer worked more than the allowed hours. The finding was characterized as a minor violation that didn't require an enforcement action, according to the NRC's report. Investigators found two instances where training was delayed, but both sessions were rescheduled, the report said.

Investigators also found that some security officers believed they could be disciplined for reporting themselves unfit for duty. But a review of Wackenhut records for 2006 "found no instances in which an officer was disciplined for self declaring," the report said.

4 ***Peach Bottom was indefinitely shutdown;
Operators were found sleeping on the job, playing video
games, engaging in rubber band and paper ball fights, and
reading unauthorized material***

March 31, 1987

Zack Pate, President of the Institute for Nuclear Power Operations, declared that Peach Bottom “was an embarrassment to the industry and to the nation...The grossly unprofessional behavior by a wide range of shift personnel...reflects a major breakdown in the management of a nuclear facility.”

The NRC proposed fining **33 reactor operators for sleeping on the job, playing video games, engaging in spit ball battles, and other unprofessional activities.**

5 ***FBI Busts Speed Ring at Peach Bottom***

- May 2, 1988: Four Peach Bottom employees were **charged with conspiracy to distribute methamphetamine** at the plant and elsewhere. Thirteen people, most of whom work at Peach Bottom, have been charged with drug-trafficking as a result of an FBI investigation.

- February, 1988: Four PECO employees were indicted for allegedly **distributing drugs** at Peach Bottom. PECO maintained that the workers were not working in areas affecting safety.

- January 8, 1988: A maintenance sub-foreman pleaded guilty to involvement in a **conspiracy to distribute methamphetamine**. He is one of six who were indicted last year in a conspiracy to distribute methamphetamine.

- November, 1987: **The FBI discovered a drug distribution ring at Peach Bottom.**

Siren Tests Rigged

On August, 15, 2001, the NRC's Office of Investigation documented **criminal behavior** by two of Exelon's Emergency Preparedness personnel. The NRC found that the technicians fabricated siren testing maintenance records, performed deficient siren tests on the off site EP response sirens and intentionally installed jumper wires in the siren boxes disabling important system functions.
(Wayne D. Lanning, NRC, Director of Reactor Safety)

Worker falsified safety records Fire watch technician has pleaded guilty

By SEAN ADKINS Daily Record/Sunday News January 23, 2006

- Jan 22, 2006 A contracted employee at the Peach Bottom Atomic Power Station pleaded guilty Jan. 9 to the falsification of records used to safely operate the dual-reactor nuclear power plant.

Between Jan. 17, 2005, and March 20, 2005, Tracy David, formerly of Bartlett Service Inc., failed to conduct hourly fire watch inspections in multiple sections of the plant including the emergency diesel generator room and the cable spreading room...

On **199** occasions, David claimed that she had completed her rounds of fire watch inspections while on duty at the plant, said Neil Sheehan, spokesman for the U.S. Nuclear Regulatory Commission.

- December 11, 1998: "A fire watch was found asleep in the cable spreading room by inspectors." (IR 50-277/98-10; 50-278/98-10; NOV.) (See December 18, 1993 and August 4, 1994, for related developments.)

- August 4, 1994: PECO personnel missed a fire watch. (See December 18, 1993 and January 11, 1998 for related incidents, and August 10 and September 29, 1994 for more data.)

- December 18, 1993: "Missed continuous fire watch" (50-277/94-04 and 50-278/94-04.) (See similar incidents on August 4, 1994 and December 11, 1998 and related data on Thermo-Lag, September 29, 1994 and October 1, 1996.)

Worker falsified safety records *Fire watch technician has pleaded guilty...*

- March 4, 1987: At the turbine building at Unit 3 a major fire occurred at the maintenance cage.

- The NRC identified several **precursor** problems with fire protection on the following dates: April 10, May 30 and November 1, 1985. Another related problem was documented on January 19, 1990.

- April 1986 : An **explosion and fire occurred** at the plant's substation for emergency power.

9 **NRC plans inquiry into TMI security** ***Agency will focus on reports of sleeping, fatigue,*** ***excessive hours***

February 28, 2006

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The story reported on a memo in which John Young, head of the Wackenhut security, scolded security supervisors for failing to note that veteran officers were telling new hires safe places to sleep undetected while on duty. Wackenhut is a private security firm hired by plant owner Exelon Nuclear to guard the nuclear station.

The memo also said officers were telling new hires ways to short-cut patrol duties.

Of additional concern to the NRC were reports that security officers were being allowed to work excessive hours. The newspaper documented one person who worked more than 150 hours during a 14-day period, and averaged more than 54 hours a week for more than 10 months.

Security manager replaced

December 13, 2006

Garry Lenton

Patriot-News

There have been **three security chiefs at TMI since 2004**, including one that sued Exelon. there have been also three number of site vice presidents at TMI since 2001.

The chief of security at Three Mile Island has been replaced, but plant officials are not saying why they made the change.

AmerGen Energy, the operator of the nuclear plant, confirmed yesterday that **Derwin Westbrook**, manager of security for two years, no longer holds the post. **Westbrook** left the job Dec. 6.

Company spokesman Ralph DeSantis said **Westbrook** remained an employee of AmerGen, but he would not say if the former chief was still working at TMI. DeSantis also declined to identify **Westbrook**'s new responsibilities, or say if he left the job voluntarily or was removed.

"I can't tell you anything other than that he is still employed by the company," DeSantis said.

AmerGen is a subsidiary of Chicago-based Exelon Nuclear, which owns 10 nuclear plants in the U.S., including TMI, Peach Bottom and Limerick.

Dan Deboer, TMI's operations support manager, was named as an interim replacement, DeSantis said.

Deboer was responsible for working with the security force at TMI to ensure that it worked in concert with the plant's other department, DeSantis said.

"Dan has a tremendous amount of managerial experience and is more than capable of doing that job," he said.

Deboer becomes the third person to hold the post since 2004. He will remain in the job until the company can hire a replacement, DeSantis said.

11 **NRC plans inquiry into TMI security**

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The memo also said officers were telling new hires ways to **short-cut patrol duties**.

12 ***Job Reductions Save Exelon Money***

- Exelon announced it would eliminate about **1,900 positions**--10% of its workforce--by 2006 as part of its restructuring. Exelon plans to cut 1,200 positions by 2004 and another 700 by 2006 (Source: Platts, *Nuclear News*, August 6, 2003).

- In a Speech to the Deutsche Bank in New York on June 22, 2004, Exelon Vice President and CFO Robert Shappard boasted that the Exelon Way “can cut **2,000 heads from our head count by the year 2006.**”

- August 31, 2002: New security budget increased to \$2.2 million annually or \$550,300 less than John W. Rowe’s base salary.

- On January 29, 2002 Exelon announced it would cut **3,400 or 15%** of its work force by the end of 2002.

NRC: Relax and Comply

13 • October 27, 2003 -NRC AGREED TO RELAX TWO REQUIREMENTS IN AN APRIL ORDER ON SECURITY FORCE personnel working hours. NRC Office of Nuclear Reactor Regulation Director James Dyer Oct. 23 issued notices to all reactor licensees that the agency would allow shift turnover time to be excluded from total group work hours that must be tracked. The NRC staff had wanted accounting of all hours worked for tracking overtime, which it says could lead to worker fatigue, but now agrees with the industry that tracking the extra time does impose some additional burden. Industry officials argued the shift change time is usually not more than 15 minutes. The second relaxation allows licensees to increase the work hours during force-on-force exercises from a 48- to 60-hour per week average. Dyer said the staff understands that the simulated exercises put additional demands on the security guards but the mock attacks extend only for a short period of time (Platts, *Nuclear News*)

- October 29, 2003 --OPERATING POWER REACTOR LICENSEES MUST BE IN FULL COMPLIANCE TODAY with NRC's April 29 order imposing measures to control the work hours for security force personnel. The industry had asked for relief in two areas of the order, and the NRC staff recently approved those requests. The industry will not have to track the time it takes for guards to change shifts in the overall group work hours and will be allowed a 60-hour limit--up from the usual 48 hours per week--in scheduling guards during the week of a force-on- force exercise. Two other April orders, one on security officer training and the other on changes to the design basis threat, require full implementation by Oct. 29, 2004. A Nuclear Energy Institute official said at a conference in Arlington, Va. today that the industry plans to ask the NRC to rescind the three orders after licensees adopt the requirements in their security plans (Platts, *Nuclear News*).