UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
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ROUNDTABLE PUBLIC MEETING ON
THE REVISED REACTOR OVERSIGHT PROCESS

Homewood Suites
Mallard Room
100 MacAlyson Court
Cary, NC
Thursday, January 20, 2000

The meeting commenced, pursuant to notice, at 7:05 p.m.

PARTICIPANTS:
AUGUST SPECTOR, NRR
WILLIAM DEAN, NRR
JOSEPH BRADY, Senior Resident Inspector, Sharon Harris Plant.
ROBERT HAGAR, Resident Inspector, Sharon Harris Plant
BRIAN BOSNER, Branch Chief, NRC Regional Office, Atlanta, GA
WELLS EDDLEMAN, North Carolina Citizens Research Group

P R O C E E D I N G S

[7:05 p.m.]

MR. SPECTOR: I'm August Spector, and I'm with the Nuclear Regulatory Commission, from the Washington Office, the Office of Nuclear Reactor Regulation. And I'm one of the members of the Task Team that's in the process of developing the revised reactor oversight program.

Tonight we have this public meeting, we're going to make this different than maybe other public meetings that you might have participated in.

We will try to be as informal as we possibly can. We're kind of sitting in a circle, and we're calling this a roundtable meeting. That's as round as we can get, I think.

We had a meeting a few months ago, I think, in July, in the same room, in fact, where we had people from the community, from the utility, et cetera, and we talked about the revised oversight process.

That was at the time that we were beginning our pilot program. We'll be talking a little bit more about that in a moment.

What we decided to do was to hold another meeting at each of the sites, and Cary is one of the areas where there is a site, the Harris site, as you all know. What we want to do is give you an update as to what the program is about and what has happened so far, and basically to get your input.

So we're really looking for your input -- for an opportunity now to have a dialogue. In order to do that, we invited some people that we had on a list. These are community leaders, public officials, mayors, town council people, et cetera, representatives in the community, and interested citizens who have indicated in the past that

they were interested in participating in these kinds of meetings.

We also have people here from the utility, and other NRC offices. So people who read about the meeting in the newspaper and heard and decided to come down.

So we have invited some of the people and they're sitting at the roundtable. The way we're going to run this is, first, Bill Dean, who is in NRR, and he's a Division Director up there -- are you Division Director?

MR. DEAN: Not unless I got promoted.

MR. SPECTOR: You got promoted?

MR. DEAN: Thanks for promoting me.

MR. SPECTOR: He's Branch Chief. Well, the next step.

But, seriously, Bill is the in charge of this program. And he's going to spend a little time giving the introduction and overview of what this program is about.

Then, I'm going to facilitate this roundtable, and we'll talk a little bit more in detail about that. It will be an opportunity for you to participate and ask questions and have a dialogue.

Let me just ask, before we get going, is there anybody out in the audience who was sent a letter, an invitation letter to come?

[No response.]

MR. SPECTOR: Great, okay. Bill?

MR. DEAN: In as much as Augie is trying to promote me, I am a Branch Chief, not a Division Director, so if you are familiar with the NRC structure, Division Director is a couple of levels above me.

But be that as it may, he is correct that I am the Branch Chief for the Inspection Program Branch, and under my responsibilities is the development and implementation of this program, and working with the Regional Offices and the inspectors to try and implement this program and get it so that it is an appropriate tool for providing oversight of nuclear power plant operations.

Now, the last time I made this presentation up at Fitzpatrick up in New York, given the fact that I know a lot about this program, I tended to talk a lot. So I'm going to try to be a little bit more concise and allow more for the portion of the meeting where we hear feedback from you, the interested public, which is really the main reason that we are here.

And we did send out information to a lot of you, so I hope you've had a chance to some reading and review that material or perhaps visit our website and gain some familiarity of our new oversight process, but I am going to spend a few minutes to try and cover it.

I'm going to cover basically who we are, the NRC, give you a brief review of the revised program, and then we'll get into the roundtable discussion. And we're not going to limit discussion to just the people sitting at the table; we will also solicit feedback from people in the audience.

But it is important to note that the focus of this meeting is on our new oversight process. Certainly I am aware that there are some very important issues here dealing with expansion of the spent fuel pool at the Sharon Harris plant.

It is my understanding that we have scheduled a public meeting that was just scheduled yesterday, so it should be showing up on the website fairly soon.

It's for the 28th of February, and I believe that's going to be held at the Susan McKinney Conference Center at North Carolina State University on the 28th, so there will be a public meeting to discuss the NRC's activities associated with licensing, consideration of the licensing of the Harris plant for additional fuel storage at a future date.

But that is not one of the topics; we do not have the right people here to talk about that, either the technical reviewers or the licensing staff. So, that's not a subject of this meeting.

But the focus is on our oversight process. And with us here today to help us from the NRC, we have Joe Brady, who is the Senior Resident Inspector at Sharon Harris; we have Bob Hagar, who is his Resident Inspector, and Brian Bosner, who is the Branch Chief in the Regional Office in Atlanta, that's responsible for the Regional implementation of our inspection program.

And they have all been very much involved in the development and implementation of this new process at the Harris Plant, and will be able to hopefully share some of their insights as we go on and get into questions about the process.

Just really briefly -- and the reason we put this slide up about who we are is that from some of our earlier presentations when we first started talking to the public in the local vicinities of the power plants that were involved in this pilot program, people didn't know who the NRC was, a lot of people.

They didn't know that there was a federal agency that was responsible for overseeing nuclear power plant operations and with the charter to protect the public health and safety. So this slide really describes who it is that we are.

We're a federal agency with a budget of about $500 million, and probably less than 3,000 employees, give or take, with four Regional Offices, one of which is in Atlanta, and a headquarters office in the Washington, DC area, or, Rockville, Maryland, to be more specific.

And the purpose of this organization is to oversee the use, the peaceful use, of nuclear material and nuclear power, both in power generation, as well as things like medical uses and things like that.

So it's a fairly broad charter to assure public health and safety, and one that is of great import to our people, to assure that public health and safety.

Let me talk a little bit about our current oversight process. You have to have somewhat of a feel of what that process is before you can really grasp what it is that we're trying to do with the new process.

In our current program -- and I'm talking about things like inspection, enforcement, assessment, performance assessment, those types of processes are processes that have been developed somewhat independently over time.

Our assessment process, those of you who are familiar with something called the SALP, or the Systematic Assessment of Licensing Performance, that was the methodology by which we every two years or 18 months, some period like that, we would sit down and look at plant performance over the past couple years and try and ascertain what does all that mean?

What do all those inspection reports mean, and all those

findings and observations that we have in terms of what does that mean about plant performance? And we would come out with this SALP report that gave numerical criteria.

It really was a fairly subjective process. We overlaid that with other processes.

We have something called a Senior Management Meeting, which was a process whereby senior managers would meet every six months and they would look at information developed on each of the plants, and sit around and cogitate on what all that information meant to them, and then come out of that meeting with what we think these plants should be on the watch list for, which are the plants that receive the highest level of attention from the Agency because they are plants that we consider to be in a poor-performing state.

And so that was another process that got overlaid. And we had our enforcement process where issues emerge at a plant. How do those issues go through the enforcement process and you end up with a civil penalty?

Basically, all of these processes were loosely linked, but not really integrated. So that was one aspect of our current program.

Our insights about plant performance were based pretty much just on inspection results. Our inspection activities from the Region-based inspectors and the resident inspectors at the sites, those were the insights that we gained about plant performance and nothing else; nothing really objective; subjective opinions about what does all that mean, all these inspection findings.

Our process was compliance-oriented. We have quite a lengthy collection of regulations, rules and regulations by which plants have to operate. And our focus many times with our inspection process was not so much geared towards what is safe and what is not safe, or what is risk-significant or what is not risk-significant, but does that comply with the regulations?

And that comes from a basis that if you comply with the regulations, then you must be operating the plant safely. And though that premise is not necessarily incorrect, it has a tendency sometimes to focus our attention and the attention of the licensees on just complying with the regulations and not necessarily focusing their attention and resources on what is the most safety- or risk-significant thing we ought to be focusing upon?

And so we're altering our approach to be more oriented towards what are the most safety-significant items and operations we ought to be focusing our attention on, so we get the most bang for our buck from our inspectors.

And enforcement, I mentioned enforcement earlier. In our current process, enforcement was kind of a separate entity, and things would come out of the enforcement process, like civil penalties and violations, and then those would find their way into the assessment process.

So the outcome of enforcement was finding its way into driving assessments. And that's really not the right thing. Enforcement ought to come out of the assessment process; how we assess plant performance, how we assess those issues that occur in that plant, and enforcement ought to be an outcome.

So that's our current program, and that gives us a little

bit of a baseline as to what our new program is going to take. It's important to recognize that our Agency is and has been over the past several years, in a period of transition.

I mean, everybody is aware of the efforts on the part of Congress to reduce resources, and the NRC had been affected by that just like every other government agency. So we've got to look at how we've got to do things smarter.

What should our goal and our mission be? So over the past couple of years, we've developed what we believe are four key outcome measures or outcome goals for the Nuclear Regulatory Commission.

And the first one, obviously, is the most important: We want to maintain safety.

Now, just looking at that on face value, maintain safety, yes, sure, that makes sense. But that is a shift in the philosophy of this Agency, and it's important to understand the subtlety of that.

Heretofore, we were essentially attempting to try to -- we saw that there was something that needed to be worked on, or it that might have been a potential problem and we would drive towards resolution of that. And the focus was to make industry better and better and better and better, okay?

Well, there is a law of diminishing returns. And how much effort are we trying to expend in order to achieve even a modicum level of increase in safety?

So, if one were to look at the safety performance of this industry over the past decade, and you look at some of the more substantial measures of safety like challenges to safety systems, significant events, reactor scrams and automatic shutdowns, radiation exposure to the workers; if you look at all those measure over the past decade, you see a substantial performance trend increase. In other words, performance has gotten a lot better in a lot of these broad measures of safety performance.

Given that level of performance, given things like Congressional mandates to be more effective and efficient, we've got to drive ourselves to focusing on what do we need to do to maintain this level of safety that exists?

We believe that we have a good level of safety overall in the nuclear power industry. We want to be able to at least maintain that level of safety. So that is a subtle change, but it is meaningful.

Enhancing public confidence: Okay, given all this transition and all this change, we've got to assure ourselves that the public has confidence in what we're doing and how we're trying to go about overseeing, in this case, nuclear power plant operations.

The purpose of meetings like this is to try and listen to you, the public, and get a feel for what are the things that we do or don't do that you're aware of, that either enhance or degrade public confidence in the NRC's activities?

That's not a case of promoting nuclear power or being anti-nuclear power, but recognizing that our mission is to assure public health and safety from the operation of nuclear power plants. What can we do to better assure public confidence in what it is we're trying to do?

Improve our efficiency and effectiveness: Okay, clearly in times of budget constraints, we've got to do things smarter, and that's

a big element of this program, to try and be smarter, and how do we expend our resources?

And the last one is reduce unnecessary regulatory burden. This one sometimes rankles people because, well, you're just trying to reduce what industry has to spend and be less of a pain to them.

In any regulatory body like the Nuclear Regulatory Commission, clearly there is a regulatory burden. And it's intended to be a regulatory burden because without a regulator, then you would have an industry that would be going along unfettered.

And when you're talking about the use of nuclear materials, clearly, you want to have an appropriate amount of regulation to assure that they're operating the plants safely and doing the right thing.

But within that whole regulatory structure, and I described earlier, a broad set of rules and regulations that have been developed since the beginning of initial construction of nuclear power plants a number of decades ago, that there are things within our regulations and within our rules that are probably not appropriate in today's day and age with a more mature industry, and that we need to focus our attention on assuring that we are applying the appropriate regulatory burden.

So, we want to look at reducing unnecessary burden, not reducing the needed regulatory burden, and that's an important consideration.

So now that I have described what our current process was, and some of the objectives that we have as an agency in terms of outcome measure or outcome goals, let me just highlight a couple of things about our new process, our new oversight process.

It's a single, integrated process. We don't have that collection of different processes that have developed over time.

It's a logical framework, and it's intended to focus our attention and the licensee's attention on those things that are most pertinent and most critical to assuring safe use of nuclear power, and for assuring the public health and safety.

It provides for a collection of information in all the key areas. In a minute, I will show you a diagram that provides you with an overview of what these key areas are.

And we have tried to establish objective standards for performance with a recognition as to what is going to occur in terms of what are the Agency's actions going to be if the licensee were to exceed these objective thresholds.

So, these are important considerations with our new process. Now, let me just show you an overview.

If you have any questions as I'm going along, if you need something clarified, please feel free to ask. Hopefully you all in the back can see that.

But I mentioned earlier about a logical framework. This process was developed really in two ways: It was developed from a top-down approach, as well as a bottom-up approach. And what do I mean by that?

From a top-down perspective, we went to what is the major goal of this agency? It's to assure the safe use of nuclear power to protect the public health and safety. And that's our overall safety mission, and that's what you see at the box at the top.

Working down from that, within our strategic plan, just like

businesses have strategic plans, we, the NRC, have a strategic plan that takes our mission and breaks it down into what we believe are the key strategic performance areas that we need to focus our attention on.

And there are three of them: Reactor safety; radiation safety; and safeguards. Okay, so those things flow directly out of our Agency's strategic plan, and goes back to our very mission to assure public health and safety.

Now, underneath that, you have a list of seven thing which we call cornerstones of safety. And this is where the bottom-up look at, which took a look at historical performance problems at plants, what our current inspection program was, and all of those things that we have gained through experiential use.

What we meant from the top-down approach, we said we've got these seven cornerstones of safety, and if we take these from left to right, they make a logical pattern as to how we're approaching regulation.

At the very left is a cornerstone called Initiating Events. Clearly, we want a process and a program that will minimize the amount of initiating events that occur -- reactor scrams, safety injection signals, reactor trips, equipment failures, those types of things that would cause safety systems to actuate; we want to minimize those events.

As you move over, if there is an event that occurs, nuclear power plants have mitigating systems, systems that are designed to mitigate that accident to assure that the core is covered with water, to assure that the control rods insert to control reactivity, to assure there's not a release to the public. And those are the mitigating systems.

So if there is an initiating event, we want to make sure that those mitigating systems are reliable and available.

Now, let's say that a mitigating system were to fail. Well, all nuclear power plants have three major barriers to prevent release of fission products to the environment, the key element in assuring public health and safety. We don't want to release nuclear materials to the environment.

You have the fuel itself, you have the reactor coolant system which contains the coolant in the containment itself, and you have -- I mean, the containment itself that prevents release if there were to be a break of the reactor coolant system. So you have three major barriers.

And that's the barrier integrity cornerstone. We want to assure that those barriers are whole and that they are maintained properly.

And finally, under reactor safety, given that a barrier were to fail, what exists at a nuclear power plant to provide another added level of assurance for public health and safety? That's the emergency preparedness plan.

Okay, we have to have an effective emergency preparedness plan so that the licensee can do the proper thing in terms of notifying the public and taking the proper protective action recommendations, if, by god, there was a release of material. So those all fit under reactor safety.

The two under Radiation Safety are basically the public and occupational, to minimize the release to and the exposure of the public

to nuclear materials and to minimize the exposure of those plant workers at the site.

Then, finally, we have Safeguards, which is really the physical protection. That's the armed guards to prevent the intrusions and those types of activities where you're concerned about terrorists and things like that, so to protect the safeguards at the plant in terms of physical protection of the material.

And lastly, underneath are three items that we call Cross-Cutting Areas. These are items that we could not, in and of themselves, say this is a singular cornerstone, but these are things that cut across all those cornerstones.

You have human performance, and clearly human performance affects everything that occurs at any complex industrial activity.

A safety-conscious work environment: And by that, I mean, an environment where workers feel free to raise issues without fear of reprisal from their management.

Lastly is problem identification and resolution, and probably the most important aspect of the cross-cutting issues in terms of you need to be able to identify problems. I'm talking about the licensee here identifying problems, resolving those problems to prevent recurrence.

So, those are the three cornerstones or cross-cutting areas underneath all of these cornerstones. So that's our regulatory framework as it applies to this new oversight process.

Now, what does all that mean? I mean, what is the public going to see?

Let me give you a couple of examples here: Certainly you're going to see public meetings like this that would provide direct information and an opportunity for you to provide input.

You're going to see performance indicator data, and I'm going to talk about that in a second, which is available on our website. And you will see periodic reports which will be published, as they always have been, but will also be available on our website.

So we're trying to provide greater access, and a greater volume of information that's presented more timely for the public to be able to digest and understand.

Now, let's talk a little bit about the website: How many people here have actually had the opportunity to get into our website that shows performance indicators? Excellent, several of you there. We will be interested later in getting your feedback about what you think about that and what we can do to improve that to make it more accessible and understandable.

I know you can't read very well from where you're sitting, unless you're right up front, but this is an overview of part of that web page. And this is the web page that deals with performance indicators.

A big part of our process that we've added is objective measures, indicators of licensee performance in each of the seven cornerstones.

And up at the top here, you've got the seven cornerstones of safety that I just talked about, and how they relate to those strategic performance goals.

And underneath that, we have performance indicators

measuring activity in each of those areas. But it is important to understand that these performance indicators are not, in and of themselves, the measures of plant performance, and, in fact, if I was going to assign a percentage value, I would say that at best, they maybe measure about 20 percent or so of plant performance as it relates to safety.

The majority of our input comes from our inspection program, and I want to show you a slide here in a second on that.

That's kind of a lead-in to this slide which basically is a real graphical, high-level overview of our oversight process. But basically we have information that we get from performance indicators, and the bulk of our information comes from inspections.

And those feed something that we call the Action Matrix. And the purpose of that Action Matrix is to take the information that we get from both inspection and performance indicators, and where we have performance that is declining, as either evidenced by performance indicators crossing thresholds, or inspection findings of risk significance that occur, the Action Matrix then demonstrates or provides the NRC with the guidance it needs to how is it going to approach additional regulatory oversight of that licensee.

So, this is a basic overview, but out of the Action Matrix comes the impact on the licensee.

Now, within our program, our inspection program, we have what's called a Baseline Inspection Program. This is another depiction of our website. This not quite what it looks like. The one I had previously is a better description of what it looks like.

But I wanted to show you at the bottom, the other piece of that web page that's very important. And that is the inspection results.

Basically what you have there under each cornerstone, we do inspections every quarter, that covers aspects of each of those cornerstones you see. What you'll have is the most recent quarter's inspection results, and then the previous three quarters, so basically a year's worth of inspection will be displayed on this, and the color will tell you what the most significant finding is in that area.

So, for example, here, under the cornerstone of Barrier Integrity, three quarters ago, we had a yellow finding, which means we had a finding of some risk significance.

You could then, in the web page, take your mouse, click on that, and that would take you right to that issue, a description of what that issue was. From there, you could then click onto a link to the actual inspection report, if you want to get into more details about that item and what the inspection consisted of that discovered that issue.

So this is an attempt to try and allow the public to link from what we consider to be the most significant inspection findings in each area in each quarter for the past year, and be able to link directly to what that issue is, and even get into the inspection report, if you need to.

Now, colors: You will see on this graph that there is green and white and yellow. What does all that mean?

Here's what it means: And this applies both to performance indicators and inspection findings.

What we're trying to do with this program is relate a risk characterization to the colors. So a licensee who has got performance indicators in the green, and their inspection findings are green, doesn't mean that they don't have problems or issues.

But what it means is that those problems and issue that they have are of a low safety significance such that we, the NRC, believe that they are within the licensee's own corrective action process to handle, and that the NRC will conduct its baseline inspection program, which is an inspection program that will be consistently applied across all reactor sites across the country.

And we believe that that baseline inspection program is the appropriate level of regulatory action and regulatory involvement for that licensee.

Now, as performance degrades, they come down into a white band. Let's say a performance indicator in a certain area, let's say, reactor scrams; let's say they get a couple reactor scrams over the course of a year so that they trip a threshold. That may cause that performance indicator to enter into the white region or white band, which is the regulatory or regulator response.

In this area now, we will provide additional response and additional inspection resources to better understand why is it that you tripped that threshold?

Okay, and what this points out is that our process has been in the past, somewhat diagnostic-oriented. In other words, we do an inspection, we'd find an issue, but we want to understand what that issue was and what the licensee is doing about it, no matter what the significance of the issue was.

What we're trying to do is be smarter with our resources, and not expend energy on trying to get to the bottom of very minor issue that occurs, but let's focus our attention on those issues that are more substantive in terms of safety significance. And that's what this does.

As you get into the yellow band and the red band, you're getting into increasingly degraded performance, and performance that is degraded across more of the cornerstones, and clearly that requires a greater response from this Agency.

So if you had a plant that had red, bad performance, you would see things like team inspections. You probably would see major meetings with the licensee, with the Regional Administrator or Executive Director of Operations of the Agency.

So here we're talking about plants that are akin to like problem plants or watch-list plants. So that kind of gives you just an overview of how we intend to respond as licensee performance degrades.

Now, what have we done to test this out? We've conducted a pilot program, and we've conducted this at nine sites across the country, basically two in each Region. Here in Region II, one of them was the Sharon Harris plant, just south of there. And we also did Sequoia, which is a TVA plant in Tennessee in Region II.

And it was a six-month program that we started at the end of May, carried through to the end of November. And it was a good chunk of time to be able to test out a lot of these processes. Now, was it adequate time to learn everything about the program? Absolutely not.

Now, are there more things that we're going to learn as we go through grater implementation of this program? Sure we are.

But the purpose of this six-month program was to test out these concepts and test out the processes that we put in place to see if these things are workable to the extent that we feel comfortable that we can go forward with implementing this program at all the sites across the country?

And that's where we are now; we're in the process of evaluating our results from this pilot program, collecting feedback from all of our stakeholders, and then taking our issues before the Commission and getting the Commission's buy-in on whether to go ahead or to do more testing or whatever of the process.

Basically we're at the end of out pilot program, and we're looking towards heading towards a full implementation of this program at all sites, to that we can gather a lot more information and develop the process further.

Now, what have we done to solicit public input? We've done a variety of things. Those of you who were here in July know that we had initial meetings at all the sites where this program was being tested, all the pilot sites, to inform the public as to what this process was.

Okay, we're coming back now to all the sites, and this is the seventh, I believe, Augie, is that correct, the seventh out of nine? We've got two more to go next week?

MR. SPECTOR: Yes, sir.

MR. DEAN: We're visiting all the sites and doing a more focused effort to try and solicit feedback. We've actually sent information to people, we've invited people that are either local officials or interested members of the public, so that we make sure that we've got a group of people that have shown an interest in the operation of the power plant, and will take the time to hopefully learn and understand the new process.

We've had a number of public workshops. We just had one last week in Washington that we called our lessons learned workshop where we brought together state officials, public interest groups like Union of Concerned Scientists and Public Citizen, NRC staff, industry people, all to get together and look at all the issues that have emerged, the major issues that have emerged from this process, and to discuss what should the approach be to resolve those issues, and are these issues that should be resolved before we go into initial implementation? It was a very productive and excellent workshop.

And we've had something called the PPEP, or Pilot Program Evaluation Panel, this was basically an independent advisory committee panel that consisted of public interest group representatives, state representatives, industry representatives, and NRC managers, all in a panel to provide an independent assessment and overview of what information was coming out of our pilot program, and to provide their own independent assessment to the Commission about whether they thought this program was ready to move forward to the next phase of initial implementation or not.

We also had a Federal Register Notice that was basically for the whole length of the pilot process, up till the end of December, to solicit public comment, and we also had our external web page.

So there are a lot of things there that we've tried to do to inform and solicit feedback from the public.

Where are we now? This says Future Events, and, of course, this is a multipurpose slide, and some of these things have actually already occurred.

The internal survey was a survey of our own internal NRC stakeholders, inspectors and Regional managers, about the process. What is their view about this process, and does it meet those four performance goals? Will they feel comfortable that we have something that's going to maintain safety? And we got a lot of good insights from that, and it gives us some direction as to where we need to go.

Our lessons learned workshop, I just talked about; public meetings like this one. We're developing a Commission paper, and we'll brief the Commission, and right now that Commission meeting is scheduled for the first of March. That will basically be a rollup of all the lessons learned, what does it mean about our process and our program, and what is our recommendation in terms of going forward and seeking the Commission's approval or disapproval or however they want to weigh in.

And then there is initial implementation. This is the opportunity now to take what we've learned from the pilot program, refine our process, and now let's go out and do this at every site in the country and gain more information and be able to even better refine the process because we're going to get a lot more information from doing this at a lot of plants than just nine plants.

I want to leave you with, I guess, one message before we get into the roundtable discussion. That's the fact that whether it's the old process or the new process, it's very important to recognize that this Agency's role is to place a continued emphasis on safety and on safe plant operations.

We've got strict standards. Those aren't changing. The licensee is required to adhere to those strict standards and rules.

Daily monitoring: We have Senior Resident and Resident Inspectors at all the sites. They aren't leaving, okay? We're going to continue to have onsite inspectors at all of our sites.

We've developed clear and more consistent objectives which focus our attention more on those things that are pertinent to safety. That's a very important aspect of this new program.

Hopefully the monitoring results that we provide are going to be easier for you to understand and allow you to come to your own judgment about plant performance as well.

And there is a recognition that enforcement is now an outcome of the process. Enforcement is not a driver; enforcement is an outcome.

If you have a plant performance problem which is evaluated to have some risk significance, then enforcement will be an outcome of that.

So, with that, I'll like to ask if there are any questions. You know, there will be a lot of questions that come up and we will certainly answer them, but if there is any particular question on this presentation or something that I have said that either bothers you or you don't understand, I'm willing to try to answer it now.

[No response.]

MR. DEAN: Okay, excellent.

MR. SPECTOR: Thank you very much. Before I begin, we have a sign-in sheet, so if you haven't signed in already -- some people have

-- there's one in the back of the room. I'm just going to start passing this around.

If you'd be kind enough to sign in, we would appreciate that. And also, as I'm getting ready, I'd like to put up the website address, if you want to copy that down, if you don't have it. Feel free and go into it on the Internet. I'll come back to that in a second.

What we're going to do on the roundtable is try to have some rules, so to speak, some guidelines for the roundtable. Basically, the purpose of this, as I indicated earlier, is to gain insight and feedback from everybody here, from people in the local community.

As Bill indicated, we have been to seven plants already. I think this is the seventh. That means we have two meetings next week. We had one last night in Illinois, and we've been to Nebraska. We've been all over the country.

Next week we're going to New Jersey and Chattanooga, Tennessee, so those will be the last two plants. We're doing the same thing at each of the sites, and that way we're getting information.

The purpose of the roundtable discussion is to consider and look at the revised oversight process. As Bill indicated, there are other issues, spent fuel and other issues that are in this local community and in other plants with other issues.

But we're concentrating on the reactor oversight process, so that's the direction of this particular meeting. So the discussion is going to be based upon that.

I'm going to try to moderate the discussion, and get everybody to talk and call on a first-name basis, and that's the way we'll do it.

We'd like everybody to contribute. First of all, we'll start with the people at the table. If you want to talk, what we'll start out with is, you take the tent card, and kind of put it up like this. I'll see it, and that's just so I have your first name or something, and I'll see it and then I'll call on you.

While somebody's talking, you might want to respond, and I'll make sure I call on you. That will be easier that way.

And then eventually we'll just open it up to general discussion. This will be informal.

We do have a Court Reporter, and the reason for that is, he's taking dictation, what's transpiring at the meeting. And we're going to make that available to anybody who would like to have a copy.

If you'd like to have a copy, see me after the meeting, give me your name and address, and in about two weeks -- it takes about two weeks to get it back from the company that does the Court Reporting, and we'll mail you a copy. It will be part of the public record and go into the Public Document Room, but we'll send you a copy directly, and you'll get it a lot faster that way.

The reason we have the Court Reporter is so that we don't have to sit around taking notes. If we have to take notes and kind of remember what everybody said when we get back, to try to analyze the input, we're going to forget something. So this way, we have it. So want everybody to share and that's it, okay? That's what we have the Reporter here for.

Does anybody have any questions at all about that?

[No response.]

MR. SPECTOR: Okay, what we have is a series of questions previously sent to you. We're not going to ask all the questions. We found out that some of the questions are kind of redundant. Instead, we'll cut out some of the questions. So if anybody would like to have the questions, we can make that available. Otherwise, I'm just going to hold them up on the projector and that will be a lot easier.

So if anybody wants a copy of the handout of the questions, just raise your hand and we'll get it for you.

Okay, I'm going to repeat the question so that we can get it on the tape for the Court Stenographer. And these basically are the same questions that we asked in the Federal Register Notice.

We realized that people provide input to the Federal Register Notice. We got quite a few piece of information from all over the country, but a lot of people in the local communities didn't have a chance to do that, or didn't do it for one reason or another.

So, we're asking basically the same questions. The first question is very general:

Do you believe that the new oversight process, from what you have heard, from what you know about it from looking at the web page, et cetera, will provide adequate assurance that plants are being operated safely? Any comments on that?

Yes?

MR. EDDLEMAN: I'm Wells Eddleman, I'm Staff Scientist, North Carolina Citizens Research Group. We might as well get that on the record.

I don't even know that you can find out from the website, whether the NRC thinks that the process is working. I was interested to hear the assessment that only about 20 percent, as Bill Dean indicated in his personal opinion, I gather -- and I understand that's guesstimating, you know, would be in the so-called objective indicators.

And, of course, there would be concern about them being fudged. But I think it's almost impossible. And one of the reasons I think so is just on the face of this thing, so many of these performance indicators don't have a red line.

You can't get in the red for security violations. You can't get in the red for radiation protection violations. Chernobyl qualifies to continue operating under these regulations for radiation protection.

It doesn't make any sense. And I mean, I could go on, but I want to let other people have a chance to speak. But one of the very interesting things I found, or two things from the NRC website: One is that the system for accessing documents doesn't work, the Adams System. I understand that everybody is all over that.

[Laughter.]

MR. EDDLEMAN: But without that, you can't get a lot of this background. But the other thing that was very interesting is, I went in and I was looking for regulatory assessment performance indicator guideline draft, which is on the website.

But when you go to look, it gives you the address, NRR Oversight, NEI Guidelines, PDF, and there is no PDF file. There is nothing there.

NEI is the Nuclear Energy Institute, the public relations and lobbying arm of the nuclear industry, and why they're writing guidelines for the NRC, I would like to know.

MR. SPECTOR: That is on the website, those guidelines are on the website. It's a PDF document.

MR. EDDLEMAN: It's not there. You get a blank screen and there's no way to download it. I tried it this morning four or five times.

MR. SPECTOR: Okay, we'll talk about the website, the details later. Maybe that's a problem, but I don't know if it is or not.

MR. EDDLEMAN: But it did give me that name. I did get that right. But, Bill, you might want to address that.

MR. DEAN: Let me address two things that Wells raised, because they are very good issues. And one is that some performance indicators don't have a red line, as you will.

And in the development of this process of looking at performance indicators, one of the things that we tried to do with this process is better risk-inform the process.

And some of the performance indicators, particularly those that do not deal with reactor safety-type issues, like systems and transients and things like that, but the things that are traditionally the non-reactor safety areas, emergency preparedness, health physics, security, that they don't have -- there does not exist, a document which is one of the things we call a probabilistic risk assessment, which is an assessment of the reactor systems and their contribution to safety at the plant.

So that exists for mitigating systems and things like that, so you can make a link to risk. For those that are the non-reactor safety areas, that linkage to risk is much more difficult.

So what we're working on is more deterministic criteria. And so there was nothing that we could really link to -- for some of those PIs, that would be indicative of what red performance would be, that if someone were to cross a threshold, green to white, or white to yellow, then that would be a substantial enough recognition that there are major breakdowns in that program that would require the NRC to go in and inspect in great detail, why these issues exist.

But is there a direct link to safety in potential for core damage? That link can't be made, so there was a discomfort on the part of the framework-builders of this process for some of these PIs that are not directly related to a probabilistic risk assessment to give that red threshold.

MR. EDDLEMAN: Are you saying you basically have to be able to lose the plant in an instant to one of these things before it's eligible to have a red line?

MR. DEAN: No, no. What I'm talking about is some of the support areas that are ancillary to nuclear power plant operations that don't have, in and of themselves, a direct impact on the potential for core damage, but, for example, like safeguards where you're talking about perimeter measurements.

And you have to recognize that with performance indicators, performance indicators are not, in and of themselves, a comprehensive measure of plant performance in that area. But their name says a performance indicator, and so basically they're just indicative in a small piece of performance in that overall cornerstone of performance.

And so we wanted to at least be able to have objective

indicators for all the cornerstones going forward. Some of them are more meaningful than others in terms of how they relate to risk at the plant, and for some of them, there just isn't that link.

Well, okay, I have at least two concerns about what I think you're telling me, and let me just bounce them back to you.

One is -- I mean it's well known that it's harder to assess risk of things like sabotage or security problems or so on in a PRA and also the PRA process of course has its own weaknesses. You can't just rely on that, but the other thing that also concerns be a great deal is that this appears to be abandoning defense-in-depth because if your security isn't what it needs to be and the terrorist shows up that day, then you could lose the plant.

MR. DEAN: I would like to address that. We are clearly not abandoning defense-in-depth. That is a major element of the NRC's regulatory philosophy.

There's other pieces of the process. There is something we call a significance determination process, and what that is, that's a process by which we assess inspection findings to ascertain what does that mean in terms of risk significance so the scenario you described, if there were to be, say, a drill at a plant, an exercise to see whether terrorists could get access to a plant, and depending on what barriers they could get through and what areas they could have access to, those things would be assessed through the significance determination process, and so there you could have a red finding, a yellow finding, and there's where you would see the linkage to safety significance, in other words where is it that this guy -- terrorist can get access to that could impact systems that are important to plant safety.

MR. EDDLEMAN: Well, that sounds logical but most of the things I have seen on significance determination -- I have looked at as many documents as I could readily get hold of -- seemed to show the nuclear industry fighting like crazy to be able to reduce the significance of anything that goes wrong, and, you know, as you were saying before, when you focus on something the industry tends to focus resources on it.

MR. DEAN: That's right.

MR. EDDLEMAN: Well, it is a lot easier to send lawyers and public relations people to argue that a thing doesn't have safety significance that it is to figure out how significant it is and maybe you have to do something about it.

MR. DEAN: Which is why it is important in this process that we develop criteria that are objective, which is what we have tried to do with our significance determination process, and with performance indicators so it is clear when you have crossed a threshold, there can't be any argument you have crossed a threshold, whereas in the past you could always argue back and forth about, well, we didn't really not comply. We really had this in place and so on and so forth.

That is one of the objectives of this program is to try and eliminate some of that back and forth and let's be clear as to what the threshold is. If you cross the threshold, here is the action we are going to take, and hopefully not get into that give and take that we have in the past.

MR. SPECTOR: Mel, you had a comment on this?

MR. FRY: Not on this subject. You asked the question do we

have adequate insurance. I don't know if I have enough information to be adequately insured or uninsured.

I was aware that you had the meeting back in the summer. I spent my full time in health physics so I am aware of what is going on, but the level that I am aware of it at is pretty low. When the State Liaison Officers from all the 50 states were in Washington, Bill made a similar presentation to us there, and I began to get some indication part of the pilot was to assess how aware we as public people were of what is going on.

MR. SPECTOR: This meeting is part of that.

MR. FRY: Yes. I haven't had enough exposure and I don't have enough information to tell you whether I am assured or not.

MR. SPECTOR: Okay. Some of the questions that we are going to get into later on deal more specifically with how much information, et cetera.

MR. DEAN: I want to get back to one other point that Wells made and that is the NEI issue.

MR. SPECTOR: Yes.

MR. DEAN: Wells mentioned that the guidance that exists right now for collecting and reporting performance indicator information is contained in an NEI or Nuclear Energy Institute document. This process has been a very open and in a lot of respects cooperative process between the NRC and all of its stakeholders and in particular industry in trying to put together a process that is reasonable and appropriate.

The performance indicators are a voluntary program. Licensees do not have to report the performance indicators. If they don't report performance indicators, what that means is that the NRC will then do additional inspection to gather the information that we would otherwise get from the performance indicators, so one of the reasons why that is an NEI document is that this is a voluntary industry initiative to report this performance indicator information to us.

Now the guidance that exists is guidance that we, the NRC, have worked to develop and have come to an agreement with industry is this is what we want you to report and how we want you to report it, so it's been a very open process in developing that guidance. It has gone through a lot of review. We have gotten public feedback and we continue to get public feedback and, as a matter of fact, I have got with me a number of the issues that were raised at our Lessons Learned Workshop last year, which a number of these issues are issues raised by the public with respect to performance indicators and things that we will take to try and enhance the performance indicator process.

But it is a unique situation. We have gotten this feedback from other people is that we would have more confidence if you, the NRC, were the ones who issued that guidance, that it was the NRC's guidance, okay?

What we do with issues like this where there is a voluntary initiative by industry to improve performance and set down guidelines that all of industry is expected to meet is that guidance documents like this are given to the NRC and the NRC uses a regulatory tool like a Reg Guide, Regulatory Guide, or some other device that says we agree that that is the appropriate type of guidance and the way you should report, for example in this case, collect and report PI information.

We have done that and we will do that when the final guidance is developed later this year, before we get to initial implementation, so there will be an NRC imprimatur, if you will, but the guidance document is an NEI guidance document that has been developed in concert with the NRC.

MR. EDDLEMAN: I don't want this to go on forever.

MR. DEAN: Right.

MR. EDDLEMAN: But I guess it's hard for me to understand why the NRC chose not to -- if you have confidence in these indicators, which I have less than you apparently do, but if you had confidence in them, why don't you require them to report them?

You require them to comply with your other regulations, don't you, at least in theory?

MR. DEAN: I mean I can't answer that question. That is an issue that we will bring forward to the Commission as an item that says, you know, basically says from a public confidence point of view why don't we have a rule or regulation that says we require you to report performance indicator data, and that is what that would take would be for us to develop a rule to do that, and in our efforts one of the things that I put up as our performance goals is unnecessary regulatory burden, so there is a balance there, where are we in public confidence space by not issuing a regulation and where are we in unnecessary regulatory burden by not making it a regulation and making it a requirement and having all these pages and pages of regulations that are essentially, you know, rules and regulations that have to be followed.

It is a fine line and it is something that the Commission in a number of areas is wrestling with and this is an example of one.

Rick, did you have a comment?

MR. GIVENS: Yes, I did. Just quickly, on the performance indicators --

MR. DEAN: Could you just introduce yourself?

MR. GIVENS: I am Rick Givens. I am the Chairman of the Board of Commissioners in Chatham County, and on the performance indicators, you talk about the different colors and I come from a background of airline pilots so we have red, green, white dowels all the time, but my question was how did you arrive at what standard you would go from, say, it was in green to white to yellow, red? Is that a cooperative effort of the inspectors, the NRC, the plant?

Who came up with the values that said I am only half-way safe today. I am talking if we are talking safety -- I am only half-way safe today and then this crossed the line? Where did the variables come in and who set the standards I am interested in.

MR. DEAN: Okay. That is a good question.

First of all, let me talk about the green/white threshold because that is the lowest threshold before you go from utility response band to NRC response, beyond the baseline inspection program.

What was done to develop the thresholds for many of the performance indicators was to go back during the period of time from 1995 to 1997 and look at the historical information that existed for those performance indicators that had information at that time, things like safety system failures, safety system unavailabilities, scram rates, so a number of those performance indicators are things that have been reported for quite a period of time, so we had a good body of

historical information.

Well, what we did was we looked at a distribution curve of performance and what we looked for is what is the tail piece of that distribution curve where 50 to 10 percent of the plants fall? In other words, you would have 5 to 10 percent of the plants that would be outliers from nominal industry performance, and that is what we used as a cut-off, if you will, for the green/white threshold.

So that threshold is probably less risk-informed than the yellow and red thresholds, which are related more specifically to specific agency risk calculations -- in other words, what impact of having a certain number of these types of events would contribute to a certain level of risk to the plant? -- and that is what the yellows and reds are, so those are much more based in risk information for those things that pertain to reactor safety items.

For those items, for example emergency preparedness, security, safeguards -- those thresholds were developed from more of a deterministic and experiential basis and so those are ones that did not have a good history of basis behind them, and in reality the pilot program has really been the first testing of those performance indicators.

One of the things that we are going to do later this month, and in fact tomorrow, all the nuclear power plants in the country that have not been reporting performance indicators, so we have 103 plants -- thus far we have been collecting them from the 13 at the nine sites -- we are going to get information on all the plants from the last couple years. They have gone back and done basically a best faith effort to try and take the guidance for reporting PIs that have existed over time and report that information to us.

We are going to use that information to better define in particular the green/white thresholds as we go forward, so we are going to take a better shot to try, now that we have a wider distribution and more information we can get a better distribution curve and better set that first threshold where your criteria basically still be the same, that you're looking where five or ten percent of the outliers.

MR. DEAN: Right.

MR. FRY: So, you anticipate that from your total database, good plants and bad, that 95 percent of them will be in the green historically.

MR. DEAN: Ninety to ninety-five, and it will depend on how the data falls out. You may have -- you know, some may be a normal bell distribution curve. Some may be -- I forget what the -- you know, where you just have kind of like a long tail and then everybody peaks up here. It depends on what the distribution is. But, basically, we're looking for those people that are outliers from industry norms.

MR. FRY: That's contrasted with 50-50 or --

MR. DEAN: Yeah.

MR. FRY: -- 95 the other way.

MR. DEAN: Right. And the only -- there is an exception to that right now. It's one that we've got a lot of public comment on and that has to do with the barrier integrity performance indicators, the things that measure fuel leakage, RCS leakage, containment leakage, those types of measures. Those performance indicators right now are based on technical specification limits. And those of you that are

familiar with the term "technical specification limits," those are basically the key operating limits for nuclear power plants. And they basically define the margin of safety; so that if you were to exceed a tech spec limit, the technical specifications direct you as to what you need to do, which is frequently, you have to shut down within a certain period of time and go and fix the problem.

What we've done with those barrier integrity performance indicators is we've set thresholds that are percentages of the technical specifications. In other words, a consideration was the technical specification of itself is the key margin for safety. And if you get to the point where you exceed a tech spec limit, you have to shut down and take the safe action, okay. So, the green-white threshold was then set at a percentage below that and it was not set to be a percentage of nominal performance.

That's something that we're looking at, in terms of is that the right concept. What do we want to demonstrate with the barrier integrity performance indicators, because those are the key items that, you know, really get to protection of public health and safety. And so, we want to make sure that the public has a good understanding about what those performance indicators are showing and is it the appropriate measure.

MR. SPECTOR: Mary?

MS. MACDOWELL: Yeah. You mentioned that we were less firm basis for some of the emergency preparedness funds. And on the alert and notification system, we received the comments from many of the concerned scientists about their reaction to the pilot system -- pilot process and they pointed out that even though --

SPEAKER: Can you talk in the mike?

SPEAKER: Keep your voice up.

SPEAKER: There's an amplifier.

SPEAKER: These aren't amplifiers; these are just pickups.

MS. MACDOWELL: Okay. Even though the percentage of success of the testing of the sirens was well over 90 percent, that the daily event reports showed a number of instances where the sirens were not operable. And there was one date on which 28 sirens -- all the 28 sirens in the whole county were inoperable and that lasted over 11 hours. Now, that -- I would want that to be included on a Web site that would describe the availability of notification for our county.

MR. DEAN: That's a perfect example -- I was hoping that somebody would raise an example like that, where I can discuss the relationship of performance indicators and inspection. And let's take the alert notification system performance indicator, which, right now, is really a measure of reliability of the sirens. Basically, when you test a siren, did it work or not and what rate of successful tests did you have? So, it's a measure of reliability, but it does not measure the availability of the sirens.

What if there's a malfunction or a storm or something like that, where you have a lot of sirens unavailable for a certain period of time? That performance indicator will not give you an indication of that aspect of the alert notification system. We have to rely on our inspection reports. We have to rely on the fact that an event like that would require the licensee to report the unavailability of those sires and then our inspectors would have to go out and investigate and

ascertain why did that situation occur and is there a performance issue. And that would be described through our inspection process.

MS. MACDOWELL: But that wasn't on the Web site. There was nothing -- it was a green finding for Chatham County and there was no way to ascertain that that had happened.

MR. DEAN: Was it -- and I don't know the timing and all of that stuff and, I don't know, maybe Joe, you can -- have any insights on that, you know, when the timing, when that occurred. I mean, has that occurred in the past six months or so? I guess we can talk about this.

MS. MACDOWELL: August 3, 1999.

MR. DEAN: Okay.

MS. MACDOWELL: August 16, '99; August 30, '99. So, that was within the pilot test period.

MR. DEAN: Yeah. Not knowing -- was there something that was ascribed in an inspection report? Do they talk about going out and looking at this situation or --

MS. MACDOWELL: It wasn't on the Web site and I don't recall receiving an inspection report.

MR. DEAN: Okay. Not having --

MS. MACDOWELL: Didn't mention it.

MR. DEAN: Not having the detailed knowledge, I'm looking at Joe and Brian.

MR. BOSNER: Well, just one thing: often, sometimes if those sirens were down for a short time, we probably wouldn't write something about them in an inspection report. We would investigate it and find out that they were probably returned in a short time -- you know, returned to service in a short time. And then we normally most likely wouldn't say anything in an inspection report about it, unless it was a real significant issue with reliability of the sirens.

I can't think of a specific incident where they went down for that long. I know there were some high winds from the hurricanes that came through this part of the U.S. last year, but I'm not sure if that were it or not.

MR. DEAN: But the other thing this points to is how complete should our performance indicators be. And this is one that we've gotten specific comments from, from a number of the members of the public, that they would like to see a performance indicator that measures the unavailability, as well as the reliability of the sirens. And that's one of the things that we're looking at and we're considering including into a process, by which we'll develop additional performance indicators that would provide that additional measure of the availability of the sirens, in addition to the reliability.

MS. MACDOWELL: If something had happened during those 11 hours, nobody in Chatham County would have heard the sirens, and that's important to local people.

MR. SPECTOR: And I think that's a good point, too, that we should take back with us to look in. In this particular instance, I don't think we have the information; but, generally speaking, I think you're right. And that leads us to -- okay, but this leads us to another question on the Web site -- I'm sorry.

MR. MARTIN: I wanted to say that what you had up there --

MR. SPECTOR: Okay.

MR. MARTIN: -- the first question, where this thing began

--

MR. SPECTOR: This one?

MR. MARTIN: Yeah, you can leave it.

MR. SPECTOR: Okay; sure.

MR. MARTIN: Okay. Now, these are members of the public that are reading it. Do you believe that this new oversight process will provide adequate assurance and so forth?

MR. SPECTOR: Yeah.

MR. MARTIN: What kind of education of the people that answer this question for you? What do they know that I don't know, obviously?

MR. SPECTOR: I would --

MR. MARTIN: And I guess I was wondering, this is a very difficult question. Did you get -- you've had seven reactor -- seven sites. Did you get a number of people that said, yes? Did you actually get people that said yes on that?

MR. SPECTOR: Yeah. I think -- I think others expressed --

MR. MARTIN: About how many?

MR. SPECTOR: Others expressed the -- those numbers I wouldn't know off hand. But, others expressed, I think, the same view that you're expressing and that is how do people know about the details of what's going on with the old program and the new program, etc. Now, we sent you some information in advance, which I assumed you -- you know, you kind of studied it and became familiar with as much as you physically could in the few weeks that we sent you the material.

But, we did find out in our other meetings, and we have another question that's going to relate to this specifically, that people are not aware -- the general community, any -- you know, stopping somebody in the shopping center, so to speak, would be aware of the details of the new program or the old program. So, that's a lessons learned that we're getting from people like yourself, that people might not be aware and we have to come up with ways of making people more aware.

We have Web sites, public meetings, and we're going to be asking a question later on to get some ideas from you all as to what else we could do. In fact, we could ask that question right now, since it's come up.

MR. DEAN: Before we get to this lady here, I just want to say, you know, David, to answer your question even more specifically, I think most of the feedback that we've gotten has been, you know, informed questions like this. But, I think a lot of people fall in the camp that Mel was, is I don't know that I really know enough or understand enough about this to make an adequate judgment of will this assure safety or not, you know. The feedback we get is it appears to. The structure you describe appears to be a good structure, appears to be a logical framework; but, I don't really know, you know, and time will tell.

And, you know, we can come out here and describe our old process and you would have the same questions. Well, I don't know, you know. And so what we're trying to do is at least better inform the public and at least give you an inclining of what it is we do and what we're trying to do and hopefully stir questions in your mind like we're getting tonight.

Let me get this lady back here.
MS. CULLINGTON: Yes.
MR. SPECTOR: If you could just mention your name for the machine.
MS. CULLINGTON: Oh, yeah. My name is Liz Cullington. I live in Chatham County. I just wanted to point out that you didn't invite Professor Martin, I told him about it, and that I rather suspect that if I hadn't called a few people, who had called a few people, the only people who would be in this room would be Mr. Givens, Mary MacDowell, people from CP&L, and people from the NRC.
MR. SPECTOR: No. Well, I had a list of people, who we invited, and I'll show you that list, if you'd like, after the meeting. We did invite a large number of people. Several mayors called me during the week and some meetings were canceled and they couldn't come.
MR. DEAN: Augie, if you could just describe just real briefly how --
MS. CULLINGTON: Well, let's, also, point out that none of the newspapers in the area that I talked to knew anything about this either, which would have been a very simple way to get people, who were interested. I mean, my experience is if you try to ask people individually to come to an event, that's a very hard way to do it, if that's the only way that you do it.
MR. SPECTOR: Absolutely. We --
MS. CULLINGTON: Not to mention it's a little elitist and selective.
MR. SPECTOR: Okay. In order to get people to come -- we've never done this kind of a meeting. This is kind of a little different than what we've done before. So, in order to do that, we had to start someplace. So, what we did was we started at previous public meetings -- excuse me?
MS. CULLINGTON: I just -- was just wondering to myself have you never had a bake sale? I mean, the principle is always the same.
MR. SPECTOR: I'm not familiar with bake sales. But, as -- we had to start someplace, so we started at previous public meetings that we've held over the years. Mary, for example, came to the last one and we talked about having this one and she was invited. We invited people in the -- all the mayors that we could identify within the local community, some of them -- whether there was an election in this community or not, I'm not too sure, but there was some crossover with -- that's a problem we came up with. But, we invited town council people, depending on the political structure within the community. So, we tried to invite the mayors, the town council, president, or whatever it would be called within the local community.
We invited other people, who were public interest people. We asked David Lochbaum of the Union of Concerned Scientists to give us a list of names, which he did, in local communities. We invited those people. So, we even checked telephone books and e-mail addresses, etc., on the Web sites, to try to identify who the people were and we came up with a list of about 25, give or take, names in each of the communities and we invited those people.
We, also, made direct telephone calls to as many people we could identify on the list. We'd get telephone numbers and we even asked them to invite other people that they might know.

SPEAKER: Press releases.

MR. SPECTOR: And we had press releases that went out. Whether the newspapers published them, that's another story; but, we had press releases that went out. So, we're going to put your name on the list and we'll make sure the next meeting come up, we'll send you an invitation -- personal invitation.

MS. CULLINGTON: Well, that's hardly the issue, but thank you.

MR. SPECTOR: Well, that's what we're trying to do, we're trying to get names of people and we will send you invitations to the meeting. So, if you have names -- if you have suggested names, call me. My e-mail address is on the Web site. Send me the name, send me the address, send me the telephone number, and we'll make sure that they get an invitation. It's like a bake sale, I guess, I'm not sure, but that's how we did it.

Yes, Jim?

MR. WARREN: I'm Jim Warren, Director of North Carolina Waste Awareness and Reduction Network or NCWARN. One quick point on that: when you do this again, we'll help give you some ideas of how to get folks out --

MR. SPECTOR: Great; great.

MR. WARREN: -- or to get the word out, anyway.

MR. SPECTOR: Sure.

MR. WARREN: One thing I will tell you, you are sort of in a secluded area here. This is not an easy place to find. I would suggest holding a meeting like this much closer to the plant, in a community type of meeting place.

MR. SPECTOR: Okay.

MR. WARREN: My other point, I want to punctuate one quickie behind what Mary MacDowell said was there, that time in August, when there was the siren outage, and Mr. Bosner referred to it possibly being related to hurricane winds. That's not a very reassuring situation, given that a loss of cooling or offsite power is one of the concerning conditions about a nuclear power plant. If you did have a problem during that time, it would -- you know, having sirens out, it just exacerbates it.

My original point was, back to your question, and this is one that you've probably addressed, because you've had some time since you did the survey, but when you ask the public how assured they are with the new program, I guess my question is one of concern about the fact that a high percentage of NRC rank and file employees express a lack of confidence and a "considerable sense of frustration" with the new program. And, in fact, only 19 percent of those surveyed believe the new program will catch slipping performance "before significant reduction in safety margins."

Now, you're three months away, apparently, from getting ready to implement this program. What are you learning? How are you addressing that situation? If NRC employees don't have confidence in this program, how in the world can you expect members of the public that do know about it to have confidence in it?

MR. DEAN: Yeah. But, let me address that.

MR. SPECTOR: Okay.

MR. DEAN: What Jim is referring to is within inside NRC, a

couple of days ago there was a summarization of the internal survey that we conducted. And one of the questions that was asked on the survey, as one that Jim reflects, is that do you feel confident that this program will appropriately catch declining performance in a timely enough fashion to prevent a substantial degraded performance. And many of the inspectors noted that they didn't agree with that and I think that the actual value was 45 percent of the inspectors said they did not agree with that, okay. So, the majority agreed that they thought it would, but there's enough that are uncomfortable.

And it gets to really what Mel's issue is, in a lot of respect, is that the inspectors don't have enough experience with this program and inspectors being what they are, we choose inspectors to have a questioning attitude about things. Well, they've got a questioning attitude about this process. And it's like all of our inspectors are from the State of Missouri, okay, you've got to show them. And the only way that they're going to be shown is by having experience implementing the program and being able to have an experience where we have a plant that has performance degrading and recognize that this process will pick up that degradation of performance. But, that confidence levels is not there, because the experience level is not there to pick it up.

Now, you go back and what was our previous process? Were we capable of doing that with our previous process? Certainly, there's enough examples that are scattered across the NRC regulatory landscape that shows -- Millstone, how come we didn't jump on Millstone? Salem, how come we didn't jump on Salem? How about Maine Yankee, okay? Clinton? Dresden, okay? There's enough examples that dot the landscape that shows that our previous program probably wasn't effective in some cases of picking up that either, okay.

So, what we've tried to do is develop a process that we believe will allow for appropriate NRC intervention at appropriate times as performance degrades. Is everybody convinced? No. Should they be convinced? No. Okay, this is a change process, okay, and part of any change process, there's a period of time that you go through doubt, okay. And until you get enough experience with it and comfortable with it, you don't know. And I'd be the first one to tell you, I'm not sure if this process is going to do that either, okay.

MR. WARREN: A quick follow-up --

MR. DEAN: Yeah.

MR. WARREN: -- may I? On the survey, there was a response option to indicate whether there was a lack of experience and knowledge, and that was the undecided version.

MR. DEAN: Correct. And there was a substantial number within that one that did have undecided.

MR. WARREN: Okay, but the 45 percent that said that they don't have confidence at this point and then there was another percentage that didn't -- that was undecided. But the other part of it, where there were -- you know, when the question was asked, would the program catch slipping performance before significant reduction in safety margins, only 19 percent said yes.

MR. DEAN: Strongly agreed.

MR. WARREN: Strongly agreed. Then, you've got a lot others there, but -- so I guess I'm not buying this -- the argument that the NRC employees aren't sure enough and so they're raising questions,

because those that aren't sure or undecided are saying I'm undecided; but, you've got others that are saying clearly, we are not.

MR. DEAN: We have Bob and Joe, resident inspectors, they filled out this survey. I'm not going to ask them to tell you how they voted on this, but let them give you some feedback.

MR. BRADY: I'm not sure that the numbers would be any different for the old process.

MR. WARREN: I think that's probably fair to say, okay. That is not an inspiring --

MR. BRADY: And the experience that we've had with the new process, we're gaining confidence that this process is probably going to find significant issues quicker than the old process did. The old process was more of a reactive type process once things had already gone down the tubes. This process, with the performance indicators, would look at particular areas, as Bill has pointed out, coupled with the focused inspections on risk significant areas, are going to get to those problems quicker than what we did in the past.

So, I think as the inspectors gain experience with this, they're going to find that those inspections that they're doing are actually focused on the things that affect those people out here in the audience, the public health and safety, and that some of the compliance issues that we spent a lot of time going around and looking at, which didn't directly impact public health and safety, we're not going to spend as much time with. So, the amount of time that we spend on the important stuff is probably going to increase, based on what we see in the program.

MR. DEAN: Bob, you want to --

MR. HAGAR: No, I wouldn't anything to that. I agree with what Joe says, that we're seeing that the process is enabling us to focus on the issues that really are most risk significant and the process is really asking us, as inspectors, to not spend time on things that aren't risk significant. And I'm confident, from my experience and from what I know about nuclear power plant operations from more years -- over 20 years in the nuclear power industry, that we are inspecting all of the important issues and important areas of plant -- power plant operation. I'm confident, if there is an issue that's significant in the power plant, we're going to find it.

MR. SPECTOR: Mary, why don't you do this, and then I'd like to kind of get on to a slightly different tact there. So, Mary?

MS. MACDOWELL: Yeah. What troubles me about Joe's and Bob's comments is if the inspectors were inspecting things that were not safety significant before, why weren't they letting the NRC know that their work wasn't being focused properly and why weren't they -- did they have enough independent -- independence and protection -- whistle blower protection, or whatever, to give feedback to the NRC about this, such that this was corrected over time?

MR. SPECTOR: Could you give me --

MS. MACDOWELL: I would like to see that the NRC inspectors were strong advocates for safety and could play an independent role that would give feedback to the NRC, so that those guys that are on the front lines would be listened to and their opinions on what regulations are important would be considered.

MR. SPECTOR: Yes.

MR. DEAN: That's a good point and maybe I'll let Joe and Bob lay in. In the design of this process, okay, the team that developed this process consisted of a number of representatives from all the regional offices. And so the design of the inspection procedures, the design of the regulatory framework relied very heavily on the insides and inputs of our region-based inspectors. And, in fact, Joe played a major role in the development of a lot of our inspection procedures that are associated with the new baseline inspection program. So, we are relying heavily on the insights of those people in the design and development of this process, okay. This is not a -- this is not a process that's being developed by, you know, some white tower group in headquarters. It's a very cooperative process with the regions, in terms of assuring that their concerns and issues are raised.

Now, Jim mentioned a comment about a sense of frustration of the inspectors, and Joe and Bob might be able to amplify on this a little bit. Through the pilot process, we developed a number of feedback processes for our inspectors to give us feedback on the efficacy of procedures, are they clear and understandable are they hitting the right notes, and we would get a lot of feedback forms. And we made a concerted effort in headquarters not to try and make changes on a week-by-week basis, because changing frequently is not a good thing to do. If we saw a major issue that needed to be addressed, we would do that.

But, perhaps, what we didn't do very well, from the headquarter's point of view, was get back to those individual inspectors about their issues and say, we got your issue, we're going to hold it for a period of time until we can collect a lot more information and then at the end of the process, let's go back and look at all of the inspection procedures. And so, I think there was a sense of frustration that built over time, because inspectors were not seeing an immediacy to their issue.

We've got to do a better job at headquarters of communicating with our inspectors. But, I will say that when the pilot program was done, we brought inspectors from all the regions together at headquarters, gave them all the feedback forms that we had received on the inspection procedure, and said, okay, given the collection of this, what kind of things do we need to do with these inspection procedures to make them more usable and more appropriate, okay. So, I think that comment about a sense of frustration is probably an accurate reflection of what was felt in the regions that went to the pilot program. But, I think now that we've gotten to the end and they're seeing how their issues are being resolved and considered and refining the process, I think that level of frustration is fading.

Does the regional manager and, in general, Bob, if you've got anything to add to that?

MR. BRADY: Well, I agree with you, Bill. Of course, we, in the field, like things to be done instantly, much like you and the public would. And there's always a sense of frustration out in the field that if you -- if you've got a problem and you want something changed, that it ought to be able to be changed instantly. But when we sat down and looked at how important were these changes and were the procedures hitting on the rights things and did the inspectors have the experience to go beyond the technical difficulties in the procedures and

get to the important safety issues, what we came to the conclusion was that the procedures were focused on the right things. Although other changes needed to be made, it wasn't time sensitive that those be done. And so, I think the frustration that maybe we expressed early on began to kind of subside and the fact that the procedures were going to get changed and that the focus was on the right -- on right aspects.

Does that help?

MR. HAGAR: Let me agree with part of that and disagree with part of it. Some of the frustration still has not gone away. And truly, those of us in the field that started implementing these procedures in the program last June experienced considerable frustration right away, because many of the procedures -- and I guess that's fair, many of the procedures were not what they should have been. And we identified early on that, hey, this procedure is not as good as it could be and as good as it should be and we provided that feedback. And we did experience some frustration, because they didn't -- the NRR didn't act on that feedback right away. And I know from talking with other residents, we all felt like, hey, we ought to be moving faster and improving this process. And we understood the need to hold on and take a longer look at it and get more feedback. But, those -- some of us were real impatient and said let's don't wait six months; let's wait a month, collect the feedback, make changes, and then go another month and try to get several iterations in. So, I know, I experienced that frustration, a lot of other people did, because we weren't moving as fast as we wanted to move.

But, I, also, agree with Joe, that the scope of the procedures and the focus of the procedures was good. We didn't identify in all of this that there was any major area that we should have inspected that wasn't being inspected and we didn't identify any area that the procedures were asking us to inspect that we felt like we shouldn't have inspected. The issues we had was, there's a better way to describe what we ought to be doing here or this guidance isn't as clear as it could be, that kind of thing. So, that's -- in that sense, I agree and disagree with what's been said.

MR. SPECTOR: Wells, just one more and after that, I want to get -- if it's related to this, then I want to get on to another question.

MR. EDDLEMAN: Well, I can skip that, because I think I can bring in what I wanted to say about this under your next question.

MR. SPECTOR: Let me try that. Let me hold off on it, because I want to -- we have a time limit here and I want to get others to participate.

The next area is the information provided by the NRC, and I think we started to talk about this a little earlier, adequate -- appropriate to keep the public informed of agency activity related to the plant. And we started to talk about this a few moments ago. We have the Web site. When we say the Web site, we're talking about the Web site that's related to the revised reactor oversight program. The NRC has many Web sites, many pages in their Web sites. What we're talking about is a Web site related directly to this program.

We've had the public meetings. We have this little booklet that we created, sent out. We have it available here, NUREG 1649, and that's going to be revised in April. We're going to come out with a new

edition of this.

Is this information appropriate, the information that we're giving? Did you want to ask --

MR. EDDLEMAN: Well, actually, you caught me with a different question. Let me try to --

MR. SPECTOR: Okay.

MR. EDDLEMAN: Okay.

MR. SPECTOR: That's okay, go on.

MR. EDDLEMAN: All right. Well, let me first say, I did prepare these -- I didn't have to, but I'd like to submit for the record, and I'll give anybody who wants a copy of this thing, I did put together, so I don't have to say all the stuff on this sheet.

MR. SPECTOR: Right.

MR. EDDLEMAN: But --

MR. SPECTOR: Well, let me just tell you, Wells and I, I think we talked on the phone, right?

MR. EDDLEMAN: Right.

MR. SPECTOR: And I said, you know, people don't have to prepare a testimony, you know, a meeting where you're going to sit and read the testimony. And he said, well, he wants to prepare a sheet. I said, go ahead and do it, and we accept that.

MR. EDDLEMAN: Okay.

MR. SPECTOR: Thank you, very much.

MR. EDDLEMAN: There is a front side and back side. Okay. Well, I guess there's two things. I mean, the Web site, it's got a lot of problems. And what I would say is that there's a lot of fuscatory language and when you talk about plain language, there's a reluctance to say anything in plain language that would allow you to get through it fairly fast. So, you have to spend a huge amount of time learning this system. It's an awkward system. And, you know, I'm sure you can get with some Web designers. You know, you want to work faster and smarter. There's some Web site designers, who can help you on that.

MR. SPECTOR: Right.

MR. EDDLEMAN: But the other piece of it is --

MR. SPECTOR: We call that navigation.

MR. EDDLEMAN: Yeah.

MR. SPECTOR: That's the term that we're using and we're in the process of making major changes.

MR. EDDLEMAN: But, I think you, also, need to pay some attention to your water quality; that is, the quality of the prose, because that --

MR. SPECTOR: Yeah.

MR. EDDLEMAN: -- that can snag you pretty well.

MR. SPECTOR: We agree.

MR. EDDLEMAN: But the other thing is that the Web site leaves out a lot of information that you might want to get. And one of the things that inspires a great lack of confident in me is to look at how the NRC commissioners, themselves, deal with some of these issues. For example, Bill was mentioning, you know, your three major barriers toward the release. Well, the fuel -- well, what happens when there's failed fuel in excess of the limits? Well, the Commission, itself, refused to take action. That happened last year, two situations, okay.

Then, there's containment. Well, we've got a lot of plants

operating, including the Brunswick plants in North Carolina, they don't have an external pressure containment. They have a sheet metal wall and 90 percent probability of early failure of containment in 30 minutes. Harold Denton from N.C. State was the NRC official who said that. So, you know, it's very hard to get the information you need.

And I guess the other piece of it is, I'm very concerned about how the information might be manipulated before it gets to your Web site. The ability to fudge these things is just amazing, if you look at them. You're talking about objectivity. Well, the first rule of objectivity is it either is or it ain't; and if you can't tell, you need to look closer, okay. But, in this case, well, is this shutdown a safety significant shutdown? Well, having eliminated many of the other required causes of shutdowns, you know what's left; but, yet, there is all of these fudge factors. I mean, it looks to me, as one of the people I talked to about it on the environmental side or safety side, as I look at it, said the industry is terrified that this information will become rapidly available to the public and they're doing everything they can to make sure that the information that gets out won't embarrass them.

MR. SPECTOR: Bill?

MR. DEAN: Two things -- Wells, you make a real good point -- your last point is a real good point. Anytime you spotlight something and it gets out into the public domain, it immediately gets amplified. And I think that your perception that, you know, industry is concerned about having something on a Web site that displays performance that's other than green, there's a concern. And that's certainly something that we've got to be attuned to and sensitive to and make sure that in our review of issues, that -- you know, that we, basically, hold the line.

Now, the ability to fudge data, one of the pieces of our baseline inspection program is something called performance indicator verification inspections. And the intent of that is that over the course of a year, our inspectors will go out and look at the process and the methodology by which licensees collect and report information for all of the performance indicators, to assure ourselves that they are doing things in accordance with the guidance and not, as you say, fudging the information. That's a key part of our baseline inspection program, to go look at how licensees collect and report that PI information.

MR. EDDLEMAN: Well, there's a key problem with that, which, also, was a key problem with the previous process, and that is that even if the inspectors do a wonderful job, there are higher levels within the NRC, in which the industry can argue, that are hidden from the public. In other words, I would like to know if something happened and a determination that was made that it's not safety significant. I'd like to know those numbers. Without that, I don't see how anybody can say they have confidence in the numbers that are on the site, because you don't know how many things actually happened and you don't know how many of them were waved away by hand waving.

MR. DEAN: Well, what you're talking about is the purpose of our inspection program and how we report those items that come out of our inspection process. No?

MR. EDDLEMAN: But, also -- I mean that's part of it, yes.

But the other part is, suppose the inspectors come in and they say, well, look, this thing really was safety significant; this leak at Three Mile Island, by gollies, it's significant. Okay. Then the owners of Three Mile Island number two, I'm talking about here, of course they come into the higher levels of the NRC and say, well, you know, we've got lawyers, we've got studies, we've got this, we've got that, ya da ya da ya da, it's not significant, is it? Oh, well, you know, the NRC agrees with them. And see, if we don't know that that process has taken place -- I mean, yeah, if you're really determined, you can go in and get the report from the inspector and you can say, gee, what part did the NRC manager didn't agree with the inspector. Because, for example, that public sentiment was real strong about this and I think -- you know, I've read a lot of the Millstone stuff myself, it's real clear, the inspectors didn't do a bad job. They did a good job and they did inspect, but the higher levels of the NRC refused to take action.

And it's really scary when you see things like, well, you know, we selected the lowest five percent to be green to white, when, you know, before it was said, well, red was kind of like the old watch list. The old watch list was 10 or so plants out of 130, and that's about 10 percent. So, it looks to me like the industry has already gotten a tremendous push to saying that everything is good, compared to what was under the old watch list.

And I guess the other piece about it is the transparency; that over many years -- and I have 20 plus years outside the nuclear industry looking at this and looking at the NRC -- over many years, it got to the point where you really could dig the information out. And whatever you might have thought of the previous system, at least you can get a hold of the information and see how it was and compare it to how it had been going.

When they bring in a new thing, even it were an improvement, and I'm very far from convinced, but even if it were, how do you get your baseline? There's not a good way to have confidence in this. I mean, I'd be very interested to see what you guys get in that thing you're collecting tomorrow, and I wonder if that's going to be on the Web site.

MR. SPECTOR: It will.

MR. DEAN: Although, it will take us several weeks to process it.

MR. EDDLEMAN: Who do I call if I can't bring it up?

MR. SPECTOR: Call me.

MR. EDDLEMAN: Okay, I'll do that.

MR. SPECTOR: Call me, (301) 415-2140.

MR. DEAN: Hey, that's my number.

MR. SPECTOR: Oh, I'm sorry. No, that's my number and you call me and I'll make sure you'll get the right Web site URL. We'll test it out.

MR. EDDLEMAN: All right.

MR. SPECTOR: All right. If you have your computer on and my computer on at the same time, we'll make sure we're doing it right.

MR. DEAN: And, Wells, do you have an e-mail that you can give Auggie, so we can address that PDF issue? We'll go back and check that --

MR. SPECTOR: Yeah.

MR. EDDLEMAN: I'll give you one when I turn this stuff in.

MR. SPECTOR: Let me get on to a different tact here. One of the other things that we're interested in was -- and this might, also, be difficult to answer here, but we're asking the question: do you believe the new oversight process improves the efficiency and effectiveness of NRC's regulatory process, focusing agency resources on those issues with the most safety significance, from some of the things that you know and some of the things that you might have heard? I'm just going to just Mary for a second and see if I can get some other people and then we'll go back to Mary, okay. Anybody out there in the audience that have any comments on this or observations or input -- feelings from what you've --

SPEAKER: You want us to vote? I vote no.

MR. SPECTOR: Vote?

[Laughter.]

MR. SPECTOR: Tell us why?

SPEAKER: I don't really understand it enough to articulate why. I'm just terribly suspicious of the way these things go.

MR. SPECTOR: How is that? How do you know?

SPEAKER: Well, I have a lot of questions. One question I have is -- I'd like to know about the efficiency, the speed, and the firmness with which actions are taken to correct problems. We haven't heard much about that, you know. How often -- what does it take to trip a regulatory action? Discipline -- and what capacity do you have to discipline a transgressing plant? And how often are these actions taken? And how much time do you give them to comply? I want to know something about that end of it, the end that affects us most.

MR. SPECTOR: Okay. The assessment and enforcement --

SPEAKER: I, also, wonder -- I don't know enough about this really to grasp. Frankly, I'm a bit confused by what you have said. But, if there is -- as I understand it, there's a permanent full-time resident inspector at every plant. What does he or she do? What power does he or she have? Why do we need all of these other procedures, if you have a full-time resident inspector at the plant? Does he or she have the authority to attend staff meetings of plant officials? Does he or she always know what's going on? Does he or she report every little thing -- every little problem they see? Those sorts of things confuse me.

MR. SPECTOR: Okay. I think those are fair questions. And that's getting to really how does the NRC do some of its jobs and what it does. I'm going to take the liberty -- we have two resident inspectors here, who might want to address at least that part, and then Bill might want to get into the other corrective actions in some of the other areas. So, Joe, can I pick on you for a moment?

MR. BRADY: Let me -- we'll try and explain what we do. Part of -- particularly in this new program, there's a procedure called plant status. Obviously, Bob and I don't wing it every day. I mean, we don't go in and say, gee, you know, I'd like to go watch the lake today. We have certain requirements of things that we need to go view and we have planned inspections that we go and do.

Part of that is a procedure called plant status. A plant status, basically, has us go and look at what's going on in the plant, what has happened that's risk significant today, and should I deviate

from the planned inspections that I had thought I was going to do today, because there's something more risk significant that's gone on that I need to look at.

In addition, we have procedures that address events; for example, plant trips, significant events that we would go and follow up on. But the procedures basically are the tools that we use to tell the inspectors, the residents and the regional inspectors that come in, what are the things that need to be looked at; what are the things that address the cornerstones that Bill showed up there.

When we sat down and built this whole process together, the inspectors sat down -- they had a group for the inspection aspect of it -- and they sat down and went through all of the things that they thought needed to be inspected. The performance indicator group sat down and tried to work out performance indicators for each of these cornerstones. So, the whole inspection aspect of it was laid out and the inspectors from the regions that were on this team laid out all of those things that needed to be inspected. From that list, then came these procedures and the procedures basically are those things that need to be inspected. So, when working out there on an everyday basis, there are certainly these that are things that the resident inspectors would do on a regular basis.

That's how our day is set up. And we schedule those things on a six-month basis of which procedures, how many times do we need to do these particular procedures; how many activities do we need to go look at this month. Then, we sit down and plan our time and look at what is CP&L doing at the Harris plant this next week. Of those things that we're planning on looking at, what are the most risk significant things to focus our time on. That's how our day -- that's how we plan our time and that's how the inspection program essentially works for the resident inspectors, so that we maximize the amount of time that we focus on risk significant issues.

MR. HAGAR: Let me add a couple of things to that, a little more general. We have a set of about 20 or so inspection procedures that we implement full-time. We implement the inspection program at Harris and each of these procedures have different frequencies. Some, we have to do twice a month; some we do once a month; some we do daily, like plant status; others, we do every chance we get. Like we have one called plant performance during non-routine evolutions. The only time we can do that is when they have a non-routine evolution. You know, so, we jump on that.

But the other point -- I lost the other point.

SPEAKER: What's a non-routine evolution?

MR. HAGAR: Well, a plant trip, for example.

SPEAKER: Oh, okay.

MR. BRADY: When they have a plant trip. We, specifically, go look at -- let me give you an example that would -- is probably more relevant to you folks sitting in the audience. A non-routine evolution is like driving in the snow in North Carolina, okay. It's not something you do everyday. It's something that only occurs so often. And when you go out to do your driving in the snow, like you did this week, you have to think about, gee, do I have ABS brakes or do I have the old style brakes? Do I need to pump? Do I need to stay in second gear most of the time, so that I don't have to hit my brakes? Is it icy out

there? Well, you don't think about those things in August, do you, because you don't need that, okay. That's a non-routine evolution.

So, if something happens at the plant that causes the operators in the control room to do something that they very seldom have to do -- they very seldom have to exercise a lot of the procedures. If they get in an abnormal situation that requires them to use these unusual procedures, those are opportunities for us, the inspectors, to go and see how do the Harris plant operators handle unusual events.

We get a chance to go look at them in a simulator, as part of these procedures. But, sometimes, operation in a simulator is different than when the thing actually happens in the plant. And part of our function is to see is the training that they did in the simulator, is that being carried out -- the lessons that the simulator teaches them, is that being carried out on an everyday basis? Is that ingrained in them? Is the training causing them to think about, gee, I need to pump my breaks; I need to stay in second gear; I don't want to be as close to that car in front of me, as what I normally am.

MR. HAGAR: I remember what the other point was. You asked about access. We have free access to everything in the plant. The only area in the plant that I cannot physically go into is the closet where the guards keep the ammunition locked up. That's physically the only place I cannot get to. Every place else, I can. And we have the authority to sit in on any meeting that the licensee has and we regularly do every time. Nearly everyday, they have meetings about plant status and what's going on; one of us is sitting in on it. When we hear about special meetings, we go sit in on that. And other routine meetings they have, we sample periodically, just to see what's going on in this area and is that meeting doing what it should do and what's going on in that area. That's really part of that plant status inspection.

MR. BRADY: One of the regulations that applies to the CP&L license is that NRC inspectors have what's called unfettered access to the facility, which means that if there's anything that we need to look at relevant to the operation of the plant under the operating license, or the implementation of the regulations as required in the Code of Federal Regulations, we have access to do that.

MR. HAGAR: And really --

MR. BRADY: If we're denied that, that is a violation of the Federal Regulations, which we can cite Carolina Power and Light on and they have to then respond to.

MR. HAGAR: And that's a very serious violation.

MR. SPECTOR: So, how is that for an answer?

SPEAKER: Well, that's a bit reassuring.

MR. SPECTOR: Okay; okay. How about some others out there related to that issue? Yes, sir?

SPEAKER: I think it's somewhat related to the issue. You've been talking about how the new process focuses in on safety, as opposed to the old process, which was sort of more overall, and the inspectors were focusing on the safety issues in the plant. What kind of issues in a nuclear power plant are not safety related; and if they are not, why were you inspecting them before and not now? I guess that's my question.

MR. DEAN: Let me take a shot and then I think Joe can

probably jump in. Our previous process -- and let me just focus on inspection, because that's basically what we had; we didn't have performance indicators before -- consisted of several elements, and one was what we called our core inspection program. And what that was was basically a compilation of inspectable areas that we felt that we needed to look at on a periodic basis.

Another piece of that inspection program was called regional initiative, and that would be a body of resources that the regional administrator would have available to look at things that were of interest to him -- you know, something might have occurred at a plant that raised some issues in their mind and they say, why don't I go and look at some other plants. So, he would have this body of resources to go out and look at some things that were under -- of concern to the region.

And then there's a piece called reactive inspection, which is when events occur, issues -- a plan of some significance. We would go out and follow up on that. And, typically, we get a lot insights from the reactive inspection.

And so those kind of were the pieces by which we gathered information. But, for example, the core inspection program was based not so much on what were the most significant aspects of plant performance or what were the most significant systems that pertained to protecting the plant, but were focused around the scope of the regulations and what do I need to do to go out and assure compliance with the regulations. So within that, clearly, we were looking at things that were safety -- of safety import. But we, also, had things that we looked at that probably were not very safety related, in which we very rarely, if any, got any sort of findings; and if we did have a finding, it didn't mean anything, okay.

And so, that was one of the approaches for this new process, was let's redefine what that inspection program is. And now instead of calling it a core inspection program, we call it baseline inspection program and it's probably -- and I'll let Joe answer, I think it's more expansive than the old core. I think it looks at a broader spectrum of issues; that it looks at issues that are more pertinent to those systems and components and activities that play a role in maintaining plant safety. And that's the program that we've tried to establish, so we can look at all plants across the country consistently, looking at the same types of things, the same type of system performances, use the same type of procedures and processes that the licensee has.

And so in using all the experience that Joe talked about in putting this framework together, we used all the inspector experience and all of our lessons learned from things like Millstone and Maine Yankee and all these plants where we've had significant problems, to give us the insight, just what are the things that are really important and have led to risk significant issues in the past. We want to make sure that our program encompasses all that stuff. And that's what we've tried to do with the baseline inspection program.

Joe?

MR. BRADY: I think you've covered it pretty well. Just to give you an example --

SPEAKER: Yes, please.

MR. BRADY: Okay. We have requirements that say that

utilities have to have procedures to do things by, and we go out and look to see if they're following those procedures. Some of the things that are associated with these procedures, for example, is say someone makes an error on a document. They're writing down a number and they say, oops, I made the wrong -- I wrote the wrong number here, okay, and so I'm just going to cross this number out and put another number there. And so they do that. But, their procedure says, you have to initial that and date that, also, okay.

In the past, we have spent hours of time writing up those type violations; hours of inspector time, where we could be out looking for significant things. Now, we can take those things, we can go to the -- go to the utility and say, you did this wrong, you need to fix it. They, then, have to put it in their corrective action program and fix it like before, but we don't spend the hours of time going through the regulatory paperwork to do that. We've changed the thresshold for some of these things, so that those type things we can get off quicker and get over and spend more of our inspection time looking for the risk significant things, such as cracks in safety injection system pipes; diesel generators who have alarms on them that indicate that they are inoperable. What is the risk impact of those type things, as opposed to not initialing and dating the particular document.

Does that help you?

SPEAKER: Yes, that's the kind of thing I was actually looking for.

MR. BRADY: We, in the past, have spent lots and lots of time in what we call these our compliance issues, in writing these violations up and writing reports on a lot of these compliance issues that don't have any risk significance to those of you sitting out there, okay. And the new program focuses us more on the risk significant stuff. When we find these other things, it allows us to get off of them faster, waste less time on those, and allow the utility to go and fix those things without having to -- us to send in a notice of violation and then they write us back, here's what -- we admit this violation and here's all the things that we're going to do to fix it.

AUDIENCE PARTICIPANT: So if somebody were to do that now, would you ever even see it?

MR. BRADY: We might -- if we saw it, we would bring it to the attention, to their attention, just like we did before and they would go and fix it, but we wouldn't have to spend the hours on the paperwork. We would go on and continue looking for those risk-significant things that are going on.

MR. DEAN: Does that help you?

AUDIENCE PARTICIPANT: Yes, it did.

MR. DEAN: Yes, sir? In the back, yes?

AUDIENCE PARTICIPANT: At this time of day my brain is usually suffering from a nonroutine evolution.

[Laughter.]

AUDIENCE PARTICIPANT: If the old process was so flawed, so focused on matters of little safety significance, so unnecessarily burdensome for both the utilities and the inspectors, why was it allowed to remain in place for so many years?

MR. DEAN: That's a Program Office issue.

MR. SPECTOR: He's now a Division Director.

[Laughter.]

MR. DEAN: I guess I go back to your initial statement and address was it so flawed and was it so burdensome, and I think I would take out the word "so" and say that certainly there were flaws in it. Certainly it was burdensome, but -- and there's a number of things that come together in time over the last number of years, last several years, that have driven us to be more conscious of what it is we are doing.

Certainly the emphasis on producing Government resources, which was a clear effort on the part of Gore and Clinton when they came into office, to reduce the Federal workforce and reduce that burden on the taxpayer.

Up until that time the NRC, as other Government agencies, operated in a aura of we can do whatever we want and add whatever program we want because the taxpayer is paying the bill and we don't have to worry about being fiscally responsible. Those times have changed for all Government agencies, okay, including our own, and so we have had to take a look based on that aspect of it, based on the criticisms that we have received from industry, that we have received from public interest groups, which in a lot of respects are very similar.

NRC -- you have got a process that is not objective, you have a process that is not clear and understandable, you have a process that is not predictable. We don't know why you are taking the actions you are taking because it varies sometimes from region to region and plant to plant and situation to situation and we expect you to have a process that is clearer to the public as to why you are doing what you are doing, and we expect you to have a process that is more objective.

So we have gotten a lot of pressure, not only from Congress in terms of fiscal restraints but in terms of our external stakeholders about what does our process do and how does it give them information about how it is we are dealing with nuclear power plants and the problems that emerge at those power plants? So there's been a lot of driving forces over the last couple years, and basically the clear message is NRC, you have got to get smarter about what you are doing, you have to be more effective and efficient with the resources, and you have still got to make sure that you are maintaining public health and safety.

All those things have come together and caused us to take -- and this process, even though we have only pilot tested it over the last year, last six months from May to November, has been something that we have been working on for a number of years. This is something the Commission back in '96 and '97 told us we had to start working on, trying to improve our processes to make it all those things.

What you are seeing now is the end result of a number of years of activity, not just the six months of the pilot program, but the two and a half years before that when we were going through various developmental stages and models as to how we ought to change our process and our oversight approach.

So, yes, we had flaws. Yes, it was a burden, but the fact that nobody was holding us accountable I think played a part in it. Now we are being held much more accountable for what it is we do and how it is we influence the industry and the public, and I think that is a key driver as to what we are doing.

Does that --

AUDIENCE PARTICIPANT: It doesn't really fill one with confidence, to be told that none of this change would ever have occurred if your budget hadn't been cut.

MR. DEAN: Well, that was an element. There was other elements too -- the public criticisms that we received about our processes --

AUDIENCE PARTICIPANT: I really hate to want to believe that people realized that the system needed improvement all these years and it wouldn't happen and it is only because you are nudged in that direction by having your budget cut that it happens.

I mean one really does wonder if deep down inside the NRC believes that this new system is superior to the old system, which certainly had produced a rather high level of compliance, which is a dirty word, I gather, by the nuclear power industry, and to abandon the system that has achieved this is what bothers me.

MR. DEAN: I guess there are some words you are using that I do take a little bit of offense to, and one would be abandoning the concept of compliance.

Compliance is still an important aspect, okay, but what we want to focus on -- our attention, our efforts on those issues that pertain to compliance that also have a safety significant element. Those lower level issues of compliance that we identify, those are turned over to the licensee. They still have to comply with the regulations. That is not changing, okay?

What is changing is what is our emphasis going to be within that realm of compliance issues, things that are of minor nature, things that Joe described we don't want to waste our time writing up that violation, because in terms of the grand scheme of things and safety significance it doesn't mean the same.

We want our inspectors to spend more time looking at mitigating systems and looking at barrier integrity, and things like that, and we just have to get smarter with what we do with what we have, so we are not abandoning those concepts and certainly I hope you don't leave with that notion that we are.

What we are trying to do is just be smarter with what we have got.

MR. SPECTOR: You might want to mention the corrective action system in this context too, because that was something that came out of -- I don't know what your name was, I'm sorry, but this gentleman here -- the corrective action program. That relates also --

MR. DEAN: You are talking about a licensee's corrective action program.

MR. SPECTOR: Yes.

MR. DEAN: In my earlier presentation we talked about briefly the cross-cutting areas and one of them is what we call problem identification and resolution, and basically that is tied to the effectiveness of a licensee's ability to identify their own issues and correct those issues to prevent recurrence.

That is clearly a very important aspect of this program, so much so that we have incorporated within each inspection an element to look at the licensee's problem identification and resolution performance in every inspectable area, so any time Joe or Bob or a Region-based

inspector go out and do an inspection they have to look at licensee performance and problem identification and resolution as it is associated with that particular technical inspection that they are doing, so we have tried to embody this concept throughout the whole inspection process, and I think a clear recognition on the part of licensees is that they need to have an effective corrective action program.

If they don't, they are going to suffer. They are going to have issues that are going to compound. They are going to have thresholds being crossed in performance indicators. They are going to have incidences of inspection findings that are going to be risk significant, and that is going to cause a greater and greater level of attention on the part of the NRC.

So problem identification, resolution, the licensee's corrective action program, it's very important that they have a good one, otherwise they are going to have trouble with this new process.

MR. FRY: My Mickey Mouse goes tick-tick. I can watch my watch. I'll pick up the same --

MR. DEAN: It's getting late but --

MR. FRY: -- comment that Wells did. I'll see if I can make my comment match your question.

I have four points in the minute that you are going keep doing this.

One is that when I got the letter of invitation to participate and my first thought was you were trying to get even. We have been a grand champion of the idea of public discourse on issues, very pleased to hear the announcement of the February 28th meeting, and appreciate and think that is an integral part of the public confidence that you are looking for is the ability to do just this kind of dialogue and I want to say that.

The other thing that made a great impact on my ability to understand what was going on was I guess as a member of the public I have got some obligation to try to go ferret stuff out. I turned to John, who is on my staff, and said help. In turn, we went to the plant a week ago and the Resident Inspector, Bob, and the Director of Regulatory Affairs, Donna, spent two hours with us.

I would encourage anybody to avail themselves, certainly the Resident Inspectors are our employees -- we pay their way as ratepayers, I guess, Donna's we pay a big price there as well, but that was a very helpful thing to me as a member of the public to try to understand what was going on, and I had an 11 o'clock appointment so I rushed out of there. I got my points made and my questions answered, but promised both of them that I would come back in a more leisurely event to try to better understand, so I guess I have that obligation, to try to ferret more information out.

It is still not real clear to me how the performance indicators and the inspection findings come together, particularly now inspection findings are turned into green stripes, white stripes and yellow stripes and red stripes, and how those stripes fold into the PIs. That is not for tonight. That is for my trip back out to talk some more along that line.

Then I guess the thing that came to light relative to how the indicator, particularly how the green/white indictor barrier --

MR. DEAN: Threshold?

MR. FRY: -- threshold came about and I guess I need to get straight in my own mind, I'll go back to my university teaching days. Am I in graduate school where I am working on a pass/fail and green is pass and white is fail, or am I back in undergraduate school teaching where green is A and white is B and C and D and I know what bell-shaped curves look like, and nobody in my undergraduate class, no 95 percent of them ever got A. Pass/fails? I've been in a lot of classes, taught in classes where everybody passed in a pass/fail school, so I am still trying to comprehend -- you asked the question early on would this process pick up problem plants?

Well, if your pass/fail mark or if your A/B mark is 95 of the industry as it exists today, I don't know how you are measuring that.

Now I don't know which question that matches, just as well as to know which question his comment matched to, but certainly those four points. I am still trying to better understand the inspection indicator.

One of the things you did in the illustration, you drew a big circle in one of your illustrations and said plant safety is this big circle, and one piece of plant safety is performance indicators, and we have heard tonight the 20/80. That was a new number to me, but anyway the rest of what constitutes plant safety has to be dealt with with inspections because indicators only do a piece and that was helpful to understand.

Like I say, I am still not real clear how those pieces fit together, particularly how inspection findings turn into green stripes.

MR. HAGAR: When you have some time, we can talk about it some more.

MR. FRY: I will be back.

MR. HAGAR: Make an appointment after the meeting.

MR. FRY: I got my schedule.

MR. SPECTOR: Okay. Very good. Thank you.

Mary, you had your card up?

MS. MacDOWELL: Yes. It really relates to what Mel was talking about.

The green area, the green marking, I had spent some time with the website. I had read this and the various other things about it, and my impression looking at the website was that green was fine. Green was okay. Green was acceptable performance.

Even though the concept of white would take an NRC intervention had been stated, it still looked like green is go, green is fine, green is an A mark, and when I was talking to -- I availed Bob Hagar of time this afternoon to do the same thing you did.

MR. SPECTOR: Good.

MS. MacDOWELL: And we have got to coordinate and get other people in the public so that it isn't done one at a time.

MR. FRY: No. I guess I would come back to say it is probably better done one -- we had about a half a dozen. I couldn't take it one at a time, but I think there's some distinct advantage for that close one on one, where -- I got my questions answered by the sheer fact of I'm the boss. It was my meeting.

[Laughter.]

MR. FRY: To have shared that with this group would have been very difficult for me to have gotten done what I needed done, so it may be better to do it individually.

MS. MacDOWELL: But Bob pointed out to me that anything below -- anything that was in the green and if it wasn't at the top with zero was actually not what would be desired as the desirable performance of a plant and that the inspectors actually check and follow up inspection on anything that is below the very zero point.

That is not at all clear, I don't think, to the public, and I really think there ought to be another band in which complete compliance with the regulations and avoidance of problems is there so that the public doesn't assume that green is fine.

MR. SPECTOR: You are pointing to a picture. Which one?

MS. MacDOWELL: It's scrams with loss of normal --

MR. SPECTOR: Just hold one up. Okay.

MS. MacDOWELL: And unplanned scrams with 7,000 --

MR. SPECTOR: It's the concept, not those specifics, but the idea of that. Okay, here we go.

MR. DEAN: I showed this slide. I might have gone through it a little bit quickly. Let me talk about it again in the context of your question, Mary.

Your discussions with Bob pointed out that items that are characterized as green, whether it is using our significance determination process associated with inspection findings or whether it is performance within a performance indicator, okay, is acceptable to the extent that we do not believe we, the NRC, need to take any more regulatory response other than executing our baseline inspection program.

In other words we expect there to be issues at plants. We expect there to be a performance band where you are going to have things come up. We have a complex industrial activity. We have humans that are operating complex machinery. There's going to be mistakes that are going to be made. The question is how significant are those mistakes and what do those mistakes mean in terms of are the overall performance or culture at that plant?

So if the issues are of low significance they may be a violation of an NRC requirement, and more than likely they are, but there may be items that fall within -- and those of you that still have the mindset about enforcement, okay, an issue that is in the green area is probably akin to a Severity Level 4 violation.

Now we have things below that that are called in current enforcement space "minor violations" and those are things that are issues kind of like Joe described. The guy didn't initial and didn't date. That would be a violation but that would be a minor violation and not something that we would annotate in our inspection reports, but it would be an issue we would raise with the licensee and make sure they get in their corrective action program, so there is a body below this green which are minor violations. They don't even reach the green threshold in terms of safety significance.

MS. MacDOWELL: They are not below. They are above in the sense that they are --

MR. DEAN: They are less significant, much less significant.

MS. MacDOWELL: They don't even count as green, so they are

up in the zero band.

MR. DEAN: They are up in the noise, noise level, in terms of plant operation and activity.

MS. MacDOWELL: But I think you are missing our point, if you don't mind my interrupting just briefly.

MR. DEAN: Sure.

MS. MacDOWELL: Which is that the website by operating as a more accessible public medium means, okay, log on and if you can figure out how to check your local plant or if you just look at the matrix of all the plants, initially it looks so good, why investigate further? I mean if you even sort of find that you can click on the little diamonds to get written paper for the vast majority, for instance on the Harris plant, for the vast majority of those quarters in those parameters there is no paper for you to read through the graphs that look like that.

MR. DEAN: In actuality, well --

MS. CULLINGTON: Because there were no findings, so you can't click on them. It doesn't tell you there that you can go look at other stuff with the Adams program or whatever, and I am sorry, I may be misinterpreting what Mary is saying but I suspect that she was saying a little bit more about the fact that the whole green band is in a numerical range below the norm.

You interpret and the public is going to interpret that as meaning that.

MR. SPECTOR: What you are saying, in other words, if you clicked on the points down here under the inspection reports, if you clicked on down there you would get nothing?

MR. HAGAR: Augie, I think she is pointing out that for Harris most of those down there are blank. They say in real small letters "No findings this quarter."

MR. SPECTOR: That's right.

MR. HAGAR: And that is because there were no risk significant findings during that period. It's as simple as that.

MS. CULLINGTON: But in the past you used to be able to read the inspection report even if the inspection report --

MR. DEAN: And you can still do that. You can still do that. My understanding is, and I will have to go back and check, you can still click on that box --

MR. FRY: I don't always get snowpake on the screen when I use a computer. That's how much improvement I've got. I specifically went looking, because the SLO, whatever that is, State Liaison Officer, report said to me if you want to see the inspection report, go to the webpage, so I went to the webpage.

MR. BOSNER: I do know the answer to this is if there were findings in an inspection report, right now the website works where the inspection report will show up. If there were no findings in that inspection report right now the way the website is configured you won't be able to get to the inspection report, but my understanding is you are reconfiguring the website so you can get all the inspection reports, even if there were or were no findings.

Now we are going to get green whether there were findings or not findings in that report. Those areas will still indicate greening.

MR. DEAN: We are looking at improving that to deal with that type of issue.

MR. BOSNER: I think that was the source of confusion here, you're green but there were no findings.

MR. DEAN: Right, and what we should have is a different coloration as you will -- because green should indicate that you had a finding of some significance that quarter, so we have to go back and we are in the process of taking --

MR. SPECTOR: We are in the process of updating, of cleaning up what -- I think now we are clear on what you are saying. That is one of the things they are trying to clean up.

MS. CULLINGTON: I think Mary had something that she wanted to say that I interrupted her.

MR. MARTIN: I just want to make a statement that might help a little bit.

This green, white and flag colors and so on is not going to change anything. It's just a way of stating some probabilities and you have got risk analysis involved in this management of the reactors, and that is the same thing. That is a statement of probabilities. They could be written in other ways, numerically or whatever, and here by putting it as a color and putting it on the website and all that is going to glamorize things a little bit but it isn't going to help.

People -- I would say that risk analysis is not well understood. It's a very complex kind of thing, and to ask somebody whether they have confidence in it or no confidence is way off base. My confidence for the NRC has dropped this evening because apparently you want to keep on asking a question that nobody can answer, and maybe that will help politically but it is not going to solve those problems.

You can't solve the risk analysis for a nuclear plant. You can get some numbers and you can play around with it, but you are not going to solve those -- the equations that are involved, so I think if you want to get the confidence of the public you have got to ask them some things that they can answer. Let them talk, you know, but they are not talking when you ask them do you believe in this? What is this anyway, some kind of a fundamentalist meeting of some kind of fundamentalist meeting where you "believe" -- I don't know. My answers don't come up that way.

MR. SPECTOR: We possibly should be wording some of the questions a little differently. We are trying to get the idea of public confidence and you don't seem to have that.

MR. MARTIN: Yes.

MR. SPECTOR: Mary?

MS. MacDOWELL: The risk significance. I wish David would speak a little more about that, but it appears that whether something is a problem or not is determined by whether that failure of that piece of equipment is in conjunction with other pieces of equipment in the plant and procedures, whether based on maybe past history whether that piece of equipment is out of service, whether the chances that that would lead to an accident or a significant increase in the changes of an accident, and I think from a sort of common sense point of view, the public would like to know that all the equipment is working and that the plant is operating only when all the equipment is working and that the redundancy built into the design is all there, that the equipment -- that we are not sort of banking on the probability that there will be -- that two bad things won't happen at once and a human will make an error at the

same time, and that probability, and using that in the risk assessment makes me uncomfortable and question whether that really protects the public and whether that is really reducing the redundancy that is supposed to be built into the system so that things can break down and we are still safe.

MR. DEAN: Joe, do you want to -- I guess the one thing I want to mention, and I may ask Joe to weigh in here a little bit, is that what we can't lose sight of -- yes, we're risk-informing our processes and we are doing very close to what you talked about, Mary, in terms of if there is an equipment failure we want to look and see what other equipment is in place that would be available to mitigate a potential accident while there are other pieces that might be out of service so that the confluence of all these components either being out of service or unreliable or whatever may lead to, for that period of time, an elevated risk profile at the plant, but what we can't lose sight of is that each plant has within its license technical specifications that are associated with all the key pieces of safety equipment and define how long equipment can be out of service that is considered to be an acceptable period of time, after which they have to shut the plant down to fix that system for just that very reason.

I don't know, Joe, if you want to add anything else in terms of that, but we can't lose sight of the fact that there's other things that exist besides what is in this regulatory oversight process that are part and parcel of a licensee's license, things that they have to adhere to in terms of their operations, and the technical specifications play a very major role in that.

MR. BRADY: One of the things, if you look at the history of the nuclear plants, the problems tend to happen when you tend to perturbate the plants.;

MS. MacDOWELL: Perturbate?

MR. BRADY: Perturbate -- change power levels and so forth, as equipment is taken off the line, as you make rapid changes in power and so forth, as equipment configurations change things can happen, so when the technical specifications were put together certain of the key equipment was allowed certain out of service time that was a reasonable period of time thought by the Staff to allow that piece of equipment to be fixed before the risk of perturbating -- from perturbating the plant was required, so that is where the times -- and you are talking about we would like to have all of the equipment operating all the time.

Well, we would like to also, and so would the utility, but the real facts are things break. I mean regardless of how much maintenance you do on your car, how often you look at it, eventually something is going to break and you have to deal with that. Sometimes you stop the car. Sometimes you drive on to the repair facility and get it fixed.

What Bill is trying to say is the technical specifications build those times into it. Now where we get into the risk significance is on the back end of an inspection finding process. The risk significance doesn't factor into the decision of whether the plant has to be shut down or not if it is a technical specification.

The plant has to comply with the technical specifications. It is plain and simple. If they don't, they will as a minimum get a violation and if it is a fairly serious thing where we think they need

to be down right now and they are not down, and they are refusing to go down, we have the power through the enforcement process to order them down immediately.

So all of that is still there. Where the risk significance comes in is where you have an inspection finding and in the old process we used to categorize these as Level 1, Level 2, Level 3, Level 4 and then below that really was these minor violations that Bill was talking about.

What we found when we started the risk assessment stuff was these Level 1, 2s and 3s and 4s really didn't correspond directly with the risk to public health and safety, so when they came into the new process, being smarter now than what we were 30 years ago when these plants first started, is why don't we build into these enforcement actions the risk to the health and safety to the public.

How they did that was through these green, white, yellow, red and then had the enforcement actions match up through the action matrix with those things, so when they talk about risk-significance and so forth you are talking about an inspection finding and what does the NRC do with that and what is the NRC reaction.

From the standpoint of follow-up inspections it doesn't affect what happens when a technical specification is not met. They still have to do what they had to do five years ago, 10 years ago.

Since 1987 when this plant was licensed they had to comply with their technical specifications and operate the plant in accordance with that and their procedures.

MS. MacDOWELL: So no technical specifications can be excused by a risk significance analysis? They have to comply with all those or they get a violation?

MR. BRADY: That is essentially true. There are some processes where the utility can apply for an exemption for relief from a technical specification. They have to provide that in writing to the NRC and then the NRC has processes where they analyze that and can get relief. Those are unusual exceptions.

MR. DEAN: There's some very stringent criteria that have to be met in order to get that discretion.

MR. SPECTOR: Rick, you had your card up?

MR. GIVENS: I have listened to all this and I have called a number of people too, because I'm certainly not a nuclear scientist or engineer but I do understand lights, colors just from my experience over the last 30 years, and Mary asked some very essential questions but it's kind of like you are driving in your car. You have oil pressure that is in the green. It might be at the lower end of your green. Well, you know there might be a problem starting, but it's not a problem now so don't, you might want to go home and then you'll have someone look at it.

Well, it sounds to me from what you are saying that there's various levels in these colors that kind of point to that. You lose a bolt off your generator that's holding a wire but it is not anything that controls the electricity when you get home you can work on it and if you found it in an inspection you can fix it, or if you have got 400 hertz and have plus or minus 8 and it's running 6, out of synch, you know you have got a problem starting but you don't have to address it right now, and I think that's what they are saying, that there's a lot

of things that just like initialing a mistake in the number -- it's just a mistake, but it is not a mistake that requires all the time put on this one little item.

I think they are streamlining. I haven't seen anything yet that compromised safety. Now I am sure in the guidelines there's some that some would argue but without seeing the technical specs, there's no way here, and I understand what the gentleman said, you can't answer these questions I can't answer these questions even though I might know some of the answers, but from what I have gathered I don't have enough information to give a logical and educated answer to the questions asked, and maybe if they were reworded it might be, but I understand in theory what you are doing and I don't -- now how you arrived at your thresholds only you have those numbers, but I do know you have a number of years of experience to look at the charts to see what significant change constituted a problem, and when you look at that you have a guideline to go by, and I understand that part.

For that part I appreciate the openness and I know we have had a problem maybe sometimes not being open. Even though I didn't understand everything you said, I at least appreciate your taking the time to address the public and I know from our side, we are living right next to you, and that has always been a problem and an area that everybody is interested in, but we have always had experts on both sides that couldn't even get along with the same simple question, so I think maybe simplifying some of your questions, some of your answers would help the public, help someone who is not a nuclear engineer like some of these gentlemen who spent their life studying this, they might understand perfectly, but you are going to have to put it in layman's terms, that's all I am saying, so that the old boy that can fix your car could understand when you are talking about your power plant because it all relates to common sense if you get down to it, if you could get it down on that level that you could understand it.

MR. SPECTOR: We appreciate that. Thank you very much. I think we have an opening for a Regional inspector -- seriously. But thank you very much.

MR. GIVENS: I'm retired.

MR. SPECTOR: I know.

[Laughter.]

MR. SPECTOR: Wells?

MR. EDDLEMAN: I want to come back to this thing about exemptions from the tech specs, because unless things have changed remarkably since the last time I looked into this, those things -- I mean it depends on your definition of the word "rare" but I would say they are far from rare.

I have seen this stuff time and time and time again. The NRC has given people permission to operate outside of the tech specs, and not only that, they get found to be operating outside of their design basis or their design basis isn't properly defined.

These are extremely serious safety issues and the NRC basically does nothing about them except to disperse the people who analyzed the stuff and found it. You know -- find your people who used to be in AEOD and ask them.

But I think there's a couple other points I wanted to make kind of quickly -- actually more than a couple but the first one is that

nobody has enough information to answer that question of adequate safety, and one reason that is true is that accidents tend to sneak in. I think it was Mark Twain -- might have been somebody else -- who said it's very difficult to make things foolproof because fools are known to be so extremely ingenious.

[Laughter.]

MR. EDDLEMAN: The point of it is there's a wonderful formulation of Murphy's Law that I like that says Whatever could go wrong will go wrong unless somebody makes it their business to make certain that it won't" and to make certain is very difficult, but when they are teaching you defensive driving like you have to do on your snow out here or your ice, they always warn you about the unexpected, and that is very difficult to build in to any kind of a program, but if you look at the history of real accidents, a lot of the precursors don't look significant by themselves, but when they line up at the same time, by golly, you are in it deep.

I would like to finish up with a couple of points that haven't gotten in here yet, but I understand -- now, this may not be correct information but I got it from what I think is a good source -- that the NRC is planning to cut back their total inspection effort, the amount of inspector hours available per plant, on average by about 15 percent under this new program.

There's no indication that safety is improved by 15 percent. There are a lot of problems with these indicators in these plants.

The other thing is they appear to be allowing the owners and operators to reduce the frequency of certain tests on safety equipment. There is a Murphy's Law of that built in because when you do test it, the strain on it of testing it and the time it takes to test, those are costs.

On the other hand, if you don't test it, some of this stuff can freeze up. I know in some of my consulting work that is not nuclear that there are safety systems that haven't been exercised for 30 or 40 years, and almost all of them are corroded to the point where they won't function, and this particular industry doesn't do a doggone thing about it, and some day they are going to kill somebody.

But I think in the nuclear industry the consequences would be much greater. It's like the worst accident that I ever heard of happened in a coal-fired power plant wrecked a lot of the inside of the plant, but I think the number of casualties was less than 10. Now the worst accident that you can think of in a nuclear power plant is a heck of a lot more consequential than that, and therefore I think if you are talking about your society's allocation of resources it pays to put some more of these resources which, by the way, I think all the NRC's inspection resources still come from user fees and not taxes, it makes sense to me to get the resources you need because if you are saying, well, this stuff hasn't had a problem lately so we will just test it less and we will just inspect it a little less, well, in the middle of life of something that might be a fair assumption, but you don't know how fast it is coming to the end because you don't have the experience base to tell.

No nuclear plant has gone through this 40-year licensed life yet in the United States and if you -- and Murphy's Law is striking here. I have lost my last thought.

Oh, I know what it is. It's about the Harris plant itself. I think probably most of the people here know this, but just in case you don't, that a lot of the safety-related systems at the Harris plant were built with pipe that is too thin to start off with, when the thing was new, and everybody knows that leak before break is a wrong theory, so you can't count on leaks to show you what is going wrong, what might fail catastrophically.

That is something that I think really needs to be looked at specifically but there's things like this involving stuff out of spec that was built, fraudulently certified stuff throughout the nuclear industry and that needs to be built-in too. There needs to be some stuff that's both industry-wide and plant specific that says here are things that we found to be problems that could cause some serious trouble that we need to find an effective way to look at, because when the pipe is full of water and the water is radioactive as anything, well, gee, you can't x-ray it because the radiation from the pipe is too much, that's all, so you have got to have some way to effectively find out what that pipe is doing, and it might involve shutting the plant down for awhile or keeping it out more when it has an outage, but if you don't find out and something goes wrong I guarantee you there's going to be some inspection.

MR. SPECTOR: Okay, thank you. Bill, did you want to comment on a couple of those points?

MR. DEAN: I just want to take the opportunity -- I know we have gone way over our time, but obviously the discussion has been very good and we don't want to cut anybody off. I know people are starting to get to their ends.

But I do just want to address a couple things. One is the cutback on the total inspection effort that he referred to, 15 percent.

In the original design of the criteria used to measure this program, this new oversight process, one of our goals, as you saw, was to be more effective and efficient. Well, the thought was that we should at least have a criteria that says we would consider this to be more effective and efficient if inspection, overall inspection resources used to implement the oversight process, and that is all aspects of it, were reduced by 15 percent.

It was not a mandate to reduce inspection resources by 15 percent. All it was was a criteria that existed that we would consider this to be a more effective and efficient process if resources were reduced.

When we briefed the Commission on this process before we implemented it, they said there is a problem with that criteria because it could become a self-fulfilling prophesy and it is not the right approach, so we eliminated that criteria as being something that we would measure, okay? -- so there's no intent whatsoever in this program to reduce inspection resources. es.

What is important about this program is that in gathering the information in the pilot plants and the information that we are going to gather on executing this program for the other plants when we execute the program for all sites is that we will gather information that will tell us more definitively than what we have now what does it take to execute this inspection program, and so we have already committed to the Commission in 2001, after we get a year's experience at

all sites under our belt with this program, come back to the Commission and say here is what we have found in terms of what resources did it take to execute this program.

We will use that to help develop our budget model, so there is not an intent to cut resources. There is a reference in the original design of this program as to what we estimated it would take to execute various parts of the inspection procedures, but that is not a driving factor or a need for this process

The Commission has told us to determine what is the right program, determine what are the resources needed to execute this program. That is Item 1 I wanted to address.

The second thing I wanted to talk about was, and this kind of links your beginning and your ending -- your quote from Samuel Clemens or Mark Twain and the fact that how do we address problems that occur.

One of the things that we need to build into our process is a self-assessment process. You know, things are going to happen that we didn't predict, okay? -- and can we design a process that is going to predict everything that is going to happen? Absolutely not, and anybody that says that we can is not a realist, but we certainly need to design a process that hopefully gives us enough indications that things are going wrong so that we and the licensee can step in and correct those things before they become more problematical.

Be that as it may, we recognize things are going to occur that will provide us insights that say there is an element of your inspection program that should have caught this and didn't, so we need to go back and reassess on a periodic basis what is our inspection program and what are the performance indicators telling us and do we need to adjust those? Do we need to alter the approach or alter the way a certain inspection procedure is written to make sure that we focus on those elements that have over time proven to cause problems?

The other thing I wanted to mention with respect to your concern about plant degradation, there's a rule that the NRC instituted a number of years ago called the maintenance rule. The purpose of that rule was for, number one, licensees to identify all of the equipment that was important to safety that had a contribution to safety at that plant, and that they needed to do periodic monitoring and testing of that and when they found that the testing indicated that the thing was not performing as it should, then the frequency of that testing needed to increase until they got enough confidence that they had corrected whatever deficiencies led to the problems with that equipment, so there is a rule in place that licensees have to follow the maintenance rule that I think deals with that very issue about safety equipment going unmonitored and unreviewed for a period of time.

They are required to monitor all their safety equipment. I don't know, Joe, whether you want to add anything about that in terms of the maintenance rule, but I think that gets at the very heart of your concern.

They are required to do that and if they start finding problems, they need to test more frequently, so that is an important rule to keep in perspective.

MR. HAGAR: If I may, let me respond to one other thing Wells said as you went along.

I am one of the people that implements the inspection program and I have see no flexibility at all in implementing the inspection program based on the types of findings.

That is to say we can't -- we don't have the freedom to cut back on the number of inspections we do simply because there's no findings. We implement the inspection program regardless of whether there's findings or not. There isn't that flexibility there, so even if we have no inspection -- no findings at all for a year, we are still going to be doing that inspection regularly, looking for findings.

MR. DEAN: Our inspection process is a sampling process and we have got two Resident Inspectors in the Region. We don't have the time or the resources to look at every single thing that a licensee does, so by necessity our process has to be sampling, which means we have got to go back time and again and there may be that one inspection every couple years that we find that nugget that gives us the thread that we can pull that uncovers some significant issues.

MR. SPECTOR: What I would like to do -- we are really about, we are quite a bit over our time here, so what I would like to do is, if it is all right with you, is call this formal session part of the meeting to a close and thank you very much for attending.

We will be here later in case some people have some unresolved questions or issues that they want to cover, but I want to thank you again for coming and if you would like a copy of the transcript if you give me a card or your address after the meeting -- I will be up here -- I will make sure that it is sent to you.

MR. FRY: Thank you again for doing that.

MR. SPECTOR: Well, thank you, Mel. We appreciate all the comments.

MR. EDDLEMAN: It is a good turnout.

MR. SPECTOR: We will make sure that your material -- I have a copy but I'll make sure that --

MR. EDDLEMAN: I have got a copy for the Reporter.

MR. SPECTOR: No, we will put it into the minutes. Thank you very much.

MR. DEAN: Thank you, everybody.

[Whereupon, at 9:50 p.m., the meeting was concluded.]