



ALLEGATION PROGRAM

ANNUAL TRENDS REPORT

Calendar Year 2007

**U.S. Nuclear Regulatory Commission
Office of Enforcement
Washington, DC 20555**

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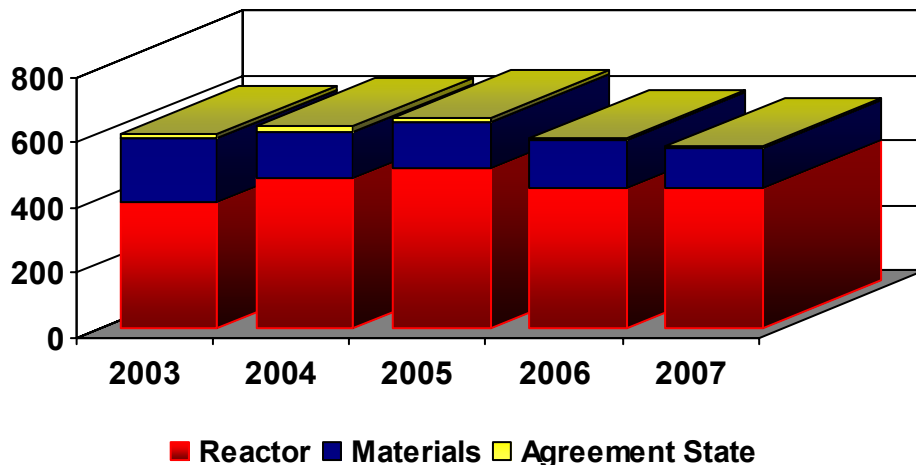
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EXECUTIVE SUMMARY

U.S. Nuclear Regulatory Commission (NRC) Management Directive 8.8, "Management of Allegations," dated February 4, 1999, requires the Agency Allegation Advisor to prepare an annual report for the Executive Director for Operations that analyzes allegation trends. This annual report fulfills that commitment by providing national, regional, and site-specific trend analyses.

In addition, several staff activities in calendar year (CY) 2007 involving the Allegation Program and related policies warrant mention in this report. The agency conducted internal lessons-learned reviews regarding the handling of allegations in CY 2007 of inattentive security officers at the Peach Bottom Atomic Power Station. These reviews resulted in proposed enhancements to the allegation process. In addition, the staff solicited the support of the Safety Conscious Work Environment (SCWE) Finding Review Group (FRG) for the first time in CY 2007. The NRC developed the SCWE FRG as part of its safety culture initiative to help the staff ensure that potential findings with Safety Conscious Work Environment crosscutting aspects are handled consistently through the most appropriate process (i.e., through either the Reactor Oversight Process or the Allegation Program). In addition, the allegation staff continues to implement the agency-sponsored alternative dispute resolution process (Early ADR) for discrimination allegations. Twenty percent of the discrimination cases offered Early ADR reached settlement in CY 2007, a slight decline from the 27% that settled in CY 2006. Lastly, allegation statistics for a number of new reactor and material facility sites were added to those already publicly available on the agency's Web site.

FIGURE 1 - ALLEGATIONS RECEIVED BY CY



With regard to allegation trends, Figure 1 indicates that, from calendar years 2003 through 2007, the total number of allegations the NRC received has remained fairly steady with a slight decline in the materials and Agreement State areas. Each allegation can include multiple concerns, however, and the trend in the total number of concerns increased for reactor facilities in CY 2007, even as the number of allegations decreased. The largest percentage of concerns continues to be related to security.

For some reactor licensees, the NRC received allegations in numbers that warranted additional analysis. In preparing this report, the staff reviewed a 5-year history of allegations for reactor and materials licensees and vendors to identify adverse trends. The analysis focused on allegations that originated from onsite sources to help inform the NRC's review of the Safety Conscious Work Environment.¹ The staff selected 14 reactor sites for a more indepth review: Indian Point Units 2 and 3; Palo Verde Units 1, 2, and 3; Callaway; Salem/Hope Creek; Harris; Susquehanna Units 1 and 2; Sequoyah Units 1 and 2; San Onofre Units 2 and 3; Browns Ferry Unit 1; St. Lucie Units 1 and 2; Fermi; Byron Units 1 and 2; Grand Gulf; and Arkansas Nuclear One Units 1 and 2. The report discusses allegation trends at each of these sites. In summary, the trends either did not suggest a weakening Safety Conscious Work Environment or the licensee is taking steps to address an adverse trend and the NRC is monitoring those activities. No materials licensees or vendors were the subject of allegations at a level that warranted additional analysis.

1 The total number of allegations received concerning reactor licensees from all sources, as well as other information concerning the Allegation Program, appears on the NRC's public Web site at <http://www.nrc.gov/about-nrc/regulatory/allegations/statistics.html>.

OVERVIEW OF SIGNIFICANT PROGRAM ACTIVITIES

In calendar year (CY) 2007, the U.S. Nuclear Regulatory Commission (NRC) undertook certain significant activities that affected the Allegation Program and related policies and that warrant discussion in this report. The agency conducted internal lessons-learned reviews regarding the handling of allegations in CY 2007 of inattentive security officers at the Peach Bottom Atomic Power Station. These reviews have resulted in recommended enhancements to the allegation process. In addition, the staff solicited the support of the Safety Conscious Work Environment (SCWE) Finding Review Group (FRG) for the first time in CY 2007. The NRC developed the SCWE FRG as part of its safety culture initiative to help the staff ensure that potential findings with Safety Conscious Work Environment crosscutting aspects are handled through the most appropriate process (i.e., through either the Reactor Oversight Process (ROP) or the Allegation Program). In addition, the allegation staff continues to implement the agency-sponsored alternative dispute resolution (Early ADR) process for discrimination allegations. Twenty percent of the discrimination cases offered Early ADR reached settlement in CY 2007. Lastly, allegation statistics were added for a number of new reactor and material facility sites to those already publicly available on the agency's web site. These areas are discussed in more detail below.

Allegation of Inattentive Security Officers at Peach Bottom Atomic Power Station

In March 2007, the NRC received an allegation from a former contract security manager that security officers at Peach Bottom were sleeping on duty as a result of fatigue caused by excessive overtime. The allegor requested that the NRC not contact him about the concerns. The NRC staff, respecting this request, did not contact the allegor further to inquire about other potential locations or to discuss other aspects of the concerns and the agency's proposed handling of them.

It is the agency's policy to request a written evaluation of allegation concerns from the licensee as often as is appropriate and when the allegor has no objection. When conditions do not inhibit the NRC from requesting such information from the licensee, this is considered an effective approach to allegation evaluation because the licensee has the primary responsibility for ensuring the safe operation of the facility and can promptly address issues through ready access to site personnel, equipment, and documentation related to the concerns. Historically, the agency has made such requests for approximately 40 percent of the allegations received. Employing the agency's policy, the staff notified the licensee of the Peach Bottom allegation and requested an evaluation of the specific concerns raised and a written response to the NRC, including documentation of any corrective actions taken in response to the evaluation. The licensee concluded that the concerns were unsubstantiated. The NRC reviewed the licensee's response and gathered some additional information but was also unable to substantiate the allegor's specific concerns.

Notwithstanding that assessment, in September 2007, the NRC received video evidence from a reporter that showed a number of inattentive security officers at Peach Bottom. The agency promptly conducted an investigation, and both the licensee and the agency are continuing to respond to this event. Since the September 2007 video evidence demonstrated that the March 2007 allegation was, in part, valid, the agency has subsequently conducted several internal reviews in an effort to determine a better response to the March 2007 allegation and the clarifications and/or modifications that could be made to the NRC allegation process to provide the staff with better opportunities to discover such inappropriate activity earlier. The NRC is

developing new or enhanced guidance for the staff responsible for handling allegations in a number of program areas, including allegation terminology; communicating with alleged; the process for requesting from a licensee information related to an allegation; informing the NRC inspectors of allegation activity, as appropriate; expectations for review and documentation of allegation closure information involving a licensee response to a request for information; and, handling alleged feedback after the allegation is closed. In addition to the staff's internal reviews, the Office of the Inspector General is conducting an investigation into this matter that may yield further enhancements for consideration. Finally, the staff plans to engage external stakeholders regarding aspects of the process enhancements. The NRC will document the outcome of these efforts in Commission and Allegation Program policy and guidance documents.

Safety Conscious Work Environment

The 1996 NRC Policy Statement, "Freedom of Employees in the Nuclear Industry to Raise Safety Concerns Without Fear of Retaliation," outlines the agency's expectations that licensees and other employers subject to NRC authority will establish and maintain a SCWE. The NRC defines a SCWE as an environment in which (1) employees are encouraged to raise safety concerns to their employers or the NRC without fear of retaliation, (2) concerns are promptly reviewed, given the proper priority, and appropriately resolved, and (3) timely feedback is provided.

In CY 2005, the staff enhanced the ROP to more fully address safety culture, including the SCWE. One aspect of the change pertained to the staff's documentation of findings related to the three crosscutting areas (SCWE, problem identification and resolution (PI&R), and human performance). To help the staff ensure that it handles potential findings with SCWE crosscutting aspects through the most appropriate process (i.e., either through the ROP or the Agency Allegation Program), the agency formed the SCWE FRG. The purpose of the SCWE FRG review is to ensure regulatory consistency by reviewing and dispositioning any potential ROP findings in the SCWE crosscutting area. The multioffice management review group, chaired by the Agency Allegation Advisor, evaluates potential findings and SCWE crosscutting aspects before the finding is documented in an inspection report. In addition, the NRC encourages its regions to hold discussions with the SCWE FRG when SCWE-related issues arise during the conduct of their inspections. In CY 2007, the NRC convened the SCWE FRG for the first time when the staff identified a greater-than-green inspection finding with a SCWE-related crosscutting aspect. The SCWE FRG agreed with the regional staff's proposed handling of the issue.

In addition to identifying findings with a SCWE crosscutting aspect, the staff can gather insights into the SCWE at a particular site in several ways, such as reviewing the number and nature of allegations concerning that site. Furthermore, during the baseline PI&R inspection, the staff documents its observations concerning a site's SCWE based on interviews with licensee employees and reviews of pertinent documents. Should the staff discern that a work environment may be "chilled," (i.e., potentially not conducive to raising safety concerns internally), the NRC management can request, in writing, information concerning the licensee's SCWE. Such correspondence is called a chilling effect letter. The agency also initiates chilling effect letters after a finding of discrimination related to raising safety concerns by the U.S. Department of Labor under Section 211 of the Energy Reorganization Act of 1974, as amended, or by the NRC under the following employee protection regulations:

- Title 10 CFR Part 19, “Notices, Instructions and Reports to Workers: Inspection and Investigations,” of the Code of Federal Regulations (10 CFR Part 19)
- 10 CFR Part 30, “Rules of General Applicability to Domestic Licensing of Byproduct Material”
- 10 CFR Part 40, “Domestic Licensing of Source Material”
- 10 CFR Part 50, “Domestic Licensing of Production and Utilization Facilities”
- 10 CFR Part 60, “Disposal of High-Level Radioactive Wastes in Geologic Repositories”
- 10 CFR Part 61, “Licensing Requirements for Land Disposal of Radioactive Waste”
- 10 CFR Part 63, “Disposal of High-Level Radioactive Wastes in a Geologic Repository at Yucca Mountain, Nevada”
- 10 CFR Part 70, “Domestic Licensing of Special Nuclear Material”
- 10 CFR Part 72, “Licensing Requirements for the Independent Storage of Spent Nuclear Fuel, High-Level Radioactive Waste, and Reactor-Related Greater Than Class C Waste”
- 10 CFR Part 76, “Certification of Gaseous Diffusion Plants”
- 10 CFR Part 150, “Exemptions and Continued Regulatory Authority in Agreement States and in Offshore Waters under Section 274”

In CY 2007, the agency issued two chilling effect letters, one to a materials licensee and one to a research reactor both based on indications of a potentially chilled work environment. The NRC staff will continue to monitor the SCWE of both sites through normal inspection activities and allegation review.

In October 2004, the staff implemented the alternative dispute resolution (ADR) program which included the opportunity for using ADR early in the allegation process for cases of alleged discrimination before the NRC conducts an investigation of the allegation. This allows additional opportunities for the parties to resolve their differences outside of the normal regulatory framework. Early-ADR involves the use of a neutral third party to facilitate discussion and the timely settlement of the discrimination concern. It is believed that voluntary dispute resolution by the parties using the communication opportunities afforded in the Early-ADR process can stem the inherent damage such disputes have on the SCWE more quickly than an investigation. At any time, either party can exit the ADR process and, if the allegor still wants to pursue the discrimination matter, the option of an NRC investigation remains. If a settlement is reached, however, the staff will not pursue an investigation or subsequent enforcement of discrimination findings. The NRC may also consider settlements resulting from licensee-initiated mediation as equivalent to settlements reached under the Early-ADR program.

In CY 2007, the NRC made 45 Early-ADR offers, of which 15 (33 percent) resulted in agreements to mediate. Nine of the 15 (60 percent) mediated discrimination concerns resulted in the parties reaching a mutually agreeable settlement, a slight decline from the 75% of mediated concerns that settled in CY 2006.

Posting of New Allegation Statistics

Allegation statistics are posted on the agency's public Web site, <http://www.nrc.gov/about-nrc/regulatory/allegations/statistics.html>. Five years of data are available and updated monthly in the following categories:

- allegations from all sources
- allegations from onsite sources²
- discrimination allegations received
- allegations open
- allegations substantiated
- allegations substantiated with violations/enforcement

Statistics for all operating power reactors, permanently shut-down power reactors, and large fuel cycle facilities are included. In CY 2007, the NRC added allegation statistics for Category I fuel cycle facilities to the facilities tables after the Commission directed the staff to release previously withheld information about these facilities. The agency also recently added new fuel cycle facility and reactor license applicants to its public Web site.

2 Onsite sources include current or former licensee employees, current or former contractor employees, or anonymous alлегers

TRENDS IN ALLEGATIONS

The NRC monitors allegations to discern trends or marked increases that might prompt the agency to question the licensee as to the causes of such changes or trends. In preparing this report, the staff reviewed a 5-year history of allegations received for reactor and materials licensees and vendors. The staff focused on those allegations that have the potential to provide insights into the SCWE at a given facility. Such allegations include those submitted by current or former licensee or contractor employees or by anonymous sources that indicate an unwillingness to raise safety concerns internally. The staff performs an analysis of recent allegation activity twice a year in support of the ROP midcycle and end-of-cycle assessments. In addition, the staff may perform an analysis for a particular site or licensee whenever allegations or inspection findings indicate that such an analysis is warranted.

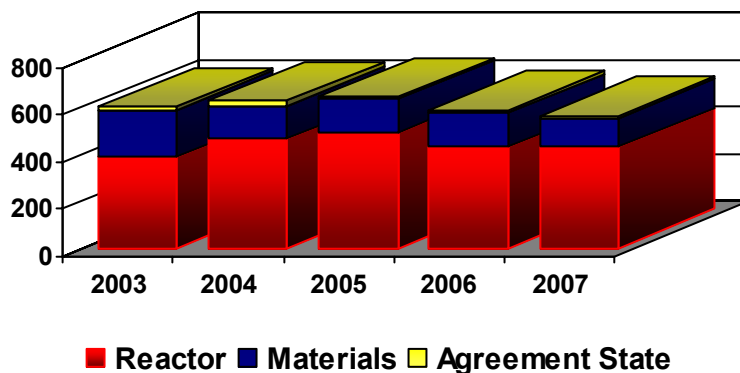
The staff also conducts reviews to identify national trends for reactor and materials allegations received, shifts in users of the Allegation Program, and the effect of Allegation Program implementation on the workload in the regions and program offices. The following section discusses these trends.

National Trends

National trends are of interest because they provide general information to the staff concerning the effect of external factors, plant events, and industry efforts to improve the SCWE at NRC-licensed facilities. In addition, they can be useful in developing budget and planning assumptions to support future agency and Allegation Program needs. Figure 1 shows that the 5-year national trend in the number of allegations has remained relatively steady with a slight decline in the materials area.

The number of allegations processed by the NRC involving Agreement State matters is declining to a minimal level as additional States achieve Agreement State status. The reason for this is that most individuals who contact the NRC with concerns about Agreement State licensees indicate a willingness to contact and be contacted directly by Agreement State personnel about the evaluation of their concern(s), once the Agreement State program is explained to them. Such matters are forwarded to the Agreement State and are not processed by the NRC as allegations. Generally, the NRC only uses the Allegation Program to track the evaluation of concerns about Agreement State licensees when the concerned individual does not want his or her identity provided to the Agreement State.

FIGURE 1 - ALLEGATIONS RECEIVED BY CY



Because each allegation can include multiple concerns, the number of concerns received can provide more specific information on the staff effort needed for an appropriate response. The trend in the total number of concerns has paralleled the trend in total allegations over the last several years. For example, the number of concerns about operating power reactor facilities increased in the CY 2003 to CY 2005 timeframe, as did the number of allegations in all regions except Region III, while all regions experienced a decrease in the number of reactor concerns received in CY 2006. In CY 2007, however, although the total number of allegations decreased, the number of concerns actually increased for reactor facilities in almost every region and program office.

The volume of reactor concerns received in Region I increased by 20 percent between CY 2006 and CY 2007 because a limited number of allegations contained a relatively high volume of concerns, including those related to a publicly released video of inattentive security officers at the Peach Bottom site. Similarly, the volume of concerns per allegation increased on average by almost 30 percent for Region III reactor sites; again, this increase is attributable to a limited number of allegations involving notably higher numbers of concerns. Regarding materials concerns in CY 2007, the NRC received a significant increase at one non-operating fuel facility, as well as less dramatic increases at a number of other facilities.

Reactor Licensee Trends

To provide further insight into areas in which the NRC is allocating resources on reactor-related allegation followup, Figure 2 below depicts the 12 functional areas that represent approximately 80 percent of the issues received nationwide in CY 2007.³

FIGURE 2 - REACTOR ISSUES NATIONWIDE 2007



³ The agency received few concerns in the areas not depicted in Figure 2, which represent the remaining 20 percent of the issues received. These areas include Access Authorization; Chemistry; Civil/Structural; Construction; Electrical; Emergency Preparedness; Employee Concerns Programs; Environmental; Falsification; Fatigue/Overtime; Fire Protection; Heating, Venting, and Air Conditioning; Industrial Safety; Inservice Testing; Instrumentation and Control; Licensing; Mechanical; Other; Quality Assurance; Radwaste; Safeguards; and Transportation.

As indicated in the Figure 2, security issues comprised the largest percentage of alleged concerns received in CY 2007. Since the terrorist attacks of September 11, 2001, security-related concerns have continued to represent the greatest percentage of allegation concerns received in each subsequent calendar year. Increases noted in CY 2003 and CY 2004 were attributable to issues related to the effectiveness with which reactor licensees implemented changes to the facility and the physical security plan based upon NRC security orders issued and implemented in that time frame. In CY 2005 the number of security-related concerns sharply increased in association with a national broadcast in October 2005 regarding security at research and test reactors. Lacking similar events in CY 2006 or CY 2007, the numbers of security concerns decreased.

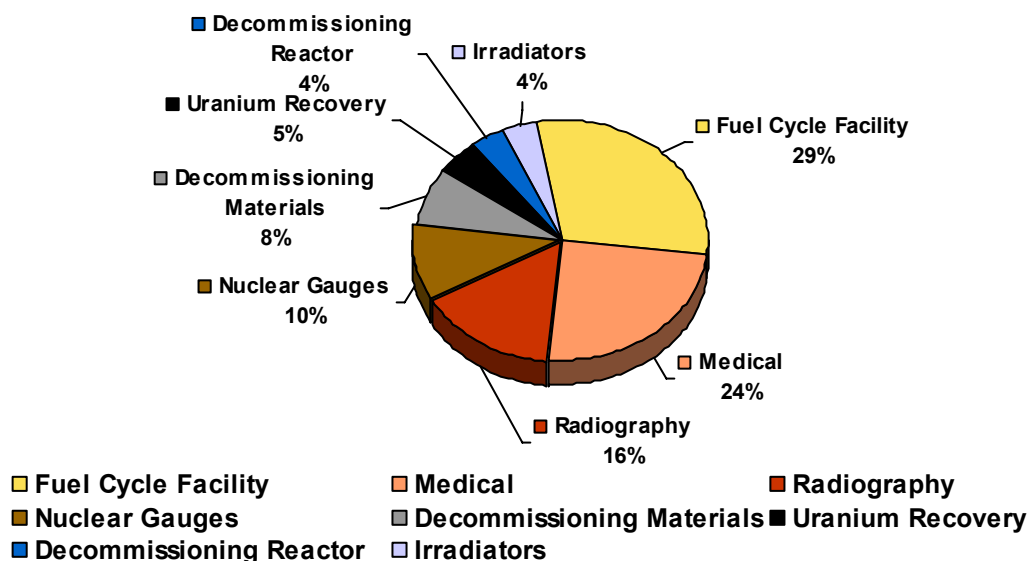
Assertions related to a chilling effect or a chilled work environment in which individuals fear retaliation or are discouraged from raising safety concerns have trended downward over the last 5 years. While positive industry accomplishments in the SCWE area are believed to have contributed to the general decrease in the number of these concerns since CY 2003, the sustained percentage of chilling effect concerns (7 to 8 percent of all reactor concerns received in each of the last 3 years) may reflect increasing awareness of SCWE concepts by the nuclear workforce resulting from an increased industry focus in this area, media interest in the increased NRC attention to this area at some sites, and guidance made publicly available by the NRC (i.e., Regulatory Issue Summary 2005-018, "Guidance for Establishing and Maintaining a Safety Conscious Work Environment," issued in August 2005). It may also reflect the fact that, in CY 2005, the NRC modified the database that tracks allegations and allegation concerns to allow concerns to be attributed to the concept of "safety culture." As such, a concern regarding a component of safety culture broader than a chilling effect (such as a concern about a licensee taking a production-over-safety approach) is now placed in a separate category. Concerns may now be applied to safety culture that in the past might have been applied to chilling effect in the absence of a more descriptive category. In fact, the percentage of concerns attributed to safety culture has increased from approximately 4 percent of reactor concerns received in CY 2005 and CY 2006, to approximately 6 percent in CY 2007. Another reason for the rise in safety culture concerns in CY 2007 may be an increased industry and worker awareness of safety culture in reaction to the mid-2006 change to the ROP incorporating safety culture components into the ROP cross-cutting areas of human performance, PI&R, and SCWE.

For both CY 2006 and CY 2007, the same 12 functional areas (as depicted in Figure 2) represented approximately 80 percent of the reactor concerns received nationwide. However, overall, the number of concerns received in CY 2007 increased 9 percent compared to CY 2006. Specifically, the percentage and number of health physics issues increased substantially, primarily as a result of one instance involving the receipt of multiple health physics concerns at a Region I facility. Region I also experienced a notable increase in concerns in the operations area in CY 2007 with a concentration of concerns related to a specific issue at a Region I plant. Other regional offices noted more moderate increases in allegation concerns in the operations area. Concerns related to the training and qualifications of plant personnel increased substantially in Region IV in CY 2007 with concerns in this area involving nine different Region IV facilities. The percentage of discrimination concerns raised in the reactor area during the CY 2003 to CY 2007 review period has remained consistent at approximately 9 percent per year. More than 60 percent of the discrimination concerns raised in the reactor area in CY 2007 came from workers in the functional areas of maintenance, security, operations, health physics, and engineering.

Materials Licensee Trends

Because of the many different types of materials licensees and because the activities performed by these licensees are not as homogeneous as those performed by reactor licensees, a comparison of the types of issues received does not produce meaningful results. For insights into the areas in which the NRC focused its attention regarding materials-related allegations, Figure 3 depicts the eight types of materials licensees from which the NRC received approximately 80 percent of allegation concerns nationwide.⁴

FIGURE 3 - MATERIALS LICENSEE TYPES NATIONWIDE 2007



Since CY 2003, the number of allegations related to fuel cycle facilities has remained a substantive percentage (25-35 percent) of the total number of allegations received by the NRC in the materials area. While a notable increase in the receipt of concerns related to fuel cycle facilities occurred in CY 2005, the NRC received lower numbers of concerns in CY 2006 and CY 2007, similar to the number of concerns received in CY 2004. The increase from CY 2004 to CY

⁴ The agency received few concerns about the materials licensee types not depicted in Figure 3, which represent the remaining 20 percent of issues received. These licensee types include Exempt Distribution, General Licensee, Nuclear Pharmacies, Other, Research and Development, Test/Research Reactor, Tritium Light Sources, Transportation, and Waste Disposal.

2005 was largely attributable to a number of issues received about one fuel facility following a specific event, a change in management expectations regarding procedural adherence, and a planned workforce reduction in the fall of CY 2005. Allegation concerns received regarding decommissioning reactors have steadily decreased since CY 2003. The numbers of concerns regarding decommissioning reactors has diminished as facility activities and staffing decrease over time. For example, the sharp decrease in the number of decommissioning reactor allegations in Region I from CY 2004 to CY 2005 coincided with the cessation of decommissioning activities at two sites.

The number of allegation concerns received regarding decommissioning materials facilities was significantly larger in CY 2006 and CY 2007 than in CY 2004 and CY 2005. The increase is attributed primarily to activities at four facilities, two in Region I and two in Region IV. The numbers of allegation concerns regarding radiographers, nuclear pharmacies, and research and development has fluctuated during the CY 2003 to CY 2007 timeframe, with most increases caused by events at specific facilities.

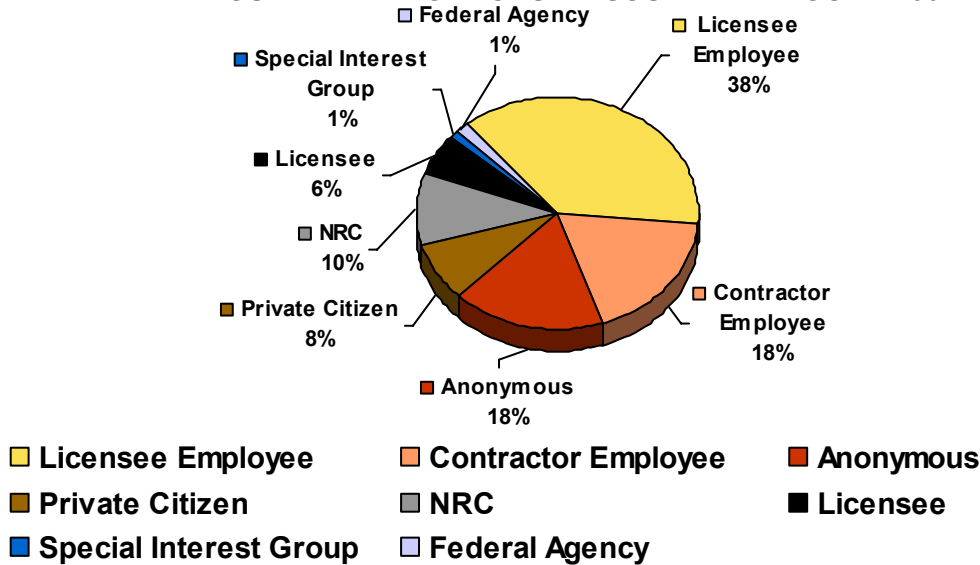
Source Trends

Figure 4 provides a breakdown of 99 percent of the sources for reactors and materials allegations received in CY 2007.⁵ The data indicate that the distribution of source categories remained consistent between CY 2003 and CY 2007. That is, the primary sources of allegations continue to be employees of licensees (or former employees) and contractors (or former contractors). It follows that the percentage of reactors and materials allegations from other sources has also remained largely unchanged over the review period. The only notable change in the data resulted from the role of the news media as a more prominent source of allegations in CY 2005. The October 2005 national broadcast about security at research and test reactors, discussed previously, was the primary cause of the increase in allegations.

In considering those allegation sources previously mentioned as having the potential to provide insights into the SCWE at a given facility (i.e., allegations submitted by current or former licensee or contractor employees or by anonymous sources), it is notable that the percentage of allegations from these sources since CY 2004 has remained consistently in the range of 74 to 77 percent. In CY 2003, the percentage of allegations originating from these sources was slightly higher at 81 percent.

5 The NRC received few concerns from the 1 percent of sources not depicted in Figure 4. These sources include State Agencies and the News Media.

FIGURE 4 - ALLEGATIONS BY SOURCE CATEGORY 2007



In comparing the sources of materials allegations to those of reactor allegations over the past few years, the largest source for both is consistently licensee (or former licensee) employees. It is worth noting, however, that while contractor employees are the second most frequent source of reactor allegations, private citizens are the second most frequent source of materials-related allegations. This is understandable since materials licensees employ fewer contract personnel and their activities involve more direct interaction with the public.

Two of the source categories deserve some explanation. The source category “NRC” designates an NRC staff member who suspects that a regulatory requirement has been violated deliberately or as a result of careless disregard, prompting the initiation of an investigation by the NRC Office of Investigations. The source category “Licensee” denotes that a licensee representative, acting in his/her official capacity, has reported a potential wrongdoing matter to the NRC. The agency staff assigns an allegation process tracking number to such items to allow it to track the progress of a review of the potential wrongdoing issue.

Allegation Trends for Selected Reactor Sites

Trending the number and nature of allegations concerning individual reactor sites is one method the NRC staff uses to monitor the SCWE at reactor sites. The appendix to this report provides statistics on allegations concerning all operating reactor sites. The NRC received the listed allegations during the 5-year period between January 2003 and December 2007 and included only allegations received from onsite sources (i.e., those that may be indicative of the health of the SCWE). Onsite sources include current or former licensee employees, current or former contractor employees, or anonymous alлегers. For the purpose of this analysis, the NRC assumes anonymous allegations are submitted by on-site personnel.

In determining which reactor sites should receive a more indepth review, the staff applied one of the following two criteria:

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

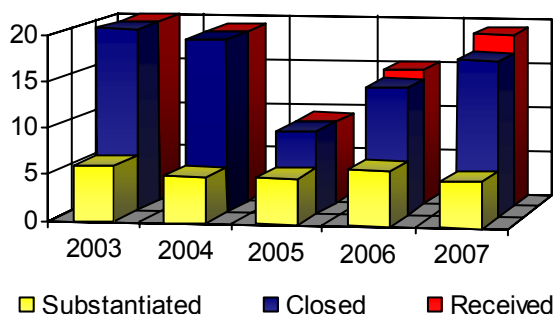
For CY 2007, the median number of onsite allegations per reactor site was three. The 14 reactor sites that met one of these criteria are Indian Point Units 2 and 3 (19); Palo Verde Units 1, 2, and 3 (18); Callaway (17); Salem/Hope Creek (16); Harris (14); Susquehanna Units 1 and 2 (13); Sequoyah Units 1 and 2 (13); San Onofre Units 2 and 3 (12); Browns Ferry Unit 1 (11); St. Lucie Units 1 and 2 (11); Fermi (10); Byron Units 1 and 2 (9); Grand Gulf (8), and Arkansas Nuclear One (ANO) Units 1 and 2 (8). The first 11 sites listed exceeded 3 times the industry median, while the last 3 sites exceeded 2 times the median and experienced more than a 50 percent increase in the number of allegations concerning the site over the previous year. A detailed discussion of each of the sites follows.

Indian Point Units 2 and 3

The NRC's receipt of allegations concerning the Indian Point site trended upward in CY 2007; however, the agency received most of the allegations in the first two quarters of the calendar year (Figure 5). Many of the allegations indicated concerns with the environment for raising issues internally, with approximately half of them being sent anonymously. The licensee's Employee Concerns Program (ECP) also saw an increase in the number of concerns raised in CY 2007 from the previous year.

One alлегer who raised an allegation of discrimination in CY 2007, withdrew it. In the previous 4 years (CY 2003 through CY 2006), the NRC received 13 discrimination allegations. Of these, an alлегer withdrew 1; the NRC investigated 10 that were not substantiated, and 2 were not investigated because the alлегers

FIGURE 5 - INDIAN POINT ALLEGATIONS



did not articulate a prima facie showing of potential discrimination. For clarification, for the NRC to consider a matter of potential discrimination pursuant to 10 CFR Part 50.7, "Employee Protection," an allogger must present a certain pattern of facts, called a prima facie showing. Specifically, the allegation must initially establish that an employee has engaged in a protected activity, that an adverse personnel action was taken against the employee, that management knew that the employee had engaged in the protected activity, and that the protected activity was, in part, a reason for the adverse personnel action.

In the fall of CY 2006, the NRC conducted a P&IR inspection (Inspection Report Nos. 05000247/2006006 and 05000286/2006006) which included an assessment of the licensee's SCWE. Based on interviews with site personnel, as well as earlier licensee self-assessments, the PI&R inspection team found that some workers expressed reluctance to raise issues under certain circumstances because of the perception that there would be negative consequences from management for doing so. The inspection team also found that Entergy had made only limited progress in evaluating and responding to earlier SCWE concerns and to the results of the licensee's safety culture assessment, specifically the declining trends related to the SCWE. As a result, in a letter dated December 21, 2006, that transmitted the results of the NRC PI&R inspection, the agency requested that the licensee provide a plan for evaluating and responding to the potential chilling effect on site. In January 2007, Entergy responded to the NRC's letter with a plan of action intended to (1) improve communications, (2) identify and prevent retaliation, chilling effects, and the perception of retaliation, (3) enhance the Corrective Action Program (CAP), (4) enhance the ECP, and (5) improve the broader work environment at Indian Point.

On February 26, 2007, the NRC responded that Entergy's proposed actions appeared to be reasonable and emphasized the importance of monitoring progress to assess their effectiveness. In June 2007, reviews conducted under the PI&R inspection sample found that the licensee had made adequate progress with regard to addressing the SCWE issues. In addition, the licensee was conducting effectiveness reviews at the time of this report.

Entergy executed a realignment of its fleet operations in CY 2007, completing that initiative in December 2007. Although the number of allegations and the percentage of those that were submitted anonymously are relatively high compared to other reactor sites, it is recognized that the licensee's realignment initiative likely affected the work environment throughout the calendar year. Trends in the licensee's ECP suggest an increased willingness to raise concerns internally and to use that organization. The licensee credits its initiatives in response to the chilling effect letter, including improved communications, ECP visibility, and the newly instituted Executive Review Board and Executive Protocol Group (designed to identify and prevent retaliation, chilling effects, and challenges to the safety culture) for the increase in the number of concerns raised internally. Although a number of discrimination concerns were raised in the last 5 years, the number is declining and none investigated have been substantiated.

The NRC will maintain its oversight of the SCWE through baseline inspection activities, with a particular focus on the licensee's SCWE metrics and effectiveness reviews.

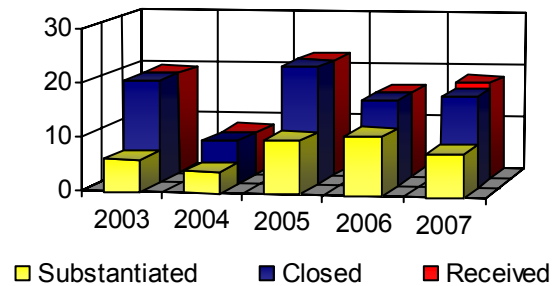
Palo Verde Units 1, 2, and 3

The number of allegations from onsite sources at Palo Verde remained relatively high in CY 2007, with a small increase over the number received in CY 2006 (Figure 6). A very small percentage of the allegation concerns raised involved issues related to the willingness of employees to raise concerns. Of the 18 allegations received in CY 2007, more than half (10) were submitted in the fourth quarter of the year. Almost half of the allegations (8) involved the maintenance area, with the others spread across several other functional areas. The licensee's ECP, which also received

an increase in concerns received compared to 2006, saw similar trends in concerns received in the maintenance area and in the concentration of concerns received during the year. Several factors likely contributed to these trends. First, the licensee conducted an outage at Palo Verde Unit 3 during the last quarter of CY 2007 that included steam generator replacement and involved a large influx of contract workers on site. In addition, the NRC increased its inspection activities pursuant to Inspection Procedure (IP) 95003, "Inspection for Repetitive Degraded Cornerstones, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or One Red Input," during the fall (Inspection Report Nos. 05000528/2007012, 05000529/2007012, and 05000530/2007012). In addition, the site implemented a number of organizational changes throughout the year to address problems and improve performance. Because of these factors and the similarity in trends to the ECP data, the number and nature of allegations regarding Palo Verde do not appear to indicate a broader SCWE problem.

To monitor the status of the SCWE at Palo Verde, Arizona Public Service plans to administer independent surveys and assessments of the safety culture and SCWE periodically. The results of the last independent survey and assessment, which was conducted in 2007, did not indicate any SCWE concerns. However, responses to the 2007 survey items in general were more negative than responses to the previous survey conducted in 2005. The licensee plans to conduct another safety culture survey and assessment in the fall of 2008.

The NRC PI&R inspection conducted in early CY 2007 (Inspection Report Nos. 05000528/2007007, 05000529/2007007, and 05000530/2007007) found that a SCWE exists at Palo Verde and that many of the individuals interviewed believed that recent changes to the CAP were improving the process. However, they expressed some concerns regarding the timeliness of corrective actions and the effectiveness of the resolution of lower priority issues. The inspection team identified similar results when the NRC reviewed Palo Verde's independent safety culture evaluation and conducted an independent assessment of the safety culture. The IP 95003 inspection team determined that the environment for raising concerns at Palo Verde was healthy. None of the licensee employees interviewed indicated they were hesitant to raise nuclear safety issues. The large majority of interviewees perceived that their managers were receptive to concerns and willing to address them. However, they reported frustrations regarding ineffectiveness in resolving longstanding issues. Overall, the inspection team identified weaknesses in organizational characteristics and attitudes associated with 10 of the

FIGURE 6 - PALO VERDE ALLEGATIONS

NRC's 13 safety culture components, which are detailed in Section 06.07 of Inspection Manual Chapter 0305, "Operating Reactor Assessment Program." However, it found the two SCWE-related components (the environment for raising concerns; and preventing, detecting, and mitigating perceptions of retaliation) to be adequate.

The IP 95003 inspection team did note some differences between contractors and licensee employees in their willingness to raise concerns. Consistent with these perceptions, the ECP had received several concerns involving contractor personnel in the month before the inspection team arrived on site. In response to these concerns, the licensee reinforced expectations for maintaining a SCWE in all contract organizations and took actions to include SCWE obligations in contract terms. In addition, senior management took steps to integrate contractor supervisors and managers into meetings to better communicate SCWE expectations.

The NRC's annual assessment of facility performance continues to place Palo Verde Units 1 and 2 in the Degraded Cornerstone column and Palo Verde Unit 3 in the Multiple/Repetitive Degraded Cornerstone column of the ROP Action Matrix. In addition, the 2007 assessment continued to find substantive crosscutting issues in the areas of human performance and PI&R. The NRC had performed periodic inspections to evaluate progress in addressing the crosscutting issues and found that even though some corrective actions addressed weaknesses, the actions were not completely effective. The licensee has proposed actions to address the substantive crosscutting issues, and the NRC will evaluate the effectiveness of improvement efforts through inspection.

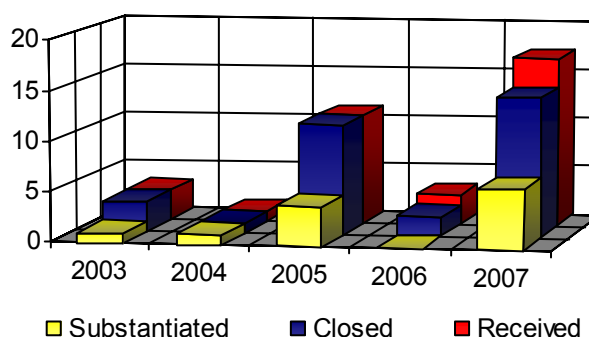
The NRC received three allegations of discrimination in CY 2007. It is currently investigating one and closed two that were resolved between the concerned individual and the licensee through external (non-NRC-related) mediation. The NRC received 10 allegations of discrimination regarding Palo Verde from CY 2003 through CY 2006. Of these, it investigated eight but none were substantiated. It did not investigate one because the individual did not wish to participate in an investigation, and the parties settled one via Early ADR.

The number and nature of allegations received regarding Palo Verde and the similarity of trends seen by the licensee's ECP, combined with the results from the 2007 NRC P&IR inspection, the IP 95003 inspection team assessment of SCWE, and the licensee's CY 2007 independent safety culture evaluation, give no indication of a broader SCWE problem at the site. However, the NRC's independent safety culture assessment from the IP 95003 inspection identified several challenges that could negatively affect the safety culture, including the SCWE, if they and/or other challenges related to identified substantive crosscutting issues are not improved. The licensee has committed to implementing a number of actions to address the causes of the identified performance problems, the existence of the continuing substantive crosscutting issues, and the issues identified by the CY 2007 safety culture assessment. The NRC will determine the effectiveness of the licensee's improvement efforts through periodic inspections and regulatory performance meetings.

Callaway

The number of allegations received by the NRC from onsite sources concerning Callaway substantially increased from 3 allegations in CY 2006 to 17 in CY 2007, with a significant majority coming from licensee and former license employees (Figure 7). Unlike a similar increase in allegations received from CY 2004 to CY 2005 that involved a large influx of allegations related to security, the increase in 2007 involved functional areas throughout the Callaway facility, with concentrations in the operations and maintenance functional areas. Discrimination allegations also increased substantially from two in CY 2006 to seven in CY 2007.

FIGURE 7 - CALLAWAY ALLEGATIONS



The number of concerns involving nuclear safety received by the Callaway ECP over the past several years has been consistent, with many issues stemming from company efforts to increase employee accountability for the identification and resolution of safety issues, and from issues related to the effectiveness of the CAP, along with an earlier concentration of concerns in the security area. Approximately 30 to 40 percent of the issues received by the ECP are not related to nuclear safety (e.g., human resource issues).

In response to the significant increase in allegations submitted to the NRC in CY 2007, AmerenUE assembled an independent team to conduct an assessment of the SCWE at Callaway, the results of which were issued on February 1, 2008. As part of the independent assessment, the team interviewed 80 individuals from various departments and working levels within the organization. The team concluded that some of the factors that may have contributed to the increased number of allegations were continuing issues, including the strength of the CAP, the adjustment of workers to a new accountability initiative applied in recent years, and the separation of approximately 50 employees from the site in CY 2007. The assessment concluded that the SCWE at Callaway was generally healthy. As part of its evaluation, the independent team also reviewed the factors related to the discrimination concerns initiated in CY 2007 and concluded that the discrimination concerns were not indicative of a chilled environment for raising concerns. These results notwithstanding, the independent assessment highlighted some organizational weaknesses that, if unaddressed, could have a detrimental effect on the safety culture and the SCWE at Callaway (e.g., effectiveness in addressing change management issues, lack of a structured process for dealing with differing professional opinions). The assessment team made a number of related recommendations that are currently under evaluation at Callaway.

In addition, AmerenUE conducts annual internal SCWE surveys and biennial third-party independent surveys of safety culture, the most recent of which was conducted in March 2007. The results of the more recent surveys have been generally positive, with continuing problems being identified in the areas of CAP effectiveness and employee adjustment to new accountability expectations.

In part because of the number of allegations received in CY 2007, the NRC conducted an augmented number of SCWE-related interviews during the most recent PI&R inspection at Callaway (Inspection Report No. 05000483/2008006) in February-March 2008. From the interviews and the PI&R inspection team's review of the results of Callaway's recent SCWE assessments, the PI&R team determined that Callaway employees generally expressed a willingness to raise nuclear safety concerns and to use the CAP. Although not all of the individuals interviewed by the PI&R team were comfortable using all of the methods available to them for reporting concerns, all were comfortable using at least one method. The PI&R team concluded that the licensee is maintaining a SCWE at the facility and that a chilled work environment does not exist. However, similar to comments made by the independent team chartered by AmerenUE to evaluate the increased numbers of allegations received in 2007, the PI&R team noted some organizational issues not specifically within the NRC's regulatory jurisdiction that, if not addressed by AmerenUE, could potentially affect the SCWE at the plant.

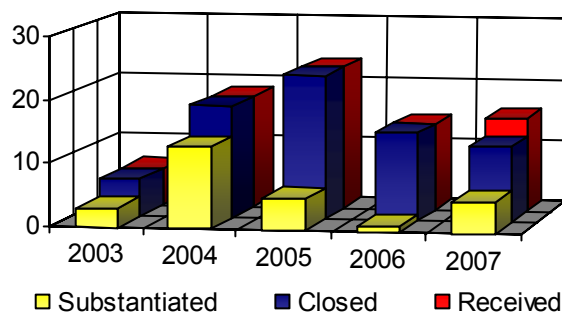
Of the seven discrimination concerns submitted in CY 2007, the NRC investigated one that was not substantiated, while two remain under NRC investigation. For the remaining CY 2007 discrimination concerns, the NRC did not investigate one because the alleege requested that it not conduct an investigation, while two others did not present a prima facie showing of potential discrimination. The parties settled one via Early ADR. For the two discrimination concerns submitted in CY 2006, the NRC investigated one that was not substantiated, and the parties settled the other one via Early ADR. In CY 2005, the NRC investigated one discrimination concern that was not substantiated and the parties settled three via Early ADR. In CY 2004, the NRC received no discrimination concerns and in CY 2003, it investigated one discrimination concern that was not substantiated.

Based on the NRC's recent PI&R inspection findings and the results of the licensee's recent safety culture surveys and SCWE assessments, there does not appear to be a broad SCWE issue at the plant. However, the NRC staff will continue to monitor the SCWE at Callaway by way of the baseline inspection program and allegation trending. Attention should be paid to the effectiveness of the licensee's ongoing efforts to improve identified weaknesses in the CAP and to address organizational issues that could affect the SCWE.

Salem/Hope Creek

The number of allegations received concerning Salem/Hope Creek in CY 2007 (16) represented a slight increase from the number received in 2006 (14) (Figure 8). However, these numbers are significantly lower than the number received in CY 2005 (23) and reflect improvements made in the SCWE area in response to significant SCWE findings identified during the CY 2003 – CY 2004 timeframe. Before CY 2006, the number of allegations received concerning Salem/Hope Creek had steadily increased from CY 2003 through CY 2005, as the SCWE issues emerged and as licensee

FIGURE 8 - SALEM/HOPE CREEK ALLEGATIONS



efforts to resolve them progressed.

The allegations from Salem/Hope Creek onsite sources in CY 2007 were spread throughout the first three quarters, with a large increase in the last quarter of the year. Most of the allegations received in the last quarter of CY 2007 involved Hope Creek operations and were related to a specific issue. A very small percentage of the allegation concerns raised involved issues related to the willingness of employees to raise concerns. Overall, the majority of the allegations received involved the security and operations functional areas. The licensee indicated that the ECP saw a slight decrease in concerns received in CY 2007 compared to CY 2006. The ECP saw a similar trend in the portion of concerns received regarding Hope Creek operations. However, the ECP did not receive as many concerns in the security area as the NRC. An NRC PI&R inspection conducted at Hope Creek in September 2007 evaluated the actions taken by the licensee in response to concerns received by the ECP regarding Hope Creek operations and found that the licensee had adequately addressed them.

The NRC received four allegations of discrimination regarding Salem/Hope Creek in CY 2007, compared to five received in CY 2006. The NRC did not investigate one of the discrimination concerns received in CY 2007 because it did not show prima facie evidence of potential discrimination, and the agency did not investigate another one because the concerned individual did not wish to participate in the investigation. Another concern involved a third-hand complaint of suspected retaliation. The NRC does not pursue third-party complaints because it lacks specific information about the alleged act and does not have permission from the individual named to reveal his or her identity to the licensee. The parties used Early ADR to settle the other discrimination concern raised in CY 2007. From CY 2003 through CY 2006, the NRC received 16 allegations of discrimination regarding Salem/Hope Creek. It closed eight of these because a prima facie showing of potential discrimination was not articulated. It did not investigate four because the individuals did not wish to participate in the investigation. The NRC investigated three that were not substantiated, and the parties settled one via Early ADR.

The Hope Creek PI&R inspection in September 2007 (Inspection Report No. 05000354/2007006) did not identify any significant observations related to SCWE. During the interviews, plant staff expressed a willingness to use the CAP to identify plant issues and deficiencies and to raise safety concerns. The inspectors reviewed a sample of ECP files and found that some of the concerns were from the Hope Creek operations department regarding personnel administrative practices, but that the issues had been adequately addressed to minimize their effect on the work environment. Similarly, the Salem PI&R inspection in March 2007 (Inspection Report Nos. 05000272/2007006, 05000311/2007006, and 05000354/2007007) did not identify any observations of significance related to the SCWE. The inspectors determined that the plant staff expressed a willingness to raise safety concerns and were aware of the ECP. Licensee employees interviewed by the PI&R inspection team were familiar with the CAP and other means of raising safety issues.

As background, a summary of past SCWE issues regarding Salem/Hope Creek and associated NRC actions follows. In mid-2004, the NRC informed Public Service Electric & Gas Co. (PSEG) of the final results of a special NRC SCWE review. While no serious safety violations were found, the NRC identified numerous indications of weaknesses in corrective actions and management efforts to establish a SCWE. PSEG self-assessments during this timeframe revealed similar findings. The 2004 ROP midcycle assessment for Salem/Hope Creek prompted the NRC to issue a Deviation from the ROP Action Matrix to provide enhanced oversight for the SCWE area. While PSEG put forth significant effort in 2004-2005 to address the SCWE

findings, numerous senior management changes and the implementation of initiatives to address long-standing performance problems in 2005 presented new challenges to SCWE improvement. These changes contributed to continuing negative worker perceptions regarding the advisability of raising issues or challenging decisions. As a result, the 2005 ROP mid-cycle assessment for Salem/Hope Creek identified a substantive crosscutting issue in the SCWE area based on the results of the NRC's ongoing review. The NRC renewed the ROP Deviation Memorandum to allow for continued close monitoring of PSEG efforts to address issues associated with the SCWE. In September 2005, the staff completed a SCWE inspection at the site which concluded that progress had been made in addressing SCWE issues but identified areas requiring additional action and focused attention. The results of a PI&R inspection conducted in late 2005 (Inspection Report Nos. 05000354/2005007, 05000272/2005012, and 05000311/2005012) revealed progress in the SCWE area. However, the agency retained the SCWE substantive crosscutting issue at the 2005 ROP end-of-cycle assessment because of remaining SCWE followup activity.

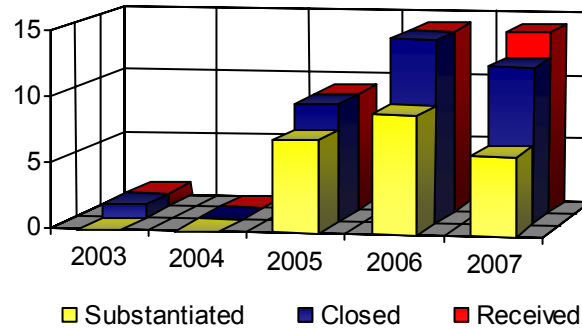
The results of a third-party site safety culture survey administered by PSEG in early CY 2006 indicated improvement in nearly all cultural metrics when compared to the results of a similar survey conducted in CY 2005. Also in that timeframe, PSEG commissioned an independent peer assessment of the SCWE at Salem/Hope Creek, which concluded that substantial and sustainable progress had been made in the work environment at both facilities. In June 2006, the NRC completed a followup SCWE team inspection that also concluded that the progress realized in the SCWE area at Salem/Hope Creek was substantial and that processes were in place for sustaining these improvements (Inspection Report Nos. 05000354/2006011, 05000272/2006012, and 05000311/2006012). As a result, the NRC closed the SCWE substantive crosscutting issue at the 2006 ROP mid-cycle assessment. The NRC had previously closed a substantive crosscutting issue in PI&R in early 2006 after actions taken by PSEG to improve the resolution of concerns proved effective. The licensee plans to conduct another third-party safety culture survey in the second half of CY 2008.

The NRC's most recent annual assessment of facility performance placed Salem Unit 1 within the Degraded Cornerstone column and Salem Unit 2 within the Licensee Response column of the NRC Action Matrix. In addition, for Salem Unit 2, the NRC concluded that the site did not meet the criteria for clearing a substantive crosscutting issue in human performance related to procedural compliance that was identified in the mid-cycle assessment, so it remains open. The NRC placed Hope Creek within the Licensee Response column of the its Action Matrix.

The number and nature of allegations received regarding Salem/Hope Creek indicate that the progress made in improvements to the SCWE area at Salem/Hope Creek in CY 2006 was generally sustained in CY 2007. The NRC will continue to monitor the SCWE at Salem/Hope Creek by means of the baseline inspection program and allegation trending, with attention given to concerns related to the functional areas of operations and security.

Harris

The NRC receipt of allegations concerning the Harris plant remained high in CY 2007 and most were received anonymously (Figure 9). As in the previous two years, the majority were in the area of security. To ensure that the agency avoids the unnecessary release of information that would reveal any potential security-related vulnerabilities, the NRC staff is not at liberty to discuss specific information concerning actions taken by the agency or the licensee in the security area.

FIGURE 9 - HARRIS ALLEGATIONS

The licensee indicated that it also continued to note a trend in the security area and, as with the allegations received at the NRC, a number of the concerns brought to the ECP were from anonymous individuals. In June 2007, the licensee added free standing computer kiosks in the security area to facilitate the anonymous reporting of concerns via the CAP. The security organization experienced turnover during the calendar year.

In August 2007, the NRC conducted a PI&R inspection (Inspection Report No. 05000400/2007006), reviewed the Security Organization Excellence Plan, and interviewed approximately 25 officers. The inspection team concluded that the licensee's plan which emphasized the importance of a SCWE appeared effective and the officers interviewed expressed comfort raising concerns internally.

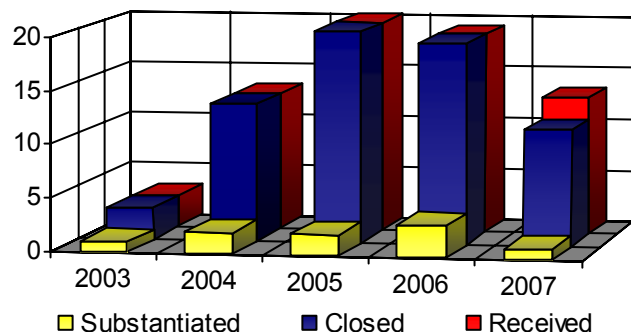
The number of discrimination concerns raised in the last 5 years is low. The agency received two discrimination allegations in CY 2007, one of which it did not investigate because it did not involve a prima facie case and one that is still open. In CY 2006, it investigated a discrimination concern but the concern was not substantiated.

Although the number of allegations received is relatively high compared to other reactor sites it is recognized that the personnel turnover in the security organization likely affected the work environment throughout the calendar year. The number of allegations that the NRC received anonymously was also high; however, the licensee's ECP also received a high percentage of concerns anonymously. Trends in the licensee's ECP and use of the new concern kiosks suggest a willingness to raise concerns internally using those avenues. The NRC will maintain its oversight of the SCWE through baseline inspection activities.

Susquehanna Units 1 and 2

The number of allegations received by the NRC from onsite sources regarding Susquehanna decreased in CY 2007 from CY 2006, demonstrating a continuing downward trend since CY 2005 (Figure 10). The majority of the allegations received in 2007 involved the areas of maintenance and worker training and qualifications. The number of discrimination concerns received by the NRC during the CY 2005 - CY 2007 timeframe has also decreased (six in 2005, three in 2006, and two in 2007). During the same time period, the overall number of concerns filed with the Susquehanna ECP has steadily increased, as have concerns of discrimination.

FIGURE 10 - SUSQUEHANNA ALLEGATIONS



In the past few years, Susquehanna has taken a number of actions in an effort to improve the SCWE at the site, including revising the company policy, improving communications regarding management's commitment to SCWE, improving visibility of the ECP and improving SCWE-related supervisor training. The licensee has conducted SCWE surveys at Susquehanna periodically since 1997, most recently in the fall of 2006. The NRC documented its review of the results of the 2006 survey in Inspection Report Nos. 05000387/2006005 and 05000388/2006005. The survey showed a slightly improving trend in the overall SCWE and ECP ratings, and results also revealed a significant improvement in the workforce's perception of the ECP compared to prior assessments. An increase in the volume of concerns being raised to the ECP (which has continued through 2007) indicates that the workforce considers the ECP to be a viable avenue for raising concerns. Finally, the 2006 survey results showed a notable improvement in employee willingness to raise issues as a result of the responsiveness of the CAP and management's reaction to workers who raise issues. The survey confirmed work environment concerns in the maintenance organization, where the negative response rate to questions regarding the SCWE was higher than the site norm. The licensee completed corrective actions in the maintenance area in the latter half of 2007 (e.g., selected department SCWE survey, focus groups), as well as in other organizations noted in the 2006 survey results as needing management attention (e.g., radiation protection). Another sitewide SCWE survey is conditionally planned for late 2008 to early 2009. Also in the latter half of 2007, the licensee completed SCWE training for its supervisory employees.

The NRC conducted its most recent PI&R inspection at Susquehanna in January-February 2008 (Inspection Report Nos. 05000387/2008006 and 05000388/2008006) and included a review of the SCWE at the facility. The PI&R inspection team interviewed licensee employees from each functional organization during the inspection. The team also interviewed the ECP representative and reviewed a sample of ECP files. The employees interviewed expressed a willingness to raise issues and document them in the CAP as well as a belief that the work environment was free from retaliation. The PI&R team noted that the evaluations conducted by the ECP were thorough and responsive to the issues raised.

While the volume of discrimination allegations received over the CY 2003 – CY 2007 review

period concerning Susquehanna has been relatively high (16), the number of discrimination concerns received by the NRC per year has steadily decreased since CY 2005. The NRC received two discrimination concerns in CY 2007; it is investigating one and the alleged withdrew the other. Of the three discrimination allegations filed in CY 2006, the alleged withdrew one, the NRC investigated one that was not substantiated, and one did not meet the requirements for initiation of an investigation. In the previous 3 years (CY 2003 through CY 2005), 11 allegations of discrimination were raised. Three of these allegations were closed because a prima facie showing of potential discrimination was not articulated and, although the NRC investigated the remaining eight, none were substantiated.

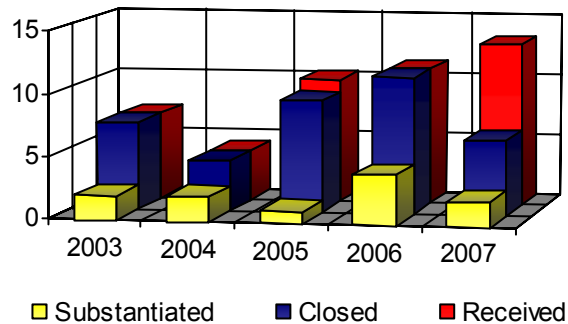
A review of the number and nature of allegations received by the NRC, along with the trends of concerns received by the Susquehanna ECP and the consistent widespread use of the CAP suggests an increasing worker willingness to raise concerns internally at Susquehanna rather than engaging the NRC. The NRC will maintain oversight of the SCWE at Susquehanna through normal inspection activities.

Sequoyah Units 1 and 2

The volume of allegations received concerning the Sequoyah site indicates an increasing trend in the last 3 years in both technical and discrimination allegations (Figure 11). Allegations increased throughout CY 2007. A

clear trend is observed in concerns involving the security organization. In the summer of 2007, the NRC interviewed a number of licensee employees about the SCWE (PI&R Inspection Report Nos. 05000327/2007008 and 05000328/2007008) and concluded that workers felt free to raise safety concerns and did not hesitate to bring issues to the attention of their management.

FIGURE 11 - SEQUOYAH ALLEGATIONS



Trends in the licensee's ECP suggest an increased willingness to raise concerns internally and through that organization, but discipline trends do not mirror those seen in the Allegation Program. However, anonymous corrective action reports concerning the security organization experienced a significant increase. In mid-2007, the licensee interviewed personnel about the work environment in security and other organizations that earlier had been identified as having lower ratings in the SCWE. The results were generally positive; nonetheless, the licensee concluded that further review in the security organization was warranted. The licensee conducted a focused review of the work environment in the security organization in the fourth quarter of 2007. The licensee indicated that the security contractor has taken some actions to address findings from that report and other actions are expected.

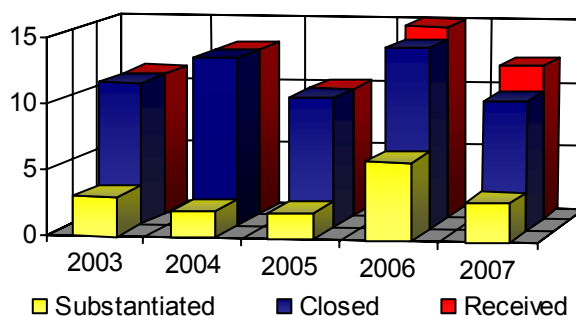
The NRC received four allegations of discrimination in CY 2007, all of which are still open. Four discrimination allegations were raised in CY 2005; three were investigated, but the NRC was unable to substantiate them, while one was withdrawn at the request of the alleged. The NRC received no other claims of discrimination during the review period (CY 2003 through CY 2007).

The NRC will maintain its oversight of the SCWE through normal inspection activities. Its oversight efforts will include a particular focus on the effectiveness of actions the licensee and its contractor are taking to improve the SCWE in the security organization.

San Onofre Units 2 and 3

The number of allegations received from onsite sources at San Onofre decreased from CY 2006 to CY 2007 (Figure 12). The 12 allegations received in CY 2007 involved several different functional areas, with the majority related to maintenance, engineering, or health physics, and the allegation receipt rate was not concentrated in any particular part of the year. A very small percentage of the allegation concerns raised involved issues related to the willingness of employees to raise concerns. The number of concerns received by the ECP in CY 2007 was similar to the number received in CY 2006, with no notable trends regarding a willingness to raise issues.

FIGURE 12 - SAN ONOFRE ALLEGATIONS



The ECP was aware of issues in engineering and conducted some followup activities to explore the reasoning behind the increased number of concerns in this area. It was also aware of work environment conditions (both positive and negative) in several other departments. San Onofre has been providing a variety of SCWE related training to both the workforce and supervisors.

The NRC received six allegations of discrimination regarding San Onofre in CY 2007, which is twice the number received in CY 2006. Of these, the NRC investigated one that was not substantiated, and another is still under investigation. The NRC did not investigate one discrimination concern because it was provided by a third-party source, and in another instance, a discrimination concern was not investigated because the allegor did not wish to participate in an NRC investigation. The remaining two concerns involve offers to mediate via Early ADR and the mediation activities are in progress. The discrimination allegations received in CY 2007 were all from either the maintenance or engineering departments. The NRC received 13 allegations of discrimination regarding San Onofre between CY 2003 and CY 2006. It investigated 11 that were not substantiated. It did not investigate the other two because one individual did not respond to an NRC request for information, and one would not provide his or her identity.

The NRC conducted its last PI&R inspection August through September 2006 (Inspection Report Nos. 05000361/2006013 and 05000362/2006013) and found that a healthy SCWE exists at San Onofre. Site personnel interviewed during the inspection demonstrated a willingness to raise safety concerns and an awareness of the means available for raising concerns. A few individuals voiced concerns to the PI&R team about a decrease in confidence that the CAP will adequately address low-level problems, but none of the individuals indicated that this would

inhibit them from raising concerns in the future. The NRC also reviewed the results of the licensee's 2005 third-party independent survey of safety culture at San Onofre and the licensee's efforts in response. The results were similar to those of a previous survey conducted in 2003, and they were very positive with regard to the health of the SCWE at San Onofre. The NRC staff found the licensee's action plan for identified areas for improvement to be appropriately focused, including extensive efforts to train managers at all levels on numerous elements of safety culture. The licensee conducted another third-party safety culture survey in the first quarter of CY 2008.

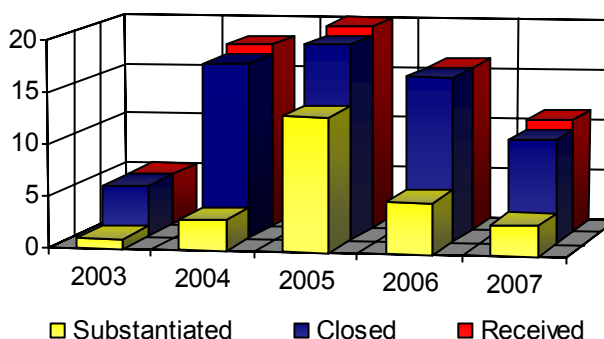
In general, the number and nature of allegations regarding San Onofre do not appear to indicate a SCWE problem at the facility at this time. However, the NRC's annual assessment of facility performance identified substantive crosscutting issues in human performance regarding the failure to provide adequate procedures or work instructions and, in the PI&R area, failure to evaluate problems thoroughly so that the resolutions address the causes and extent of conditions, thus placing San Onofre in the Licensee Response column of the NRC's Action Matrix. Continuing problems in these crosscutting areas could have a deleterious effect on the safety culture, including the SCWE, if not corrected. Allegations of discrimination also increased significantly in CY 2007. In addition to monitoring the licensee's activities in response to the identified substantive crosscutting issues, the NRC will continue to monitor the work environment through normal inspection activities, including reviewing the licensee's response to the latest safety culture survey, observing any additional trends in allegations and concerns for the maintenance department, and monitoring the number of discrimination allegations received.

Browns Ferry Unit 1

After peaking in CY 2005, the declining trend in the number of allegations the NRC received concerning the Browns Ferry Unit 1 site continued in CY 2007 (Figure 13). No clear issue or discipline trends are evident. The NRC conducted a PI&R inspection in August 2007 (Inspection Report Nos.

05000259/2007008, 05000260/2007008 and 05000296/2007008) that included a review of the SCWE. The staff observed that licensee management routinely emphasized the need for all employees to identify and report problems and that employees were not hesitant to do so.

FIGURE 13 - BROWNS FERRY ALLEGATIONS



Discussions with the licensee revealed trends towards a significant drop in usage of the ECP. At midyear the licensee conducted SCWE interviews in organizations that were identified the previous year as needing management attention. The purpose of the interviews was to assess the effectiveness of actions taken to improve the work environment. The licensee indicated that improvements were noted in those targeted organizations, while ratings worsened in other areas.

The number of discrimination allegations also declined in CY 2007 to two after the NRC received

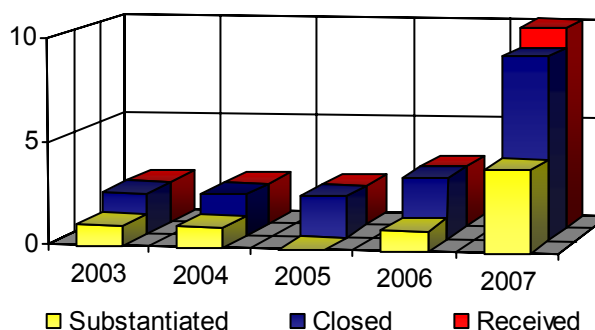
five the previous year. The allegor withdrew one before an investigation could be initiated and the parties settled the other using the Early ADR process. Of the three received in CY 2006, the allegors withdrew two and one did not make a prima facie showing. Of the five allegations of discrimination received in CY 2005, the NRC investigated and substantiated one and continues to investigate one. The staff investigated two others but was unable to substantiate them, and the allegor withdrew one. The NRC acknowledged that the contractor involved identified the issue and took prompt corrective actions to address the specific issue and the SCWE within its organization with little Government intervention. In view of the immediate investigation and prompt corrective action, the NRC exercised enforcement discretion in accordance with Section VII.B.5 of the Enforcement Policy and did not issue a Notice of Violation in this matter. The agency will consider any future violation of 10 CFR 50.7 for full application of the Enforcement Policy. In the previous 2 years, the agency received five discrimination allegations. Of the four received in CY 2004, the NRC investigated two that could not be substantiated and closed one after repeated unsuccessful attempts to contact the allegor for an interview, while an allegor withdrew one. The one allegation received in CY 2003 was investigated, but not substantiated.

The nature of allegations received in CY 2007 does not indicate a concern with the SCWE at the Browns Ferry Unit 1 site. The NRC will continue to monitor the site's work environment through normal inspection activities.

Fermi

The number of allegations received from onsite sources at Fermi in CY 2007 represented a substantial increase compared to the low numbers of allegations received in the previous 4 years (Figure 14). It is notable that 7 of the 10 allegations received from onsite sources in CY 2007 involved security, and that the NRC received 9 of the 10 allegations in the last 2 months of CY 2007. It is also notable that the NRC received seven allegations within 2 weeks of an Unusual Event at Fermi on November 11, 2007, involving unexplained holes in a steam pipe, at first thought to be potential sabotage, but later determined to be the result of a maintenance error. In addition to the Unusual Event, other significant plant activities at Fermi during CY 2007 included a refueling outage from late September 2007 to mid-November 2007, and union contract negotiations that began after midyear (the union contract was ratified at the end of 2007).

FIGURE 14 - FERMI ALLEGATIONS



The most recent NRC PI&R inspection at Fermi (Inspection Report No. 05000341/2007007) completed in September 2007 concluded that Fermi has established an acceptable SCWE. The PI&R team received minimal negative feedback about the work environment for raising safety issues on site, and also noted that few issues were submitted to the CAP or to the Ombudsman/ECP with stated or implied problems related to plant safety culture or the SCWE.

Similar to the pattern of allegations received by the NRC, the Fermi Ombudsman/ECP received few concerns in CY 2007 until after the third quarter of the year (although the Ombudsman/ECP did not receive a concentration of issues in the security area as did the NRC). Notwithstanding, Fermi has acknowledged the volume of allegations received by the NRC late in CY 2007, particularly in the security area (as evidenced in requests for information issued to Fermi regarding allegation concerns received by the NRC), and it is considering a SCWE assessment in CY 2008 with a possible focus in the areas of security and radiation protection.

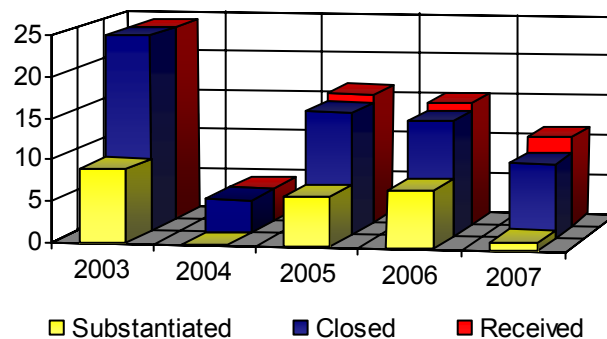
In August 2006, the licensee conducted a third-party safety culture assessment. The assessment concluded that Fermi staff had a healthy respect for nuclear safety and were not compromised by production priorities. The safety culture assessment did identify some items that could detract from a strong safety culture, and the licensee has taken actions in response, including providing safety culture training for managers and line personnel, providing training to the entire site in 2006 on a "Learning Map" in safety culture, and forming of a multidisciplinary team to examine the site work control process. The licensee will conduct another safety culture assessment at Fermi in 2008.

An analysis of the trends and nature of allegations does not suggest a SCWE concern at Fermi. There has only been one allegation of discrimination related to Fermi in the last 5 years (CY 2003 - not substantiated). Notwithstanding, recent NRC allegation activity in the Security area should be monitored for possible negative effects on the SCWE. It is apparent that recent security-related allegation activity relates to the licensee's handling of the Unusual Event on November 11, 2007. The NRC should maintain its oversight of the SCWE at Fermi through normal inspection activities, with attention to the security area and the monitoring of any additional efforts by the licensee in 2008 to assess the degree to which the security department maintains a SCWE.

St. Lucie Units 1 and 2

The number of allegations received in CY 2007 from onsite sources at St. Lucie (10) represents a decrease in allegations received in prior years and an overall downward trend over the past 5 years (Figure 15). The disciplines involved in the allegations received from onsite sources at St. Lucie were spread among multiple workgroups, with small concentrations of issues in the maintenance/Instrumentation and control and security areas. The NRC received only one anonymous onsite allegation in CY 2007. The trend in internal concerns received by the St. Lucie ECP was similar to allegations received by the NRC and the St. Lucie ECP also received only one anonymous concern in CY 2007.

FIGURE 15 - ST. LUCIE ALLEGATIONS



Only 3 of the 10 allegations from onsite sources were received during the period of a major refueling outage at St. Lucie Unit 2 (September 30, 2007, to January 4, 2008) which included

steam generator and reactor vessel head replacement. The number of discrimination allegations received in CY 2007 (1) and 2006 (1) represent a substantial decrease from the number received in the 3 previous years. In the same timeframe, the St. Lucie ECP received a similar reduced rate of concerns. An analysis of these trends indicates that efforts taken by the licensee to mitigate past SCWE issues at St Lucie (in the 2003 timeframe) have been relatively successful.

For background, in response to an NRC-identified concern with the SCWE at St. Lucie in CY 2003, the licensee took actions to measure and improve the onsite work environment, including restructuring the organization, monitoring the SCWE annually using survey tools, providing SCWE training, enhancing the CAP, and initiating a Leadership Development Academy. The licensee noted evidence of an improving SCWE in CY 2004, and in 2004, an NRC PI&R inspection (Inspection Report Nos. 05000335/2004007 and 05000389/2004007) did not identify any reluctance on the part of plant staff to report safety concerns. In CY 2005, the NRC reviewed the effectiveness of the ECP and CAP in dealing with SCWE issues (Inspection Report Nos. 05000335/2005003 and 05000389/2005003) with generally positive results. In addition to interviewing site personnel about the environment for raising safety issues during the PI&R inspection in August 2006 (Inspection Report Nos. 05000335/2006008 and 05000389/2006008), the NRC inspection team reviewed a large sample of ECP files to assess the effectiveness of the ECP in capturing and resolving concerns that involved conditions adverse to quality and the responsiveness and quality of feedback provided to concerned individuals. In general, the inspection team found that the SCWE at St. Lucie was healthy and that employees felt free to raise issues to their management without fear of retaliation. The team found the ECP to be generally effective in investigating and facilitating the resolution of employee concerns. However, during the 2006 P&IR inspection, some individuals indicated a problem with the timeliness of ECP feedback and suggested that this might cause some to be reluctant to use the ECP in the future. The licensee acknowledged the negative perceptions about the ECP, as evidenced by both recent internal SCWE survey results and the results of the NRC 2006 PI&R inspection. In response, the licensee took actions to address these perceptions, including the standardization of the organizational makeup and function of the ECP within the Florida Power & Light reactor fleet, better communications about ECP program functions and policies, and the initiation of "cultural meetings" with employees to discuss topics related to the SCWE and safety culture. The licensee added training modules to their Web-based training in 2007 to discuss the standardization of the ECP across the licensee's organization, and also to provide site staff with feedback on past issues related to the St. Lucie ECP. In 2007, the licensee took actions to make the ECP more responsive to concerned individuals and to improve the quality of its investigations.

The licensee conducted the most recent survey of the SCWE at St. Lucie in January 2007. The licensee performs its own SCWE surveys, with questions derived from industry guidance. The results of the January 2007 survey for St. Lucie were generally good, and were discussed during quarterly meetings with site employees. The SCWE survey results did identify a weakness at St. Lucie related to employee confidence in the CAP to handle issues and prompt an appropriate level of review, likely in reference to numerous condition reports that are placed in a "trend" status. The licensee is currently pursuing the implementation of another CAP computer tracking program within its Nuclear Division. It was also noted that considerably more St. Lucie employees responded to the 2007 SCWE survey (860) than to the last SCWE survey in 2005 (540). The licensee is considering conducting another SCWE survey late in 2008.

One allegation of discrimination was received in CY 2007 and remains under investigation. One

allegation of discrimination was raised in CY 2006, but was not investigated because the concerned individual did not wish to participate in an investigation. In CY 2005, the NRC received four allegations of discrimination. Three were investigated and not substantiated, and the other alleged did not wish to participate in an investigation. For the three allegations of discrimination raised in CY 2004, the concerned individuals in two of the cases indicated that they did not wish to pursue the matter via NRC investigation. The other case was investigated, but not substantiated. In CY 2003, four discrimination allegations were raised. All were investigated, but none were substantiated.

In general, the nature and number of the allegations received regarding St. Lucie in CY 2007 and similar trends in concerns being raised internally do not indicate a problem with the SCWE. The NRC will maintain its oversight of the SCWE at St. Lucie through normal inspection activities, with a focus on the SCWE in the maintenance/instrumentation and control and security organizations, as well as on overall employee perceptions of the functionality of the CAP and any changes or improvements to it.

Byron Units 1 and 2

The number of allegations received by the NRC from onsite sources regarding the Byron facility has fluctuated upward and downward each year since CY 2003 (Figure 16). While the NRC received no allegations of

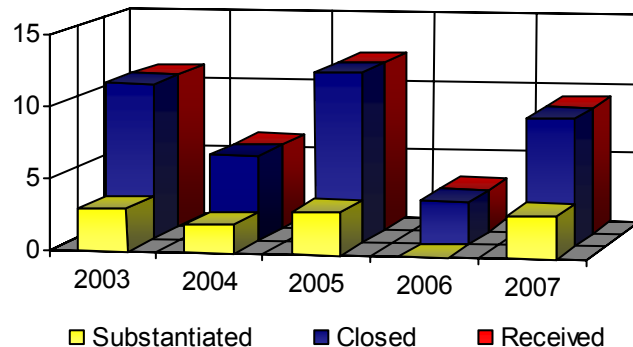
discrimination at Byron in CY 2007, it received nine other allegations representing a substantial increase from the previous year. However, a review of the individual allegation concerns identified no trend or pattern in the related disciplines that would indicate a significant weakness in the SCWE. The Byron ECP also saw a notable increase in concerns in CY 2007, receiving twice as many as in 2006. Several discrimination concerns were raised to the ECP in

CY 2007, but none involved NRC protected activity. The ECP also received more anonymous concerns in CY 2007 than in previous years. On a continuing basis, the ECP interviews the site staff in an effort to identify any trends or emerging issues related to the work environment for raising concerns at Byron. Additionally, Exelon is currently conducting a company-wide safety culture assessment and is planning company-wide training related to the SCWE.

The most recent NRC PI&R inspection at Byron conducted in July-August 2007 (Inspection Report Nos. 05000454/2007006 and 05000455/2007006) did not identify any findings of significance relating to the SCWE. The PI&R inspection team interviewed several members of the site staff and reviewed the ECP interface activities with site personnel in its effort to identify any issues related to the willingness of workers to raise safety issues and also to promote the use of the ECP. The PI&R team concluded that issues are freely communicated to supervisors at Byron and that the CAP and the ECP are readily used.

In addition to the fact that the NRC received no discrimination allegations in CY 2007, it received

FIGURE 16 - BYRON ALLEGATIONS



only seven allegations of discrimination in the 4 previous years (CY 2003 – CY 2006). Of these seven discrimination concerns, two were investigated by NRC and not substantiated, one was not investigated because the alleged did not want the NRC to release his/her identity, one was settled via Early ADR, and three were not pursued by NRC because the alleged did not articulate a prima facie showing of potential discrimination.

In general, the nature and number of the CY 2007 allegations regarding Byron along with the findings of the most recent NRC PI&R inspection, conducted in late 2007, do not indicate a problem with the SCWE. Accordingly, the NRC will continue to monitor the SCWE at Byron through normal inspection activities.

Grand Gulf

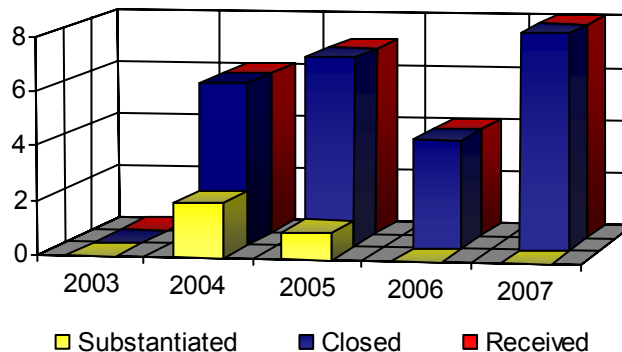
The number of allegations regarding Grand Gulf has gradually increased over the past 5 years (Figure 17). However, the NRC received all of the CY 2007 Grand Gulf allegations from onsite sources during the first half of 2007. Half of the allegations involved the security area.

The most recent NRC PI&R inspection (Inspection Report No. 05000416/2007008) completed in November 2007 found that site personnel felt free to raise safety concerns to supervisors and to enter issues

into the CAP. Individuals were also familiar with alternate paths for raising safety concerns (e.g., the ECP, the NRC) and indicated that they would not be hesitant to use one of those paths when appropriate. This was indicative of improvements made since the previous PI&R inspection in 2005, which identified a few workers who perceived a lack of ECP independence from management. In response to this 2005 PI&R observation, the ECP took actions to increase its visibility around the site and to conduct a self-assessment in 2006. The 2007 PI&R inspection also noted that while workers felt that management was receptive to the reporting of problems, a few individuals indicated a lack of confidence that concerns of lesser significance would be addressed in a timely manner.

In CY 2007, the number of items fielded by the Grand Gulf ECP was substantially higher than those received in CY 2006, primarily as a result of human resources issues arising from a company realignment that was implemented in the second half of 2007. Management changes at the site in CY 2007 and an effort by Wackenhut to monitor standards and expectations also affected the rate at which the ECP received issues. However, it should be noted that very few of the items received by the ECP regarding these notable activities in CY 2007 rose to the level of a nuclear safety concern requiring evaluation and analysis. In addition, the Grand Gulf ECP receives very few anonymous issues (1-2 per year) and minimal SCWE-type issues (e.g., discrimination claims, chilled work environment issues, concerns regarding the effectiveness

FIGURE 17 - GRAND GULF ALLEGATIONS



of the CAP). This is an additional indication that the site staff has confidence in the use of the ECP.

The results of a third-party site safety culture assessment in early 2006 indicated a good overall safety culture and SCWE at Grand Gulf and noted a few issues in the communications area. The findings of the safety culture assessment echoed some of the observations made by the 2006 NRC PI&R inspection team. The 2007 PI&R inspection team noted that the licensee had taken actions to address these issues by way of the action plan established following the safety culture assessment.

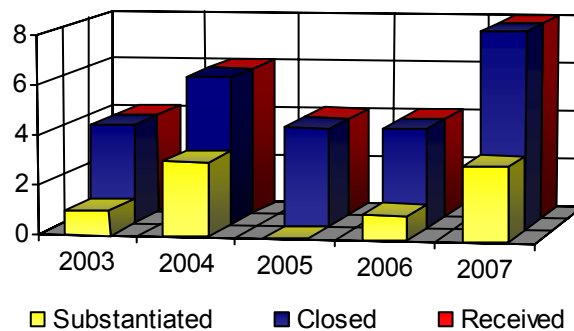
The NRC received only three discrimination concerns regarding Grand Gulf in the past 5 years and no discrimination concerns in CY 2006 or CY 2007. In CY 2005, the agency received two discrimination allegations and both individuals subsequently withdrew their claims. The NRC investigated one discrimination concern in CY 2004 but it was not substantiated.

An analysis of the trends and nature of the allegations does not suggest a SCWE problem at Grand Gulf. Similarly, trends in the licensee's ECP suggest a good work environment and a willingness to raise concerns. There are minimal issues at Grand Gulf related to safety culture, chilled work environment, or discrimination. The NRC will maintain its oversight of the SCWE through normal inspection activities, being mindful of concerns in the security area.

Arkansas Nuclear One Units 1 and 2

The number of allegations received by the NRC regarding ANO Units 1 and 2 in CY 2007 (8) represents a notable increase compared to the number of allegations received in the previous 4 years (Figure 18), with six of the eight allegations in the security area. The NRC received six of the eight allegations (including five security allegations) in the first half of CY 2007, which encompassed the period of the twentieth ANO Unit 1 refueling outage in April-May 2007.

FIGURE 18 - ANO ALLEGATIONS



The most recent NRC PI&R inspection (Inspection Report No. 05000313/2007007) conducted from January 22 -March 8, 2007 concluded that although the team identified no SCWE concerns, complaints noted in the results of a sitewide nuclear safety culture assessment in March 2006 and a Wackenhut security safety culture survey in August 2006 identified general cultural factors that, if not addressed, might affect the SCWE (e.g., occasional emphasis on production over safety; staffing/budget necessary to accomplish tasks and maintain plant reliability). The PI&R team noted that the licensee had created an action plan to address the weaknesses described in the March 2006 safety culture assessment, and that corrective actions have been implemented. In the security area, the PI&R team noted that the licensee had communicated its views to security officers regarding a specific personnel action that many

officers had perceived as retaliatory and that was the reason Entergy senior management asked Wackenhut to perform the security safety culture survey.

In CY 2007, the number of concerns fielded by the ANO Unit 1 and 2 ECP was similar to numbers received in CY 2006 and CY 2005. Site activities affecting ECP issue receipt in CY 2007 were a company "realignment" initiated in early 2007 that eventually resulted in approximately 100 site employees either accepting early retirement or being asked to seek employment elsewhere either within or outside the company, and the ANO Unit 1 refueling outage in April-May 2007. The ECP saw an increase in concerns reported in February 2007 after the company realignment was announced in January 2007, and in May 2007 (at the end of the refueling outage). The ECP continued to receive issues in the security area and is anticipating that additional issues may be received subsequent to a significant change in senior security management at ANO at the end of CY 2007.

Entergy emphasized SCWE concepts to the site workforce at all-hands meetings and leadership meetings in CY 2007. In addition, the licensee developed computer-based training modules for all employees on various SCWE-related topics (e.g., SCWE basics, the ECP). Entergy asked Wackenhut to perform its security culture survey again in 2007, and the results were somewhat better than those of the 2006 survey. Given the recent changes in senior security management Entergy is considering asking Wackenhut to continue to survey the security department periodically to monitor the work environment as the new security management transitions to the site.

Only 3 discrimination concerns were raised to the NRC regarding ANO Units 1 and 2 in the last 5 years. The most recent two concerns of discrimination, one each in CY 2007 and CY 2006, involved third party discrimination claims. In CY 2005, an alleger submitted a discrimination concern but later withdrew it. No discrimination concerns were submitted to NRC in CY 2004 or CY 2003.

In summary, ANO has recognized SCWE issues in the security department and is continuing efforts to improve in that area. Recent changes in upper level management in security could challenge that improvement if the transition is not handled well. An analysis of the trends and nature of allegations received regarding ANO Units 1 and 2 does not suggest an overall concern with the SCWE, but attention should be paid to the security area. The NRC will maintain its oversight of the SCWE through normal inspection activities. Review efforts will include a particular focus on the effectiveness of actions the licensee is taking to improve the SCWE in the security organization.

Allegation Trends for Selected Materials Licensees

The NRC Web site posts allegation statistics for certain fuel cycle facilities (see the appendix to this report). Because of the small number of allegations concerning other smaller materials licensees and because of the potential for a licensee or contractor to identify an alleger, tables of statistics on allegations concerning materials licensees other than fuel cycle facilities have not been provided publicly or included in this report. None of the materials licensees, fuel cycle facilities or otherwise, received a sufficient number of allegations to discern a trend or pattern or to provide insights into the SCWE. Therefore, this report does not include more in-depth reviews of specific materials licensees.

Allegation Trends for Selected Vendors

Because none of the vendors received a sufficient number of allegations to discern a trend or pattern or to provide insights into the work environment, this report does not include more indepth reviews of specific vendors. The report also does not provide statistics by contractor or vendor because publishing the number of allegations could identify an alleger.

CONCLUSIONS

From calendar years 2003 through 2007, the number of allegations received by the NRC has remained fairly steady, in the range of approximately 600 allegations per year, with a declining trend from CY 2004 through CY 2007. Reductions in allegations received from some reactor facilities that had previously experienced significant allegation activity explain the more recent declining trend. From a national and regional perspective, the trend in the total number of concerns has paralleled the trend of total allegations received in the 2003 to 2006 timeframe, with the number of concerns received at operating power reactor facilities decreasing slightly in all regions in 2006. In 2007, however, although the number of allegations decreased, the number of concerns actually increased for reactor facilities in almost every region and program office. Security-related concerns continue to be the largest percentage of concerns received.

The analyses of allegations have provided insights into the SCWE at several facilities. The staff has taken action to engage licensees concerning their work environment when warranted and will continue to monitor these sites with interest.

The agency's Early ADR process resulted in nine cases in which discrimination allegations were successfully settled between the parties before the start of an NRC investigation. The staff believes that voluntary dispute resolution by the parties using the communication opportunities afforded in Early-ADR can stem the inherent damage such disputes have on the SCWE more quickly than an investigation.

Finally, the NRC is currently considering a number of proposed enhancements to the allegation process based on internal review of the lessons learned in 2007 in handling allegations of inattentive security officers at the Peach Bottom Atomic Power Station. In addition to the staff's internal reviews, the Office of the Inspector General is conducting an investigation into this matter that may yield further enhancements for consideration. In addition, the staff plans to engage external stakeholders regarding certain aspects of these process enhancements. The outcome of these efforts will be documented in Commission and Allegation Program policy and guidance documents.

APPENDIX

ALLEGATION STATISTICS
OPERATING REACTORS AND FUEL CYCLE FACILITIES

OPERATING REACTOR ALLEGATIONS RECEIVED FROM ONSITE SOURCES

Site	2003	2004	2005	2006	2007
ARKANSAS NUCLEAR ONE 1 & 2	4	6	4	4	8
BEAVER VALLEY 1 & 2	1	9	7	3	1
BRAIDWOOD 1 & 2	1	3	4	6	5
BROWNS FERRY 1	5	18	20	16	11
BROWNS FERRY 2 & 3		6	5	1	
BRUNSWICK 1 & 2	3	2	3	1	3
BYRON 1 & 2	11	6	12	3	9
CALLAWAY	3	1	11	3	17
CALVERT CLIFFS 1 & 2	4	5	1	2	1
CATAWBA 1 & 2	2	2			2
CLINTON	2	4	1	3	1
COLUMBIA PLANT	4	6	7	3	3
COMANCHE PEAK 1 & 2	1	2	9	3	4
COOK 1 & 2	9	12	7	7	3
COOPER	8	10	1	3	2
CRYSTAL RIVER	3	4	2	5	4
DAVIS-BESSE	18	12	9		4
DIABLO CANYON 1 & 2	2	2	2	2	2
DRESDEN 2 & 3	3	3	9	7	
DUANE ARNOLD	2	8	1	1	1
FARLEY 1 & 2	3	1	4	4	6
FERMI	2	2	2	3	10
FITZPATRICK	7		3	3	1
FORT CALHOUN	3	2	2	6	
GINNA	2		2	2	2
GRAND GULF		6	7	4	8
HARRIS	1		9	14	14
HATCH 1 & 2	2	1	3	1	6
INDIAN POINT 2 & 3	20	19	9	15	19
KEWAUNEE	4	3	3	4	1
LASALLE 1 & 2	2		2	1	5
LIMERICK 1 & 2	4	4	8	4	1
McGUIRE 1 & 2	2	2	2		
MILLSTONE 2 & 3	6	1	10	9	5
MONTICELLO	1		2	2	1
NINE MILE POINT 1 & 2	2	4	4	5	6
NORTH ANNA 1 & 2	1	4	2	1	3
OCONEE 1, 2, & 3	3	11	3	2	2
OYSTER CREEK	18	8	14	4	2
PALISADES	7	10	3	6	5
PALO VERDE 1, 2, & 3	19	8	22	16	18
PEACH BOTTOM 2 & 3	2	1	5	6	8

Site	2003	2004	2005	2006	2007
PERRY	5	12	4	1	1
PILGRIM	5	14	9	6	7
POINT BEACH 1 & 2	9	11	13	2	1
PRAIRIE ISLAND 1 & 2	2	4	5	6	6
QUAD CITIES 1 & 2	1	1	2	1	4
RIVER BEND	4	3	2	3	2
ROBINSON			1	1	
SALEM/HOPE CREEK	6	18	23	14	16
SAN ONOFRE 2 & 3	11	13	10	15	12
SEABROOK	3	3	9	4	4
SEQUOYAH 1 & 2	7	4	10	11	13
SOUTH TEXAS 1 & 2	2	6	4	8	6
ST LUCIE 1 & 2	24	4	16	15	11
SUMMER	4	3		3	
SURRY 1 & 2	2	1	2		1
SUSQUEHANNA 1 & 2	3	13	20	19	13
THREE MILE ISLAND	1	6	4	1	1
TURKEY POINT 3 & 4	3	9	10	18	4
VERMONT YANKEE		3	1	4	3
VOGTLE 1 & 2	1	1	5	5	7
WATERFORD		1	2	2	2
WATTS BAR	2	4	2	6	3
WOLF CREEK			3	1	1

FUEL CYCLE FACILITY ALLEGATIONS RECEIVED FROM ONSITE SOURCES

Site	2003	2004	2005	2006	2007
BWX TECHNOLOGIES, INC.	3			3	1
FRAMATONE-LYNCHBURG		1			
FRAMATONE-RICHLAND	1	1		1	
GLOBAL NUCLEAR FUEL		1	2		1
HONEYWELL		2	7		1
NUCLEAR FUEL SERVICES, INC.	10	10	6	1	3
PADUCAH	22	10	7	3	6
PORTSMOUTH	2	7	2	6	2
WESTINGHOUSE		1	8	2	2