

REACTOR OVERSIGHT PROCESS  
INITIAL IMPLEMENTATION EVALUATION PANEL MEETING

Date & Time:

Monday, December 11, 2000

Location:

U.S. Nuclear Regulatory Commission  
Region II Office  
Sam Nunn Atlanta Federal Center, 24 T20  
Atlanta, Georgia 30303-8931

Agenda:

Monday, December 11, 2000

8:00-8:15	Introduction/Meeting Objectives and Goals
8:15-8:30	Review of Meeting Minutes and Action Items from November 1-2, 2000 Meeting
8:30-10:00	Presentation of Results from Regional Workshops <ul style="list-style-type: none"><li>- Summary of Meetings from Staff</li><li>- Summary of Meeting Issues from IIEP Members</li><li>- Summary of Issues from Site Public Meetings</li></ul>
10:00-12:00	Presentation of Summary of ROP Issues Collected from IIEP Members
12:00-1:00	Lunch
1:00-3:00	Panel Discussion of Issues and Prioritization
3:00-5:00	Work Planning and Report Outline Development
5:00	Adjourn

REACTOR OVERSIGHT PROCESS INITIAL IMPLEMENTATION  
EVALUATION PANEL MEMBER ROSTER

Randy Blough	Mr. A. Randolph Blough Director - Division of Reactor Projects, Region I U.S. Nuclear Regulatory Commission
Bill Borchardt	Mr. R. William Borchardt Director - Office of Enforcement U. S. Nuclear Regulatory Commission
Ken Brockman	Mr. Kenneth E. Brockman Director - Division of Reactor Projects, Region IV U. S. Nuclear Regulatory Commission
Mary Ferdig	Ms. Mary A. Ferdig Ph.D. Candidate, Organization Development Program, Benedictine University; Ferdig, Inc. Organizational Research and Development
Steve Floyd	Mr. Steve Floyd Director - Regulatory Reform and Strategy Nuclear Energy Institute
Dave Garchow	Mr. David F. Garchow Vice President of Operations PSEG Nuclear LLC
Richard Hill	Mr. Richard Hill General Manager - Support - Farley Project Southern Nuclear Operating Company
Rod Krich	Mr. Rod M. Krich Vice President - Nuclear Regulatory Services Commonwealth Edison Company
Robert Laurie	Mr. Robert A. Laurie Commissioner - California Energy Commission

## PANEL MEMBER ROSTER (Continued)

Jim Moorman	Mr. James H. Moorman, III Senior Resident Inspector - Alto Verde Site U.S. Nuclear Regulatory Commission
Loren Plisco	Mr. Loren R. Plisco Director - Division of Reactor Projects, Region II U.S. Nuclear Regulatory Commission
Steve Reynolds	Mr. Steven A. Reynolds Deputy Director - Division of Reactor Projects, Region III U.S. Nuclear Regulatory Commission
Ed Scherer	Mr. A. Edward Scherer Manager, Nuclear Oversight and Regulatory Affairs Southern California Edison Company
James Setser	Mr. James L. Setser Chief - Program Coordination Branch Environmental Protection Division Georgia Department of Natural Resources
Ray Shadis	Mr. Raymond G. Shadis New England Coalition on Nuclear Pollution
Jim Trapp	Mr. James M. Trapp Senior Reactor Analyst U.S. Nuclear Regulatory Commission
Chip Cameron	Mr. Francis X. Cameron Special Counsel Office of the General Counsel U.S. Nuclear Regulatory Commission
John Monninger	Mr. John Monninger Technical Assistant - Associate Director for Inspections and Programs Office of Nuclear Reactor Regulation

U.S. Nuclear Regulatory Commission

## P R O C E E D I N G S

(8:26 a.m.)

1  
2  
3 MR. PLISCO: Welcome to the second meeting of  
4 the Initial Implementation Evaluation Panel.

5 Just to remind everyone this is a public  
6 meeting. We'll have an opportunity to address public  
7 comments and questions if we have time at the end of  
8 each session or, if there's a good time in a certain  
9 subject area, we'll allow time for that.

10 The meeting will be transcribed. It's usual  
11 to help out our court reporter here to try to minimize  
12 the interruptance of other clients so he can keep track  
13 of who's talking for the record.

14 Since our last meeting we've had some changes  
15 in our membership and also added on since our first  
16 meeting. So, if we could go around the table and allow  
17 everyone to introduce themselves. We'll start here.

18 MR. SCHERER: I'm Ed Scherer from Southern  
19 California Edison Company.

20 MR. BLOUGH: Randy Blough, NRC Region-wide  
21 Director of Projects.

22 MR. FLOYD: Steve Floyd from Nuclear Energy  
23 Institute.

24 MR. BROCKMAN: Ken Brockman, Projects

1 Direction, Region IV.

2 MR. SHADIS: Good morning. Ray Shadis, New  
3 England Coalition.

4 MR. BORCHARDT: Bill Borchardt, NRC Office of  
5 Enforcement.

6 MR. HILL: Richard Hill, Southern Nuclear  
7 Operating Company.

8 MR. REYNOLDS: Steve Reynolds, in Region III.

9 MR. GARCHOW: Dave Garchow, and for the  
10 record I've had a change. I'm now V.P. of Operations  
11 with PSEG Nuclear.

12 MR. PLISCO: I'm Loren Plisco. I'm the  
13 Director, Division of Reactor Projects, Region II.

14 MR. KRICH: I'm Rod Krich from Commonwealth  
15 Edison, now.

16 MR. MOORMAN: I'm Jim Moorman, Senior  
17 Resident Inspector of Palo Verde Site.

18 MR. LAURIE: Good morning. Bob Laurie,  
19 California Energy Commission.

20 MR. TRAPP: I'm Jim Trapp. I'm a Senior  
21 Reactor Analyst with Region I.

22 MR. SETSER: I'm Jim Setser with  
23 Environmental Protection Division, Georgia Department  
24 of Natural Resources.

1 MS. FERDIG: I'm Mary Ferdig. I am the Research and  
2 Development Consultant and right now associated with  
3 Benedictine University.

4 MR. CAMERON: Chip Cameron. I'm on Special  
5 Counsel of NRC, Office of the General Counsel.

6 MR. MONNINGER: John Monninger from the NRC.  
7 I'll be the Designated Federal Official.

8 MR. PLISCO: And we'll discuss the issues  
9 that were collected from the members that we've gotten  
10 so far, and we'll talk about collecting the rest of the  
11 issues during that session.

12 And then this afternoon, continue discussions  
13 of those items, and then resume work planning as far as  
14 how we're going to meet our goals at the end of our  
15 panel activities.

16 As was suggested in our first meeting, to  
17 work out an outline for our final report to help us  
18 prepare our end gain.

19 Tomorrow, we'll do a recap of first day's  
20 meeting and then we have some presentations from  
21 external stakeholders as we talked about in our last  
22 meeting. We have the State of Illinois, the State of  
23 Vermont will be represented.

24 We did invite the State of New Jersey. They

1 had some scheduling conflicts and we're going to have  
2 them come in January in our January meeting.

3 And then we'll have some time in the  
4 afternoon to talk about the issues from Illinois,  
5 Vermont, and state issues and any other issues that  
6 came up during today that we want to continue to talk  
7 about.

8 And then late tomorrow, the agenda planning  
9 as far as finalizing our January agenda; what topics we  
10 want to cover, schedules, and our large meeting dates  
11 in a tentative agenda topics with that. And we'll  
12 close the meeting tomorrow. Any questions about that?  
13 (No response.)

14 And Chip and I -- Chip's going to help us today.  
15 Unfortunately, he's not going to be here tomorrow. He  
16 has another public meeting to take care of.

17 MR. CAMERON: Right.

18 MR. PLISCO: But what we want to try to do  
19 today and tomorrow is, again, collecting the issues and  
20 making sure we all understand what the issues are in  
21 all the areas. Not necessarily try to resolve them  
22 today, but to get that collected.

23 For those that have not sent us their issues,  
24 once we talk about the ones today, I would say it would

1 help you. You don't have to duplicate the ones we  
2 already have. We're going to build one common list, so  
3 if your issues are already discussed or in the list  
4 already provided, then just provide with the new issues  
5 you have on the ones you haven't seen on that list. Or  
6 if you have a different spin on the same issue, please  
7 do that too.

8 But we want to really, the next two days, get  
9 a compilation of those issues and begin a process where  
10 we can prioritize them so we can reach a goal of our  
11 finding.

12 As far as the meeting minutes of our last  
13 meeting, I think John e-mailed those to everyone. Did  
14 everyone get theirs?

15 MR. MONNINGER: That's correct.

16 MR. PLISCO: Okay. That worked out well and  
17 that was your request then. You did electronically and  
18 John was technology challenged, but he's did it.

19 MR. MONNINGER: I can do it.

20 MR. PLISCO: Five hundred pages of transcript  
21 caused some difficulty.

22 MR. MONNINGER: The entire meeting summary is  
23 the four-inch binder of the public where it contains  
24 special attachments, if anyone wants any copies.

1           MR. PLISCO: They'll be able to -- if they  
2 want to read the transcript, it's available now on  
3 electronic.

4           MR. MONNINGER: Everything right now is in  
5 albums, but everything is not quite right yet. We have  
6 an individual working on that. It should be ready to  
7 read.

8           MR. SCHERER: Maybe we can talk it through so  
9 we can make it through out bylaws.

10           MR. PLISCO: We did approve our bylaws and  
11 operating procedures. Those are included as an  
12 attachment to the minutes. I also wanted to highlight  
13 -- you've got copies here that talks about our  
14 committee objectives and general approach and it's  
15 going to be a factor today as we talk about the issues  
16 and try to put them in context. When we talk about  
17 each issue, we do want to go back and link that to one  
18 of the agency goals to help us prioritize those.

19           Any questions on the minutes of the last  
20 meeting or any additional issues?

21 (No response.)

22           Okay. As far as basic logistics, I want to  
23 get that out of the way. Everyone made it to the  
24 building. That's a good sign. They made it through

1 the security process.

2 Our court reporter had some problems with  
3 electronic equipment.

4 There's a cafeteria downstairs.

5 The only complication here in the Region II  
6 office for logistics is that the men's rest room,  
7 they're all behind locked doors on this floor. There  
8 are publicly accessible, just one floor down on the  
9 twenty-third floor. Just take the elevator down. It's  
10 in the hallway there. Or one of the NRC people who are  
11 getting the non-Region II people's badges coded and  
12 make them let you in the doors here for the men's rest  
13 room.

14 There's a ladies' rest room right outside the  
15 door here.

16 Like I said, there's a cafeteria downstairs.  
17 We can use that for lunch or there's also some areas  
18 within walking distance of this building you can use  
19 during lunchtime.

20 If you need copies or anything like that, let  
21 me know and I'll have my secretary take care of that.

22 And also, phone numbers. Does anyone need an  
23 emergency phone number that they can call? I think I  
24 said it in my e-mail. It's area code 404-562-4502.

1 That's to my secretary, Jeanette Barns, and she'll get  
2 the messages to us.

3 Any Admin logistics questions? Anything you  
4 want to talk about, John?

5 MR. MONNINGER: No, not at this time. Oh, I  
6 guess maybe just for members of the public, there's a  
7 sign-in over there and there's also a public meeting  
8 feedback form that we use at this meeting.

9 MR. PLISCO: And also there are copies of  
10 handouts we give to the members on the table. Okay.

11 Well, the first agenda topic is to talk about  
12 the results of the Regional Workshops Three. The  
13 workshops have been conducted in Regions II, Region  
14 III, Region IV. I think Region I is later this week.  
15 Is that right? Wednesday?

16 MR. BLOUGH: Wednesday.

17 MR. PLISCO: What we propose to do is talk  
18 about some of the issues that came up on those  
19 workshops. We can see if there were any new issues in  
20 addition to the ones we've already provided in our list  
21 for John or that will be provided in your list to John  
22 for those that haven't done that yet.

23 The first meeting was held in Region III.  
24 Steve, you were at that workshop?

1 MR. KRICH: Yeah.

2 MR. PLISCO: You guys want to talk about  
3 that?

4 MR. REYNOLDS: Sure, I'll go ahead and start  
5 it unless you wanted to.

6 MR. KRICH: I wasn't able to attend all of  
7 the sessions because I was helping two of you.

8 MR. REYNOLDS: I think we should have a  
9 recount.

10 MR. PLISCO: Go ahead, Steve.

11 MR. REYNOLDS: It won't take quite that long  
12 to figure this out. Anyway, the region meeting was  
13 quite a bit American Nuclear Society meeting between  
14 the NRC and industry and we had six break-out sessions.  
15 So it went a little differently, I think, than the  
16 other Regions meetings.

17 We had a break-out session on the inspection  
18 program, one on the SVP, non-cost cutting issues. One  
19 on event response, discrimination. And the last one  
20 was on regulatory impact. And the first four fit more  
21 into a new inspection program. Can you hear me okay?

22 (Yeses.)

23 Okay.

24 I'll start with the cross-cutting issues. I

1 don't know if -- Rod, you want to jump in and take  
2 over?

3 MR. KRICH: How about if I do that?

4 MR. REYNOLDS: Okay. Cross-cutting issues, I  
5 think the overall conclusion on that was there needs to  
6 be criteria for what's substantive and what are all the  
7 cross-cutting issues.

8 We have cross-cutting issues, as we know, in  
9 corrective action, and human performance, and other  
10 questions for cross-cutting issues. Do we have things  
11 like design issues or common mode issues. That came  
12 out in that.

13 Other things that came out of cross-cutting  
14 issues were the fact they end up being no color, and  
15 what does that mean and how does that compare, I guess,  
16 to green, white, yellow, red as a finding or as a  
17 performance indicator.

18 I think the group determined a lot more work  
19 needed to be done in the cross-cutting issues really to  
20 define the criteria and the threshold for those type  
21 issues. That's about all I had on that one. I don't  
22 know if you wanted to add anything?

23 MR. KRICH: No, that covers it.

24 MR. REYNOLDS: STP, the six significant

1 determination process. That session focused on three  
2 of the STPs, I guess: Five protection STP, the  
3 safeguards STP, and then the reactor safety STP. We  
4 didn't talk much about health -- in which to prepare  
5 this. I don't know.

6 MR. KRICH: BP -- a little bit of BP.

7 MR. REYNOLDS: Okay. Safeguards, I think  
8 everybody knows, is being redone totally. So I'm not  
9 sure what comments we would have except for we think  
10 that's the right thing to do. In fact, we have one of  
11 our safeguards experts help leading that effort. So  
12 the STP needs to be focused on safeguards, and that's  
13 what will be -- needs just to be revamped.

14 Fire protection. That is a very, very  
15 complex STP, as Rod and I found out. I think that  
16 group again said: I just need to be clearer, more  
17 streamlined.

18 I guess there is a realistic factor --  
19 realistic fire scenario. That means two different  
20 things to realistic to some people like Jim Trapp, the  
21 Senior Risk Analyst and realistic fire scenario for  
22 fire protection engineers. So we found that out before  
23 the panel meeting, but was discussed at panel meeting.  
24 Two different things. And so definitions are clear

1 criteria of what the different terms mean, because what  
2 we found out in fire protection is the risk analyst  
3 thought it meant totally different than what a fire  
4 protection engineer did. So we get two totally  
5 different answers, depending on that definition.

6 So, defining, I guess, the terms and  
7 expectations of the fire protection STP is about what  
8 came out of that panel.

9 The other STP, I guess, the reactor safety, I  
10 think the overall comment was: It doesn't clearly  
11 reflect the site's current PRN. In fact, we're still  
12 waiting for -- we, I guess, we, all of us, we the NRC  
13 is waiting for the latest revised Phase II work sheets.  
14 But it's a big difficulty now with having the current  
15 work sheets and them being different in the sites.

16 PRN causes a lot more work for the NRC and a  
17 lot more work for the industry. We're trying to figure  
18 out which one's correct and going through Phase III  
19 takes a lot longer, I'm sure.

20 MR. KRICH: The only thing I'd add to that is  
21 that there was -- he kind of hit on it -- the  
22 interaction between the safeguards STP and reactor  
23 safety STP. When you get into like ossuary space after  
24 you go from the safeguards STP to the reactor safety

1 STP, at some point, if you get through all the barriers  
2 for the safeguards and that transition and how you move  
3 into the reactor safety STP was -- needs a lot of  
4 attention and work. I think, Jim, you probably know  
5 that.

6           The only other comment I think that came out  
7 was using the STP to find problems. It's one of the  
8 issues that I sent up, but what we have found is that -  
9 - and I think it was a natural inclination of people to  
10 use the STP to find the problems, instead of finding  
11 the problems then applying the STP to it. You look at  
12 something and say well, let me apply the STP to it, and  
13 if it looks like it could come out other than green,  
14 then you say, okay, I might have a problem here. So,  
15 it's something that we identified as -- we felt we were  
16 starting to see some of.

17           MR. REYNOLDS: Then the fourth break-out  
18 session related to new inspection program was event  
19 response. And the bottom line, I guess, on that was  
20 that the management directive, NRC's management  
21 directive 8.3, which is in the process of being  
22 revised, needs to clarify exactly what type of response  
23 the NRC does to an event; how we're going to provide  
24 risk and make that one more risk informed. It wasn't

1 real clear.

2 I don't think -- it's still not real clear  
3 exactly what's the threshold and both from a risk point  
4 of view and revised from a determinacy point of view,  
5 how that's going to be handled.

6 And I think also the other thing that came  
7 out of that was how to be able to respond to conditions  
8 versus an event. More like BC summer or through wall  
9 crack, things like that, which is more of a condition  
10 than an event. I think that's an area that needs --  
11 that break-out session found needed to be improved and  
12 clarified, getting some flexibility to go look at that.

13 MR. KRICH: There was only one other point I  
14 think that came out that was learning for us, at least  
15 at Commonwealth Edison, I think for other people, was  
16 the timing when there is an issue. How quickly do you  
17 want us, the licensee, to have gone through our PRA to  
18 be able to answer questions so that the inspector can  
19 do his STP. And that was a learning for us. We take a  
20 little more time to go through it and then think -- is  
21 it 24 hours?

22 MR. REYNOLDS: Twenty-four, right.

23 MR. KRICH: So, I guess --

24 MR. REYNOLDS: That's more of a -- we have to

1 determine what sort of response the NRC's going to make  
2 fairly quickly and how we're looking at risk to try to  
3 get a senior risk analyst involved very quickly so we  
4 know within 24 hours.

5 For a lot of the people from the industry at  
6 that meeting that was, like I said, a learning  
7 experience. They weren't on that track. They were  
8 going a little more methodical, a little -- not quite a  
9 pace that would help us, so. That was a good take  
10 away, I think.

11 MR. KRICH: Yes, it was.

12 MR. REYNOLDS: That was the four sessions  
13 that applied to new inspection program. I don't think  
14 I need to discuss impact or discrimination. It doesn't  
15 really apply to what we're doing here.

16 MR. KRICH: We could talk about  
17 discrimination.

18 MR. REYNOLDS: Well, we could. I didn't sit  
19 in that panel.

20 MR. KRICH: Bill and I could probably.

21 MR. REYNOLDS: You guys could talk about it  
22 if you want to talk to spare the rest of us. I don't  
23 know if anyone has anything to add that I missed?

24 MR. KRICH: No, I think that pretty well

1 covers it.

2 MR. REYNOLDS: Well, if there's any  
3 questions, I would be more than happy to answer them.

4 MR. MONNINGER: Did you coalition a meeting  
5 summary from that?

6 MR. REYNOLDS: Not yet.

7 MR. PLISCO: Yeah, that's one of the things  
8 we've got on our -- we're -- as far as action and when  
9 these meeting summaries come out, we'll get copies to  
10 you. Actually, Region II's, I hope to have it today.  
11 We're finalizing it on Friday, so before you leave,  
12 hopefully tomorrow, I can get back Region II's to you.

13 MR. CAMERON: Good morning. Can I just check  
14 in with the group for a minute? As I -- it may be  
15 useful to do this early rather than later on.

16 As I understand it, with ... drills or this  
17 meeting was to identify. Some of those issues will be  
18 coming from the reports out of the regional meeting.  
19 Some of them will be coming from individual panel  
20 members who submitted some things, and don't forget our  
21 famous parking lot issues, if I can use that term from  
22 the last meeting.

23 And then a discussion to make sure everybody  
24 understands what the issues are and then to try to

1 categorize them by these NRC goals. My question was to  
2 -- as I'm listening to Steve and Rod, do we have an  
3 organization -- or you're going to have, like, probably  
4 a kazillion issues. Do you have an organizational  
5 frame work to plug those into?

6 For example, Steve was talking about they  
7 organized that regional session by four panels. I  
8 noticed from Bill Borchardt's Office of Enforcement, he  
9 had issues in several categories.

10 I didn't know whether if it would help to  
11 establish categories to plug these issues or if you're  
12 just going to sort of do it free-wheeling. And I guess  
13 that that's my question to the group. Do you need some  
14 organizational frame work for this? And should we  
15 start capturing issues that are brought up from the  
16 regional meetings right off the bat, and then we can  
17 sort of integrate those with other regional meetings?  
18 How would you like to do that?

19 MR. PLISCO: Well, one of the things I was  
20 going to suggest is that if you look -- or one of your  
21 handouts or the inputs we've gotten from, I guess, four  
22 individuals from the tail-members are their issues that  
23 they collected. I sort of like from Rod's --

24 MR. CAMERON: We want to make sure everybody

1 has one.

2 MR. PLISCO: Actually Bill Borchardt's is on  
3 the top of the package that's all stapled together. Do  
4 you see the memo from Bill to John with his issues.

5 Let's see, after his issues you'll see  
6 Richard Hill's. And it's after that that you'll see a  
7 table about the issues that Rod collected.

8 What I was going to suggest -- I mean we're -  
9 - or I can do this today, obviously. John and I will  
10 do this after the meeting once we get all the details  
11 of the day. His bill of table is similar to this. It  
12 has the issues by program area.

13 MR. REYNOLDS: Yeah, that's what we agreed  
14 to, I thought.

15 MR. PLISCO: Yeah.

16 MR. REYNOLDS: These four issues. Exactly  
17 we're on this. We talked about sorting them by PIs,  
18 STP inspection?

19 MR. PLISCO: Yeah. Well, I'm saying -- yeah,  
20 you gave it to us that way. I'm saying as far as  
21 presentation. If we collect them all and get them back  
22 out to you. Yeah, everyone provided them this way, I  
23 think, with the program areas and the criteria. I'm  
24 just saying, when we piece them together --

1           MR. CAMERON: I understand that. I agree  
2 with this process. I heard Steve mention in the  
3 program areas that you're going to use these as the  
4 four large bins to organize these issues, for example,  
5 and some of the material that came from the regional  
6 report that Steve just did. Those could all fit into,  
7 obviously I guess, into one of these four areas.

8           MR. GARCHOW: A little, I'll say a little  
9 concern that -- not a major concern, but having sat  
10 through being a member of the pilot flying evaluation  
11 panel, we seem to be doing this different which may be  
12 okay, because there was nothing that -- we invented  
13 that a little bit along the way and we can invent this  
14 along the way. But I see us getting way too much into  
15 the details and getting into, you know, this should be  
16 fixed or this. There's a whole process between the  
17 NRC, the public, and the industry to get in through the  
18 details of fixing, you know, if there's an issue with  
19 the fire protection STP. That's running on another  
20 frame that some of us in this room see, and others are  
21 involved in.

22           I thought our role was collect the feedback  
23 relative to the NRC objectives and are they meeting  
24 them. We could spend a lot of time -- there are issues

1 as everyone's trying to improve like the industry, the  
2 NRC will be improving the next 15 years. It's no  
3 different than how we treat procedures at our plants.

4 I mean, they were good procedures 15 years  
5 ago and they're better now. And there's people  
6 changing them, you know, processing the change today  
7 after 15 years.

8 I'm worried about how much detail we're  
9 getting in on the individual elements as opposed to --  
10 what I thought this panel was is flying a little higher  
11 and saying, how does this all come together to meet the  
12 agency's goal of protecting the health and safety of  
13 the public, stakeholder communications, the things that  
14 were on that flip chart before you just flipped them as  
15 opposed to, you know, debating elements of collecting  
16 all these issues which might be good for somebody to  
17 follow up on afterwards.

18 But I'm not sure if it's helpful to us in  
19 making our conclusions at hand. I just throw that out  
20 there.

21 MR. GARCHOW: I think that goes to a  
22 fundamental point -- and this particularly might be  
23 important for Mary and for Ray and, obviously, for all  
24 of you to get sort of grounded on where you're going to

1 go with all of this.

2           And, David, when you talk about flying a  
3 little bit higher, I guess that can have many -- how do  
4 you define -- does everybody agree with that. But I  
5 guess the first thing is, is what does that mean,  
6 flying a little bit higher? I mean --

7           MR. GARCHOW: I think he's talking about  
8 trying to look at the NRC did a pretty good job, I  
9 mean, last time coming in saying, okay, we have a self-  
10 assessment program. We've defined the program elements  
11 that we feel that needs to be successful. We brought  
12 forth performance indicators we're collecting in each  
13 of these areas, and we'll be able to come back as we  
14 collect the data, be able to give you at least some  
15 sort of objective, and in some case, at least  
16 consistently subjective opinion on each of these  
17 elements.

18           I was under the opinion from the last meeting  
19 that we were going to stay sort of focused on those  
20 objective criteria and the data elements and maybe do  
21 our own polling with the states to see what their  
22 impacts -- what they thought as opposed to burrowing  
23 down into the type of interface issues.

24           When I read some of what we've already

1 written, it's almost like our report's going to have a  
2 lot of recommendations that we want this to be fixed  
3 and we want that to be fixed, which I didn't really see  
4 as, at least where I thought this was going, we  
5 certainly can do that. I mean, we can do anything we  
6 want to do, but I didn't see that as the value of this  
7 was.

8 MR. SCHERER: I do agree, but maybe not to as  
9 broad an extent. My expectation is that we would not  
10 be getting involved in trying to fix this PR or that  
11 PR, -- working the definition of unavailability, where  
12 the T of the 2 is the right approach.

13 But not only look at the entire program and  
14 decide whether or not it's ready for a blow-out, but  
15 the ethicacy of the processes the NRC has in place to  
16 revise, and amend, and resolve issues.

17 If we agree that the process is okay and it  
18 can work its way through, and it's a balanced process,  
19 and all the stakeholders get their input in how those  
20 issues come out, I think is down in the grass issues  
21 Dave is talking about avoiding.

22 But I do think we should be looking at  
23 whether we're satisfied with the ethicacy of the  
24 processes that are in place to resolve those issues on

1 a broad, again, at a 50,000 foot level. But not down  
2 and saying, you know, we want to help adjudicate how  
3 this PR gets resolved or how that one, or we're worried  
4 about this area or that area. It's just is the process  
5 a coherent one. Does it meet the objectives that the  
6 NRC set for the process, and are there ways to resolve  
7 the issues that seem to have a good chance at success,  
8 or are there big -- do we proceed if there's a gaping  
9 hole somewhere, if there's a need for a process or  
10 input that doesn't now exist and needs to in the  
11 future.

12 MR. KRICH: I guess I agree with Dave's  
13 point, but I don't think you can get there without  
14 looking at what are the specific issues. And that's  
15 having done this now from a pilot plant now and  
16 conditional limitation.

17 But we found is that if we stayed talking  
18 about philosophy at the high level all the time, we  
19 never really got any place. And you missed the real  
20 issues of what was working and what wasn't working. So  
21 I guess the approach we took here was to identify at  
22 least what we felt were issues, and then we thought  
23 that then rolls into the higher level of well, is the  
24 process being effective or is it not being effective.

1 And if it's not, why is it not. And then you have the  
2 details of the real material to know what's not working  
3 and why.

4 MR. CAMERON: You need to talk about this  
5 individual indicators to get an idea about whether the  
6 process is working.

7 MR. KRICH: That's what we found.

8 MR. GARCHOW: I go back to the charter -- and  
9 we can change that so, like I say, we can do anything.  
10 But we're sort of here in helping as an independent  
11 review of the NRC self-assessment. And they laid out  
12 the self-assessment and this panel of experts was  
13 convened to provide an independent view of the NRC's  
14 assessment of the process before they write their  
15 commissioner letter in the spring.

16 And I agree with Rod that we have to go  
17 through some of the detail to get there, but we had  
18 agreed upon, or I thought we'd agreed upon, what the  
19 NRC had as their criteria. And I'm worried that when  
20 we get down into these discussions relative to these  
21 categories, they're not tied to criteria. We don't  
22 have the NRC performance indicators, doesn't provide a  
23 balanced -- I don't mean the performance indicators for  
24 the utilities, the performance indicators the NRC

1 developed for their monitoring of the process. We  
2 don't have those to balance against.

3 MR. HILL: I think it's true that we're  
4 supposed to look at their assessment, but it also says  
5 that we're supposed to monitor and evaluate the results  
6 of the first year. And if you don't know what the  
7 issues came out of that first year, how can you say  
8 you've done an evaluation on it?

9 MR. PLISCO: I see as we go back -- look on  
10 page two here, the summary of our first meeting. Let's  
11 go back and look at these objectives we talked about  
12 last time. In the middle of page two -- the cover  
13 sheet is a memo from me to Sam Carlson. The summary of  
14 the first meeting. These are the objectives we talked  
15 about. I think we've been talking through these.

16 The first, and that is the big picture  
17 question. Is the process achieving the NRC's goals?  
18 And these are the eight criteria we've picked to look  
19 at, and that's how we're categorizing the issues. I  
20 think that gets their issue there. I mean, that is the  
21 first question, isn't it? I mean the big picture says:  
22 Are we achieving the goals or not in these specific  
23 areas?

24 And then the first four are the agency goals

1 and the second four: objective, risk, informed  
2 predictable, understanding where the commission goals  
3 when this program started out. And which the first  
4 panel used, also.

5           The second area is to look at some specific  
6 problem areas. The more significant ones, both short-  
7 term and long-term, whether they've been identified or  
8 not. We're not going to provide the answer. We don't  
9 need to solve it. We just need to make sure the issues  
10 have been identified and fed back into the process.

11           Part of this, at least the way I see it is --  
12 well, let's look at number three first. And three is  
13 what we talked about, is the self-assessment process.  
14 Is the self-assessment process working, and then in the  
15 long haul is it going to provide self-correction  
16 mechanisms as issues are identified in the process for  
17 the long term, assuming they're not going to establish  
18 this panel every year to keep looking at the program,  
19 you know, if the internal self-assessment process  
20 works.

21           So I heard people talk about all three of  
22 those parts and I think part of the answer is we're  
23 going to do all three of those. We are going to answer  
24 the big picture question: Is the process working? And

1 if it's not, what are the more significant problem  
2 areas?

3           And the part to address, I think your  
4 concern, Dave, is, we're not going to solve every issue  
5 and I don't think every single issue that we're all  
6 going to raise are going to end up in our final report  
7 -- in the same columns in the commission.

8           I think we need to start to talk about all  
9 the issues and then we're going to need to go through  
10 our prioritization process after we get everything on  
11 the table. What are the most important things? The  
12 biggest problems with this program that need to be  
13 corrected in the short term, and in the long term, what  
14 things do we think need to be corrected. I think we'll  
15 see some overlap on these issues.

16           I've been in a number of these workshops and  
17 I think as you hear them all, there's a lot of  
18 interconnection to some of the issues and I think some  
19 of them -- my prediction is that some of these are  
20 going to come together with similar issues and we can  
21 characterize those. But, again, we're not going to  
22 solve them.

23           My goal today was to make sure we get them as  
24 many issues as we can on the table and make sure

1 everyone understands what those issues are from the  
2 different perspectives of the different stakeholders to  
3 make sure we all understand. And then we can begin to  
4 prioritize them and decide whether we think they're  
5 important enough, at least forward from this panel, to  
6 Sam Collins of the commission of what they are.

7 MR. BROCKMAN: And, Loren, I think you hit  
8 the nail on the head as to what keeps us at the higher  
9 level that Dave was talking about. We're all going to  
10 have to get very much out of character.

11 This panel is not the place to solve problems  
12 and every person here almost is a problem solver. We'd  
13 be problem identifiers, recommendations maybe as to  
14 things to consider, and then we have to let loose of  
15 the issue, which is going to be very difficult for some  
16 of us. That's the key thing that we -- and that keeps  
17 us at the higher level.

18 You're right, Dave, if we get down into a  
19 large discussion of what it's going to take to solve  
20 this problem and fix it, we've gotten way too close to  
21 the weeds.

22 MR. CAMERON: And you can. And let's go over  
23 to Steve and then to Mary. I think this is a  
24 discussion that going to be -- it's useful for you all

1 to have, not only in terms of bringing Mary and Ray up  
2 to speed, perhaps, but to make sure you all agree on  
3 the place that you're going to here.

4 Steve.

5 MR. FLOYD: Yeah. From the last meeting I  
6 thought what would be useful today is what we're  
7 starting to do, and that is to allow for some level of  
8 detail, but then we ought to stand back and look at  
9 what the central issues are.

10 We're going to hear cross-cutting issues that  
11 came up at all three of the workshops so far. All with  
12 a slightly little different twist, but there's a common  
13 theme there and we should identify that theme. And  
14 then what we ought to do, I think, is to go back and  
15 take a look at the critter that the NRC put out to see  
16 if it's likely in their monitoring program and their  
17 corrective action element would they likely identify  
18 that piece also, and pick that up, and have a plan for  
19 resolving it. And that's what we should be doing as a  
20 committee is passing judgement on whether their  
21 evaluation process and correction process is going to  
22 be adequate to address what we think are the issues  
23 that are out there.

24 So I think it is useful in getting some level

1 of detail, then look for central themes to bounce  
2 against the evaluation criteria.

3 Mary?

4 MS. FERDIG: Well, my comment is just an  
5 observation. I think what I hear being voiced is an  
6 interest in grounding, what we do in specific examples,  
7 specific cases, particular issues. But I think the  
8 danger is going into the diagnostic of finding all the  
9 things that are wrong, because I think you can also  
10 find very particular examples of things that are right  
11 relative to the criterion.

12 And I just suggest that what we're looking  
13 for is specificity to help look at the overall picture  
14 and, perhaps, not emphasize the target of diagnostic  
15 problem identification, or whatever the words might be  
16 to find the things that are problematical.

17 MR. CAMERON: Bill, do you have something --  
18 Dave submitted some issues here. I think that there's  
19 some agreement around the table here on how we should  
20 proceed. I'm not sure what that means in terms of  
21 going through the resolves of the regional meeting and  
22 whatever. I mean, we just do that. Do you have any  
23 comments on that?

24 MR. BORCHARDT: I think the approach that

1 we're on is sound. By going through detail, it's  
2 almost like a brainstorming session where you lay out a  
3 lot of ideas and then we can all integrate them  
4 ourselves and come up with some major topics which can  
5 then be the subject of our recommendations or our  
6 report to Collins and the commission.

7 In fact, I think we were through nine months  
8 of an initial implementation. We waited until this  
9 point in time so that we would have specifics because  
10 the initial eval -- what was the initial group called?

11 MR. GARCHOW: PeepUp.

12 MR. BORCHARDT: PeepUp, had just theory to  
13 talk about.

14 MR. CAMERON: And a hand glance worth of  
15 data.

16 MR. BORCHARDT: And now we have a lot more.  
17 And so I think those specifics will help lead us to  
18 some valid views.

19 MR. CAMERON: Ray, do you have anything to  
20 offer at this point in listening to call this as a new  
21 member of the group?

22 MR. SHADIS: I'm interested in specific  
23 examples to demonstrate whether or not the program is  
24 working. I mean, it's as simple as that.

1           Whether or not NRC self-assessment program is  
2 working is a whole other matter. It's -- I think it's  
3 important to look at it, but you have to recognize that  
4 you're really getting into analysis almost in the  
5 Freudian sense. We've got to get into the mind set of  
6 NRC's self-assessment program. I don't know that that  
7 takes care of saying whether or not the Reactor  
8 Oversight Program is a success in its initial  
9 implementation. And I think that's what we're being  
10 asked as to whether or not this thing is working.

11           MR. CAMERON: And the self-assessment is just  
12 one part of that larger question, so --

13           MR. SHADIS: Well, I mean, self-assessment  
14 it's -- just from the outside, you know, looking at the  
15 way NRC works is a great puzzle to those of us on the  
16 outside as to how this agency works.

17           MR. CAMERON: Maybe --

18           MR. SHADIS: When you're invited to a meeting  
19 and there isn't a sign in the lobby directing you to  
20 where the meeting is, it says to me there's a certain  
21 degree of dysfunction. And you know, I go up and down  
22 the scale, wherever you want to go. But if you get  
23 into the self-assessment program, I'm just presuming  
24 that it has some of the same quirks that we have in the

1 physical arrangements with these meetings. A small  
2 example to the big one.

3 Any case, I don't know how you can progress  
4 through this without going from specifics to  
5 generalities. I don't think you can start mid-way  
6 somewhere with generalities about the program and then  
7 progress to even broader generalities.

8 MR. CAMERON: Okay. Good. I think there is  
9 agreement on that.

10 And one last question for the group. Going  
11 back to these process elements that Rod -- his table  
12 on. We're going to be talking about lots of specifics.  
13 Can I assume -- do you want to assume for your work  
14 that, at least for organizational purposes, that any of  
15 these specifics that you discuss that are going to get  
16 you to this larger look, that they're going to fall  
17 into one of those four areas: performance indicators,  
18 inspections, the significance determination process and  
19 assessment, and enforcement? Does anybody have any  
20 problems with that? Okay.

21 MR. PLISCO: I think if you look -- well, we  
22 had a presentation at our last meeting of the self-  
23 assessment process the MR has developed. They actually  
24 have a fifth category which they call "overall." More

1 broad scope issues that really cross all these areas.  
2 They have another area where they capture. And I think  
3 we can allow ourselves if we have some of those kind of  
4 issues that --

5 MR. CAMERON: And that would be -- would you  
6 call that --

7 MR. PLISCO: We just call it "overall." Any  
8 other discussion on the Region III issues?

9 (No response.)

10 I think we'll hear some of the same topics at  
11 some of the other workshops. I know that we're in the  
12 Region II workshop and some of the same subject areas.

13 Chronologically, the next one was Region IV.

14 MR. BROCKMAN: We had not had the benefit of  
15 having a ANS workshop to compare this to, so we  
16 generated a separate meeting down in Region IV. The  
17 attendance was really pretty good in that it was large  
18 enough representation to be able to get a good cross  
19 view of points, but it stayed small enough, in relative  
20 about to 60 and 70 people area, that when the format we  
21 took which was not to do break-out sessions; to have  
22 four plenary sessions that spent about 90 days per  
23 topic.

24 (Laughter)

1           It seems like 90 days. At 90 minutes per  
2 topic, you could get a good dialogue still going. No  
3 one felt encumbered by the group or anything, the size  
4 of it, so that --

5           MR. TRAPP: Where was the meeting?

6           MR. BROCKMAN: The meeting was in the  
7 Arlington area. We had it at a hotel there and we  
8 announced it as much as we could. We gave it to what  
9 we call our expanded distribution. Anybody who gets  
10 one of the old Salper PPR reports or what have you, you  
11 know, which is about anybody who's ever expressed an  
12 interest in having a copy of an NRC document on that  
13 distribution list. The down side of that -- excuse me?

14          MR. SCHERER: Anybody from California?

15          MR. BROCKMAN: Excuse me?

16          MR. SCHERER: Except for the -- from the  
17 industry?

18          MR. TRAPP: From the State of California?

19          MR. BROCKMAN: From the industry --

20          MR. TRAPP: No, I'm interested in citizen  
21 groups?

22          MR. SCHERER: No.

23                 The four areas that we broke into our plenary  
24 fund on were, once again, the inspection program, STP,

1 PIs and assessment. I'll cover very quickly in that  
2 area.

3 Certainly, there was some lively discussion  
4 and recognition about the increase in the level of  
5 effort between the current program and the old core  
6 program, where numerous of the utilities were realizing  
7 that they had historical good performance under the old  
8 program and had level X of inspection effort that was  
9 conducted.

10 Under the new Baseline Inspection Program,  
11 they were seeing close to two times X. And this  
12 reflects itself in both financial and regulatory impact  
13 issues and that was a concern for several of the  
14 utilities there.

15 The number of occurrences. How many times do  
16 you go out and observe surveillance or maintenance  
17 activities? Something along those lines. And that  
18 goes into the depth of each of the individual  
19 procedures.

20 What's an adequate sample for one of the  
21 aspects of the baseline program would be to take a  
22 pulse on all the different activities in somewhat of a  
23 systematic way. There was a lot of discussion on that  
24 from both the utilities view point and from the NRC

1 inspectors view point.

2           The inspectors felt that the small band that  
3 is currently allowed was overly restricting their  
4 ability to focus on risk informed sampling. Where you  
5 see an area of vulnerability at a plant, so certainly  
6 that's a higher risk potential of there being something  
7 wrong there that they didn't have the flexibility to  
8 investigate that area as thoroughly as they want,  
9 because of the bands you've got on the number of  
10 occurrences.

11           Resources was a topic that was discussed and,  
12 as I mentioned already, the overall expenditure of  
13 resources at the different utilities.

14           Another area which was discussed was the  
15 technical expertise that's available in the regions  
16 with the NRR now becoming the repository of licensing  
17 activities and all of the inspection being delegated to  
18 the regions. The technical expertise in some of the  
19 more specialty areas is a great challenge to the  
20 regions to be able to meet, and that was recognized.

21           Those were probably the key issues that I  
22 carried out of the inspection arenas.

23           Steve or Jim, any comments from you all? You  
24 were there.

1           MR. FLOYD: Yeah, I guess the other comment I  
2 heard relative to scope of inspections -- I forget who  
3 made the comment, but the comment came up a couple of  
4 times about: As part of this process, would the NRC be  
5 going back and looking at the scope of the inspections  
6 to see what the history of findings and occurrences  
7 were against them to. Perhaps, strengthen those where  
8 the inspector felt like they didn't have enough hours  
9 to do the job, but in areas where it may look like  
10 there's an excessive number of hours being spent for  
11 the types of findings that are there, maybe reducing  
12 the level there, and adjusting the program.

13           MR. BROCKMAN: I think Goldeen, who was  
14 there, agreed that was part of the self-assessment  
15 process to do that.

16           Jim?

17           MR. MOORMAN: The one thing that I took away  
18 from that was some of the industry representatives'  
19 discussion of absolute avoidance of a white PI window.  
20 And in some other discussions that I had, it appeared  
21 to me that that would occur sometimes possibly under  
22 circumstances that we wouldn't want to see as  
23 inspectors. So I'm not so sure that we communicated  
24 well what --

1           MR. BROCKMAN: And that's a good segway into  
2 the PI part of the meeting. That was probably one of  
3 the unique insights that really came out is, under PI's  
4 inspection findings, either one.

5           From executive management in the industry,  
6 the concern, the pressure that is placed upon the  
7 operating staff not to have a white indicator is just  
8 as great as a yellow or a red.

9           White is unacceptable. There's the -- what  
10 was promulgated. And that leads to the question, then,  
11 is it acceptable for everything to be green(?) for  
12 there to be an interesting discussion on that.

13           Philosophically if you look at the current  
14 definitions of what's a white which identifies  
15 outliers, but it identifies outliers based upon the 95  
16 to 98 data, you can come up with a lot of different  
17 discussions, which we did, as to is it acceptable for  
18 everything to be green. It can be. Does that engender  
19 public confidence? Well, it can; that everything's  
20 running well.

21           But it can also -- then the public confidence  
22 can go but it's so easy to be green, everything could  
23 be terrible and there's still green.

24           The other aspect you've got in that was an

1 interesting discussion of the reason the white was  
2 looked upon so badly was because there are very few  
3 white findings out there, although we're finding the  
4 population's growing a little bit.

5           But within PIs especially, there are so very  
6 few white performance indicators out there that it  
7 definitely does become a concern because it's way  
8 beyond what I think had been the initial vision of what  
9 white PIs would be. There would be some rotating five  
10 percent band or something in the performance. Now it's  
11 moving up to a level that's causing that not to be  
12 true. When someone does go there, there's a lot of  
13 pressure.

14           Without a doubt, the availability of PI is  
15 the PI of discussion mitigating systems. The FAQs that  
16 are associated with PIs, a boon and a bane. It's  
17 wonderful that we've got all this robust guns on the  
18 PIs out there to be able to identify what you need to  
19 do with any individual PI and it's data overload.  
20 Nobody can manage all the FAQs that are out there and  
21 at any one time be able to figure out what is all the  
22 guidance that's being given to you. And that's  
23 probably what I carried out of the PI session.

24           Steve?

1           MR. FLOYD: Yeah, I guess I just heard quite  
2 a bit of discussion on potential for unattended  
3 consequences on some of the performance indicators.  
4 Again, I think that the theme might prompt operators of  
5 the facilities to take the wrong action to try to keep  
6 the indicator to be green.

7           On the other hand, we also heard on one of  
8 the indicators that there may be a problem with the  
9 indicator that might keep the operator from managing  
10 their plant the way they would normally manage their  
11 facility and they would go green, but it really  
12 wouldn't be risk informed or really would not point out  
13 a problem. And I think people are concerned about the  
14 unplanned power change is the only other definition  
15 that that one, I think, creates a problem with, in  
16 addition to unavailability at a collection issues.

17           I think back on being all white, I think I  
18 heard -- or the not being all white, but the unused  
19 color white, I think I heard some people comment that  
20 it was their experience or their observation that most  
21 people haven't had a white yet. So a lot of the  
22 sentiment seems to be out of fear about what's going to  
23 happen to me if I get a white; whereas a few utilities  
24 that had a white stood up at the conference and said,

1 well, it's not that bad to get a white. You know, the  
2 NRC comes in, they do a small amount of inspection  
3 activity, the issue gets put in perspective and they  
4 follow it and it wasn't all that bad.

5           So, I think we're still seeing some learning  
6 going on here. And I think I did hear the observation  
7 that maybe this issue will not be as significant as  
8 time progresses and more people get a white, because  
9 the number of white inspection findings is starting to  
10 climb now as the program goes through its first year.  
11 So it's not just PI, but it's also inspection findings  
12 that can give you a color as well.

13           So the combination of the two is probably  
14 going to mean that everybody over the course of the  
15 year is probably going to have at least one white. So  
16 I think some of this concern will go away.

17           MR. SCHERER: Well, I attended that session.  
18 I know quite a bit of dialogue on this very subject.  
19 It was clear to me from that session that (1) there was  
20 a difference in the NRC's expectation with the  
21 acceptability between white and versus yellow, red.  
22 And a lot of people from the utilities perception that  
23 anything other than green was unacceptable.

24           There was a lot of discussion of other

1 stakeholders that come in to play and a long discussion  
2 of at least one or two utilities that had, for example,  
3 visits from their waiting agencies that wanted to go  
4 through, carefully, each one and understand what the  
5 impact is. So clearly there is a different perception  
6 by different stakeholders, and as to what the  
7 significance of green, white, yellow, and red are.

8           And obviously, there's a difference, as Ken  
9 pointed out, to the way the green to white threshold  
10 was set and the white to yellow and yellow to red, with  
11 the latter being "risk informed" and the other one just  
12 being a 95-5 outlier. And what does that mean to the  
13 future?

14           That then brought up the issue of: Is the  
15 NRC prepared for everybody to be green? Or maybe we  
16 just don't have enough white. And if there are enough  
17 whites out there, then people wouldn't overreact to  
18 receiving a white. But there was clearly, in my mind,  
19 at that session at least, a split between what the NRC  
20 perceived the meaning of going from green to white and  
21 everybody in the audience that had gone, like Steve  
22 indicated, that had had a white, said the NRC did not  
23 overreact to the white. It wasn't all that bad.

24           The NRC seemed to be reasoned and focused in

1 its approach and took it in context. And everybody  
2 else got up and said, but our management tells us we  
3 are not to go white. We are to stay green and we are  
4 to be driven to stay green.

5 And some got up and said and we are told to  
6 stay well within the green. Stay away from the green  
7 and white threshold.

8 So there's clearly -- my point is, as a clear  
9 -- amongst the stakeholders, and again for the first  
10 time I heard at that session with other stakeholders  
11 involved, like bond rating agencies, that set the value  
12 for the utilities, and the parent agencies, are  
13 involved in this process in that perception.

14 MR. BLOUGH: When you said about having  
15 margins, staying well within the green, not only just  
16 in the green, but well within the green as being a  
17 message that some utilities are doing, that raised  
18 another question in my mind about why there's such a  
19 fear of white.

20 And if you have one white that's one thing,  
21 but once you have one white and a cornerstone of a  
22 second white, creates then a degrading cornerstone.  
23 And I was just wondering within the utilities, how much  
24 of a factor that is that once you have one white in the

1     cornerstone, then there's a worry that, you know, an  
2     issue of low to -- I guess it's low to moderate  
3     significance? Is that the definition of white?

4             MR. BROCKMAN: Yeah.

5             MR. BLOUGH: One more issue of low to  
6     moderate significance can put you actually in a  
7     degraded cornerstone call. Is that a factor in this  
8     kind of fear?

9             MR. GARCHOW: The conversation did not really  
10    get to that. They just brought that up in the  
11    introductory and there were a whole lot of eyes that  
12    got very wide at that stage of the game, as I think  
13    people started reflecting on that. But they hadn't  
14    already been there and seen now, wait a second, I'm one  
15    inspection finding away from having a degraded  
16    cornerstone. Once you get that first white, you start  
17    looking at that. But the conversation didn't focus on  
18    that a whole lot. It really focused to a great deal,  
19    you look out there, you call up on the web, and you see  
20    this massive screen of green and then you go, whoo  
21    Diablo Canyon. That's not green. Why is that? Or  
22    whatever it may be.

23            MR. GARCHOW: To directly answer your  
24    question, we're sitting there with a white, actually

1 no, two whites and two different cornerstones, although  
2 one's about to roll off. I think the -- I can't -- I'm  
3 not speaking for the industry, but I find focusing on  
4 running these plants and multiple plants on one site,  
5 which is my case, I mean, we don't focus a lot on the  
6 NRC performance indicators. I'm focused on running the  
7 plant excellently. If you focus on running the plant  
8 excellently, the rest sort of takes care of itself.

9           Now occasionally things happen. And when  
10 they happen, and if you end up a white, or you focus  
11 and I'll share -- I'll share -- I mean, the NRC  
12 reaction wasn't overboard. It was exactly as the  
13 program said. It spotted an area that needed further  
14 attention. They come in and evaluate it, put it in the  
15 right context. And it's either a big issue or it's not  
16 a big issue and you stay white long enough before it  
17 resets to make sure that, you know, the problem really  
18 has a chance to be fixed even if it really isn't a  
19 problem.

20           I think we spurred this conversation about  
21 green and white, and the conversation being spurred  
22 actually keeps it alive. So here we ask the question,  
23 then we get the input, and we almost created a language  
24 of this issue by keeping it alive.

1           MR. BROCKMAN: And from the operational view  
2 point, Dave, I was in a conversation -- that very fully  
3 -- that wasn't focused. Where it became interesting  
4 is, okay, I've got a white mitigating systems, and I've  
5 got a safety system functional assessment schedule next  
6 month in a system I haven't looked at in forever. Gee  
7 whiz. Why did I want to delay that by a quarter or  
8 two. That's a paperwork review that has a good  
9 probability of turning up a latent issue.

10           MR. GARCHOW: Well, what if --

11           MR. BROCKMAN: That's the type -- that's the  
12 type of thing. See, it's a little bit different spin  
13 in the operating plant as to what could be an  
14 unintended consequence of having a white already on the  
15 books. But do I want to take on that type of a look or  
16 do I just want to change the timing by two quarters and  
17 let that white go away off the books.

18           MR. SCHERER: This discussion is focusing on  
19 just the NRC and the utility interface.

20           MR. BROCKMAN: Yeah.

21           MR. SCHERER: And I want to remind you again  
22 that was part of the discussion in Region IV. That's  
23 only two of the stakeholders. The other stakeholders  
24 are the bond rating agencies, the executive management

1 at the utilities --

2 MR. FLOYD: A&I.

3 MR. SCHERER: -- A&I, all those other -- the  
4 local press, the local citizens groups, that want to  
5 focus on anything that isn't green. So we have to  
6 understand that definition, but it also on part of that  
7 transparency and that ability for others to understand  
8 this process. You know, I can explain to you all --  
9 and I think everybody in going through the details, we  
10 focus on the NRC utility interface. That's a different  
11 issue than I think the one that was being discussed in  
12 Region IV.

13 MR. FLOYD: I just want to put in perspective  
14 this issue of maintaining yourself deep in the green.  
15 That's not a bad message, because if you look at the  
16 metrics that the NRC is going to measure the success of  
17 the program is, one of them is maintaining safety  
18 industry-wide. And if you look at all these  
19 performance indicators, the industry average and median  
20 value is about only one quarter from the top of the  
21 green down.

22 I think that's a good message that management  
23 is putting out to the utilities is to be well into the  
24 green, because that means we are, as an industry,

1 maintaining safety. What it shouldn't mean is that  
2 you're doing dumb things to try to stay in the green.  
3 I mean, that's what --

4 MR. SCHERER: My message for that is, I think  
5 Steve is raising a very important point. If you look  
6 at the trend data, since it's been there, what gets --  
7 it's true, what get measured, gets managed. So if you  
8 get set a security PI, it is moving well within the  
9 green. The median value and the average value is  
10 moving towards 100 percent availability because now  
11 it's taking a high profile. People are managing it.

12 Where you have to worry is things like  
13 unavailability, which is the one that everybody  
14 discusses, because pure, you know, zero unavailability  
15 means you're not doing preventive maintenance.  
16 Preventive maintenance is a good thing. So you don't  
17 want to drive well within the green. In some cases,  
18 you want to drive towards the green/white interface.  
19 That's the right answer, is go do that preventive  
20 maintenance. Go take it and be proactive at  
21 maintaining that piece of equipment, even if it means  
22 taking it out of service briefly in order to maintain  
23 it. So those are the unintended consequences that we  
24 need to be careful that we look at.

1           But I would -- just looking at the metrics  
2   that I've seen on the web site, it appears to be true,  
3   the old adage that what gets measured, gets managed,  
4   and that the numbers are moving well within the green.

5           MR. BROCKMAN: The key thing is managing to  
6   the indicator, not managing the indicator.

7           STP. Nothing new.

8           Fire protection safeguards. Lots of  
9   discussion. We need the Phase II sheets and how we're  
10   going to use those.

11           Probably a point, a lot of people said an FAQ  
12   for the STPs and how they get used and sharing the  
13   information would be something valuable. This then  
14   played on the discussion that we had in the PIs of the  
15   second edge to that sword.

16           When you get the FAQs, it establishes another  
17   whole data set, and really the optimal solution would  
18   be the FAQs to be interim lessons, and then you go in,  
19   and on a recurring basis, upgrade the baseline  
20   documentation associated there so you don't need this  
21   compendium on the side.

22           There was also discussion on event response  
23   versus the need for a CCCDP insights. And it becomes a  
24   very, very interesting dilemma when you get into event

1 response as to what's going on and the need for it to  
2 be able to put a risk perspective on an event, which I  
3 will call different than being able to crunch a risk  
4 number.

5           Because if you've got an ongoing event, NRC  
6 is not going to wait 24 hours to decide whether it is  
7 going to get involved with that event. That will be  
8 done in a couple of hours; three or four.

9           Is that an unintended consequence of this new  
10 process as to what type of risk expertise a utility's  
11 got to have available to at least come up and let's  
12 talk about what are we talking about. Is this white  
13 issue? Is this green issue? Is this yellow issue?  
14 And start putting some of your perspective on there. I  
15 don't know, but it was a part of discussion that went  
16 on because I know within Region IV, we have shared with  
17 our utilities that our internal expectations with our  
18 SRAs is to be able to put an initial topical, broad,  
19 perspective on an ongoing event within four hours. And  
20 we will use that to reach a response decision off that.

21           MR. LAURIE: I have a question. And this may  
22 be going back just a moment, but on all these  
23 discussions we're going to have regarding the color  
24 issue. And from a public perspective, that's at the

1 very top of, certainly, my list. I know what the  
2 summary sheets say about the definition of the colors.  
3 What did the red say? Could I get somebody to give me  
4 a copy of the reds? Are they far more detailed than  
5 what the summary sheets say about what the colors mean?

6 MR. BORCHARDT: There are some --

7 MR. LAURIE: The program, the process.

8 MR. BORCHARDT: There are no regulations on  
9 this program.

10 MR. LAURIE: Well, when you talk about white,  
11 when you talk about operating out of the standard, is  
12 there something more detailed than what I'm reading in  
13 the summary? If so, I need to see that.

14 MR. PLISCO: Yes. The detail is really  
15 implied in what has been significance in terms of the  
16 process itself. Jim can probably tell you. When they  
17 go through an analysis, there's specific tables in the  
18 back when they do their risk analysis, and for an  
19 inspection finding on --

20 MR. LAURIE: Well, what --

21 MR. PLISCO: We have an inspection manual  
22 chapter, it's called. It has the details.

23 MR. BROCKMAN: If you don't have a copy of  
24 those --

1           MR. LAURIE: I'm looking for something a lot  
2 less complex than that, because one of the challenges  
3 being faced in the discussion regarding the color  
4 coding, going from green to white -- and I know we're  
5 going to get into this -- is the stakeholder's  
6 perspective, is it significant?

7           If you're able to say it is not significant,  
8 the public will understand that. The legislatures will  
9 understand that. The governor will understand that.  
10 It makes it easier for industry to deal with. Just  
11 operating outside the specific standard doesn't  
12 necessarily make it significant.

13           And so I'm worried if there's a two-sentence  
14 definition rather than the one-sentence definition that  
15 I should be reading that I'm not.

16           MR. FLOYD: Where's the one you're reading  
17 out of now? That new ray 1549?

18           MR. LAURIE: No. The --

19           MR. BROCKMAN: The inspection report. The  
20 one page --

21           MR. LAURIE: And that makes no mention of the  
22 term "significant," so that ad which routed we're  
23 unable to stand up and say it's white, but this isn't a  
24 significant deal, because that term is not a term of

1 art that is being utilized. And my guess is maybe we  
2 want us to be able to say that.

3 MR. GARCHOW: Especially on the PIs where we  
4 just done the framing of it, it's just five -- the  
5 bottom five percent of data that was available in a  
6 three-year period. There was no relative -- I mean,  
7 all of the data, even the 100 percent data, were plants  
8 that were operating safely, but just by virtue of a  
9 construct of the program to give an indicator of where  
10 the NRC might get some value out of looking further.

11 We color the indicator white when you're  
12 outside 95 percent of the industry. A hundred percent  
13 of the industry could be operating with five decades of  
14 margin to safety, and those lower five out of a hundred  
15 plants took white out of this population. So there  
16 really is, in many of the indicators, no safety  
17 significance to being that the green to white threshold  
18 on the white might.

19 MR. LAURIE: I would like us to engage in  
20 some discussion about the term "significance" and see  
21 if that will help us at all.

22 MR. BROCKMAN: I see I didn't shape these  
23 words --

24 MR. SHADIS: It's out of control. It's like

1 tourette's syndrome, only just a --

2 (Laughter)

3 I'm wondering if the issue really isn't how  
4 this is reported. It isn't a communication issue as  
5 opposed to how does it affect plant operations; safety.  
6 How does it affect change with the plant? Now I have  
7 big issues with that. I've got two examples here, and  
8 I just want to just toss them out and as a concrete  
9 physical example of how it comes to us, the public.  
10 Okay. And these are news accounts, so you'll have to -  
11 - I didn't have time to get the LERs and whatever went  
12 with this, but, okay.

13 At the Summer plant, you had a steam-driven  
14 emergency-feed water pump inoperable during power  
15 operations. And this was rated as an issue of  
16 "substantial importance to safety and awarded a color  
17 yellow."

18 At Millstone, you had a turbine-driven  
19 auxiliary-feed water pump out. Failure was  
20 characterized as a low to moderate safety significance,  
21 and awarded a white. And I don't know how much  
22 information is in the LERs, but you know, when the  
23 public sees this, we either go to the news accounts and  
24 what statements are made by NRC spokesmen, or we go to

1 the web site and we pull up the LER. And we can't see  
2 the difference in these two events, and yet they're  
3 awarded -- one is not a particularly safety  
4 significance. The other one is, you know -- and I'm  
5 looking at this and I'm going, "Well, what's going on?"

6 MR. TRAPP: The key to that was when we  
7 issued our white when we saw a potentially helpful for  
8 Summer. We said people are going to have questions  
9 about this. So we looked into the event. And the  
10 reason is primarily the duration. I mean, one was out  
11 for a long period of time. One was out for a short  
12 period of time. If you have a piece of equipment out  
13 for a short period of time, it's inherently less risk  
14 significant than having it out for a long period of  
15 time.

16 So while in this case we were lucky 'cause  
17 that was the case, there's going to be other cases  
18 where you're going to have a turbine-driven pump out  
19 at, let's say, Beaver Valley One and that would be  
20 different than Beaver Valley Two, because Beaver Valley  
21 One has a dedicated feed pump that backs up Ocks feed.

22 So you can't, you know, just by looking at a  
23 piece of equipment, different plants are going to have  
24 different risk associated with it.

1           The important thing, I think, is that we get  
2 the risk categorized correctly for that plant. And I  
3 think in this case that's what we did.

4           MR. SHADIS: There's another factor that goes  
5 into this, too. At Millstone, they did surveillance on  
6 this pump and it wasn't operating correctly. They had  
7 problems with it. They said to hell with it. They  
8 buttoned things up and ran it.

9           Now, to me, you know, as a member of the  
10 public who wants the company to do their very best,  
11 this is, you know, this borders on intentional. It's  
12 like, you know, a real failure of judgement on their  
13 part, to say the least.

14           Whereas, in the other case, I didn't find it  
15 in the article, but it may or may not have fallen  
16 within the intervals of surveillance, maintenance and  
17 inspection, however you would say. So --

18           MR. TRAPP: At Millstone, you get the news  
19 clip, but you don't get all the details. I mean, some  
20 of the details at Millstone, whereas they did the  
21 surveillance test and the governor was sluggish, did,  
22 in fact, pass the surveillance test. So they did their  
23 surveillance test, took their data, passed the test,  
24 and upon shutdown is where they believe the governor

1 became a part of it. So, you know, there's always more  
2 to a story than probably what's printed. I think  
3 there's probably more to that story.

4 MR. SHADIS: I understand that. And I  
5 appreciate your explanation of it, but I think -- I  
6 guess what I'm getting to is, when these things are  
7 reported out, that our sense at this point is we don't  
8 have enough information.

9 You know, when I looked at the red indicator  
10 for Indian Point Two, I said, "There goes the  
11 objectivity." They got a red because of the political  
12 heat.

13 MR. TRAPP: We were absolutely involved in  
14 that one, too, and I don't think we had a red because  
15 of political heat at all.

16 MR. SHADIS: In times past --

17 MR. TRAPP: The risk analysts were kind of  
18 left alone, and we showed up with a number, and we  
19 defended the number. So I think, personally, it was a  
20 --

21 MR. SHADIS: I can only tell you that in  
22 times past where you had steam generator do failures,  
23 it was no big deal. You know, I don't want to make  
24 that too tight a thing -- nail that too tightly, but we

1 did have NRC spokesmen coming out and saying, well, you  
2 know -- as they did it in Indian Point Two. They said,  
3 "There really is no public safety significance here."  
4 This had no release and ta dah, everything worked.  
5 Everything worked. They told them to shut down so,  
6 fine. And then a few months later, out rolls the  
7 highest award you can give that plant.

8           And to us, you know, right away, there's no  
9 consistency and we're wondering where the objectivity  
10 is.

11           MR. KRICH: If I could, Ray, ask a question.  
12 What would it look like? What would a good press  
13 release or a good discussion look like so that you  
14 could figure out what was going on?

15           Because I'm in the industry, when you read me  
16 those two pieces, my immediate thought was not knowing  
17 those two was probably that one was out for a lot  
18 longer than the other one was. And that turned out to  
19 be, because I know how the process works. But as a  
20 member of the public, what would it look like? Could  
21 you give me an example of what something would look  
22 like that would give you enough information so you  
23 could reach a reasonable conclusion?

24           MR. SHADIS: Maybe. Let me just say that

1 you're on the right track with that thing. One of  
2 those pumps was out for 48 days or something. We'd  
3 offset that with the company's failure, and the  
4 maintenance and surveillance then on the other one, but  
5 -- and it goes, I think, to maybe to what Mr. Laurie  
6 was saying that, when we see these reports, we don't  
7 really have a good understanding of how that category  
8 was awarded.

9           And if there were -- I don't know what(?) ten  
10 points that were in English and easy to understand.  
11 These are the things that we look at in order to grade  
12 the severity of this or the safety significance.

13           MR. PLISCO: Have you got this issue  
14 captured? I think it's a good issue. There must be a  
15 change in how these issues are communicated in the  
16 context.

17           MR. SHADIS: And they're not.

18           MR. PLISCO: Tied to this, too, is that we've  
19 had an issue -- it's really the same issue,  
20 communicating with the utility how we reached our  
21 conclusion to make sure that's clear in the context  
22 that we put it in.

23           Now we've done some things, I know in Region  
24 II, even at the Phase III part of the process before we

1 had the regulatory conference to make sure everyone  
2 understands what the assumptions were in trying to  
3 reach that risk significance decision.

4 MR. CAMERON: Just before we go on to you, I  
5 just wanted to check in with the group. In these  
6 discussions of the Regional meeting, there's a lot of  
7 issues coming up, and I just wanted to point out one  
8 thing that Mary pointed out to me is that these are not  
9 only issue categories. The issue might imply that  
10 there's something wrong or there's a concern, but data  
11 categories of what might be working well, also. So I  
12 just put that up there.

13 But some of the summaries that are coming out  
14 at the regional meetings, I mean, they may be issues  
15 and important issues that you want to deal with, but  
16 this whole utility and stakeholder expectations,  
17 perceptions of the towers; how they're explained,  
18 what's the relationship; the use of terms like  
19 "significant." This seems like this is going to be a  
20 big issue for all of you, and I'm just putting these  
21 under what I'm calling annal flags, like you might want  
22 to come back and pay more attention instead of keeping  
23 track of everything.

24 MR. SCHERER: I just want to make clear to

1 you that we need to be careful with discussion. I  
2 heard Dave say, well, five percent remembers just the  
3 bottom five percent of the performance. Nobody says  
4 that's unsafe, and all the plants could be safe or  
5 could be well within the safe range, and this just  
6 happens to be the bottom five percent.

7 Separately I heard Ray indicate, "Well, you  
8 know, I live near Millstone and we want that to be the  
9 very best performer." And that's the issue that I've  
10 been trying to raise. Unless you've lived in Lake  
11 Woebegone where all the kids are above average, you  
12 know, there's going to be a bottom five percent. And  
13 there are stakeholders that don't want to live next to  
14 the nuclear power plant that's in the bottom five  
15 percent. They all want to live next to the nuclear  
16 power plant that's in the top five percent. And we  
17 create that issue.

18 And the reason I'm bringing it up again is  
19 because this is the issue of the green to white  
20 threshold; the way we've defined it in the process. By  
21 not risk informing it, but by just doing it the 95-5.  
22 That issue will live with us as long as that's the  
23 green to white threshold or as long as we debate moving  
24 that threshold to stay with the 95-5. So that's why I

1 want to make sure it gets onto the parking lot and will  
2 remain a perception issue. We won't solve it, but it  
3 will remain a perception issue.

4 MR. GARCHOW: And that causes the unintended  
5 consequences, all kinds of mischief, if you will,  
6 around being able to communicate it, being able to  
7 manage to it, and there's nothing about that that's  
8 risk informed.

9 MR. SHADIS: I'd kind of like to clarify our  
10 perception on this. First, I live a mile-and-a-half  
11 down wind of Main Yankee. We call that a good plant.  
12 Plus a dead wind. But even then we have issues.

13 It's not just whether these plants are ranked  
14 in the bottom five percent of a category that is  
15 overwhelmingly safe or, you know. It's not that. It's  
16 also for stakeholders a question of whether or not this  
17 is drawing adequate attention from NRC, and whether or  
18 not there is real enforcement, and whether or not the  
19 company is paying adequate attention to realizing the  
20 safety significance or trying to do a temporary fix, or  
21 brush by, or wait until next refueling, or whatever it  
22 may be, you know, that mitigates them attacking  
23 whatever the problem may be.  
24 So it's -- it's specific to the item that's reported,

1 you know, not just to whether or not you think overall  
2 the plant is safe or not safe.

3 MR. GARCHOW: I'm trying to come to closure  
4 on this scares me.

5 (Laughter)

6 Though the last topic we discussed was  
7 assessment and a lot of what we've been discussing  
8 right here. You get STP and you get assessment. And  
9 as we can see very quickly, they become quite  
10 intertwined. It's very hard to separate the two. One  
11 directly affects the other. What are some of the major  
12 concerns that came up, communications with the public,  
13 I think we've pretty well beat on that one.

14 Action matrix rigidity/action matrix  
15 predictabilities/action matrix flexibility, that the  
16 need to be able to be predictive, but that predictivity  
17 also has some boundaries to it as to what you can do.  
18 It doesn't say you're going to do, you know, for  
19 example, if I turn up a degraded cornerstone, it  
20 doesn't say I'm going to go out and do 240 hours of  
21 inspection. It says depending upon the issue, it will  
22 be anywhere from 40 to 240 and you have to have some  
23 basis into that. And there's a big difference for  
24 anyone who hasn't.

1           I know all the utilities fully appreciate the  
2 difference between a 40 and 240 hour inspection effort.  
3 And that's a significant difference. And you've got to  
4 be able to communicate that right. Getting  
5 communication -- what's the decision as to the level of  
6 effort that you're placing in there. The timeliness  
7 that's associated with that. You get into the aspect -  
8 - we talked earlier about the resources that are  
9 available. How quickly can the agency now generate a  
10 follow-up inspection for a particular issue and it's  
11 quite a bit dependent upon the significance of the  
12 issue. Certainly, the higher the significance, the  
13 quicker we're going to respond to it.

14           Also, what is it that we should be out there.  
15 Looking at if the program is to go out and look at the  
16 licensee's corrective actions that are implemented,  
17 you've got to give them enough time to implement the  
18 corrective actions. If you're out there doing your own  
19 independent re-cause analysis that required you to be  
20 out earlier. So there's a lot of things that were  
21 discussed in there that there is still a great deal of  
22 flexibility within the action matrix, within certain  
23 prescribed boundaries, and making sure that's  
24 understood.

1           The last issue we talked about under  
2 "assessment" was the concept of compliance versus  
3 prioritization minor violations are still violations  
4 and compliance needs to be re-established. Whereas,  
5 long-term corrective actions to preclude it recurring  
6 again is a prioritization issue.

7           If it's minor, it's very small and it makes  
8 no difference if this signature, perhaps, is not made  
9 again, then maybe you can prioritize the issue that the  
10 corrective action can take a little longer.

11           If it's an issue related to equipment  
12 operability and making sure that this piece of  
13 equipment will operate when it's called upon, that's  
14 something you deal with right then. You don't wait  
15 until the next refueling outage or something like that.  
16 Or you've got appropriate compensatory actions and if  
17 the automatic starter's not there or you've posted  
18 operators there who's specific duty is part of that.  
19 I'm pulling some examples off the top of my head, the  
20 different dilemma that you're in.

21           And there was a very interesting discussion  
22 going on within that arena, compliance versus  
23 prioritization. Understanding there's still the  
24 overall requirement to come into compliance with the

1 regulations, irrespective of the significance of the  
2 assessment or the significance of the enforcement  
3 finding that's associated with that.

4 Any other topics you've got?

5 MR. SCHERER: Yeah, on the assessment area,  
6 it was thrown out towards the end of the workshop about  
7 should we have a time period for the length of time  
8 that a ... stays in the action matrix. Right now,  
9 we've got white, yellow, and red findings that all stay  
10 there for a year.

11 A concept was thrown out that may be a red  
12 ought to stay there really until it's fixed, maybe a  
13 yellow stays for a year, but maybe a white could be  
14 some lesser time interval and that might alleviate this  
15 concern or this unintended consequence of having one  
16 white, now you set up for a degraded cornerstone, given  
17 that a white still has relatively low safety  
18 significance associated with it.

19 MR. FLOYD: That was what I was going to  
20 bring up as well. I think that was a good, creative  
21 idea and something we ought to look at. That came from  
22 the NRC?

23 MR. SCHERER: Yes, it did.

24 MR. FLOYD: May I take from your point?

1           MR. BROCKMAN: Now, we were blessed with  
2 having Mary there and I've sort of waited to call upon  
3 Mary for some cap stone, which she's usually pretty  
4 good at bringing things in an overall perspective. So  
5 that was different than a true public -- an informed  
6 member of the public without any preconceived  
7 stakeholder allegiances to be responsive to. So I'd be  
8 interested in your sharing your experience.

9           MS. FERDIG: Well, I think that your summary  
10 of the content deals in line with my observations. I  
11 think the only thing I would add to that was what I  
12 thought was an effective format of the plenary session  
13 and the kind of discussion that occurred, and the  
14 various points that were surfacing that reflected  
15 different perspectives and some conversation around  
16 that, that I thought felt constructive. It was a good  
17 meeting.

18           MR. FLOYD: I've got one other issue that did  
19 come out and that was in the STP area that there -- and  
20 I might be confusing it with Region II, but I think it  
21 probably came up out of Pices. There was quite a bit  
22 of confusion, I think on the part of the licensees and  
23 the NRC staff as to how much communication is really  
24 allowed or available between the licensee and the NRC

1 during the Phase II evaluation and when does the clock  
2 start. The licensee said it was obviously very easy to  
3 talk to the inspection team while they were on-site and  
4 give them supplemental information, but then once they  
5 left site, they weren't sure of what the process was  
6 before the preliminary finding came out to get the NRC  
7 any additional information. In fact, some were  
8 convinced there wasn't a process for doing that. It  
9 appeared to be the door was closed once the team left  
10 site and they were trying to get a read on whether that  
11 was intended or not or whether that was just their  
12 perception.

13 MR. LAURIE: What was the answer?

14 MR. FLOYD: I don't -- I think the answer was  
15 -- that was given was -- and I think it was a regional  
16 administrator that said, "Well, if you ever have more  
17 additional information before the report comes out, by  
18 all means, pick up the phone and call your counterpart  
19 at the region and give them, you know, the updated  
20 information. But it's not --. Now, obviously, at some  
21 point the NRC staff's in the process of writing their  
22 report, they can't be considering and reconsidering  
23 information.

24 MR. BROCKMAN: Yes, we can. It will delay

1 the output, but if -- I mean, the answer that was given  
2 was the first point of contact is the team leader for  
3 that team. The second point of contact is the branch -  
4 -chief responders of that team. The third point of  
5 contact are the SRAs who have, certain within our  
6 region, gone to each site and established personal  
7 relationships with the risk staff members at those  
8 individual sites. And if that doesn't work, then you  
9 start going into the executive management of the  
10 region. But if there are factual inferences -- if  
11 factual information is identified that could change the  
12 consideration, it is never too late to bring new facts  
13 to the table. There is a point at which time you say  
14 philosophically as to the assessment we're going to  
15 make on that, you're bringing nothing new to the table.  
16 We'll go into the formal methods at this stage of the  
17 game, but it's never too late for facts.

18 MR. LAURIE: And there's no rules, Ken.  
19 There's no noticing rules, no meeting rules. If an  
20 operator wants to call up at the inspector and say,  
21 pick up the phone and say, "I need to have a cup of  
22 coffee with you and further explain" --

23 MR. BROCKMAN: In fact, there are regulations  
24 and that door is totally open at all times for

1 anything. I mean, that falls really within our  
2 allegation process and it's very much open door at any  
3 stage of the game to come to the agency, to the NRC  
4 residence, to get a hold of any member of the agency  
5 and present any technical concerns that you've got.  
6 And that is very much mandated by regulation that those  
7 channels are available.

8 MR. BLOUGH: In terms of after the inspectors  
9 have left the site, the licensee wants to provide  
10 additional information, they can call and provide the  
11 additional information, because that's really part of  
12 the -- they're trying to provide additional information  
13 for the inspection just as if they were on-site. So,  
14 it depends on the nature of the information provided.  
15 Then once our report goes out, that's the report of the  
16 inspection that should have considered, you know, all  
17 the information they brought. And we do discipline our  
18 inspectors to try to complete the inspection, get all  
19 the information they need by the time they leave the  
20 site if that's the plan. If it's not one of those ones  
21 where they leave and come back again. But after they  
22 leave the site, they should be open to receive  
23 additional information until, yeah, really it's too  
24 late to change the report. And then we would go into a

1 more formal process after.

2 MR. BROCKMAN: That does set up a very  
3 interesting dilemma which we've talked about on the  
4 timeliness. The tension that you've got between trying  
5 to get a product out in a timely manner. That's  
6 certainly an expectation we have with respect to  
7 performance. We believe that is something that public  
8 has an interest in that they can get timely feedback on  
9 an issue and as to where it's at versus the absolute  
10 technical accuracy associated with the issue. There is  
11 no event that goes on that is just very simple, that  
12 you can go to one little database and there's all the  
13 data. A mitigated plant is exactly that. Everything  
14 ties in to everything and the more you -- it's sort of  
15 like taking the skin off of a golf ball. I mean, you  
16 can't believe how many times things wind around there  
17 and everything else, and how it all interplays with  
18 each other. And that's a very interesting tension that  
19 goes along with respect to our ability of finding out  
20 the public's confidence. I mean, if we go out with a  
21 finding very quick and just go with a conservation call  
22 -- I'm going to call this white thing very much, and  
23 then we'll get enough data to determine whether it is.  
24 And you find out that 90 percent of the time, the

1 whites that you go out with become greens. I would  
2 prentice that that's probably not going to give the  
3 public a lot of confidence in the accuracy of our  
4 assessment process. And, in fact, it could lead to  
5 someone saying oh, well, as soon as it gets further  
6 down the line, you get compromised because you're  
7 continually retreating from your initial position. So  
8 there's a lot of reasons to come out with what you  
9 truly believe is a solid, defensible position on your  
10 first cut out as opposed to, you know, just going ultra  
11 conservative. Because ultra conservative --

12 MR. LAURIE: No question. But once it is in  
13 writing, to change it takes a lot of explanation.

14 MR. BROCKMAN: We're certainly living in the  
15 midst of that.

16 MR. SETSER: Let me point out, I'm listening  
17 here. This is a very interesting conversation and, in  
18 fact, I think probably to the heart of a lot of a  
19 couple of issues of what he just talked about. But  
20 remember, what we're trying to do is to insure that the  
21 oversight process that's put in place minimizes loose  
22 ends to the point where the public's going to have a  
23 perception that there's a enlarging public safety. And  
24 the particular point that was brought out in terms of

1 what to report, as long as we have a normal oversight  
2 process and we're dealing with the performance  
3 indicators as measured at a particular facility, that's  
4 one culture. If I was going to be arguing with some  
5 discussions as to how far you go with what you don't  
6 do, but the minute that you --feed more into the  
7 emergency responding of things if very critical and  
8 very crucial that you don't limit yourself to an  
9 artificial sheet of music that's in writing and say,  
10 "That's all we're going to say and that's all we're  
11 going do," because then you really are going to have a  
12 situation where NRC doesn't know what's going on. A  
13 governor of a state may not know what's going on. And,  
14 believe it or not, you know, the NRC and the governor  
15 of the state do talk back and forth. So, if you have  
16 the long sheet of information, then you see such  
17 headlines as "Governor is kept in the dark about this  
18 situation." So that's that loose hand hold out there  
19 that allows people to jerk onto it and say we're not  
20 using the process correctly because you've got,  
21 obviously, a difference in safety. I know there's a  
22 lot of other communications that go on other than just  
23 what's written down on the sheet, but the danger is  
24 that you put it in writing, you've created an

1 artificial tool and you limit your ability. And that  
2 may not have too much of a risk during the normal  
3 oversight process, but when it comes closer to an event  
4 which is more news worthy -- it's more emergency  
5 response related, where there are a lot of other folks  
6 that get involved other than just in the regulatory  
7 process of things. And I think those are very  
8 important. So I think this is a very right-on  
9 discussion and I know there are a lot of communication  
10 issues you'll never solve because they're just  
11 differences in culture, but this is particularly a  
12 pertinent one, I think.

13 MR. BROCKMAN: I think it's a good thing for  
14 us to look at. I believe the agency and their program  
15 has, without a doubt, tried to establish a --bungee  
16 board by which they would make a decision to respond to  
17 an event. And that's different than the final  
18 assessment you may come up with on the significance of  
19 the event. We will get engaged very early, and then go  
20 into our --. We may launch an inspection and come back  
21 and say, when it was all over and done with, that it  
22 wasn't a significant event. It was a green event. And  
23 I think that's proper to keep that level of  
24 communications. But for us to have a feeling is that

1 right? Is that threshold -- is there something in  
2 place that establishes the right type of  
3 differentiation of a type of an area we may have not  
4 looked at yet in our parking lot somewhere. You know,  
5 we've been focusing on the inspection and everything  
6 else. It may be response ought to be another area and  
7 how that relates to the current --event that we should  
8 just quickly say, yeah, they're on the right path and  
9 the right type of processes.

10 MR. FLOYD: As Ken pointed out earlier, we  
11 tend to be problem solvers and all we are identifying  
12 so far are all the things that aren't working quite  
13 right with the new oversight process. Region IV was  
14 the only region so far that's done this, although I  
15 think Region I is planning on doing it to is trying to  
16 capture what are some of the things that are working  
17 right.

18 MR. PLISCO: Yeah, my input I've prepared,  
19 I've tried to capture at least the things that I've  
20 heard in our public workshops.

21 MR. FLOYD: Yeah, I think it would be easy  
22 just to focus on all the negatives, and then the  
23 conclusion of this evaluation we've got all these  
24 negatives and say, "Oh, gee, the process is no good.

1 Look at all the problems." So I don't know how we do  
2 that, but at some point along the line we've got to  
3 balance the other side of the equation and say, "Okay.  
4 We've got problems, but on balance, is this thing  
5 working or acceptable."

6 MR. PLISCO: Yeah, but try to do that in the  
7 group of skeptical inspectors.

8 MR. BLOUGH: We've just had our inspector  
9 seminar and the inspectors are dramatically more  
10 positive on the program overall than they were a year  
11 ago, say. There were still attacking issues, you know,  
12 in trying to get at things where it need to be  
13 improved, but it's almost ironic because the inspectors  
14 at the seminar were saying things like, "Well, it's  
15 working well. We've been able to develop the issues at  
16 plants such as IP2, Fitzpatrick, and Millstone Two. So  
17 the inspectors are feeling it's working in those cases  
18 which, you know, it's ironic because it underscores  
19 what you say about being able to communicate and get  
20 across why it came out the way it did and if we think  
21 it's objective, you know, why we think -- why it's  
22 objective.

23 MR. GARCHOW: Look at the difference in  
24 communication. Three years ago, you'd have to go drive

1 by some plant to a public document room, leaf through  
2 huge --self-reports, and enforcement reports, and spend  
3 a day or two at the library to try to present some sort  
4 of independent view of what was happening with this  
5 plant. Today, you can log on your computer from  
6 anywhere in the world and at least see some objective  
7 evidence, read the last inspection reports, see these  
8 green and white findings. And, I mean, in a matter of  
9 ten minutes, someone like Raymond can get a picture of  
10 the entire nuclear industry in the United States that  
11 has some criteria. We can debate the fine points of  
12 the criteria, but at least it's done in some consistent  
13 manner. And three years ago, you didn't have a chance  
14 to do that. So we focus on the problems, but from the  
15 balance of where we were compared to where we are now  
16 and being -- everybody being able to get a snapshot and  
17 burrow into whatever detail you want relatively  
18 efficiently, it's night and day.

19 MR. SHADIS: Oh, if it were only that easy.

20 MR. GARCHOW: Compared to that, I don't know  
21 what you did three years ago, but you'd spend a lot of  
22 time at the library.

23 MR. SHADIS: We did; local public document  
24 room. And the days when there was paper coming in, the

1 it was a matter of going down periodically and leafing  
2 through it. There is no mechanism for leafing through  
3 the Adams document system. There's no way you can  
4 casually peruse what's in there and see what's  
5 happening with issues. And, you know, there are plenty  
6 of examples. At Main Yankee, in the six months the  
7 time that plant went on-line, NRC had identified cable  
8 separation issues and electrical separation issues, and  
9 they resurfaced periodically over time until '92, '93.  
10 And the company had proposed solutions. There were  
11 requests for information. The solutions were  
12 unsatisfactory. The work was never done. And in '96  
13 that was one of the issues that broke the camel's back  
14 and the plant went down. Not long after making 3,800  
15 new labels for trays and cable bundles, whatever,  
16 because nobody had any idea. And I -- but the thing  
17 that was easy for us under that system was to track  
18 that. You know, we had documents referencing  
19 documents. We were able to leaf back through it even  
20 through the fiche system. And today, we're trying to  
21 track a simple decommissioning operation and which is  
22 nothing compared to an operating plant; shouldn't be.  
23 And it's almost impossible using the current electronic  
24 system. I hope it will get to be as good as you say.

1 And I will acknowledge, though, that for a -- as you  
2 say, yes, you can get the LER instantly or, you know,  
3 whatever it may be. But I -- I took your time to tell  
4 you that because I'm hoping that's one of the things  
5 that's addressed. I know that's one of the things NRC  
6 was very proud of was that you could put up a chart and  
7 say this plant performance and, you know, have your  
8 color indicators. You could see it in a minute. And  
9 I'm hoping that it will be developed and be something  
10 more than that.

11 MR. FLOYD: Main Yankee is not under this  
12 system, so they're not on the color charts that Dave  
13 referred to. I mean for the issues that you're talking  
14 about. You wouldn't find decommissioning issues.

15 MR. SHADIS: No, no, no. We are on a  
16 disconnect because I was taking historical examples of  
17 Main Yankee when it was an operating plant and the way  
18 we were able then to track issues and satisfy ourselves  
19 as to whether or not they were being addressed, not  
20 being addressed, you know, what the essential status  
21 was. And I'm hoping that as this information is  
22 presented to the public that it will grow in terms of  
23 the real information that is conveyed.

24 MR. PLISCO: Is this a good time for a 15

1 minute break? Off the record.

2 (Off the record at 10:14 a.m., and reconvened at 10:42  
3 a.m., this date.)

4 MR. CAMERON: -- under these panel flags  
5 beside the one, but the whole perspective on --a powers  
6 is that how do we evaluate what is working well. With  
7 this working well, what are the attributes of working  
8 well. Can we learn anything from the working well that  
9 might -- although we might not be recommending  
10 solutions, do any of the working well attributes,  
11 whatever, tell us anything about what might not be  
12 working well. And Mary and a few others of you have  
13 raised this, so I've put that up there as a second  
14 issue. That's all I wanted to say.

15 MR. PLISCO: Thank you. The last workshop  
16 we're going to talk about is Region II. I'll go ahead  
17 and start off with that discussion. We issued our  
18 meeting summary Friday. I have you an excerpt of the  
19 issues. You should have that on your desk. The one  
20 that starts with "the summary of meeting e-vac issues."  
21 And I'll just walk through some of these. Performance  
22 indicators -- that was kind of a mixed response in  
23 discussions about the frequency of changes to the PI.  
24 Some thought it was too frequent and it would create a

1 burden on the -- and this was mostly from the utility  
2 perspective -- burden on the utility staff in keeping  
3 up with the changes. But other people said when they  
4 had a question, they wanted an answer yesterday. I  
5 don't think there was a consensus. Steve was there. I  
6 don't think we reached a consensus on what was the way  
7 to go. There was some concerns about the changes in  
8 the process. Discussion of the frequently asked  
9 questions, mainly had to do with unavailability and  
10 some of the issues involved with that set of  
11 performance indicators. There was a discussion on  
12 trying to make the frequently asked questions, the  
13 responses more generic because it is kind of a misnomer  
14 to call it frequently asked questions. They're really  
15 not frequently asked questions. They're very specific,  
16 site specific, case by case issues. And there was  
17 quite a bit of discussion on the potential misuse for  
18 those where a plant may see an answer, and take it out  
19 of context, use part of an answer when the full  
20 situation didn't apply to them and those kinds of  
21 situations. We talked about that. Apparently there  
22 was some kind of effort. Steve talked about to look at  
23 maybe providing more generic answers and responses, and  
24 general issues that are raised to try to help in that

1 area. There was discussion of trying to get the  
2 definitions of performance indicator similar to the  
3 other activities that go on to collect performance  
4 indicator data. And I know that's an ongoing effort  
5 with the internal clean up to help the utilities on a  
6 report; information and use the same set of  
7 definitions. Early in the -- process, there was a  
8 question regarding enforcement of PI errors. We had a  
9 good bit of discussion on that. I would say the  
10 general consensus is the current policy that's in place  
11 is reasonable and I think -- I don't think there's real  
12 disagreement with that. I know there were early  
13 concerns of what would happen if --barriers were found  
14 and how they would be handled. We can always re-  
15 emphasize that the importance of that data being  
16 correct and accurate.

17 MR. FLOYD: I think as the feedback we were  
18 hearing, while there was a lot of early concern on that  
19 with the temporary instruction which told the  
20 inspectors to focus on verifying the varsity of the  
21 PIs, early on in the program, I think a lot of  
22 licensees feel much more comfortable now that they've  
23 identified where most of the issues and disconnects  
24 were so they feel less vulnerable to get the --point

1 nine issues.

2 MR. BORCHARDT: There haven't been many  
3 issues.

4 MR. FLOYD: No, there haven't been any,  
5 right. I think that's why the comfort level is pretty  
6 good, yeah.

7 MR. PLISCO: There was a discussion of  
8 surveillance periods and impact, the fault exposure  
9 time, and the T over 2 issue. I've heard that at a  
10 number of workshops and what the impact of that is.  
11 And, again, that gets back to the issue of having to do  
12 with unavailability indicator.

13 MR. GARCHOW: So -- this struck me as  
14 unusual maybe because I hadn't thought about ever  
15 thinking of doing that. But I mean, so the issue is  
16 that maybe this is how I understand, maybe -- well,  
17 kind of saying if somebody has a white or red and you'd  
18 say okay, I had six surveillance tests in 92 days, but  
19 if I do it every 45 days and it fails, and I do my  
20 fault exposure time through the process, it's not  
21 enough to color it white and is that --

22 MR. PLISCO: Right. And this -- and I think  
23 this is a natural rub right now, where the agency's  
24 regulations aren't risk informed and the process is,

1 now. You know, there may be some technical  
2 specifications that time is not risking for and the  
3 surveillance frequency isn't. And I think it's raising  
4 some of these questions on this frequency and some of  
5 the surveillance tests.

6 MR. KRICH: It's the issue when if you have  
7 an 18 month surveillance, you only do it on 18 months,  
8 and it fails, you're definitely in white and  
9 potentially in yellow. You're not -- you can't get --  
10 you have no choice.

11 MR. GARCHOW: And some of the surveillance,  
12 you know, the tech specs say during review. They don't  
13 say 18 months, so you absolutely can't do them any  
14 other period but during refueling.

15 MR. HILL: I think that's compounded, too, by  
16 you can have that fail, the operator could still take  
17 reasonable action, but you can't count it for  
18 unavailability hours. You've still got to consider  
19 that as unavailable.

20 MR. PLISCO: Right. And that's another  
21 discussion related to that performance indicator  
22 program. Right now it doesn't give credit for operator  
23 action that there is operator action that can take  
24 place to restore the equipment in a reasonable amount

1 of time. Right now, they cannot --. My question was,  
2 whether it should or not. -- they don't talk about the  
3 ones that generated it. Most of the discussion --

4 In the inspection area, there was a lot of  
5 discussion about non-colored issues. I think there was  
6 someone that asked whether it's a new enforcement  
7 category or a new -- essentially a new color, if I call  
8 it a non-color. A lot of discussion of how those --  
9 now and how there's none. How issues are generated.

10 MR. GARCHOW: You know, on that, that's  
11 probably a good one for communication. I mean for  
12 Raymond's point, it's hard to stand up in public and  
13 have an intellectual discussion about a non-color or  
14 color.

15 MR. PLISCO: Yes.

16 MR. CAMERON: You can't get those.

17 MR. FLOYD: That's what he's saying to me.

18 MR. GARCHOW: There's at least one since now  
19 on the web site where a bunch of no color findings have  
20 been categorized now and rolled up into a --green top  
21 code. You've seen the first example of a multiple  
22 number of non-colored findings having color.

23 MR. GARCHOW: So on the web page there must  
24 be an invisible box. I have allowed --

1           MR. PLISCO:  And you're right.  I think it is  
2 a communication issue.  We went -- about how you can  
3 get them, and I think once you look at the NRC process  
4 if you can understand how you felt some of those will  
5 fall out and it is a relatively new and low number, but  
6 there are some issues that fall out that's a non-color.  
7 There are some communication problems with that.

8           There was a discussion about what was termed in  
9 here and terms at the workshop as "cherry-picking," and  
10 this is an inspector rating of the licensees current  
11 action program to find issues to put in an inspection  
12 report.  Some of these may have already been identified  
13 as maybe low safety significance, but it's still  
14 documented as an issue in the report, and what the  
15 policies and --correction report for that.  And there  
16 were concerns about that.

17           And there was a discussion -- a philosophical  
18 discussion of whether -- it really doesn't apply just  
19 to ROP, I think applied to the old program as well, is  
20 would the NRC's actions -- taking issues that were  
21 already identified by the utility and putting in a  
22 report, and making an issue out of it, determining  
23 self-identification issues.  I think the point was  
24 made, --it would.  And I don't think that's a question

1 that really just applies of the new inspection program.  
2 I think it's a question of the old inspection program  
3 as well.

4 MR. BROCKMAN: Except that point that we  
5 identified in argued. If you've already got a white on  
6 the books, it certainly sets up an interesting dilemma  
7 for timing as to how quick you're going to do your  
8 self-assessment.

9 MR. PLISCO: We already heard someone comment  
10 about resources. We heard the same comment in our  
11 workshop. Specific utilities that said that they're --  
12 they saw higher charges than what they'd like to for  
13 the NRC inspection for the year.

14 There was a concern about the length of time the  
15 processes use. This overlaps a little bit in the STP  
16 process as far as identification in what we call  
17 unresolved items in an inspection. We may need some  
18 external assistance or assistance from headquarters how  
19 long that takes, and whether that's timely or not.

20 And some issues about utility involvement in the  
21 process. When is there a point they get involved  
22 before the issue is resolved or decided. For example,  
23 in TIA or a -- what we call a task interface agreement  
24 with the headquarters office in a specific subject

1 area. When is the proper time for the utility to get  
2 involved before the final decision is made in a public  
3 way.

4 MR. GARCHOW: That issue comes up  
5 occasionally, too, because -- and I think that's a real  
6 issue that when you include NRRs you get that  
7 perspective. Then the question if you have more  
8 information or where it's heading while you're in that  
9 interface is completely done, you know, so it's not  
10 seen by the licensing.

11 MR. PLISCO: There were some licensee  
12 representatives that were concerned about whether the  
13 new inspection report format provided enough  
14 information for the public perspective. Because the  
15 reports are slimmer now. They're really only focused  
16 on the more significant issues. There's not a long  
17 discussion of low level issues like we used to have,  
18 and reports, and whether that would be perceived as  
19 less information from a public perspective. I know in  
20 our region we haven't gotten a lot of feedback on that  
21 yet, but that's one of the areas we're looking at.

22 STP process, again we had issues with the Phase II  
23 work sheets. Until those final work sheets get out,  
24 there's a lot of issues. You know, a lot of the

1 utilities, and I know in Region II, when issues come  
2 up, they like to work through it themselves to see what  
3 they get for an answer -- color -- as we're working in  
4 parallel. And actually we found there were a couple of  
5 utilities that didn't realize they couldn't use the  
6 current Phase II work sheets. They've been working  
7 through and, in fact, got different answers. So right  
8 now, the sheets really aren't -- haven't been valid.  
9 The new sheets aren't out yet, so the current sheets  
10 aren't valid to use. It's caused some communication  
11 problems.

12         Again, physical protection STP was an issue.  
13 That's been, I think, in all the workshops.

14         The question about using frequently asked  
15 questions for STPs also came up in our workshop.

16         Again, the difference between allowing operator  
17 credit in the STP and the -- the performance  
18 indicators. This raises an issue. Not only as a  
19 practical issue, but as a communication issue in  
20 dealing with the public and how those issues are  
21 handled differently.

22         There was some discussion, too, on the process the  
23 inspectors use to determine whether something is of  
24 significance enough to put it in the inspection report.

1 We call those the Group One, Group Two, and Group Three  
2 questions. Some of them are subjective and discussion  
3 about the potential for inconsistency on how issues are  
4 handled within a region or between the regions because  
5 of those subjective questions.

6 MR. BLOUGH: We've got the same from ours at  
7 the inspectors seminar meeting. We got several  
8 branches and the branches kind of look at those group  
9 point questions and read them even a little  
10 differently. So, we have inspectors standing up saying  
11 -- presenting a finding to the group, you know, another  
12 inspector sitting there saying, "I've had essentially  
13 the same thing and it was minor instead of green, so."

14 MR. PLISCO: Assessment enforcement area,  
15 there was a question raised about -- this was an  
16 interesting question, if a licensee ended up crossing a  
17 PI threshold because of a willful violation of one of  
18 their staff members, how would we handle that. It is a  
19 good question. No one had an answer. It's a workshop.  
20 But within the process --

21 MR. GARCHOW: So like someone signing off a  
22 surveillance test that failed and -- and when you go  
23 back and look at it, and --I'm appalled at the exposure  
24 plan?

1                   MR. PLISCO: Yeah, I don't think anyone gave  
2 a specific --

3                   MR. FLOYD: Well, there is a real example.

4                   MR. PLISCO: Oh, is there one? Oh, I didn't  
5 know this.

6                   MR. FLOYD: I believe it's at Peach Bottom.  
7 They had a siren test which was contracted out to a  
8 contractor and they found through their own internal  
9 investigation that the contractor was putting a jump --  
10 a jumper so that it always looked like a siren was on,  
11 but of course you didn't know that the siren was on.

12                   MR. KRICH: Plus they weren't doing the test.  
13 They were signing off for it. So they were cross- the  
14 records as well. It was just that they hadn't measured  
15 it. And then that caused them to go to white for  
16 repeat.

17                   MR. PLISCO: So I guess Randy's got the  
18 answer to that question, then.

19                   MR. BLOUGH: Yeah, the way we approached it,  
20 is it's a white PI. We're expecting to hear the  
21 corrective action and then we're expected to do the  
22 supplemental inspection and then, you know, if there's  
23 other things that come out of the investigation, now,  
24 we'll handle in due course. But, I mean, we haven't --

1 we're handling it as a white PI in doing this. We're  
2 doing the same thing.

3 MR. KRICH: In fact, as the --cycle  
4 assessment approaches, came out and was identified that  
5 there will be a supplemental inspection in the EP area  
6 because of this.

7 MR. BORCHARDT: I mean, let's try for the PIs  
8 is that they are, in fact, independent of the  
9 inspection program. I mean, I'm not really sure why  
10 there's a lot of confusion on this. The issue of the  
11 PI's got to stand on its own.

12 MR. PLISCO: But I think this gets back to  
13 the original issue we put on the board is, there is a  
14 philosophical difference, I think, and I've seen it in  
15 all the workshops between the way a lot of utilities  
16 perceive white issues, and the way the NRC perceives  
17 white issues, and maybe the way the public perceives  
18 the white issues; how important they are and what they  
19 mean. And I think that's where a lot of this rub comes  
20 from.

21 MR. FLOYD: I think another element of  
22 confusion in this was the program has been couched as a  
23 way of assessing the licensees performance, and here  
24 was an individual performance, not a licensee's

1 performance. So, do you have a licensee's performance  
2 issue or do you have an individual performance issue?  
3 And there's uncertainty as to whether the performance  
4 indicator should capture both.

5 MR. FLOYD: That is a question.

6 MR. REYNOLDS: A bunch of individuals make up  
7 a licensee --

8 MR. GARCHOW: You know, you always write your  
9 mail to me, so I don't know if that's true or not.

10 MR. FLOYD: I don't think there's a big  
11 issue. I think there's a question more than anything.

12 MR. PLISCO: Really the last thing in this  
13 area was the timeliness of how we handle greater than  
14 green issues and how important it is to get those  
15 issues through the process and disposition our -- I  
16 know our track record has not been good, at least in  
17 the beginning of the program, but I mean, obviously,  
18 those are the more complicated issues, and it takes a  
19 while to work our way through them. But our track  
20 record hasn't been good yet in that area of getting  
21 those out and handling them in a timely manner. I'm  
22 not sure -- I can't speak for the other regions --  
23 well, actually Bill could probably help us out. As an  
24 agency, we're doing it, but it hasn't been good.

1           MR. BORCHARDT: Yeah, I know. It's taking  
2 longer. Right now that's one of the concerns, I think,  
3 the process needs to look at. Because ultimately, at  
4 least in my view, that the real objective is to get the  
5 problems fixed. I mean there's an awful lot of time on  
6 the front end trying to define the significance of the  
7 problem, and if that ever interferes with correcting  
8 the problem, then we really have a problem. I mean, we  
9 can debate endlessly if we want to about the  
10 significance, as long as the issue gets fixed. And  
11 that's what we're trying to take a look at is that  
12 interval between issue identification and when it  
13 actually gets fixed in the plant or, you know, whatever  
14 the corrective action is. We need to make sure that  
15 that period does not expand.

16           MR. FLOYD: Is anybody aware of any  
17 unintended impact on actually fixing the issue that the  
18 arguing over significance has had? I'm not aware of  
19 one.

20           MR. PLISCO: I think it's more of a public  
21 confidence issue, mostly, and making sure once we  
22 decide what's going to take our action and make sure  
23 that's out, you know, that's well communicated in what  
24 the significance is, and what the NRC is doing.

1           MR. GARCHOW: You don't contest the non-  
2 compliant. I mean, by definition, the licensee has to  
3 fix it. So then all your debating is --when. Because  
4 if it's a non-compliance, it's a non-compliance.

5           MR. PLISCO: I know we haven't had any issue  
6 with the problem itself didn't get fixed promptly.  
7 It's really the deciding what it was that took a long  
8 time.

9           MR. SCHERER: Is there any example of a  
10 licensee that it came through as an issue once it was  
11 identified, arguing the significance? I'm curious.

12           MR. PLISCO: We haven't had it.

13           MR. BLOUGH: We haven't had any of those. We  
14 had one case where there was a white PI at --Calver  
15 Close and we did the supplemental inspection and it  
16 showed that the corrective actions weren't adequate.  
17 And then that puts the NRC -- the inspector feels in a  
18 bit of a quandary about what weight the inspection  
19 report carries in that case. But once we did the  
20 inspection, the licensee, you know, agreed what the  
21 areas they had not really looked at, and they really  
22 went after it very aggressively. So that was our  
23 success.

24           MR. PLISCO: And we had one issue going to

1 pilot where the utility vehemently disagreed with out  
2 position that it was an issue. They fixed it anyway.  
3 And I think to this day, they still don't agree with  
4 the issue that was raised, but they did correct it.

5 MR. SCHERER: I'm just trying to determine  
6 whether the reality fix is --, you know, say to fix the  
7 underlying issue and you can debate whether it was  
8 white, or yellow, or green. But go fix the issue and  
9 I'm trying to understand whether the real issues or all  
10 of that is --

11 MR. BORCHARDT: To my knowledge there aren't  
12 any that corrective action has not been taken. I think  
13 there's a second half to the issue, though. It gets  
14 into resource utilization and efficiency. It takes  
15 effort to resolve whether or not what the safety  
16 significance of the issue was. And at some point, the  
17 fact that it's fixed, makes the argument meaningless.  
18 I mean, it's not meaningless because there's a lot of  
19 interest on stakeholders perspectives of whether the  
20 issue's green, or white. But we're spending an awful  
21 lot of effort trying to agree to that. And is it worth  
22 it?

23 MR. PLISCO: And you'll see that issue  
24 specifically spelled out in my write-up on what some of

1 the issues are as to the resource expenditure on some  
2 of these. And trying to characterize it long after  
3 it's been fixed; whether it's diminishing resources.

4 MR. BROCKMAN: This is not new.

5 MR. PLISCO: Yes. Yeah, this existed in the  
6 old program.

7 MR. BROCKMAN: The old program, where did we  
8 spend all of our time in endless debate as to whether  
9 you were a soft one or a two. Not whether you were a  
10 two or a three. That's where all the debate went. We  
11 spent a lot of time on it with the stakeholders and the  
12 uses of their meaning of this determination.

13 MR. PLISCO: And there's some practical,  
14 internal issues within the NRC as far as --. You know,  
15 the Jim Trapp's of the world. We only have two of  
16 those in every region. And it was a multitude of  
17 issues that are being, what I call, tested and what the  
18 significance of it is. And there's a lot of work and  
19 re-work done. Their resources get tied up completely  
20 on those issues. And there's other things we have a  
21 risk analyst do is like looking ahead in what we're  
22 going to -- inspection planning and other things we're  
23 going to do; more proactive type activities. But that  
24 can get all our time tied up in these, what I call,

1 pencil sharpening exercises. They go back and forth.

2 MR. GARCHOW: It's interesting that this  
3 issue just spins us right back to that.

4 MR. PLISCO: Oh, yeah, it does.

5 MR. GARCHOW: Because on several of these  
6 things that we're talking about spin us right back  
7 here.

8 MR. CAMERON: He needs a repeat of that  
9 parking lot --

10 MR. GARCHOW: In the end of GM spends, you  
11 know, 40 inspector person hours debating whether it's  
12 green or white, and all that you would do if it really  
13 was white is send an inspector in for 32 hours to  
14 validate the corrective actions that are ongoing or  
15 sound anyway. I mean --

16 MR. TRAPP: Well, a prime example is any  
17 point two steam generator red, yellow transition. It  
18 didn't make any difference with the action matrix  
19 whether it was red or yellow. You know, we would have  
20 taken the same actions regardless, yet we spent lots of  
21 effort in trying to determine red or yellow.

22 MR. BORCHARDT: And we're seeing indications  
23 that it's not a white, yellow, red threshold. There's  
24 licensees challenging green issues. Right? I mean

1 there is no threshold.

2 MR. GARCHOW: But the process has to allow --  
3 I mean the old process, it was violations. I mean, you  
4 know, the process allows for disagreement. And then  
5 that's a healthy regulatory process, so there has to be  
6 something in the process that allows for disagreement.  
7 Now in the end, since this is all you're trying to  
8 decide is the level of oversight and it's an internal  
9 NRC process, I mean, in the end some of the NRC's are  
10 kind of saying this is what it is, and this is what  
11 we're going to do. Because it is your internal process  
12 for allocating inspector resources towards those plants  
13 that are maybe drifting a little away and have issues.  
14 It's not the industry's program.

15 MR. PLISCO: Is there anything else? Any  
16 other issues?

17 MR. HILL: You covered most of it. I mean a  
18 lot of it was very similar to what we've heard from the  
19 other agencies. I can't give you anything you haven't  
20 covered. Were there ?

21 MR. PLISCO: Yeah, there were a lot. Again,  
22 I didn't mention them in here. I tried to include some  
23 of them in that write-up that I provided. We'll go  
24 over it in the next session. But there were a number

1 of --. But we had the same discussion of that. The  
2 same discussion I had with the inspectors at Region II  
3 was we started talking about the process and the  
4 problems in the process. You know, we were usually  
5 comparing the current process to perfection rather than  
6 comparing the current process to what the old process  
7 was. Sometimes you fall into that trap. Once you  
8 start asking, then I want to start asking the  
9 inspectors about, okay, now compare it to what we were  
10 doing two years ago and five years ago. They all  
11 agreed it's a significant improvement; much better.  
12 But once you start generating trying to get the issues  
13 and problems at hand, you get caught up in that  
14 sometimes.

15 MR. GARCHOW: Was that the same kind you saw  
16 in yours, Steve, in yours where there are talks about  
17 the positive aspects of it? Or did they immediately  
18 just get into let's generate the list of all the issues  
19 --

20 MR. REYNOLDS: In fact, once we started out  
21 with every session listing the positives, and then  
22 areas for improvement. Rod and I just focused on the  
23 things needing to be improved upon. There were -- I  
24 think there were more positives. The bigger picture

1 positive is in the more detailed or more focused areas  
2 to work on.

3 MR. BROCKMAN: The more they're learning the  
4 program, and what we'll allow them to do and how it  
5 will allow them to focus, the greater the positive  
6 feedback that I'm getting from the resident staff.  
7 They -- I think they end at region bay staff also. I  
8 think they all see it as a great value added. But why  
9 don't we go to the voice of the inspection staff? Jim,  
10 we'll put you on the spot.

11 MR. MOORMAN: We are trying to focus more in  
12 what we're doing. The program seems to work. We are  
13 focused and find a way to stay within the procedures;  
14 do what we're told.

15 MR. BROCKMAN: That's probably the biggest  
16 concern, you know, that I've seen coming up once again  
17 is understanding the flexibilities that the program  
18 allows you and the more you learn the program, the more  
19 you find it does give you a lot of flexibility to look  
20 at a lot of things, whereas the first read, you could  
21 look at it as being very narrow and constricting. Once  
22 you start understanding the program, there's a lot of  
23 different ways to look at about any concern that you've  
24 got at the plant.

1           MR. MOORMAN: Yeah, that's -- that does allow  
2 us to do that, but we're spending a lot of time trying  
3 to figure out where to focus, you know, looking for  
4 those problems. And the inspectors have expressed to  
5 me that we're spending maybe an inordinate amount of  
6 time trying to define those areas. But we do have the  
7 latitude to do that.

8           MR. REYNOLDS: The new inspector program has  
9 really helped us at one of our sites is we recently  
10 thought we -- we had concerns about -- and new  
11 inspection program will let us focus in on those  
12 problems and through the PIs -- -- substantial  
13 corrective action. And the residents and our region  
14 base inspectors saw that they were able to deal with  
15 the issue of -- inspection program. We don't think we  
16 were able to do it, at least as quickly, through the  
17 old program. That's in a place where it has worked; to  
18 be able to identify and focus our attention.

19           MR. GARCHOW: Does the NRC have a process to  
20 feed those kind of lessons learned back into the  
21 inspector training program?

22           MR. MOORMAN: No.

23           MR. GARCHOW: So that kind of good story and  
24 how it worked for you would work?

1           MR. REYNOLDS: You'd be amazed at how --  
2 well, you should be amazed, but the residents talk  
3 quite a lot amongst themselves and share their stories  
4 well before we even get to our bi-annual resident  
5 seminars. But even at the resident seminars, that  
6 information gets shared.

7       ?: Then it's good.

8           MR. TRAPP: -- of the walls are pretty high,  
9 I think. I mean I get some because I deal with the  
10 SRAs in other regions, but I don't think the inspectors  
11 have a good understanding nationwide, or as good as  
12 understanding as they could.

13          MR. BROCKMAN: I would dare to say that my  
14 inspectors are not going to have nearly the degree of  
15 understanding and satisfaction on the Kiwana issue or,  
16 Loren, you've probably seen the same of your  
17 inspectors. Your inspectors won't have nearly the  
18 appreciation for the inspection efforts that's been  
19 going on in Cooperville as my inspectors would.  
20 Loren's probably got the same thing at --Summer and  
21 Sequoia.

22          MR. REYNOLDS: But we have other licensees  
23 that we haven't been able to focus the new inspection  
24 program with the areas we think we need to. --Kiwana

1 is just a success story as far as being able to  
2 identify a problem and have a licensee also recognize  
3 to take action to go fix it.

4 MR. BROCKMAN: I was focusing on getting the  
5 feedback back into the overall -- that's one of the  
6 things we're looking at. There was a task force that's  
7 on right now to re-look at the entire agency's training  
8 and re-qualification program for its inspectors in  
9 light of the changes that are going on right now. I  
10 think lessons learned intra-region, there's a very good  
11 communications of intra-regional lessons learned.  
12 Inter-regional, the highlights get passed on, but the  
13 real understanding and in depth appreciation, it's not  
14 there yet.

15 MR. MOORMAN: For a lot of the implementation  
16 issues, the residents are still struggling with how,  
17 exactly, to do this program. And we don't, I feel,  
18 have an effective way of getting information on  
19 implementation issues out nationwide to inspectors.  
20 And that's one of the things we talked about at our  
21 counterpart meeting.

22 MR. SETSER: In other --training projects  
23 similar to this that some of the other federal agencies  
24 say they do were conducted, they found out at the --

1 field line you're looking at a three year curve before  
2 the inspectors started to feel comfortable because it  
3 takes that long just to get the knowledge and get  
4 familiar with where you are. So you shouldn't expect  
5 it right up front. This is normal and also you should  
6 expect your cost to go up because they do --. It's not  
7 a real negative. This is just a cultural pattern.

8 MR. BLOUGH: Loren, we haven't had our  
9 meeting yet, but could you indulge me and give me five  
10 minutes to just talk about the types of feedback we've  
11 been getting? Even though we haven't had our meeting  
12 yet, we are expecting several states to participate, by  
13 the way, in our meeting and we're getting at least a  
14 few members of the public at our meeting Wednesday. So  
15 we should get a lot of good input there. But I  
16 mentioned a few things that the inspectors have  
17 provided feedback on. Generally, you know, they think  
18 they're really involved with the new program and their  
19 on-learning curve and progressing -- happy that the  
20 program seems to focus them better on what's risk  
21 important. And, again, they think it's -- there have  
22 been a number of successes with the developing non-  
23 green issues and cross-cutting issues. And I mentioned  
24 that, you know, at specific sites.

1           In Region I, there's the inspectors and their  
2 managers are worried about getting it all done during  
3 this first year because it is -- there are a lot of  
4 start-up costs and learning curve associated with the  
5 first time through on these things. And in Region I  
6 anyhow, we've got a lot of other demands including a  
7 heavy training load this year and a lot of involvement  
8 of everyone in the feedback and program evaluation  
9 phase. And we've designated procedure sponsors; our  
10 subject matter experts, you know, to help with the  
11 evaluation evaluating right down to the individual  
12 procedure. And then also Indian Point Two is a big  
13 work load of Region I. So there is a concern about,  
14 you know, getting it all done this first year. Along  
15 with that, when you look at the procedure level, the  
16 inspectors are seeing -- were seeing a variability in  
17 the resource demands. The same procedure will take  
18 vastly different amounts of time at different sites or  
19 even, you know, successive times at the same site  
20 depending on what's found, what samples are chosen, you  
21 know, how easy that site is to inspect. And there is a  
22 worry, particularly at the inspector level, that those  
23 -- rather than seeking to understand which of those  
24 variations are valid and which are, you know, which are

1 due to inconsistent and which are valid variability  
2 that over time, those variations variability may get  
3 ironed flat instead of, you know, getting understood  
4 and endorsed where it's valid.

5 MR. GARCHOW: Randy, one issue that we came  
6 up with that was sort of unknown that we were going to  
7 run into this. Some plants have easily retrievable  
8 design basis information. And other plants don't. And  
9 one of the inspections you did at Salem when you were  
10 digging in a design review, we end up trying to find a  
11 calculation that's in a salt mine in Pittsburgh and,  
12 you know, the inspector's there three days. He'd love  
13 to get all his information and get done to get back to  
14 the region, and we're out there trying to convince  
15 Westinghouse to, you know, open up the salt mine and it  
16 caused some frustration on both sides. We couldn't  
17 whistle this document up in a heartbeat. And I think  
18 there's going to be more cases like that when you guys  
19 are on a tight time frame. If you pull a string that  
20 gets into an area that might not have been, you know,  
21 happened to have been looked at in 20 years, it's not  
22 easy at times to find some of the source documents. We  
23 know where they are, but to get your hand on it, isn't  
24 quick.

1           MR. BLOUGH: That's an issue. Some of it  
2 will be alleviated with a learning curve, but a lot of  
3 it won't. On thresholds of documentation, there's been  
4 a lot of talk about that. But there are several ways  
5 of reading those questions on, you know, what gets  
6 documented and what doesn't. Along with that, the  
7 inspectors -- their verbal communications with the  
8 licensees is an issue as well. Just from the  
9 standpoint of during the inspection, the inspector  
10 particularly the residents -- well, all of the  
11 inspectors are going to see a lot of things and ask a  
12 lot of questions and find problems that may, in the  
13 end, turn out to be so minor that they don't get  
14 documented. And the licensee generally wants a roll-up  
15 at the end of the inspection of everything the  
16 inspector saw. So the inspectors kind of have a  
17 question in their own minds about where that leaves  
18 them when they've seen and talked about a lot of stuff  
19 that eventually falls below the threshold  
20 documentation. Cross-cutting issues, I mentioned we  
21 have some success stories there, but there are also,  
22 you know, inspectors who are concerned kind of in a  
23 philosophic point now, you know, about how they would  
24 identify and document an adverse trend in a cross-

1 cutting issue. And then once they're able to do that,  
2 what weight that would carry. Like I said, though, the  
3 ones where we thought it was important to get to, we've  
4 been able to get to those. Likewise, in the PI in our  
5 area, you know, there's a lot of discussion about the  
6 right way to inspect that and the interface between  
7 what's done in every inspection and the periodic  
8 inspection, and are we getting a good look at PI&R.  
9 And the corollary to that is if there's a licensee that  
10 doesn't take adequate corrective action, what weight  
11 does our inspection find and carry and how we handle  
12 it. Although, like I said, in the cases we've had, you  
13 know, they're all on a success path now. I think the  
14 specific cases are on a success path.

15 We get a lot external stakeholder feedback in  
16 Region I, too. And we'll get more within the next few  
17 days. But some of the things the external stakeholders  
18 are saying at the meetings, you know, like Ray said a  
19 lot of people are appreciative of the web site and they  
20 can get some information fairly easily. We get a lot  
21 of antidotal feedback from stakeholders; a lot of  
22 questions about events, and what we're doing about  
23 events, and what we make of events. We get some  
24 external stakeholder outraged. For example, at --East

1 Creek, they had an event where they were inspecting new  
2 fuel and two of the bundles fell over when they were  
3 trying to inspect them. And that came out green or,  
4 you know, in our inspection, and yet there was a  
5 certain amount of outrage from the stakeholders about  
6 that. And so we answer that now as it comes.  
7 Actually, sometimes the states get asked the same  
8 question we get asked, and they've been helpful in  
9 answering that mail.

10 The other point of external stakeholder is that we  
11 get a lot of feedback about enforcement; that there's a  
12 discomfort with the relative lack of simple penalties  
13 and fines as we made these changes. So that's kind of  
14 the feedback we're getting without having had the  
15 meeting. And I didn't go through -- we told them we'd  
16 meet back because we have what you told us here.

17 MR. KRICH: Could you explain a little bit  
18 more, Randy, about the one issue about the adverse  
19 trend in the cross-cutting areas? What's the concern  
20 there?

21 MR. BLOUGH: The inspectors are worried kind  
22 of at a conceptual level that -- with the levels of  
23 threshold for documentation and the way the program's  
24 set up. Will they be able to detect early and identify

1 an adverse trend of cross-cutting issues because, you  
2 know, every licensee has issues in the cross-cutting  
3 areas. Every single plant will have issues at some  
4 level. And so there was a certain amount of concern  
5 about, you know, most of that falls into the minor  
6 category so it never gets written. And when it starts  
7 to fall into a picture and amount to a trend, will you  
8 identify it and document it, and characterize it? But  
9 again, yeah, that's just kind of a valid concern the  
10 inspectors have.

11 MR. GARCHOW: Talking to our senior resident  
12 who just recently got reassigned to Washington, his  
13 concern here is very articulate and I sort of agree.  
14 The process doesn't, you know -- the best plants in the  
15 country are always working on human performance. I  
16 mean you ask the best plant what their biggest problem  
17 is, they'll tell you human performance. Because when  
18 you fix everything else, that's all you're left with.  
19 You've got 18, 19 hundred people around the plant.  
20 That's what you're left with. So he was concerned that  
21 as there's human performance issues that are popping up  
22 in non-safety related areas, you know, that would  
23 probably have some of the same pre-cursors -- those  
24 human performance issues. I mean, they're the same

1 people, so you wouldn't think that there would be a  
2 difference. He was just a little bit concerned that  
3 through the inspection process the inspectors don't get  
4 involved in those to maybe see some of the things  
5 occurring that may have that, you know, popping out  
6 later, I would say in one of the PIs or one of the  
7 inspectible areas.

8 MR. MOORMAN: I think that carries over even  
9 into safety related issues where you can see several  
10 minor issues come up, but yet it does make a trend.  
11 There are some seniors that I've talked to that have  
12 seen several human performance errors, several  
13 procedural errors, but yet they don't pass the Stage  
14 One questions. So, they're minor and don't get  
15 documented, but yet there is a trend there and it's  
16 being set up. This PIR inspection may be a good one to  
17 look at for some out of the box solutions.

18 MR. BLOUGH: It's a tough issue because, you  
19 know, there's a licensee response bin and are these all  
20 right at the level that they should be just left as  
21 licensee response issues or when is the right time that  
22 the NRC should start to trumpet the case, I guess.

23 MR. PLISCO: Is there anything you wanted to  
24 add?

1           MR. FLOYD: Well, thank you for indulging --.  
2 I've just commented there is a cross-cutting issue is  
3 working group that I guess we're going to hear from at  
4 some time --

5           MR. PLISCO: Yes.

6           MR. FLOYD: -- on this topic. I mean, this  
7 is the topic. The premise of the program was that  
8 where we set the thresholds and the fact that we have  
9 four color bands and several decades of degradation  
10 available before you're going to have an impact that  
11 the point of where you're going to get actively  
12 involved in cross-cutting issues that they start to  
13 affect performance results. But people want to dig  
14 sooner, and I don't think the industry objects to that.  
15 I think the thing that we're hearing from the industry  
16 right now is that they're not sure that there is a  
17 clearly defined set of criteria for what constitutes a  
18 trend. I don't think if there is a trend there, I  
19 mean, I think everybody wants to know about it and have  
20 it pointed out to them, but the real issue is what is  
21 the criteria for determining a trend?

22           MR. PLISCO: There isn't one.

23           MR. FLOYD: What's that?

24           MR. PLISCO: I mean, it's not clear.

1                   MR. FLOYD: Yeah, there isn't any good  
2 criteria.

3                   MR. PLISCO: Yes, there's a question, but  
4 it's --

5                   MR. FLOYD: What people are afraid of is, you  
6 know, as Dave said you've got a lot of people on-site  
7 and we've got a lot of procedures on-site. Some plants  
8 are more proceduralized than other plants and you can -  
9 - where the real concern comes, I think, is mostly in  
10 the procedure area. They're missing a step in the  
11 procedures. They're failing to follow a procedure  
12 that's at the station and then what you start to see is  
13 an inspection report. Wow, you know you had one of  
14 these six months ago in maintenance and then we noticed  
15 Ops in this one, you know, last week. And three months  
16 ago, somebody in engineering missed a step in a  
17 procedure, so I've got an adverse procedure trend.  
18 Well, I don't know. Do you?

19                   MR. TRAPP: On the back end, too, once you  
20 find an adverse procedure trend, then what do you do  
21 with that?

22                   MR. PLISCO: Yeah, I mean. Okay. Now you've  
23 got one. Now what do you do?

24                   MR. PLISCO: It's a tough area. It really

1 is.

2 MR. FLOYD: And the thresholds are different,  
3 too. I mean, our experiences as far as what -- until  
4 this corrective action system you see a significant  
5 difference in the threshold. A plant may look like  
6 they have a lot more, but because their threshold is  
7 different. You know, they have it down to where  
8 someone's -- I thought about doing the wrong thing, so  
9 they write it down. Where another plant, something  
10 very significant has to happen before it gets in the  
11 system. And then --

12 MR. PLISCO: --There's a lot of area -- and  
13 that's why it's a difficult problem.

14 MR. GARCHOW: The other issue is, you know,  
15 management's job all the time is when I play connect  
16 the dots. So, I mean, I'm always looking well, how  
17 does this relate to this, relate to this. Is it bigger  
18 than just one little thing. And you know, the NRC to  
19 some extent's trying to do the same thing for the same  
20 reason, actually. But there's differences in how you  
21 do that and with no clear cut criteria, as Steve says,  
22 I mean, in a debate on procedure you said when does a  
23 lot of little things equal a big thing. A lot of  
24 little things may just end up being a lot of little

1 things. But that's all they end up as. And the danger  
2 is missing when a lot of the little things are actually  
3 pointing to something more significant.

4 MR. KRICH: At the same time, Jim, you can  
5 probably explain this better in your view point. But  
6 if I was an inspector at a station, I'd want to make  
7 sure that I was protecting myself. For good reason, if  
8 I see something going in a bad direction, but it  
9 doesn't fit any of the thresholds, how do I handle that  
10 so if something does happen, something really bad  
11 happens, that it doesn't come back and the first  
12 question is was the resident inspector doing that -- is  
13 telling me things were degrading?

14 MR. BORCHARDT: It seems to me that --

15 MR. MOORMAN: Well, I'll say our management  
16 looks at us to do the right thing and, you know,  
17 sometimes things happen. I've never been singled out  
18 for any sort of admonishment.

19 MR. LAURIE: We could arrange that, though.

20 MR. MOORMAN: So can I. But, we're looking  
21 for trends in different areas. And when you see  
22 something, it's more than just these one little things  
23 that add up. It's your entire observation of the  
24 facility. It may be manifested in little events or

1 little glitches that you see, but it's generally more  
2 information that's behind that. And I don't like to  
3 use the term "gut feel" because we don't go on those.  
4 But it's the combination of all that information that  
5 goes into saying, hey, there's an issue here and how do  
6 I get at that. So we need to be able to look at these  
7 low level issues and point to them. Now, some  
8 facilities handle that better than others. Some with  
9 go at a low threshold and others, it takes the written  
10 documentation to get that movement. So that's --  
11 you're right. We do look at this.

12 ? : I hate to do this to you, but I need to be educated  
13 as to what do Europeans do? And my pulse says that  
14 you're all experts as to how the Europeans inspect  
15 their plants. And I'm sure all of that will be taken  
16 into consideration when this process was developed.  
17 But I -- give me somebody to talk to. I'm really  
18 interested in whether there were any lessons learned  
19 from those folks or even the Japanese. Does anybody  
20 know?

21 MR. FLOYD: I just attended a regulator  
22 workshop in Madrid, Spain about a month or so ago where  
23 they were looking at the use of performance indicators  
24 and how they go about setting up an assessment program

1 for their licenses. It's kind of all over the map.  
2 The Spanish regulator which is very closely tied to the  
3 U.S. NRC approach, is in the process of switching to  
4 something very much like the revised reactor oversight  
5 process.

6 MR. LAURIE: So it's your sense, Steve, that  
7 there really are no lessons learned to be gained from  
8 the Europeans?

9 MR. FLOYD: I don't know. I think they're  
10 all feeling that way, too. I mean, I saw Spain move in  
11 this direction. Germany and Switzerland are moving  
12 towards this direction in various degrees. -- was kind  
13 of going the opposite direction. The French were going  
14 north towards a --Saltz type system which is what the  
15 rest of the country's in Europe seem to be moving away  
16 from. The big theme that I heard at this conference  
17 was we really would like to make this be more  
18 objective. But the French seem to be going the other  
19 way. They had a very interesting system where they had  
20 11 or 13 characteristics associated with every adverse  
21 condition they found at the plant. You know, the  
22 elements like were there human performance involved,  
23 management oversight. I mean, there's a whole bunch of  
24 categories and they gave it a score of one to five in

1 each of the 13 categories for every condition. And  
2 then they added up all the points and they were just  
3 going to plot the total number of points and give a  
4 score based upon how many points you had. I don't know  
5 how that would work.

6 MR. BROCKMAN: You have a bond market would  
7 level.

8 MR. FLOYD: Yeah, the bond market would. I  
9 don't know what sense you would make out of that.

10 MR. LAURIE: I would also -- I'm not going to  
11 give you a hard time doing this, but I also need to  
12 talk to you all about how the military handles their  
13 nuclear inspections; both the army and the lesser  
14 branches. So during lunch break or some coffee break -  
15 --- the same issues and the same pressures are involved  
16 and you all -- many of you have experience in that. At  
17 such time as appropriate.

18 MR. BROCKMAN: And the Japanese are a little  
19 different because they're driven by the law that  
20 requires every plant to shut down every year and do  
21 their total maintenance outage which is where they  
22 focus all of their inspection activities. They take it  
23 down to the sixteenth inch X nut.

24 MR. LAURIE: Are their plants government

1 owned?

2 MR. BROCKMAN: No, but the law is that they  
3 have to take them down for a maintenance outage every  
4 year and they basically strip them down to parade rest  
5 and rebuild them.

6 MR. LAURIE: Pretty expensive, huh?

7 MR. SHADIS: I think it's a question of  
8 focus. I think that the focus on plant specifics to  
9 some degree has to inform this process also. And I do  
10 know that the Europeans have a different sense of  
11 priorities -- at least the French do as to what they  
12 want to spend resources on inspect -- it's way  
13 different, but it, you know, I would love to get the  
14 answer to the question that you asked. Really, how do  
15 they look at the issue of, you know, a reactor  
16 inspection program.

17 MR. CAMERON: This issue you're talking about  
18 now, you've handled a little bit about last time --  
19 performance by thinking about -- do you need -- what  
20 other information do you need from external sources in  
21 order to do your work? The only issue that came up the  
22 last time that we had a parking lot was that it seemed  
23 like you wanted to hear from a group of the senior  
24 reactor analysts in addition to the people we have on

1 the panel. I don't know if you still want to do that,  
2 but do you need anything -- data from foreign  
3 experience, military experience? I'm just noting that  
4 for you to sort of put in the back of your mind you may  
5 not need anything extensive or anything at all, but  
6 I'll put that up there.

7 MR. LAURIE: When we get into detail in some  
8 of this, there may be lessons learned in other -- with  
9 other experiences such as the green to white issue; on  
10 the psychological repercussions of that. That's not a  
11 new issue. It may be a new green to white issue, but  
12 it's not an issue unique to the NRC. It's not an issue  
13 unique to a nuclear power plant. It's an issue that's  
14 addressed in every inspection that's ever been  
15 conducted from day one. That is, how do you encourage  
16 proper inspection without penalizing those being  
17 inspected to the point where it provides disincentives?  
18 That's an issue that I'm sure has been studied for the  
19 last thousand years. I mean, we don't have to reinvent  
20 that today. What's the answer to that? What do  
21 business professionals say about that? And there have  
22 been 10 million such inspections over the last thousand  
23 years.

24 MR. CAMERON: So I think that what you're

1 saying, Bob, is that, I think this would -- after you  
2 identify all of the issues and prioritize them, that  
3 there may be some issues that you'll see where you  
4 could say let's look at the experience from other  
5 fields in inspection or whatever and bring that to bear  
6 on this particular problem.

7 MR. LAURIE: I just don't want to fall into  
8 the trap that everybody falls in, in the belief that  
9 the answers are limited to those present in this room.

10 MR. BORCHARDT: I would ask that those are  
11 very important points, I think, that you raise and good  
12 questions. But it's really information I think the  
13 people that are going to revise and develop the  
14 approved oversight process need to get an answer to,  
15 not us. I think what we need to do is identify the  
16 flaws and any fatal flaws with the process and direct  
17 NRR and NEI and the rest of the stakeholders to go out  
18 and do the kind of research that you're talking about.  
19 Go get the answers, but I think with the time we have  
20 available and the people that are in this group, that  
21 it's far beyond the capacity of us to give them the  
22 answer.

23 MR. LAURIE: I understand that, and I respect  
24 that. I don't know where the line is. The green to

1 white issue, I think we can end that discussion in one  
2 minute. The utilities will say, "Not an issue. Not a  
3 problem. We can handle it. It's trustworthy." And  
4 there's other folks that will question that. And there  
5 is no objective answer to that. So maybe the most we  
6 can do is recognize it as a possible issue and then is  
7 it your intent that that's all we do, or do you take it  
8 a little bit further and try and understand the issue a  
9 little bit further. I don't know the answer to that.

10 MR. PLISCO: Yeah, from my perspective, I  
11 don't think, you know, we're not going to be in the  
12 place or have the time or resources to resolve the  
13 issues. We can only identify what they are. Make sure  
14 we understand all the perspectives of them, and that's  
15 what I was hoping, you know, as we discuss these issues  
16 that -- I mean, obviously, people have different  
17 perspectives on what the issue is and make sure we  
18 understand all of the perspectives of the particular  
19 issue. Make sure that gets captured. So when we pass  
20 that on as an issue and it gets resolved -- needs to  
21 get resolved, that they understand all those  
22 perspectives. But I don't think we're going to be in a  
23 position to get the information necessary and reach a  
24 consensus on what the resolutions to some of these

1 issues are. Some of them have been worked on for two  
2 years, and they're still not resolved yet. I mean,  
3 these cross-cutting issues in the industry, the NRC,  
4 and we're trying to get -- for a couple of years, and  
5 we're not -- I think there's a lot of understanding now  
6 of what the problem is, but no answers. But I think  
7 Bill was right. I think in the time that we have, I  
8 think we're going to be lucky to get a good list of  
9 issues and make sure they're well defined and what the  
10 different perspectives of them are.

11 MR. GARCHOW: And their impact and whether  
12 they really do or don't have any bearing at all on  
13 whether these plants are operating safely or not.  
14 There's been a good bit of discussion --

15 MR. PLISCO: Get back to our goals.

16 MR. GARCHOW: And as we have discussions, --  
17 we're hunting for a plan. At least the best we know,  
18 we're operating safely.

19 MR. CAMERON: You probably should deal with  
20 this now and square this away, because I've heard in a  
21 couple of different discussions with all of you as some  
22 people were talking about recommendations to resolution  
23 some of the issues that were identified. And from  
24 others, we're only going to have, as Bill suggested,

1 we're only going to have time to identify and  
2 characterize the problem. So I think you should all be  
3 clear on that. And there may be some -- once you do  
4 that identification and characterization, there may be  
5 some -- you may be able to pass along a general sense  
6 of how these issues might be resolved even, for  
7 example, Bob's point about that in resolving these  
8 issues, the Commission should look to the experience of  
9 other agencies. I mean, you might be able to get into  
10 that somewhat, but is there other discussion from other  
11 panel members about this -- are you lonely about the  
12 business in identification and characterization or is  
13 there some resolution aspect to it. Do people  
14 understand that that was not going to be --

15 MR. BORCHARDT: I would add just in addition  
16 to characterization and identification, maybe some sort  
17 of batch prioritization. But beyond that, and I've  
18 already said my piece, so I'll be quiet.

19 MR. CAMERON: What do you mean, batch  
20 prioritization?

21 MR. BORCHARDT: Well, I think it would be  
22 worthwhile to identify -- I mean, this report's going  
23 to Sam Collins, is that right? I mean, ultimately.

24 MR. PLISCO: It will end up with the

1 Commission.

2 MR. BORCHARDT: Is to say, you know, director  
3 of NRR, here is 20 things that we think the program  
4 needs to evaluate and come up with improvements. And  
5 these are the five most important that ought to be  
6 given the highest priority because of the impacts that  
7 they can have. That's what I would see as our role.

8 MR. CAMERON: Like a near term, long term  
9 list?

10 MR. BORCHARDT: Whatever. Keep in mind that  
11 that -- we not only have that. I put Bill's identify  
12 and characterize prioritize. Now, again, that's as  
13 Steve nicely put it, areas for improvement. Okay. But  
14 don't forget the other issue that you were going to  
15 talk about is do you take a look -- do you fold into  
16 that -- what is working well. Okay. I think Bill --  
17 from Bill's perspective, you were just focusing on  
18 where there might be areas for improvement.

19 MR. CAMERON: Yeah, I don't think we need to  
20 focus very much at all on what's working well. I think  
21 we can acknowledge that there are some distinct  
22 advantages to this process. But we're not in a trial  
23 case. We're in the initial implementation phase. The  
24 Commission has decided that we are going to use this

1 process. And now our objective is to make it as  
2 effective and as good as we can. And so I don't think  
3 we need to do a sales job. It's not our responsibility  
4 to try to sell this program. It needs to be sold on  
5 its own merits. What we ought to do is take the time  
6 we have available to see where the problems are that  
7 need to be addressed.

8 MR. BORCHARDT: I respectfully disagree in  
9 terms of one area. I think there are things that we  
10 are doing well that we may want to put in so that we  
11 don't lose it at some point in the future. I'll give a  
12 personal example. I think the FAQ process worked very  
13 well in terms of identifying and resolving issues  
14 without having to do it as we did in the past, for  
15 example, by the maintenance rule, we did it by  
16 inspection and essentially as people identified and  
17 inspection reports issued, then other people were able  
18 to move their program forward. I think the FAQ process  
19 was working well. That may come out to a  
20 recommendation recognizing that if others agree with me  
21 that the FAQ process, on the whole, is working well,  
22 that we may want to maintain it or not lose it, or have  
23 a process in place should the FAQ process be replaced  
24 by something that would also accomplish those same

1 objectives. So I think there's some advantage in  
2 identifying those attributes of the process that are  
3 working well. Identifying it so that at some point in  
4 the future, somebody doesn't drop it without  
5 recognizing that there are some attributes that FAQ may  
6 not be the only answer, but what will replace that if,  
7 in fact, it is .

8 MR. GARCHOW: Because of our independence of  
9 it, I hope it will bring some balance as well. I mean,  
10 we're going to say that if we have public jobs and I'm  
11 going to prepare a report that lists a laundry list of  
12 prioritized issues so someone's going to pick up the  
13 report and say take it for what it is. The independent  
14 panel met on the whole laundry list of issues they  
15 prioritized. But I do think even though we don't have  
16 to sell it, I agree with that the Commission has  
17 spoken. I think we do need to be balanced and provide  
18 an objective understanding of whether this is meeting  
19 the agency objectives or not, and not just prepare a  
20 report that, you know, I'll be standing up in our  
21 community and say, look at this, here's a three inch  
22 report that is a laundry list of problems.

23 MS. FERDIG: I think we might be talking about an  
24 orientation, a perspective that we're looking at here.

1 I mean, I don't -- I'm not into coming up with a  
2 perfunctory list of things that are going well to, you  
3 know, tell people in a performance review of what  
4 they're doing well just before you hit them in the gut  
5 with telling them everything they're doing wrong  
6 because that's how you do performance reviews. That's  
7 now what I'm talking about. When I think about this,  
8 what I'm inviting is an orientation that the potential  
9 is rich for in a group conversation such as these, to  
10 never lose sight of the perspective of what are the  
11 possibilities. So it's not just putting down all the  
12 things that are wrong, but give them what we all want  
13 to achieve toward this program in the first place.  
14 What are the possibilities for looking toward to deal  
15 with what aren't going to be some obvious concerns and  
16 issues and so on. So, I don't know if we call them  
17 what's going well. I don't know if we call them  
18 solutions, but I think that just drilling down on the  
19 problems and listing them for Sam Collins isn't enough  
20 -- isn't maybe I should say conversations that can  
21 occur in a group like this.

22 MR. KRICH: Let me try. But I also see as  
23 one or two quick finds on this problems are, you have  
24 to identify sometimes what's working well so as not to

1 solve something so much that you kill the patient.

2 MS. FERDIG: Yes.

3 MR. KRICH: Do you understand what I'm  
4 saying?

5 In other words, when we go through and  
6 identify the problems, which is what we're here for, to  
7 bound the problems so that when they go through the  
8 solution, you don't do something too much. You need to  
9 sometimes to -- you have to put a bound on it, and  
10 sometimes that boundary, by explaining what works well,  
11 so you know when to stop with the solution.

12 MR. BLOUGH: Our charter says we're to  
13 provide advise and recommendations to the Director of  
14 NR on reforming and revising the ROP. So I would  
15 agree, if our recommendations are primarily towards  
16 revising and not reforming, which should be the reason  
17 for that. And likewise, it also says our written  
18 report will provide an overall evaluation of the ROP.  
19 So that suggests balance. I mean, overall evaluation  
20 terms suggests that there should be some balance.

21 MR. CAMERON: Would this point on the  
22 organizational -- your answers to these questions are  
23 going to be very important in terms of what you do with  
24 your time.

1           In other words, all this list of issues that  
2 John has been capturing that came up from the regional  
3 reports -- I mean, they've been mainly and exclusively  
4 what hasn't been working. Okay. Some of them are  
5 serious; some maybe serious; some of them are not.

6           Just on those issues, one of the things you  
7 need to figure out is -- I mean, he has, I don't know,  
8 40, 50 issues there. Just on those things, you have to  
9 figure out: What are we going to call on? How are we  
10 going to organize those? What are we going to call on  
11 from that list that we want to talk about?

12           Now, if you were going to do something more  
13 than, I think, Mary is suggesting with her use of the  
14 term "orientation" on working well, if you were going  
15 to go around the table or try to look at the regional  
16 meetings and say: What is working well? I mean, you  
17 are going to have a whole other list of 50 more,  
18 perhaps, what is working well.

19           So I think it is important in terms of how  
20 you do your work to try to figure out if there is some  
21 boundary that you can put around work. We've had two  
22 suggestions. One from Mary, which is we should have a  
23 sense of that, at least, and that ties in with what  
24 Randy brought up from the marching orders. Have a

1 sense of what's working well so that that is in the  
2 report.

3           And Rod said something to the effect that, if  
4 you're going to try to fix something that isn't working  
5 well, that you should know what is working well, so  
6 that you don't unintentionally get in there and screw  
7 it up.

8           Keep in mind Randy also brought us back to  
9 this initial issue which is the panel -- whatever the  
10 panel does, is it going to make recommendations or only  
11 do what Bill stated, which was identifying  
12 characterized prioritize.

13           I think, Randy, in what you read are the  
14 marching orders for the panel, recommendations -- I  
15 mean, is it recommendations on how to fix things? I  
16 mean, you need to figure that out, too.

17           MR. TRAPP: It seems to me that it is Bill  
18 Dean's job to identify, characterize and prioritize  
19 these issues. It just strikes me that -- I mean what  
20 we're looking for, I would think, would be fatal flaws  
21 in the process that we'd want to tell upper management.

22           Coming up with these issues, I think we're  
23 just being repetitive to work that's already being  
24 done. I mean, I think we need to be a higher level,

1 look at the process. Is Dean out there finding issues?  
2 Does he have a reasonable corrective action system? To  
3 me that's the important thing for what we need to do.

4 MR. GARCHOW: It got to where I was afraid we  
5 were going to get two or three hours ago. This will be  
6 the approach, I think, might work to get the balance.  
7 I think it is good to get all the issues out, so I mean  
8 we can't fly so high that we're superfluous, obviously.

9 But the NRC refers back to their PIs and the  
10 way they characterize how they're measuring the  
11 success. What might be the approach is do this issue  
12 so when we started this, somehow bend that in  
13 accordance with how they're doing their PI's, and then  
14 our report would be: We agree with the NRC's  
15 conclusion in this area, and all the PI's measured, the  
16 effectiveness of the program, but we also found that in  
17 this area the following issues still remain to be real  
18 issues that could help make the program better as we go  
19 forward. Or the NRC's assessment PI's, not for PI's,  
20 but their PI's on how they're going to -- their  
21 metrics. The metrics of the program fall a little  
22 short because the metrics, you know, sort of would  
23 paint this picture.

24 But the results of us is certainly weighing

1 all this information and some of these other issues  
2 might give a different perspective to that issue in the  
3 NRC's metrics.

4           And then our report would be some assessment  
5 of the NRC metrics ability to identify the program,  
6 plus -- I don't believe -- was that Mary? I go from  
7 what Mary says that the richness of this group could  
8 add to the NRC's assessment by virtue of our  
9 conversations and our assimilation of all the problems  
10 and areas for improvement. Then we would have a way of  
11 writing them. I'm just trying to begin with the end in  
12 mind. There has to be a report.

13           Then we could sort of follow the same format  
14 as the NRC assessment. Have some judgments on their  
15 metrics when they bring them back after they have  
16 collected, and then add our issues and concerns with  
17 these different areas, based on our boil up of these  
18 issues, and provides a roadmap for us to get a report.

19           I'm sure the commissioners are going to see  
20 the NRC's assessment report. So if they saw our  
21 reports sort of in the same layout with our issues  
22 inserted it, it provides some continuity and how you're  
23 actually going to work through an evaluation of a  
24 fairly complex process.

1           I just throw that out as a suggestion. That  
2 way it gets to the issues, but we've given them -- or  
3 somehow characterized them in accordance with the same  
4 manner that the NRC is laying out their assessment  
5 report. And we put our comments in.

6           It's -- Rod, you'll appreciate it, it's like  
7 IMPO does for their training. They come give the  
8 report, and then you insert into the sections, you  
9 know, your viewpoints on it so the final report becomes  
10 the assessment plus your perspectives melded together.

11           MR. SHADIS: You're talking about somehow  
12 integrating the protocols here so that it can mesh with  
13 NRC's internal assessment of this program?

14           MR. GARCHOW: We agreed. We heard their  
15 internal assessment program. The first meeting we all  
16 agreed and talked; went through a great deal. All  
17 their PIs, and listened to Alan talk, and we said, you  
18 know, we've passed some judgment or we had some  
19 conversation around this adequately look at the  
20 program. Now we're concerned if they have their data  
21 metrics. We have the experiential basis of the room,  
22 the work shop, whoever the panel might chose to come in  
23 and talk to us, and then we integrate those together  
24 and pass a judgment in each of these areas whether some

1 of the issues remain, and have the NRC met their  
2 objectives. What their objective was for inspection.  
3 What the objective was for enforcement.

4 Or, if the objective isn't quite right, it's  
5 based on our talk. We could make a judgement that, you  
6 know, that the objective didn't quote enough based on  
7 the state's inputs or the state holder's input. Maybe  
8 it was too narrow.

9 MR. SHADIS: It seems to me that the, you  
10 know -- vulnerable to some kind of circular  
11 reinforcement. You've got an agency that says we're  
12 looking at our program, and this is what we find. And  
13 then an independent panel says: Yes, you're looking at  
14 your program and this is what you'll find.

15 MR. GARCHOW: With the following --

16 MR. SHADIS: But in order to do that you  
17 really need to have an independent look. A separate  
18 custom look, if you will, at the implementation of the  
19 program.

20 I mean, the fact that the feedback from the  
21 regions this morning, I thought was really informative  
22 about how, at the regional level, they're seeing this  
23 thing go down. And to hear from some of the  
24 inspectors. And we do have the advantage of having

1 some people who were operating plants, and they're  
2 going through this --

3 MR. GARCHOW: Because the NRC's assessment  
4 has actually been into those areas, but we lead the  
5 discussion through. I mean, if you're going to talk  
6 about the program, we're going to talk about PI's. If  
7 you are going to talk about the program, we're going to  
8 talk about the inspection. You're going to talk about  
9 PSDPs. You're going to talk about public  
10 communication. Those are all the areas that were in  
11 the NRC self-assessment. We don't have to -- all we're  
12 going to pass judgment, do we agree with their  
13 assessment or not; and are there other issues that we  
14 brought up from our conversation and insight that shed  
15 a different light on it then maybe the commissioners  
16 would get just by reading the internal self-assessment.  
17 That was the only thing I was suggesting. I think  
18 we're actually in agreement.

19 MR. SHADIS: Well, it's a matter I think of  
20 concentration or focus or devoting of resources, you  
21 know, parceling those out as we go.

22 If you're going to do a review of NRC's self-  
23 assessment, that's wrong. I don't think that's what  
24 we're being asked to do.

1           MR. PLISCO:  It's part of what we're asked.  
2  That's why I went back to the objective this morning is  
3  --

4           MR. SHADIS:  I think it's a small part but not  
5  --

6           MR. PLISCO:  One question we do need to  
7  answer is, is the process in place for, on the long  
8  haul, to assess the program, provide the feedback that  
9  is needed, make the process changes that are needed?  
10           We heard part of that at our last meeting.

11          This is the process they put in place.  We do need to  
12          say something about what we think about that process.

13           MR. SHADIS:  And how much of -- what we do in  
14          the remainder of the time that we have.  The thing  
15          ought to be devoted to scoring NRC's internal  
16          processing.

17           MR. GARCHOW:  That wasn't earlier what I was  
18          suggesting.  It becomes a frame work of discussing the  
19          process.  They're bringing forth metrics that we don't  
20          have.  We're trying to be objective.  I mean, we can  
21          sit around and be subjective.  The NRC is going to  
22          bring us forth data, how many inspectors, what are the  
23          findings.  I mean, they showed us all those PI's on the  
24          first --

1           MR. PLISCO: At our next meeting they're  
2 going to come back with our first status.

3           MR. GARCHOW: I don't see how we could pass  
4 judgment on this process without data. I mean, the  
5 whole process -- the word "judging" is trying to get  
6 objectivity on what was previously a subjective  
7 process. I'm suggesting we stay with that theme and  
8 use the objective data the NRC's is preparing to help  
9 us, along with our insight and experience determine  
10 where we are at.

11           MR. SHADIS: Please don't misunderstand. I'm  
12 not suggesting to exclude all the, you know, hard run  
13 data that they put together. That's not what I'm  
14 suggesting at all. But, you know, a clear look  
15 directly from the point that we're sitting to the  
16 implementation of this process, I think is important.  
17 And it is very easy to be drawn off into someone else's  
18 perception of it. And especially if you have a lot of  
19 energy and a lot of talent and information going into  
20 putting together a in-house review.

21           I don't see that the charge of this committee  
22 is to do an in-house review. I want to make sure --

23           MR. SCHERER: You're discussing format.  
24 Categories of the different -- the way the NRC looks at

1 the program and the way we look at the program, I see  
2 an advantage to having the same format that the NRC is  
3 using, so that we can focus to the same sort  
4 efficiency. I still think this panel would have an  
5 independent view of those issues.

6 My personal opinion is that we should have a  
7 spectrum of views from data flaw that we send to them,  
8 to finding that the NRC process in place result  
9 correcting, what I refer to as the closed due process  
10 exits, or that we see gaps in a closed due process that  
11 we think need to be addressed, all the way through into  
12 what we were discussing a few minutes ago.

13 I believe that those positive attributes,  
14 that we want to make sure aren't removed without prior  
15 thought. Whether they are documented. Where there are  
16 "successes" or strengths in the program that we can  
17 identify.

18 So I see us again as having not at the bi-  
19 foot level, but at the 50,000 foot level, some broad  
20 uses. Close the processes, open new processes that we  
21 see, and strengths in the program which we believe that  
22 those are important for the future. And then we frame  
23 our recommendations around that.

24 MR. CAMERON: You have been touching on a lot

1 of issues, and I wouldn't confuse format with what you  
2 are going to be looking at in the independence of your  
3 review.

4 Originally, this morning, we talked about  
5 these four bids, okay. And that's the way the regions  
6 have been reporting, etc., etc. So that seems to be  
7 part of your format.

8 The top issue that we're getting to is, fatal  
9 flaws, date of call is flying high. Ed has actually  
10 given us a specific height (50,000 feet, I guess). But  
11 how do you, out of all these issues you are  
12 identifying, forget how do you capture the working well  
13 context. How do you follow through all these issues  
14 that you've seen and said that's a fatal flaw versus  
15 something in the weeds? You know, maybe you need to  
16 see all of those issues and be able to -- to be able to  
17 figure that out.

18 MR. GARCHOW: I have a problem with the  
19 language, right? Where we've just created fatal flaw,  
20 you've just created the possibility that fatal flaw  
21 exists. Till you just said that, we didn't even know  
22 we had a fatal flaw possibility.

23 MR. CAMERON: I'm just --

24 MR. GARCHOW: I'm not taking it on you,

1 right?

2 MR. CAMERON: You have a really good point  
3 there. I think that Jim is using that not -- Jim  
4 doesn't want to use this -- I mean a major problem,  
5 major issues, whatever you want to say.

6 MR. GARCHOW: That was discussed the last  
7 meeting, too, the possibility. That was one of the  
8 first things we were supposed to look at and see if  
9 there was anything that says we should say stop the  
10 program. Right. But that would have to be some  
11 criteria, so we'd have to go back to, like, what are  
12 the objectives. And which that takes me not being. It  
13 takes me back to how we set the framework on how we  
14 were going to evaluate the program was going to be  
15 done.

16 MR. SETSER: Well, let me see if I can add  
17 something here. You're falling into the same trap, as  
18 I can see the number of people who tried these kind of  
19 projects in the past have. You're looking at, hey,  
20 we've got this program in place. Let's evaluate it and  
21 figure out what we need to do to change it. That's not  
22 what our objective is. We're looking at a long range  
23 program that we've only begun to implement.

24 What kind of progress have we made on

1 something good to implement this? Where we are and  
2 where do we stand from this viewpoint to see our big  
3 issues right now?

4           If you take these issues, you've got to list  
5 them. Five years from now you can come up with five  
6 times the amount of issues, because that's the nature  
7 of the process, to have a continuous improvement  
8 program. You can't change all of those all in the  
9 first year. You can't change them all in the second  
10 year.

11           But what are the big players here on the  
12 board that, from our perspective, need to be tackled  
13 now in order to be able to move forward on down the  
14 road? So if we get bound up in all of these issues,  
15 that doesn't say anything about the quality of the  
16 issues, whether they need to be or not. That's not the  
17 -- there are other forces within NRC, within the state  
18 programs that's going to move on these issues and  
19 provide some kind of solution to those down the road.

20           So what have we done as far as implement the  
21 program? Where are we? Have we established a  
22 communication process? How do the inspectors in the  
23 field supervise? And are we training? How does  
24 industry feel it's working, in terms of comfort zones?

1 And then by in large how the program seem to be coming  
2 across to the public at this point? Those are the  
3 kinds of things we need to be talking about and looking  
4 at, rather than getting bogged down in the trenches.

5 MR. BROCKMAN: You've hit the nail on the  
6 head, but I think one of the things we've got to do and  
7 what's right this afternoon, what is the vision of the  
8 end product? What are the questions we have to be able  
9 to answer? And that's what we're batting around here.

10 I, personally, think you two are -- one is on  
11 the left side and the other is on the right side of the  
12 net, and you're just beating balls back and forth at  
13 each other trying to get into the same -- you've got to  
14 look at it both ways. You have to look at assessment  
15 criteria or are they adequate to be judging what  
16 they're doing. And then are they adequate, period.  
17 And that has to be done from a different perspective.  
18 Something you're both -- you've got to look at it from  
19 both sides.

20 But the key thing is, the commission has put  
21 out, if my memory serves me right, about eight  
22 different things that this program is supposed to do:  
23 increase safety, increase confidence, etc., etc., etc.

24 I would premise, when we get into our

1 conversations this afternoon, that that's probably the  
2 focus we've got to take. Is there something out there  
3 that's jeopardizing meeting one of those eight  
4 objectives, if we identify that there is something here  
5 if not tended properly? Call that a fatal flaw, call  
6 it a significant concern, call it a left-handed monkey  
7 wrench. We can figure out words we want to call it,  
8 but we need to bring that forward.

9           Are there areas that are being extremely  
10 successful in addressing this, and should some vested  
11 should be retaped? We should bring that forward as one  
12 of our recommendations. This is good. Keep the  
13 philosophy of this in the program.

14           If we've got that type of vision, I think  
15 we're going to go and get the balance that we're  
16 looking for, get the overall assessment, and have th  
17 level of recommendations that we're talking about.  
18 Keep focus on those eight questions.

19           MR. CAMERON: And would you take what the  
20 panel agreed to before, these eight goals which you're  
21 going to be looking at the information from, are you  
22 recommending a filter -- and I hate to use words like  
23 "significant" or "substantial" -- but your filter for  
24 what the big issues -- and maybe we could call them

1 major issues, and maybe we don't have to call them  
2 fatal flaws -- but is the filter something like  
3 something that would substantially or significantly  
4 prevent the NRC from reaching one of those goals? I  
5 mean, I'm asking the group.

6 MR. BROCKMAN: There is not a process in  
7 place at the moment to take the concern we've  
8 identified and reach an appropriate answer at the end.  
9 That's big, fatal, whatever you want to call it. In  
10 one of those eight questions there's a dilemma out  
11 there and there's nothing addressing it, and that will  
12 cause that question not to be satisfactorily answered.  
13 The public's confidence will not be -- the public will  
14 not have confidence because of this problem, and  
15 there's nothing fixing it at this time. But we ought  
16 to identify that. That's a big problem. It may not be  
17 fatal but it's certainly a big problem.

18 Now all these issues we've just listed, all  
19 443 pages of them, there's going to be a ton of them  
20 we're going to throw out. They don't hit our level.  
21 And we'll need to look at those, or it's captured just  
22 in the essence of another issue. It's being addressed.  
23 I don't have the process for that at the moment. But  
24 if we make this thing in two-inch volume, it will go

1 the way of all two-inch documents. It will gather dust  
2 on a book shelf and never be used.

3 This group needs to be concise and come up  
4 with a good, crisp report that can be used, and keep  
5 that level that we were talking about, and that's going  
6 to cause some synthesis, some analysis, some  
7 irrigating, a little bit of compromising probably on  
8 this issue as adequately addressed. We've got the  
9 capability to do that with majority/minority opinions,  
10 and what have you. So I think this afternoon's  
11 discussion --

12 MR. CAMERON: Let me ask Mary and Bill if  
13 they'd give us some feedback on what you just said, and  
14 also on this idea of what the filter would be to decide  
15 which of those 400 of the 420 issues you're going to  
16 throw out.

17 Mary, do you have any thoughts on what we've  
18 been discussing?

19 MS. FERDIG: Well, to answer your question  
20 about the filter, I'd have to think about that. We  
21 have to think about that in terms of sensitivity  
22 questions. But I think what I'm hearing you say -- and  
23 I really want to acknowledge David's comment about the  
24 language we've used -- it is critical in formulating

1 our expectations, even as we speak to each other in  
2 this room, much less what goes onto the report. So if  
3 we think in terms of perhaps what we're seeing is, as a  
4 group we're going to come together with some collective  
5 ideas about what we think NRR needs to pay attention to  
6 most, in order to ensure the continuing success of this  
7 program.

8           And the paying attention to is going to  
9 concern some of those very real experimental issues  
10 that are occurring right now out in the field, that  
11 will constitute the kinds of issues that we've been  
12 talking about today.

13           And we also might be saying they need to pay  
14 attention to some of those things that we can't lose,  
15 that are carrying the momentum in the direction that  
16 serves the collective purpose of this whole program.  
17 That's one reaction I'm having.

18           MR. CAMERON: Bill, when we were identifying,  
19 characterizing, prioritizing areas for improvement,  
20 Steve said. Okay. In your view, what would we be  
21 identifying, characterizing, prioritizing? What are we  
22 these areas for improvement, big issues, Mary, what  
23 needs to be paid attention to? Okay is the way Mary  
24 paraphrased it. Bill, what do you have on this?

1           MR. BORCHARDT: I believe it's appropriate  
2 for this group to arrive at a conclusion whether or not  
3 this program is adequate to continue forward. I mean,  
4 that's about as high level as you can get. Okay.

5           In arriving at that conclusion, if there's an  
6 appropriate construct of these eight elements for us to  
7 evaluate each of those eight, the only way that I can  
8 think of myself of being able to arrive at an  
9 independent conclusion as to whether or not these eight  
10 goals are satisfied is by looking at some level of  
11 detail of the issues that have been raised by the  
12 group.

13           In going through that, I think we need to  
14 make a summary statement about each of the eight, and I  
15 think it would be beneficial to all of the people that  
16 are trying to make this program work to lay out what  
17 some of the specifics were. Not in an outrageous  
18 amount of detail, and certainly not to give them the  
19 fix, because we're not in a position to know that.

20           But to ignore the detail comments, some of us  
21 probably do not have enough facts in order to arrive at  
22 an independent conclusion. And so I think we need to  
23 work through the details to arrive at various levels of  
24 higher level of conclusions, ultimately reaching a

1 conclusion as to whether or not the program is robust  
2 enough to go forward.

3 MR. CAMERON: Now that should not address the  
4 filter, but it did not lay out what the panel's work  
5 might be. Do the people generally around the table  
6 agree with what Bill just said?

7 (No response.)

8 He talked about there needs to be a panel  
9 conclusion on whether the program should continue.

10 MR. GARCHOW: Stop there on that one and we  
11 can revise our charter, but reading that that  
12 conclusion of whether to stop or go wasn't in the  
13 charter. Doesn't mean that that isn't what we want to  
14 do, revise the charter and go forward. That would be a  
15 good discussion. Actually, I think that might be a  
16 valuable to the commissioners to have that conclusion,  
17 but that really wasn't in what we started to do.

18 MR. PLISCO: Well, the question is indirectly  
19 answered by the question we have down here now. The  
20 answer is, is the program achieving the NRCs goals?  
21 You've answered it.

22 MR. GARCHOW: If they're all no, you have.  
23 If there's three yeses, one no, and two we-think-sos,  
24 well, then, all you've done is provided input for who

1 is ultimately going to make the decision, which is the  
2 commissioners.

3 MR. BLOUGH: I agree with what Bill said. We  
4 should answer that type of question. I just used in  
5 our charter the word "reforming." We're supposed to  
6 provide advice and recommendations on reforming and  
7 revising. And "reforming" I read that as very broad.  
8 Yeah, I personally don't think we're going to be  
9 talking about throwing out the program or completely  
10 reforming it into something different. I think we'll  
11 be in the area regarding advising.

12 So I'm agreeing with what Bill said.

13 MR. CAMERON: So you think that the question  
14 of whether the panel states a conclusion on whether the  
15 program should continue, you think it is consistent,  
16 going to David's question: Is it consistent with the  
17 charter? You think that's included there.

18 MR. BLOUGH: Yeah.

19 MR. CAMERON: Let me ask Bob. Bob wanted to  
20 say something.

21 MR. LAURIE: We had a discussion the last  
22 time whether or not we felt it was in the purview of  
23 the panel to reach a conclusion, and we determined, yes,  
24 that we thought it was within the purview of the panel

1 to do so.

2 I question whether we will have enough  
3 evidence to reach such a conclusion. I would question  
4 whether we would have enough evidence to reach any  
5 conclusions other than we believe the following issues  
6 are necessary to address in order to assure success of  
7 the program. Because we are not obtaining a large  
8 degree of external evidence.

9 We're relying to a large extent on the  
10 knowledge and experiences of the individuals in this  
11 room, and we're talking about it, and we're going to  
12 take all of that cumulative knowledge and write about  
13 it in a report. It's not how you investigate.

14 And I don't know how you reach a conclusion  
15 unless you investigate. And I don't think it is fair  
16 to say that we're investigating. We're not doing that.

17 UNIDENTIFIED PERSON: We're evaluating.

18 MR. LAURIE: Even an evaluation requires a  
19 lot of external input. We don't have time to do that.  
20 At least I don't see how we do that.

21 MR. BLOUGH: Isn't that something though we  
22 decided -- based on how much information we have, what  
23 type of answer we could give to that as opposed to what  
24 we --

1           MR. LAURIE: We're talking about expectations  
2 today. And I don't know how many more hours we're  
3 going to meet before Norm has to start writing his  
4 report.

5           MR. GARCHOW: A group of very similar people  
6 with the Beep have got to this point. We had the same  
7 short terms, same problems. Steve was there. We made  
8 a conclusion that there was a way to do it without  
9 spending three weekends in a row in January writing a  
10 report in a hotel. And we were successful.

11           MR. LAURIE: The solution may very well not  
12 be that we fully endorse that's right, but we see no  
13 reason why not to go on. We may very well conclude  
14 that there's no evidence before the panel to recommend  
15 that the program be discontinued. But, you know, when  
16 you talk about evidence, what is that? We're not  
17 getting a lot of --

18           MR. GARGOUGH: Let me check on something. I  
19 understood from the first meeting, which is, we're  
20 going to have various states come in, like we are  
21 today, to give us their feedback on the process. We're  
22 going to, I think, if I remember correctly, invite some  
23 inspectors in from the field to give us their feedback  
24 on it, and I think we were also talking about inviting

1 some other stakeholders outside the process to give us  
2 some feedback, as well as the collective feedback from  
3 this group. So in a sense we are collecting some  
4 information.

5 MR. SCHERER: I thought at the first meeting  
6 we told that at least four representatives from the  
7 utilities and the four regions were expected to send  
8 the information out to all the utilities in the region  
9 and collect back feedback from all of the utilities in  
10 the region, and bring that -- that was an expectation  
11 that we were to do that and bring that information back  
12 to the panel.

13 MR. PLISCO: And you're going to get two more  
14 things. You're going to get some of the metric results  
15 to the status collecting. And we heard what they're  
16 going to collect. And we'll get some of the results  
17 from that, partially, at our next meeting. And they're  
18 also conducting, as you heard last month, they're going  
19 to do some surveys, some external surveys and internal  
20 surveys, and you'll see some of the results from that.

21 MR. KRICH: So, personally, I think we have  
22 more information that the Florida Supreme Court.

23 (Laughter)

24 MR. LAURIE: I just want to make sure that we

1 allow enough hours to accomplish that, because --

2 MR. GARCHOW: A work planning session.

3 MR. KRICH: I guess that this issue about the  
4 conclusion about whether to continue, there could be a  
5 spectrum of, while we don't think it should  
6 discontinue, we could go back to what Mary said and  
7 someone else said about what needs to be paid attention  
8 to for successful implementation. You could leave that  
9 loose until you see where you are going with this and  
10 how that should be characterized. Okay. But the  
11 general objective is you're evaluating this program  
12 based on those eight goals, and still need to deal with  
13 the filter issue.

14 I think Bill and others are agreeing that  
15 there needs to be some sense of what's working well in  
16 the report.

17 MR. SHADIS: When you talk about your filter  
18 issue, is this an altitude filter? Is this like when  
19 you get below a certain altitude you filter out things?  
20 What kind of filter are you talking about?

21 MR. CAMERON: I guess what I'm trying to find  
22 out is whether the group has a way to look at all of  
23 these 500 issues and say that's below the radar screen.  
24 We don't need to worry about that. That's not a -- we

1 wanted to use fatal flaw. That's not a big issue. How  
2 do you determine that? I mean it's the whole thing  
3 about obscenity, you know. Is it one of the things  
4 that, well, we know it when we see it, or is there some  
5 general criteria that the panel could agree to?

6 MR. SHADIS: It seems like that would be  
7 something that you would design somewhere down the  
8 road. But right now you're trying to figure out  
9 whether or not you want to have a conclusion, you know,  
10 that says "go" "no go" on program. Talk about that.  
11 You're talking about what you want to include in a  
12 general sense. How fine you want to screen that, or if  
13 there's certain items that you want to definite exclude  
14 categorically. Maybe that's something you would want  
15 to look at after you get some of these other things out  
16 of the way. The one thing that -- and I guess an  
17 evaluation is what you make it.

18 This morning on leaving the Westin Peachtree  
19 Plaza I filled out a 60-second guest evaluation. Is  
20 the portage too hot, too cold, just right? I thought  
21 it was confining. I wanted to say other things. And I  
22 think here we have to decide, you know -- you've come a  
23 long way to deciding what you want to include.

24 Top question you have there on your sheet

1 there is what I initially thought we started out  
2 discussing, and then kind of went elsewhere. The  
3 question of whether or not the panel -- what was the  
4 role of the panel in suggesting solutions, and then we  
5 got from that to whether or not to include the positive  
6 aspects of this, positive assessment, focus on the  
7 problems and it went elsewhere.

8 I'd like to comment on that first question  
9 there. Yes. The panel should have a role in  
10 recommending suggestions, because if they surface in  
11 the discussion, and it seems reasonable that someone  
12 would benefit from them, I don't see that you would  
13 want to throw out suggestions just because you've  
14 decided that you're not going to include suggestions in  
15 your report.

16 MR. BROCKMAN: Which is different from taking  
17 on the mandate that we will have a suggested solution  
18 for each item.

19 MR. SHADIS: Absolutely. Totally.

20 MR. CAMERON: To make sure everybody agrees  
21 with that, and to just sort of clarify what both of you  
22 said, recommended solution or solutions would be  
23 identified for major problems?

24 MR. BROCKMAN: If they are, we'll improve

1 them.

2 MS. FERDIG: Whatever comes up.

3 MR. BROCKMAN: If they're not, they're not.

4 MR. CAMERON: But for every little issue or  
5 just for the ones that we finally say are major issues?

6 MR. SHADIS: If you want some language, I  
7 would say that we could agree that this panel would  
8 consider including solutions or suggestions as they  
9 evolve from our discussions.

10 MR. CAMERON: For any issue.

11 MS. FERDIG: Right, as the merged --

12 MR. SHADIS: Document.

13 MS. FERDIG: -- document.

14 MR. SHADIS: In the microcosm. Minor issue.  
15 This morning we talked about the lack of information in  
16 the reportage, both in the media and on the web site.  
17 And that from the public perspective it would be nice  
18 to know what went into the decision-making process to  
19 categorize different defense.

20 If that was a problem, someone said: What do  
21 you do? And I thought maybe you could have a 10-point  
22 checklist or something included in the information that  
23 went out. That was a suggestion. It may not have been  
24 a good one, but if it was determined that it was a good

1 suggestion, why couldn't it be incorporated at the end  
2 in an appendix of some kind.

3 MR. CAMERON: So you're talking about that  
4 during the panel's discussion a number of issues were  
5 addressed and here are some proposed solutions as an  
6 appendix.

7 Anybody want to comment on that?

8 Now Ray has taken us back to this question  
9 about should there be recommendations over and above  
10 the conclusion that Bill was suggesting about should  
11 the program continue. Whatever we do with that. What  
12 about Ray's suggestion?

13 MR. BORCHARDT: I think as long as it is  
14 clear that this is just food for thought and that the  
15 eventual implementors can do whatever they want with  
16 it, and not create a huge work burden in responding to  
17 each one.

18 MS. FERDIG: Right.

19 MR. BORCHARDT: I wouldn't object to it.

20 MR. CAMERON: And would those recommendations  
21 in terms of solutions be something that the panel would  
22 want to be in there? Would it be just like sort of the  
23 brainstorming ideas of any individual panel members?  
24 Or would you want it to be something that the panel, as

1 a whole, felt comfortable with? And that goes to our  
2 consensus process.

3 MS. FERDIG: It could be language about how  
4 you characterize them. They could be possibilities for  
5 future consideration. It is a whole lot easier to get  
6 consensus on something like that than a recommendation.

7 MR. FLOYD: I would point out that I haven't  
8 heard any problem raised here yet today that I don't  
9 think Bill Dean and his staff are not already aware of,  
10 and are already working on it in some fashion. So when  
11 they come to the course of these meetings and report to  
12 us, not only how they're performance metric results are  
13 coming out, but what are they doing about some of these  
14 specific problems, which is on everybody's radar  
15 screen, we may get some insights and we might be able  
16 to put in our report we agree with the candidate  
17 resolution proposed by the staff, or we disagree with  
18 it. That's another possible outcome. But I think  
19 they're going to wind up probably putting a lot more  
20 thought into how to resolve these issues than anybody  
21 in this room, or collectively in this room is going to  
22 have the time to do. It's their number one job.

23 MR. BLOUGH: I wouldn't have a problem with  
24 including any recommendation in that we can reach a

1 consensus on. Then that provides it's own balance in  
2 that if it's very minor thing, but yet it is so clear  
3 to the panel that everyone says "yes" immediately, you  
4 know, why not include it.

5 If it's a minor thing and people can't say  
6 yes immediately, then people aren't going to want to  
7 spend time, I hope not, talking about it, so it won't.

8 If it's a major thing and people want to  
9 spend time to try to hammer out a consensus, so it kind  
10 of levels itself, I think.

11 MR. CAMERON: And just to check back on on  
12 what Mary suggested, Mary, your terminology would not  
13 be recommendation but...what was the phrase you used?

14 MS. FERDIG: I was just trying to make it  
15 more abstract that didn't require much detail, since  
16 that may not be the focus of the group, and I was  
17 calling it possibilities for --

18 MR. CAMERON: Possibilities for improvement.

19 MS. FERDIG: -- consideration, which could  
20 include raise Ken's ideas.

21 MR. CAMERON: Is that acceptable to the group  
22 instead of making a recommendations to call it  
23 "possibilities for improvement"? At least at this  
24 stage. You can revisit this later on, when you hear

1 all of the Bill Dean recommendation fixes, etc., etc.

2 MR. BROCKMAN: The concept we're talking  
3 about I think is common amongst all. I would propose  
4 let's table what we're going to title it until we see  
5 how we organize our final report, and then we'll figure  
6 out what we call it now, and we know that there's two  
7 possibilities at least. It will need to fall into the  
8 construct of the final report. I think we've got a  
9 common vision and that's the key point right now as to  
10 what we want to do here. We'll call it Barbie or Ken,  
11 whatever. We'll figure out that name later on.

12 MR. CAMERON: You just want to table what we  
13 call it for now, and we know that there's two  
14 possibilities at least.

15 MR. GARCHOW: I'd actually suggest that  
16 Laurie and I or John could take a shot at it and not  
17 waste a lot of group time trying to figure out three  
18 words. When they write the report, take a chance at it  
19 and it is probably going to be okay. And we could move  
20 on to talking about some of the issues.

21 MR. CAMERON: Based on a panel consensus,  
22 though, these things would be, and as they come up in a  
23 discussion.

24 MR. SHADIS: I just felt that if there are

1 ideas that they probably shouldn't be lost in a thick  
2 transcript or, you know, collection of documents.

3 MS. FERDIG: Somebody can take notes of  
4 Bill's things only and add them to this group.

5 MR. CAMERON: I have a lot of notes.

6 (Laughter)

7 MR. CAMERON: Have you figured out how you  
8 want to deal with recommendations or possibilities for  
9 improvement?

10 MR. REYNOLDS: I think a key point that Ray  
11 was talking about, and Ken said, is, if we don't have  
12 to have a recommendation, as everyone believes.

13 MR. CAMERON: That's correct.

14 MR. REYNOLDS: We don't have to search for a  
15 recommendation. I agree with what we're discussing.  
16 If one comes up, we capture it. But don't strive or  
17 think about striving having a recommendation follow  
18 issues.

19 MR. MOORMAN: I think we need to be careful  
20 with our recommendations, because anything that comes  
21 out will have the information of the panel, and may be  
22 construed as constrictive by those who may have more  
23 data and want to change the program in a slightly  
24 different way. So we may be posing some additional

1 risks for those who are actually --

2 MR. BROCKMAN: I like Mary's "vision" a  
3 little more than "recommendation." Recommendations  
4 carries a connotation with it that this is something  
5 new. Whereas, the possibilities for improvement is  
6 more like seeding the cloud for thoughts and what have  
7 you. And when we get our final report, the right  
8 words, I think, will become very self-evident at that  
9 time.

10 MR. MOORMAN: But down to the actual wording  
11 of any sort of recommendation or instructive criticism,  
12 or however it may go. If it gets too prescriptive,  
13 then we risk --

14 MR. CAMERON: I think that I'll rewrite this.  
15 But I think there is a sense of the panel here in terms  
16 of this issue of recommendations.

17 MR. PLISCO: Is now a good lunch break time?  
18 Say 1:30.

19 (Whereupon, a luncheon recess was taken at  
20 12:35 p.m., to reconvene at 1:30 p.m.)

21

## 1 AFTERNOON SESSION

2 (1:30 p.m.)

3 MR. CAMERON: Just to give you what I thought  
4 was a summary from the last meeting, and this morning's  
5 discussion about the panel's work, if you'll look at  
6 page 2 of the Summary of Initial Implementation  
7 Evaluation Panel Meeting. (Pause) That's a December 5  
8 memo from Warren to Sam Collins. The panel stated  
9 objectives there.

10 I don't see anything that we discussed this  
11 morning that has been in conflict with that. But is  
12 the reactor oversight process achieving the eight NRC  
13 goals? Have the more significant areas been  
14 identified? Has the NRC developed a sound self-  
15 assessment process?

16 And the input for answering those questions  
17 would come from looking at the, as this document called  
18 it, the more important issues, which we have referred  
19 to as big issues, major issues this morning.

20 Now all of those issues, as Rod, for example,  
21 had organized them, are into these categories of PI  
22 inspection, STP assessment. The data to identify the  
23 more important issues comes from all the discussions  
24 that we started off doing this morning, and what Loren

1 is going to continue with. All these issues that we've  
2 talked about. The ones that Bill Borchardt developed.  
3 So somehow or another there will be a wheedling effect  
4 there.

5           And the two new things that we did, I think  
6 the is agreement around the table is that the panel  
7 should look at what is working for perspective and  
8 context, and the general sense -- and to give people a  
9 general sense of how the program is working.

10           And the other thing I think you reached  
11 agreement on, although the term "recommendations" may  
12 not be the right term, is to include any consensus  
13 recommendation for the panel problems, as these  
14 recommendations or solutions come up during the  
15 discussions. But it wouldn't be for every issue that  
16 you identify that you also have a systematic discussion  
17 of how that can be. At least that's at the sense that  
18 you would do that systematically with each issue.

19           That's what I sort of heard over this morning  
20 and the last meeting. And there still are maybe issues  
21 for all of you to resolve. But maybe when Loren gets  
22 to the format for the three o'clock session and see if  
23 there is agreement on that.

24           MR. PLISCO: To go back and look -- I don't

1 want to feel constrained as to what the previous panel  
2 did, but they did provide what we're calling  
3 recommendations for certain instances, and they talk  
4 about it. Every category did not have a  
5 recommendation. But where they had an issue, they  
6 called it a recommendation.

7           And in general, I just looked at them.  
8 They're not what I call real specific. They're just  
9 general overview kind of recommendations, as far as  
10 areas to look at and things that ought to be  
11 considered, and they reviewed that.

12           MR. GARCHOW: Maybe important enough for --  
13 we also had room for minority opinions. And that's how  
14 we broke log jams of discussions, because there really  
15 wasn't a right or wrong. We agreed that if we had a  
16 minority opinion, that we would just insert it, you  
17 know, allow the minority opinion and put a couple of  
18 paragraphs in that section saying it should be noted  
19 those are minority opinions. So the reader-of-the-  
20 report could see it all.

21           MR. PLISCO: Any more discussions?

22           (No response.)

23           What I would like to do is continue with  
24 washing out some of these issues and go through -- some

1 of the members have already provided input on some  
2 issues that they have, or they've heard about. I would  
3 like to walk through some of those provided to you this  
4 morning in your pile. I've got another one I'll hand  
5 out, when you get those from Steve.

6 MR. GARCHOW: I think I sent those two days  
7 ago or three days ago. Saturday. But not everybody  
8 works seven days a week, sorry. When you get to your  
9 office, you will see an e-mail that I think I did.  
10 I did send it to everybody. It was a real brief e-  
11 mail. Just on two issues.

12 MR. BORCHARDT: Well, I'll very briefly run  
13 through them. The top one on that handout was a note  
14 to John Monninger from myself. A number of these have  
15 already been discussed and mentioned, so I'll be very  
16 brief on those.

17 The first item is, notwithstanding the  
18 importance of what we are doing in this task group, it  
19 is a recommendation to consider having a independent  
20 group assess the effectiveness of the program,  
21 especially as it goes to public confidence and some of  
22 the other issues that are of importance to the agency.  
23 Although we were independent from the creation of the  
24 ROP, many of us in this room have a stake or a role to

1 play in its current implementation, and this just goes  
2 to recommend that some consulting organization and  
3 previously not-involved members of the public also have  
4 a review function.

5 The second one was directly mentioned, I  
6 think, in the Region III work shop.

7 MR. GARCHOW: Hey, Bill, on that first one -  
8 - this is maybe something the NRC could help us,  
9 because of your contacts in the government. I mean,  
10 certainly the NRC doesn't have the corner on the market  
11 of regulating, you know, very complex industries. It  
12 might be interesting to note, you know, what does the  
13 FDA do.

14 MR. BORCHARDT: Yeah.

15 MR. GARCHOW: What does the --

16 MR. BORCHARDT: Well, that was my thinking.  
17 I think there's a benefit to having that kind of a  
18 review done. And all I'm suggesting is that we, as a  
19 group, make that suggestion. And that's about all we'd  
20 do, I think. Not provide any more detail, but --

21 MR. PLISCO: And it also might be a question  
22 we can ask Bill Bean. I know they do that kind of work  
23 up front before they built this program, is go look at  
24 other agencies. They have routine in their actions

1 with the international regulators. They looked at all  
2 that before they marched off on this. So I think the  
3 next time we talk to Bill, he may be able to provide  
4 some insight as far as what they looked at and what  
5 they considered at the front end.

6 MR. GARCHOW: I was just wondering what the  
7 other agencies do. I don't have that coming up in the  
8 conversations much. Thank you.

9 MR. BORCHARDT: Item No. 2, like I said, came  
10 up in the Region III conversations. This is  
11 recognition that, on occasion, NRC will want to have a  
12 near or immediate response to an event. And that  
13 agency guidance, I think, needs to be strengthened to  
14 discuss what the criteria would be, and how it  
15 interacts with the agency actions.

16 The third item goes to how, and actually if,  
17 multiple issues should be grouped in the designation of  
18 individual inspection findings. And then it would also  
19 potentially relate to enforcement, although I think  
20 we're already grouped in the enforcement world.

21 But the question is, if there are five  
22 related issues, all identified, say, through the same  
23 inspection activity all surrounding the same event, and  
24 they have a variety of colors because of their

1 individual significance, is it appropriate to have  
2 five, distinct, separate findings which would then  
3 translate or work their way into the action matrix. Or  
4 because of their close relationship, should they be  
5 combined into one finding that covers all of them.  
6 Then what safety significance do you give that one  
7 finding?

8 MR. GARCHOW: Is there an example of that,  
9 Bill, where that came up? Did that happen at IP2?  
10 Were there multiple --

11 MR. BORCHARDT: No. On the steam generators,  
12 it was really one distinct inspection finding relating  
13 to the effectiveness and adequacy, I think, of the  
14 findings.

15 MR. GARCHOW: I'm sorry, were you talking  
16 about EP?

17 MR. TRAPP: I was just talking about one  
18 event, and then how it had multiple colors in one  
19 issue, if that's what you were talking about.

20 MR. BORCHARDT: There's also Region III  
21 findings on EQ programs, where you have multiple pieces  
22 of equipment that have degraded. Each one, by doing  
23 its risk significance, will come up with different  
24 color. Are those each independent findings, and how do

1 you group it?

2 In violation space, the agency has, for many  
3 years, and we continue to group those issues into one  
4 notice of violation fact. But, yeah, we prefer  
5 grouping because for other reasons. And we're not on  
6 that.

7 The fourth item goes to the role --

8 MR. PLISCO: Just to save time. In my write-  
9 up, I have a similar issue, same kind of questions, but  
10 with a little different spin, is that we've had a  
11 couple of instances -- one was in a file that we had --  
12 issues that were related to a non\* finding, but really  
13 weren't going to be called -- weren't even significant  
14 contributing causes. Something came up as we were  
15 looking at the bigger issue. And our tendency seemed  
16 to be early. You find issues related to that issue  
17 gets the same color.

18 What we tried to do with the Sequoia flooding  
19 issue, when we investigated, the storm drains and the  
20 turbine building were in the maintenance program. And  
21 they should have been. And it was a violation against  
22 there.

23 Whether it was or wasn't didn't make any  
24 difference in the real cause of the event. But there

1 was a lot of internal discussion. You know, I think  
2 they were early on in the program. It had to be the  
3 same color. And again I think that's a similar  
4 question to what you're asking is, how do you  
5 characterize these issues related to these color  
6 findings? And how do you group them and package them?

7 MR. BORCHARDT: The fourth item has to do  
8 with the role of the regulatory conference, which is  
9 our experience showing taking on very highly technical,  
10 very deep meeting, largely focusing on PRA analysis and  
11 discussion of assumptions.

12 The role of senior managers from both the NCR  
13 and the utilities, in contrast to what was previously  
14 done in enforcement conferences, has subsequently  
15 dramatically changed, to the extent that the senior  
16 managers are much less involved than the actual  
17 discussion of the regulatory conference. And we think  
18 there's an opportunity here to improve the  
19 effectiveness and utilization of resources by  
20 recognizing that difference.

21 Five is something I think that we have  
22 alluded to already this morning. Also the validating  
23 of the thresholds in the STP, and that's not really a  
24 new idea.

1           Number six is --

2           MR. SCHERER: Excuse me. When you're talking  
3 about five, it still came back to risk ratio. Are you  
4 -- were you intending to limit five or focus five on  
5 white to yellow and yellow to red? Or were you  
6 intending here to also focus on the green to white,  
7 which is progress?

8           MR. BLOUGH: Well, for inspection findings,  
9 it is.

10          MR. BORCHARDT: Yeah, you know -- for  
11 inspection. Its thresholds between all colors is what  
12 I was intending.

13          MR. SCHERER: You're talking STP only.

14          MR. BORCHARDT: Yes.

15          MR. SCHERER: Okay.

16          MR. BORCHARDT: Number six. There's a basic  
17 assumption that some programs, a number of programs are  
18 effectively implemented at licensee facilities, and  
19 that assumption allows the program to carry forward  
20 when it has certain findings.

21                 One of those assumptions has to do with the  
22 corrective action programs.

23                 What I don't believe is adequately covered  
24 right now is, what would be the result of a NRC

1 conclusion that the licensee's corrective action  
2 program was fundamentally flawed and could not be  
3 relied up.

4 If that find were made then, it would, in the  
5 enforcement world, invalidate the use of non-cited  
6 violations instead of notices of violations, and would  
7 impact, I think, other parts of the reactor oversight  
8 process.

9 I'm not raising this as something I think  
10 will be a high frequency issue, but I don't believe it  
11 is adequately addressed at all now, and we shouldn't be  
12 developing this kind of policy for something this  
13 significant on the spur of the moment.

14 Also, this is almost a cross-cutting issue.  
15 There are certain programs like the maintenance rule,  
16 EQ program, that the program, I don't believe, fully  
17 describes how those would be evaluated.

18 For example, if a licensee were found to have  
19 a grossly deficient EQ program, it could potentially  
20 affect thousands of components within that. How would  
21 the licensee and the agency assess the safety  
22 significance of that programmatic breakdown, and what  
23 would be the resulting outflow from the matrix of that  
24 kind of a findings?

1           Number seven is, I think, another item that  
2 we briefly talked about this morning, and it goes to  
3 utilizing information from green inspection findings.

4           All of the people, whom I view as my  
5 constituency in the enforcement program, very firmly  
6 believe that we are in a much better of an approach now  
7 where we assess the significance of individual  
8 findings, and don't try to aggregate findings in order  
9 to escalate the significance.

10           Notwithstanding that, there are things that  
11 can be learned by looking at the trends of green  
12 inspection findings. Unless green PIs, which are good,  
13 green inspection findings, even though they are green,  
14 are still not good. They're not positives. They  
15 identify issues that need to be corrected.

16           We think that it warrants consideration to  
17 see if there aren't ways to review and analyze those  
18 green inspection findings in order to provide a  
19 feedback mechanism into the inspection program or the  
20 assessment process. That doesn't mean to drive every  
21 licensee to the right on the action matrix to raise the  
22 level of interaction with the licensee so that there's  
23 more regulatory burden on the licensee. But, what it  
24 does is prevent a blind eye being turned by the NRC

1 staff to green findings.

2 MR. FLOYD: Hey, Bill.

3 MR. BORCHARDT: Yes.

4 MR. FLOYD: Maybe I've gotten this wrong, but  
5 I thought that was the purpose of the annual PI&R  
6 inspection. To collectively look across the board and  
7 findings that have been issued and the items that were  
8 in the licensee's correct action program and see if  
9 there was a big picture there as opposed to the module  
10 by module 10 percent sampling of issues in the cap  
11 related just for that module.

12 MR. BORCHARDT: I think in my mind I'm  
13 looking at it more programmatically than site specific.  
14 I think the PI&R will do it on a site basis, and that's  
15 covered. What I'm looking at is the enforcement  
16 program, or the inspection program looking at theses  
17 issues to see if there aren't programmatic things that  
18 should be done to the inspection program.

19 MR. FLOYD: I see. I see.

20 MR. BORCHARDT: You know, as a feedback  
21 mechanism to the overall program. I'm not so --

22 MR. FLOYD: You're not talking about licensee

23 --

24 MR. BORCHARDT: With individual sites.

1           MR. FLOYD: -- you're talking about  
2 programmatic assessments of your program.

3           MR. BORCHARDT: Right. And right now there's  
4 at least the perception that in agreeing a finding are  
5 pretty much off the plate. I mean they're in the  
6 licensee's response then. All the licensees fix the  
7 problems and not have any type of programmatic follow-  
8 up. And we think maybe we ought to consider that's a  
9 little bit too far.

10          MR. GARCHOW: I would also use that  
11 information in your regulatory burden reduction,  
12 because if you just start collecting a whole bunch of  
13 green \* so they're in very low safety significant,  
14 areas that are non-conformance with regulations that  
15 aren't risk significant, that could also be a pointer  
16 to say, hey, this is where the licensees are focusing  
17 on those. I mean, the argument would be, you know,  
18 there's only ex-amount you can focus on. And while  
19 you're focusing on those, maybe you're not focusing on  
20 something more risk significant by virtue of the  
21 program.

22                 So I would say that you might find safe and  
23 you might find pointers, you know, to give you some  
24 insights on what to go look at further. But you also

1 might find pointers on why are we even looking.

2 MR. BORCHARDT: Sure. You know, I think the  
3 other point that supports this argument is that there  
4 are relatively few number of non-green inspection  
5 findings. There are some. There's some significant  
6 findings. But for the most part there's just a handful  
7 of licensees that have gotten non-green inspection  
8 findings to date. It just seems we're needlessly  
9 turning our backs on some potentially valid  
10 information.

11 Number eight has to do with what I see as a  
12 weakness in that inspection of findings, issues that  
13 are covered by traditional enforcement, by that I mean  
14 issues that impede the regulatory process and are  
15 willful, or have actual safety consequences, those  
16 result in the traditional enforcement approach.

17 What doesn't happen, however, when that  
18 treatment is used is that there is no feed into the  
19 action matrix. You could have a very significant issue  
20 that had actual safety consequences. It could get, in  
21 an extreme situation, a severity level one violation  
22 with a large civil penalty, but it would not feed into  
23 the action matrix. Therefore, there seems to be an  
24 apparent disconnect or a failure to consider that in

1 the agency's follow on actions.

2 MR. KRICH: I don't need to get into your  
3 whole conversation, I'm just been thinking about that,  
4 because its been raised before. I always thought that  
5 if something was that bad, if you got a level two  
6 violation in some area, that it was bound to show up  
7 either as an inspection finding or PI or both that  
8 would drive you to the right on the action matrix. It  
9 is hard to believe you get that significant a violation  
10 on something and not have it show up some place where  
11 it is going to be measured.

12 MR. BORCHARDT: Not have it show up in a PI.

13 MR. KRICH: Either a PI or inspection  
14 finding.

15 MR. BORCHARDT: It would be the inspection  
16 finding, under my hypothetical scenario here, that  
17 there is a very significant inspection finding. And  
18 for the sake of argument let's say it was willful. All  
19 right. But the current policy is, we would issue  
20 traditional enforcement, and there would be no  
21 corresponding yellow red findings.

22 MR. KRICH: Okay. I understand what you're  
23 saying now.

24 But in the case of willful, and again the

1 whole premise we're looking at, where is the plan  
2 relative in risk space? If the willful violation  
3 didn't cause the plant to be in lower high risk,  
4 whichever is the appropriate place, then it would be  
5 appropriate to have a severe violation. But really the  
6 plant isn't something it should have been.

7 MR. BORCHARDT: But suppose it did create a  
8 high risk situation. The current construct is,  
9 notwithstanding that, the enforcement action would be  
10 severity level two and some civil penalty, and there's  
11 no corresponding red or yellow inspection.

12 MR. GARCHOW: I'm not saying you're wrong,  
13 because you know better than I do, but I would have got  
14 in a dialogue without knowing what the facts were,  
15 which you seem to have. I would say the issue would  
16 have been percolating along through the inspection and  
17 the SDPs and end up what it is, and the willful would  
18 be running its own highway to a level 2 conference.  
19 And you're sort of stuck with the willful.

20 But the issue, you didn't have safety  
21 injection or whatever the egregious thing was through  
22 the --

23 MR. BORCHARDT: And I think that's the  
24 ultimate answer. I mean, that would be my suggestion

1 of how it would work out, but that's not what the  
2 program says, no.

3 MR. BLOUGH: Okay. That's interesting.

4 MR. BORCHARDT: And that's the dilemma.

5

6 What I thought was happening was, suppose the licensee  
7 willfully failed to do a 50-59 evaluation, and it turns  
8 out that they make a change that is risky to the plant.  
9 I would have thought that that was a finding that might  
10 be a color like white or whatever.

11 But then the fact that it was willful and  
12 initially getting a white finding, rather than treating  
13 it as a cited violation under the program, you would  
14 treat that still as a white finding, but then issue  
15 them a superior level III.

16 MR. SCHERER: I'm willing to accept that.

17 MR. BORCHARDT: I thought that was how our  
18 board --

19 MR. SCHERER: And maybe that's what we had  
20 intended, but that's not what the program currently  
21 says, at least -- if it does say that, it's not cleared  
22 up, because I don't understand it, right, from what I  
23 read. I think that's the right answer.

24 Well, isn't the issue also, Bill, that you

1 could get inconsistent results? You could get -- well,  
2 the other way as well. You could get a relatively high  
3 severity level finding with a white issue and a  
4 relatively low severity level with a yellow issue.

5 MR. BORCHARDT: No. that's actually  
6 impossible now. Well, my guidance in the inspection  
7 program says is that if you can use, under any  
8 circumstances you can use the STP to assess the  
9 technical significance of an issue, use that.

10 And then if there is some factor such as  
11 willfulness which causes that issue now need to be  
12 treated differently than the reactor oversight, then  
13 we'll use that to escalate the significance, if it's  
14 warranted. But we will always start with the technical  
15 significance determined by the ROPs. And that's the  
16 way I'm maintaining complete consistency between the  
17 issues. Now, does that make sense?

18 MR. GARCHOW: Does that happen very much?

19 MR. BORCHARDT: Yeah, we've used it on 50-59  
20 issues ever since the pilot log program started.

21 MR. GARCHOW: So when you say "willful on 50-  
22 59" it's an error in judgment if someone not --

23 MR. BORCHARDT: No. Well, 50-59 is not  
24 willful. It is one of those impeding the regulatory

1 process.

2 MR. GARCHOW: Okay. I'm with you. I  
3 couldn't get that. I couldn't make the match.

4 MR. PLISCO: There's a whole ben of --  
5 there's not reporting things under 572 or 573.

6 MR. BORCHARDT: All right. Number nine goes  
7 to this idea of -- not the idea, but the creation of  
8 this no color finding and violation. I find that much  
9 less than appealing, and I believe it needs to be  
10 reviewed, and I would suggest ever effort be made to  
11 remove this category. We either colorize it or treat  
12 it under traditional enforcement, one or the other.  
13 But this non-color is just non-sensical to me.

14 MR. PLISCO: I would make it invisible.

15 MR. FLOYD: Region 4, a workshop that says  
16 the original intent of the program was that those non-  
17 color findings be limited to the exceptions that were  
18 going to be taken under the enforcement policy. The  
19 failure to meet the condition, failure to put  
20 corrective action program, then it might be a non-  
21 colored finding and, you know, treated traditionally.

22 MR. GARCHOW: And actually the --

23 MR. PLISCO: Kind of transgress beyond that.

24 MR. GARCHOW: It actually turned out with

1 some additional guidance. I see the need for the NRC.  
2 I mean if I were in their shoes on some of the human  
3 performance and cross coding things, to have a way of  
4 highlighting those in a manner in the inspection  
5 reports so, like, when the yearly inspection or bi-  
6 yearly inspection comes, there's a basis of that team  
7 to go look at that's in the documented record.

8           And I've been seeing some of these non-color  
9 findings come through with what I would say just sort  
10 of setting the stage for the corrective action team  
11 that's coming six months from now to say, hey, we had a  
12 non-color finding and corrective action. We made this  
13 observation and it is in the report. And when I see  
14 those, I mean I'm fully expecting that I'll be talking  
15 about those again when the corrective action team rolls  
16 through town. And I can see why you would do that.

17           MR. PLISCO: Again, when I talked earlier  
18 this morning about the rub between not having a risk  
19 reform requirements and the risk reform programs, this  
20 is one of the fallouts of it. And we talked a lot  
21 about the threshold for their violations and the things  
22 that have not changed. And there are still issues to  
23 come up that have no risks because they are very low  
24 risk significance that are still violations and

1 compliance issues. That's how this thing has evolved  
2 and how to handle them right now. I don't think anyone  
3 is satisfied with how it is handled, at least how it is  
4 communicated. I mean there are violations and the NCBs  
5 are issued. As far as communicating what they are is  
6 satisfying to anybody.

7 MR. BORCHARDT: The maintenance being an  
8 excellent example of something that's incredibly  
9 difficult to do, a risk assessment on an administrative  
10 requirement. And therefore, what we ended up doing was  
11 going down this no-color path for a maintenance rule  
12 violation.

13 MR. FLOYD: That's where a lot of them come  
14 from. Right.

15 MR. SCHERER: Yes.

16 MR. PLISCO: I think procedural issues is  
17 another one that are things to come up with, you know.  
18 If they had followed procedure, it turned out it wasn't  
19 real.

20 MR. GARCHOW: That was my point. My  
21 perception in reading these reports, is you're putting  
22 those in there so the corrective action team can go  
23 say: Hey, here's a repetitive pattern of procedure  
24 issues. What are you doing about procedures? What's

1 the effectiveness of the corrective actions? And it  
2 gives you a basis to go start looking in an area where  
3 if you didn't have that in your report, that can be  
4 sort of starting from wherever you start from.

5 MR. PLISCO: That's part of it. But I think  
6 it also puts the inspectors in a funny position,  
7 because a lot of these issues no one is willing to call  
8 minor or meet the minor threshold. I think there is  
9 significant errors to eliminate, and there are  
10 compliance issues, and they've got to dispositions for  
11 them. They're put in the box of they're not risking  
12 it, but their obligated. Disposition is to deal with  
13 it, and that's what's created this no-color.

14 MR. GARCHOW: But once you call the  
15 violation, there's still the process in place for me to  
16 dispute that, whether it's colored or not.

17 MR. FLOYD: I just wonder if we've  
18 artificially created a category that really isn't  
19 necessary.

20 MR. PLISCO: My personal view is that green  
21 is low significance only, zero.

22 MR. KRICH: Right.

23 MR. PLISCO: We ought to just call it green.

24 MR. SCHERER: I agree with that. If there's

1 a public confidence issue, try to get up and explain in  
2 a public forum what a no-color finding is.

3 MR. FLOYD: There's a new box too that's  
4 showing up on the web site, miscellaneous findings.

5 MR. GARCHOW: We had one of those.

6 MR. FLOYD: They're not green, they're not  
7 white, they're not yellow, they're not red, they're not  
8 no-color, miscellaneous that's showing up on the  
9 website. There were no significant findings.

10 MR. CAMERON: This BRC, below regulatory --

11 MR. GARCHOW: I don't know. But this is the  
12 struggle, because on the 39th year, 364th day, the last  
13 ten minutes of the licensee's time somebody is going to  
14 come up and say: For 39 years, 364 days and 23 hours  
15 you've had this minor non-conforming condition.  
16 Because they're out there everywhere. These real, real  
17 minor non-conformance. I mean, there's thousands and  
18 thousands of pages of regulatory requirements. There's  
19 minor non-conformance everywhere everyday. Very, very  
20 minor. So, I mean, anytime somebody goes and looks at  
21 any plant in the country, are going to find very, very,  
22 very minor non-conformance.

23 I mean, we find them every time we look. We  
24 put them in the corrective action program. Inspectors

1 come through. They're going to find them too, when you  
2 start racking over an operations that's been running 25  
3 years with various sets of organizations running them  
4 because there's turnover. You're bound to find that.

5           So I think the process now handles them. But  
6 I think the inspectors are struggling, because when  
7 they find them, what do you do with them? Is that a  
8 correct perception?

9           MR. MOORMAN: That's exactly right. We're  
10 still looking for the right threshold, and still in the  
11 back of our minds we want something to have to hold up  
12 for assessment. How much goes into the program? We  
13 really don't know.

14           MR. SCHERER: Martin, we spent a lot of time  
15 in the Region IV workshop discussing no-color findings  
16 and, you know, I think one of the points that was made  
17 is try to move towards zero in terms of no-color  
18 findings. Maybe it might be simpler to just call them  
19 all green. But let's at least keep this so we don't  
20 lose this issue along the way.

21           MR. BORCHARDT: Number 10 issue is  
22 recognition that the timeliness appears to be slipping  
23 on the resolution of these findings, and that we need  
24 to establish a series of performance measures that

1 takes a finding from identification all the way through  
2 final resolution, to help us determine whether or not  
3 there are programmatic process things that we can do to  
4 improve the timeliness. Whatever it is.

5 I mean, we just don't have a real good feel  
6 for what all the data is now. So if we had some  
7 measures that would help us.

8 Eleven has to do with my belief that there  
9 ought to be a parallel process to allow licensees to  
10 challenge green findings, as there is for the more  
11 significant findings. I think it also ought to be less  
12 resource intensive, you know. It'd be as mensurate  
13 with the significance of the findings, so it shouldn't  
14 have all the trappings and formalities of a challenging  
15 or red finding. But that there ought to be some  
16 established process to allow that interaction.

17 MR. SCHERER: May I ask a question on that?

18 MR. BORCHARDT: Sure.

19 MR. SCHERER: I thought that that existed.  
20 While I would imagine it would be few and far between  
21 that the licensee would spend the effort to dispute a  
22 green finding. Why doesn't that exist now?

23 MR. BORCHARDT: Well, it does.

24 MR. SCHERER: We disputed a --

1           MR. GARCHOW: We had to appeal minor, so,  
2    yeah, I know what --

3           MR. BORCHARDT: Yeah. I'm suggesting that  
4    the program needs to describe it. There is an appeal  
5    process now. It's just done ad hoc for the most part,  
6    and I don't think is the hugest issue, but for  
7    completeness the program ought to address it.

8           MR. BLOUGH: Spend more time on that appeal  
9    thing than you would have done on a supplemental  
10   inspection, and it's just a green --

11          MR. BORCHARDT: But there is a --

12          MR. BLOUGH: -- but just to begin with  
13   there's a problem. We're not risk informed any more,  
14   but we spend a lot of time resolving at that level.

15          MR. BORCHARDT: Twelve has to do with a topic  
16   again which we discussed earlier today, and that has to  
17   do with the exchange of information between the  
18   licensee and the NRC in order to fully characterize an  
19   issue.

20                 All of the relevant discussions and exchanges  
21   of information gets summarized in the inspection  
22   report. But then, once the report is issued, there is  
23   still an opportunity, obviously -- we want to have the  
24   exchange of the best available information at all

1 times. But I believe that that information at that  
2 point, once the report gets issued, needs to be equally  
3 well-documented.

4 Be it either in the documentation of the  
5 NRC's final action or in exchange of information that  
6 ends up being publicly available through Adams or  
7 whatever the appropriate vehicle is.

8 That we should not allow even the suspicion  
9 of having a secret exchange of information in order to  
10 impact the NRC's significance determination.

11 MR. BROCKMAN: This really goes very closely  
12 to Ray's concern this morning as to the checklist or  
13 whatever is out there, exactly how the decision was  
14 reached.

15 MR. BORCHARDT: Thirteen is not a new topic.  
16 Has to do with PRA quality and consistency. Although  
17 the example discussed this morning where two apparently  
18 very similar issues ended up being different  
19 significant determinations, different colors, and the  
20 explanation this morning was because of the amount of  
21 time covered by each.

22 It is equally possible that the time periods  
23 could have been identical, but that the PRA for each  
24 plant was different, and that is what caused the

1 significance to be different. And that's perfectly  
2 okay if, in fact, the risk of the two plants was  
3 different. But if it's just the difference in the PRA  
4 methodology that was utilized, that becomes a more  
5 difficult challenge to understand and to be able to  
6 explain.

7 MR. FLOYD: Do you remember when the plant  
8 specific work sheets came out, that should settle some  
9 of this 'cause right now some regions I know are  
10 relying on the licensee PRA because the work sheets are  
11 not up to date. If you come out with the updated work  
12 sheets, that should eliminate some of that concern over  
13 consistency --

14 MR. TRAPP: But the other work sheets have to  
15 be taken with a future grain of salt. There's going to  
16 be a lot of issues. If you have multiple service water  
17 pumps feeding a single header, if you have a service  
18 water issue the work sheets won't apply. So there's  
19 going to be a whole host of issues. I'd say maybe even  
20 like a 50-50 split. You are really going to be able to  
21 apply the work sheets directly. And the other thing, I  
22 guess, is, if you use the work sheet and come up with a  
23 white -- I can't conceive the situation where the  
24 licensee or us wouldn't go on and get some better data

1 from either PRA or from our own office.

2 MR. FLOYD: But aren't we really relying on  
3 the SRAs to make a final determination as to whether or  
4 not the licensee's PRA is constructed properly and --

5 MR. TRAPP: No.

6 MR. FLOYD: -- to be able to evaluate the  
7 issue?

8 MR. TRAPP: To evaluate the issue, I mean,  
9 we'd evaluate the sequences and we'd look at the  
10 critical sequences and that kind of thing. But we  
11 don't go in and do, obviously, an in depth --

12 MR. FLOYD: Oh, I know you don't do an in  
13 depth review, but you at least have some judgement as  
14 to whether the licensee's PRA applicable to the  
15 situation that's --

16 MR. TRAPP: Right. And we have our own  
17 independent models that we kind of cross.

18 MR. SCHERER: I guess my experience is the  
19 same as we are talking about here, at least for our  
20 plant -- and certainly for the ones in Region IV that  
21 have the sheets and agreed upon -- I didn't think that  
22 the variations that may or may not exist in our PRAs  
23 really did affect the categorization because the work  
24 sheets were depending on plant characteristics not our

1 PRA. When we worked our way through it, it was  
2 depending on whether we had -- or whether we had -- how  
3 many trains we had in our system. Those were then used  
4 by the region to evaluate the situation. We used our  
5 PRA to compare it to that, but the NRC was not relying,  
6 at least for our plant, on the PRA.

7 MR. BORCHARDT: It's my impression, anyway,  
8 that licensees have been utilizing information derived  
9 from their own individual PRAs, and the regulatory  
10 conferences which are trying to categorize. To the  
11 extent that there's a variation there, that makes our  
12 job more challenging. We can hear what this one  
13 licensee says, but it is hard for us to put it into  
14 context of all of the rest of the industry, and similar  
15 plants. I think that's what I'm trying to capture.

16 MR. FLOYD: Personally, I think the program  
17 has to rely upon the SRAs to make the call as to  
18 whether its prudent or not to consider that information  
19 and how to consider it, because it is going to be a  
20 long time, if ever, that these PRAs are consistent  
21 across the board.

22 I mean, you get a different answer whether  
23 you've done a shutdown model or just done a power  
24 model, or whether you've got an extra...there's no

1 requirement to have any of that.

2           So you've got to reach to the point where  
3 having a PRA define a certain way with a certain  
4 completeness becomes a regulation, then you might be  
5 able to get something for inconsistency but not until  
6 there.

7           MR. GARCHOW: There is no right answer to the  
8 PRA. It's not a digital process.

9           MR. PLISCO: And that's what is a risk  
10 informed. That's a process. It's not a risk-base  
11 process. And another thing I would add on here is  
12 methodology. We're dealing with an issue now, and we  
13 set a regulatory conference last week for summer. And  
14 the issue as far as happening comes down to one thing,  
15 how you model human performance and operator recovery.  
16 This issue turns out to be in-risk base, right on the  
17 line between yellow and white. And what assumptions  
18 you make in operator recovery and the probability of  
19 that decides where it is. And you have to look at the  
20 air bands. In the end it comes down to the judgement  
21 on what the understanding what the differences in the  
22 models are, and what the assumptions are. You have to  
23 just make a call. And we're going to have a lot more  
24 like this one.

1           MR. FLOYD: The bad news is it's complex, but  
2 the good news is, as Bill mentioned, there's only been  
3 nine of these so far.

4           MR. TRAPP: Not only did we discuss the  
5 issues, we were discussing significance and stuff like  
6 this where we used to just slap a label on it and move  
7 on.

8           MR. KRICH: To add to this. And your point  
9 is going to take -- our experience is that the SRAs and  
10 the region have gotten very good technical working  
11 relationship with our PRA folks. And so I think the  
12 SRAs have a good feel for the adequacy and consistency  
13 of our PRA and know when to trust it and when to go off  
14 and do their own type of analysis. So, unfortunately,  
15 it is individual specific, but there is a backstop to  
16 your concern here, which is SRA. At least that's been  
17 my experience.

18           MR. BORCHARDT: I certainly don't mean to  
19 under solve the importance of the SRA in helping that.  
20 From my perspective, I see a tendency, despite our  
21 desire to use the word "risk informed" to "become risk  
22 based." That when push comes to shove, we're tending  
23 more and more to want to look at the risk number. And  
24 the more we allow ourselves to go in that direction,

1 the more important my item 13 becomes. Because,  
2 ultimately, what the NRC would have to do is to be able  
3 to explain why for still saying this is a yellow,  
4 notwithstanding the fact that this licensee came in and  
5 gave us a white number. And it is a hard argument to  
6 make sometimes. But that's what being risk informed  
7 means and not being risk based. But there's a strong  
8 push to become more and more toward the direction of  
9 risk based, I believe.

10 MR. PLISCO: In this item, from our  
11 experiences, directly linked to this timeliness issue,  
12 processing issues, and how many interactions are  
13 required, and how many re-analysis and re-looks are  
14 required, I think directing should be to that.

15 MR. GARCHOW: Maybe that cashes out during  
16 the time you are doing that. Are the plants operating  
17 safely in the interim? The answer most likely is yes.

18 MR. PLISCO: Well, our experience has been  
19 the issue was actually fixed a year ago. We're  
20 debating what we'll call it.

21 MR. SCHERER: I'll go back and poll the other  
22 plants in Region IV, but again I just want to emphasize  
23 my experience in working with Region IV is that  
24 currently the NRC relies heavily on an individual

1 plant. PRAs developed by licensees is not, in my  
2 experience, we do in arguing our case.

3 But our SRAs and the residents use their  
4 insights based on their views of the situation, based  
5 on their work sheets and discussion with our PRA  
6 people. They certainly do have a dialogue. And as Rod  
7 indicates, that helps change their mind as to some of  
8 the issues as we've evaluated it.

9 But we rely on our PRA to make our case. NRC  
10 has been taking an independent look, at least in Region  
11 IV. So I just challenge that premise.

12 MR. REYNOLDS: Some clarification might help  
13 there, though. The SRAs modified the face to work  
14 sheets based on the scientific PRAs. So that  
15 information from the site specific PRAs is in our tool.  
16 That's what it was based on.

17 MR. PLISCO: But it's plant features.

18 MR. GARCHOW: Your model said, too, we'll  
19 credit you the third. Had nothing to do with our PRAs.

20 MR. BROCKMAN: Again, the PRAs in Region IV  
21 run anywhere from a Mock I Rev Zero up to the latest  
22 and greatest. And there's been a lot of work by the  
23 SRAs in staying very active with licensees,  
24 understanding what their capabilities are, and then

1 getting a lot of data into the regional office that we  
2 can use to work back and forth. And then we may have  
3 to go back and get more supplementations.

4 But to say the number the licensee brings in  
5 is the number that's acceptable, no.

6 MR. GARCHOW: I don't agree with that.

7 MR. BROCKMAN: It's a bid position. And work  
8 off of C-pluses and minuses with, and then we'll go  
9 back and --

10 MR. GARCHOW: Then you get into the  
11 assumptions, and all of a sudden you're having a very  
12 good technical decision instead of arguing subjectives.

13 MR. SCHERER: I still think it's a valid  
14 point. My perception is that that sentence needs to be  
15 looked at. Okay.

16 MR. PLISCO: Ray, you still want to try and  
17 jump in, right.

18 MR. SHADIS: It's a question that I'm asking.  
19 I'm asking for those folks in the know to educate me a  
20 little bit and from the public confidence perspective,  
21 but it's a question of how far do you go with risk  
22 informing, not in the sense of being absolute where  
23 something is risk driven but risk informed.

24 Would you have on a plant-specific basis

1 where you eroded engineering conservation, let's say,  
2 you're looking back at a plant and discovering that  
3 maybe you don't have as much heat removal capabilities  
4 you thought you had.

5           Then you have events that would affect that  
6 particular train in the plant, that system. I would,  
7 as a citizen looking at this from the outside, I would  
8 presume that that plant's condition of having less heat  
9 removal capability, let's say, than previously thought,  
10 were informed the levels of risk that you assign to the  
11 failure of that particular component. Is that the way  
12 it ought to go? Now that's in the scoring end. But  
13 how about in the end of allocating inspection  
14 resources.

15           When we had this discussion with the public  
16 meeting on this process at the Vermont Yankee Plant,  
17 what we tried to get from the resident inspectors and  
18 the people up in Region I at that point was, if you're  
19 risk informing the process, and you have a bunch of  
20 categories here, the risk information for PWRs is  
21 different than BWRs, and you go all the way down the  
22 line you know, for whatever you're looking at.

23           When it comes to the specific plant, we tried  
24 to get them to say, well, what's high on the scope for

1 this plant? What are the areas where you see that  
2 there are either eroded engineering conversations or  
3 weaknesses that you are paying particular attention to  
4 when you inspect this plant? They clammed up.  
5 Couldn't pry word one out of them about how this risk  
6 information play out when you get down to the specific  
7 plant.

8           And I'm wondering if you could give me a  
9 little education on that. Because that's the only way  
10 we can see it is by the way, how does this play out in  
11 our neighborhood.

12           MR. BROCKMAN: Let me try to project it from  
13 a project's viewpoint, and then I'll give you some time  
14 to formulate your thoughts, oh, Senior Resident  
15 Inspector, how you apply that at your plant.

16           It definitely does follow in, and what it  
17 goes into is in your sample selection that you are  
18 going to pick. Whenever we go out to do an engineering  
19 inspection, prominent identification resolution  
20 inspection, if my residents are working with an outage  
21 coming up -- and that's typically -- for your example,  
22 when we'd really look at heat syncopacities and heat  
23 exchangers and things this, we get together with the  
24 SRAs. That's part of our planning process. And

1 identify where are the more risk significant areas to  
2 focus at.

3           This is one we'd have -- there's a weakness  
4 there. All right. I got that one sitting over in my  
5 tickler file to pull up and be looking at whenever I am  
6 doing problem identification resolution this is an area  
7 that's a higher probability to look at. It is  
8 something I want to get with Jim when I'm developing my  
9 sample plan and factor in to the right way to look at  
10 it. Am I mining it? No. Does it give me insight that  
11 this is a softer area and therefore has a higher risk  
12 possibility associated with it, it needs to be probed  
13 to confirm or refute that fact, because it could be  
14 refuted. At which time then I'll back off in the  
15 future. That's how you use that information within the  
16 development process. That's from a division director's  
17 point.

18           MR. MOORMAN: But on a daily perspective, we  
19 know which systems in the plant are important to risk.  
20 And being mindful of those, everything that goes on in  
21 the plant that we monitor in our daily plant status  
22 monitoring, I look at every condition report that gets  
23 generated at the plant. We look at that for how  
24 problems are affecting those systems. And then we take

1 the inspection modules and go in and take a look at  
2 those problems.

3 We also look at human performance. Where do  
4 we see problems and are those likely to become risk  
5 significant if they get out of control. So we do know  
6 what systems to look at, and we focus on these.

7 MR. KRICH: The only question I had in  
8 listening to your question was, you were saying, well,  
9 if you have a degraded condition -- I'm not sure that's  
10 the word you used.

11 MR. SHADIS: Well, "erosion of an  
12 engineering" --

13 MR. KRICH: If it's a known condition, then  
14 it's taken care of. It's addressed to the corrective  
15 action. And the inspection process and use of PRAs is  
16 not going to necessarily help you with that. It's an  
17 identified condition.

18 Where PRA helps you is, all of us have a list  
19 of systems which have a high impact on plant risk. So,  
20 for example, the service water system. If you lose the  
21 service water systems, in most plants you are in deep  
22 do-do because it has a tremendous impact on the ability  
23 to mitigate the consequences of an accident.

24 So the NRC will then use that, for example,

1 to go in and do a focused inspection on the service  
2 water system to see if we're maintaining it properly,  
3 is the training being done properly, human performance  
4 problems in operating it is being operated properly.  
5 That type of thing.

6 But in terms of eroding something that's  
7 already identified as being eroded, then PRAs can't  
8 help you with that because you've already identified  
9 that.

10 MR. BROCKMAN: There's a key point that you  
11 bring up, problem identification resolution process,  
12 the corrective action process the licensee has. If we  
13 identify this concern -- the licensee identifies it, I  
14 am operating under the premise that they have embraced  
15 the issue and put into their corrective action program,  
16 and are dealing with as a responsible licensee.

17 If they're not, I'll come back to that issue.  
18 If they are, and it hasn't crossed a significance  
19 threshold, it's in their ban, then what I expressed  
20 earlier is what I'm going to do. I'm going to use that  
21 to help my risk inform my samples. If it has crossed  
22 the threshold, then they're going to get special  
23 inspection associated with that, as is appropriate for  
24 the program 95001, 002, what have you, depending upon

1 the threshold it crossed and what that means.

2 Now if they haven't embraced it, and they  
3 haven't seen it as a problem, then that gets us engaged  
4 to go out and inspect the brief clarification to it  
5 associated for what we think the potential impact could  
6 be. And there are more than adequate risk-informed  
7 modules for me to be able to go out and probe into that  
8 and pry to independently putting characterization on  
9 it, which will then a little more of what I'll call put  
10 the shoe horn a little more before its fit into the  
11 corrective action program.

12 I have not found the need to do that, I  
13 think, except for one very minor opportunity thus far.  
14 Its more been a follow-up because they've taken the  
15 issue and use it to risk inform myself.

16 MR. BLOUGH: Well, there's so many angles to  
17 that question. I mean, when you start answering all  
18 the angles, you know, it gets to be overly complicated.  
19 But there are cases where you wouldn't say the  
20 engineering margin has eroded. But over time, from the  
21 original design, is the design requirement here and the  
22 actual design was here, and then various reasons:  
23 modifications, changes to the plant, they might have  
24 come closer together, you know. So where it's still

1 acceptable with less margin in the various  
2 calculations.

3 In that case, one, as I think Jim said or  
4 whoever said, those issues are more likely to get  
5 picked up in your sample selection for the engineering  
6 inspection. But the other angle on that is, you're  
7 going to have to spend more time. I mean, the closer  
8 it is, if you have -- diesel loading, which has now  
9 become very tight, you have to look more closely at  
10 every angle that goes into that, and the validity of  
11 every single input to where, if there's more margin, it  
12 would be an easier inspection to do.

13 Same thing with service water. If you've got  
14 a water system, which the margin has gone down, it is  
15 just going to be harder to take an inspector to inspect  
16 it, because you have to go in and look at the results  
17 of the inspections, all the heat exchangers in more  
18 detail than you might have to with a system that is  
19 more margin. I don't know. Your question has so many  
20 angles to it.

21 MR. SHADIS: Well, I think I'm looking for  
22 reassurance that the plant specific information plays  
23 into, you know, not only plays into the assigning of  
24 values for various infractions and so on, but also

1 plays into determining how this plant is going to be  
2 inspected.

3           The emergency diesel generator example that  
4 you brought up is a good one. And I know,  
5 historically, in the way back with Maine Yankee, we had  
6 diesel generators that, if they were tapped fully under  
7 an emergency, it would be within three-tenths of a  
8 percent of their plate rating.

9           Also, looking back in the record at one point  
10 we had a violation where a mix of diesel fuel was  
11 delivered that was what's called a "winter mix" in our  
12 area. It's about 40 percent kerosine. Meaning that  
13 the choleric content of it was diminished well in the  
14 way past that three-tenths of a percent margin.

15           In other words, those diesels could not have  
16 gotten their full horsepower rating out of that fuel,  
17 no matter what you did to them. And yet, these two  
18 events, the synergy between these two events, was never  
19 brought forward in anything that NRC did at the time.  
20 Nothing we saw at least.

21           And so what I'm suggesting here is that where  
22 you have ongoing conditions with a plant, from the  
23 public confidence perspective, we'd like to see it  
24 reflected that NRC is aware of these things and taking

1    them into cognizance as they go forward with this  
2    program, with this inspection program.  And this is not  
3    a new issue and it doesn't pertain in a singular way to  
4    this program, but it does pertain to this program.

5                   MR. BROCKMAN:  I think it would be safe to  
6    say that the program allows for these things to be  
7    done.  If we are doing our job properly, which is  
8    holding upon me as a manager for that area and my  
9    staff, we would be doing that.  Am I going to tell you  
10   that every issue and every correlation that I'm a  
11   hundred percent command of, I can tell you I try.  I do  
12   my best, and we work on it, and we're continually  
13   working on it.  That's really the best I can go in that  
14   area because of the amount of resources.  We've got our  
15   program in the sampling program.  It's not a hundred  
16   percent verification program.

17                   Now, could I tell you we've still a process  
18   involved, though, if such an issue was brought to our  
19   attention, that we could immediately address it and  
20   handle it without a doubt, that's still in the program  
21   and would be immediately addressed, handled, and  
22   reviewed and put into a proper context?  No doubt about  
23   that at all.

24                   MR. BORCHARDT:  I can finish up, hopefully,

1 very quickly. My last item has to do with what the  
2 definition of a "performance deficiency" is.

3           For an inspection finding to be valid, there  
4 has to be a performance deficiency. The question is,  
5 is this a performance deficiency on personnel that may  
6 have caused the problem, or a performance deficiency on  
7 the plant? And to illustrate the story quickly, I'll  
8 just give you a quick theoretical example.

9           Suppose a design engineer made an error 20  
10 years ago, and it turns out that a system within the  
11 plant would not have been functional for a specific  
12 scenario for the last 20 years. The licensee discovers  
13 that deficiency. Dah! Is that a performance issue?

14           Some would argue that this is an error that  
15 happened 20 years; that it's not reflective of the  
16 licensee's current performance in the area of design  
17 engineering and, therefore, is not a performance issue.  
18 Others would say, now, you don't look at who causes it  
19 or how it was caused, you look at the fact that there  
20 was a system that was required to be operable. It  
21 wasn't operable. It had some impact on risk, which you  
22 can assess, and that it's the plant configuration that  
23 is the performance issue, and that's what the action  
24 ought to be issued -- the finding ought to be issued to

1 document and the violation, if there is a violation, be  
2 issued to take enforcement action on.

3           There was a fair amount of debate and  
4 discussion on a number of recent cases that go to this  
5 very question.

6           And my last issue is that I believe that  
7 program guidance needs to be developed to specifically  
8 address whether it is either or both of these  
9 scenarios.

10           MR. FLOYD: Bill, I have another corollary to  
11 that, and that is, suppose you have a diesel generator  
12 fail to start. It's unavailable due to a random  
13 failure of a relay and a piece of equipment. The relay  
14 is under a maintenance program and it failed well  
15 before it's meantime to failure, are you going to  
16 evaluate that as a failure of that piece of equipment  
17 using the STD or not? Because some would argue that,  
18 no, that's not a performance issue with the licensee.  
19 They were maintaining that piece of equipment in  
20 accordance with their program. They just had an  
21 unexpected failure well before its meantime to failure  
22 on. That's another correlation to that issue that I  
23 know has come up. Is that a performance issue? Yeah.

24           The first one I think is a little clearer in

1 my mind as to whether it's a performance issue or not.  
2 The second one I think is pretty clear. It is not a  
3 performance issue. But others may disagree with that.

4 MR. BORCHARDT: Well, let's elicit the answer  
5 to the first question.

6 MR. FLOYD: I think philosophically it is a  
7 performance issue, because the licensee has a program  
8 where they're supposed to be going back and  
9 periodically doing design reviews and assessments,  
10 reviewing it, picking up to see if there's deficiencies  
11 that have yet to be discovered. So that is part of the  
12 program and responsibility to do that.

13 The second issue, if they got a program, and  
14 it really was a random failure beyond their control, I  
15 wouldn't think that as a performance issue.

16 MR. BLOUGH: I don't think we're supposed to  
17 be able to find a performance issue before reviewing an  
18 LER, and it ends up that it is just an equipment  
19 failure. There's no program -- no reasonable thing  
20 that should have prevented it. I don't think we're  
21 supposed to define any performance issue and enter an  
22 STP for it.

23 MR. SHADIS: Right.

24 MR. BLOUGH: But I do know that we did make

1 that mistake at some plants early on, and I hope we've  
2 corrected it now where we specifically were reviewing  
3 LERs, and they issue green findings what was just an  
4 equipment failure. No performance issue identified.

5 MR. TRAPP: The important aspect, too, in the  
6 first case, I'd want to do a follow-up inspection and  
7 see what other design issues are out there. So it's  
8 probably worthy.

9 The second case, if I've already got what I  
10 need to know, why would I go in there.

11 So if the purpose of the program is to direct  
12 inspection resources, then that's exactly the key.

13 MR. GARCHOW: There's another, like, opening.  
14 I know some of the utilities are doing better than  
15 others; that in this program it doesn't matter who  
16 finds it if you buy into the construct. So if we're  
17 doing the self-assessment, here's where the disconnect  
18 between 5072 and 5073 in the program comes in, because  
19 I really have no regulatory basis to report that to  
20 you.

21 Some utilities, our's included, have  
22 submitted a voluntary LER. If we think that we're into  
23 something we found that I can't get into a text-spec  
24 problem, but when I review the issue in accordance with

1 the STP, I come out with something maybe green or maybe  
2 green heading to white, I get nervous on the disclosure  
3 parts.

4 I mean I think if that's where, you know --  
5 if you were really going to tie all the programs  
6 together, you would have a length of 5072, where I'd  
7 have to report that, so the people like Jim could take  
8 their view of it and say it either is or isn't.

9 Right now, not all those things would I enter  
10 a text-spec or am I required to write a LER or make a  
11 one- or four-hour call, but in my self-assessment  
12 program I found it and it exists. It happens  
13 infrequently. But as over 104 plants, as we're trying  
14 to get our self-assessment programs more robust, we're  
15 really digging, we're really going to find. And that's  
16 an open issue.

17 MR. BORCHARDT: I'm done.

18 MR. HILL: Most of these issues have to do  
19 with performance indicators, and most of them were, I  
20 thi9nk, already addressed at the workshop, and so I  
21 think they're kind of known but I'll go through them  
22 anyway.

23 First there on "unplanned power change  
24 performance indicator" has to do with the fact that if

1 you have something that's broken, if you go ahead and  
2 fix it in less than 72 hours, and take a power  
3 reduction, you're seen as being a poor performer or an  
4 outlier and really doesn't take into that, you know,  
5 may very well be capable of being -- in other words, a  
6 72-hour arbitrary time period regardless of your  
7 planning capability.

8           The second one has to do with fault exposure  
9 hours, and there's already been a lot of talk about  
10 that. And the fact of taking half of the time there.  
11 Like I say, that's already being worked on.

12           The third one is similar. Again, equipment  
13 unavailability definition. That was different,  
14 different programs. And there's already groups working  
15 on that. As David said earlier, a lot of things --  
16 there's already people that have identified these, and  
17 I think some of these were identified to us last  
18 meeting.

19           The next one on the next page has to do with  
20 reasonable operator actions, whether you should be able  
21 to take credit for reasonable operator actions or not,  
22 and the difference of not being able to do them for the  
23 unavailable hours.

24           Then there's also a question about limiting

1 the exemption from reporting plant overhaul maintenance  
2 hours, which has an impact on plants that already have  
3 a text-spec that allows being able to do online  
4 maintenance.

5 MR. GARCHOW: Did that come up at the work  
6 shops, the plants that have the 14-day diesel LCOs, you  
7 know? If you follow the NRC text-spec that they gave  
8 you, that you paid for, you follow your text-specs  
9 right into white.

10 MR. SCHERER: The PI Manual was changed.

11 MR. GARCHOW: Was that changed?

12 MR. SCHERER: Yes, if you have a risk based,  
13 risk performed AOT, you don't have to do that.

14 MR. PLISCO: Now it's gone the other --

15 MR. FLOYD: This is another example of making  
16 a quick change to the program that wasn't as well  
17 thought out as it should have been.

18 MR. HILL: And then the last two have already  
19 been talked about on security and fire protection.

20 MR. KRICH: In the interest of time, and also  
21 everyone's patience, I'll go through this right quickly  
22 because I think most of these issues have been covered  
23 already. And I want to just put this in the context of  
24 the way that these items were given. These are some

1 very specific items, but the objective of the idea here  
2 was that they indicate some concern with the overall  
3 program that needs to be addressed either as a weakness  
4 or as a programmatical change.

5           The first one on performance indicators  
6 really deals with the issues that I think all of us had  
7 experience with performance indicators either, you  
8 know, masking -- using T over 2 process, the faulted  
9 condition, masking some other problem with the  
10 equipment.

11           And I want to address an issue that Dave  
12 Lockbaum put in his resignation letter. The concern  
13 with the T over 2 issue is not a concern with  
14 unnecessary regulatory burden. It's concerned with  
15 plant safety in the sense that, if you wind up counting  
16 the T over 2 for those conditions where you do 18-month  
17 test, and you fail the test, and therefore you have to  
18 take half that time and you're going to be in white or  
19 yellow, you're possibly your attention on the wrong  
20 thing, in terms of plant safety.

21           In other words, the plant may be fine with  
22 respect to risk, but because of T over 2 you are now  
23 devoting a lot of attention and resources to something  
24 which really doesn't affect plant risk. Whereas, it

1 may be better served to put your attention on something  
2 else which does affect plant safety.

3           So that's our issue with T over 2 is that it  
4 can divert your attention from real safety risk issues,  
5 because you're just counting numbers and you're not  
6 looking at what is the context.

7           MR. HILL: I think to expand on that, you  
8 know, in his letter he kind of implied that the text-  
9 specs may be wrong. You might should test more  
10 frequently. And I think that well before this program  
11 ever came up, we always looked at -- at least our plant  
12 did -- if you had an 18-month surveillance and it came  
13 up and you had a problem, you had to look at it and  
14 see: Do I need to test it more frequently for a while  
15 or whatever?

16           Many, many times we would take and some  
17 fails, and you'd test it. Okay. We're going to test  
18 it every other day for a week, then we're going to test  
19 it every week, and then we're going to test it a month  
20 until we get some assurance we really figured it out.

21           I think the biggest problem we have T over 2  
22 is, you have -- there's no consideration of what is the  
23 problem. It's just the fact that it failed, and it can  
24 have operator action and your safety function could

1 have been taken care of. And that's the same effect as  
2 if it could never have worked at all.

3 MR. KRICH: That's what we mean by taking out  
4 of context.

5 MR. HILL: Right.

6 MR. KRICH: And we had situations where  
7 instrumentation was drifting more than we had  
8 originally assumed and, therefore, wound up calibrating  
9 or surveilling this instrumentation more frequently  
10 than was required by text-specs.

11 Now, ultimately, that put us into what's  
12 called adding a letter of 9810 space, which is if your  
13 text-specs are not conservative relative to what you  
14 are finding in the plant, you need to get your text-  
15 specs changed. And that's, in fact, the process we  
16 went through. But we did find if that instrumentation  
17 was drifting further than what was covered by the  
18 surveillance, so we did more frequent surveillance.

19 I really felt I needed to address that issue  
20 in Dave's letter. The concern has always been on plant  
21 safety not unnecessary regulatory burden.

22 On inspections, our issues here are some that  
23 we've already discussed in detail. The non-color  
24 findings is confusing to us, and the other issue is the

1 estimate of time it takes to do inspections. We have  
2 found the inspections have gone way over what was the  
3 original estimate.

4 Now we understand that those were estimates,  
5 and that we're all learning from this process. For us  
6 it's just a flag.

7 MR. BROCKMAN: I want to make sure I  
8 understand. So you're saying the individual inspection  
9 activities are going way over, not that your overall  
10 inspection work load compared to the previous program  
11 is different?

12 MR. KRICH: Both.

13 MR. BROCKMAN: The one is not surprising; the  
14 other is.

15 MR. KRICH: Right. The one here is that the  
16 NRC -- what's indicated in the inspection procedure,  
17 the time has frequently found it to be an under  
18 estimated of what the time actually turns out to be.

19 MR. BROCKMAN: Bigger.

20 MR. KRICH: Much less. So PI&R spent much  
21 more time on it trying fire protection inspection, that  
22 type of thing.

23 Also the time we have spent preparing and  
24 covering these inspections has been more than what we

1 originally expected. So it's learning --

2 MR. BROCKMAN: Yeah, but we didn't give you  
3 an estimate.

4 MR. KRICH: You did not give us an estimate  
5 on that. We gave ourselves an estimate.

6 MR. SHADIS: Could we go back to that time  
7 issue just for a minute?

8 MR. BROCKMAN: Sure.

9 MR. SHADIS: Six or seven years ago NRC had  
10 sent out letters inviting licensees to apply for  
11 exemptness, to extend the intervals on surveillance and  
12 maintenance.

13 MR. KRICH: That was generic letter 9406, I  
14 think.

15 MR. SHADIS: Yeah, something like that. And  
16 that was prompted by concern for plant safety.

17 MR. KRICH: The generic letter has to do with  
18 extending surveillance frequencies to 24 months,  
19 because licensees at that point -- there was a number  
20 of licensees who were looking at extending their fuel  
21 cycle.

22 MR. SHADIS: No. Now that was one area where  
23 that was invited, and I know that Millstone took  
24 advantage of that to the extent that when they did

1 their extended shutdown, they didn't look at reactor  
2 internals or anything for close to four years.

3 What I'm talking about is intervals of --

4 MR. GARCHOW: There really wasn't any  
5 surveillance on the text --

6 MR. SHADIS: There was an invitation to apply  
7 for exemption on surveillance and maintenance and items  
8 like relay switches, dowels. There was a bunch of  
9 things that different licensees applied for and they  
10 were granted their exemptions. And from the public  
11 perspective --

12 MR. GARCHOW: There weren't really exemptions  
13 because you actually were granted text-spec changes.  
14 So there was no exception. You just had a new basis  
15 for your license.

16 MR. SHADIS: Yeah. I misspoke myself. It  
17 was a text-spec change, if you would. But we were  
18 essentially invited to ask for. But we could never  
19 understand that in terms of increasing plant safety, or  
20 enhancing plant safety. We were told by NRC at the  
21 time that, well, you know, you keep testing these  
22 things, you're going to break them sooner or later. So  
23 its like, kids, don't play with the light switch, you  
24 know. We're going to need it some day.

1           MR. FLOYD: The real answer is that you're  
2 trying to balance availability and reliability. Okay.  
3 Now, obviously, the more you test something the higher  
4 you can say the more reliable it is, okay, if it  
5 doesn't fail. But also, unless it's available to  
6 perform its function because its out for testing. That  
7 was the basis of the earlier ones. You're trying to  
8 balance --

9           MR. SHADIS: Thank you.

10          MR. GARCHOW: And many of the tests on those  
11 in Steve examples to actually test them, you have to  
12 put the plant in a configuration where they're not in  
13 the same configuration to be ready for an event. But  
14 the artificiality, you have to test up the test  
15 conditions.

16          MR. SHADIS: And so, in essence, we have set  
17 ourselves up for extended intervals on surveillance.

18          MR. GARCHOW: Based on known reliability of  
19 components.

20          MR. SHADIS: And that now -- in terms of  
21 consequences, now we're talking about T over 2. Okay.

22          MR. KRICH: But a lot of these are -- most of  
23 these cases, Ray, are not situations where we have  
24 subsequently extended the surveillance. But a

1 situation when you cannot do the test when the plant is  
2 operating, you can only do it when it shuts down for  
3 refueling. I mean that's 18 or 24 months. So it's not  
4 a question of extending something, it was a question of  
5 we can't do the test unless the plant shut down.

6 MR. SHADIS: Now I understood and I took well  
7 to your issue of how significant this is after this  
8 particular component.

9 MR. KRICH: Right.

10 MR. LAURIE: Just so I understand, the  
11 complaint or concern about the inspections taking more  
12 hours than anticipated, the concern is based upon the  
13 fact that portions of the operation have to be shutdown  
14 for support personnel. Your support personnel have  
15 costs attached. Absent that, what do you care. So my  
16 understanding is that during the course of the  
17 inspection, it affects the operation. The operation  
18 has costs. Is that --

19 MR. KRICH: Exactly. The concern is that the  
20 longer an NRC goes on, the more man hours and resources  
21 are devoted to that inspection as opposed to doing  
22 something else. Now I'm not saying they shouldn't do  
23 inspection, I'm just saying, you know, we wind up  
24 spending large amounts of resources responding to the

1 inspections, which is what we're supposed to do. But  
2 the longer the inspection goes, the more resources we  
3 wind up expending.

4 MR. GARCHOW: And so much as a planning too.  
5 I mean, your planning expecting to be two hours, so you  
6 need five engineers to support the fire protection  
7 inspection for two weeks. And it becomes four weeks,  
8 well then, whoever you were going to have in  
9 engineering that you were planning on working on the  
10 other two weeks is now still supporting the inspection.  
11 And much like the NRC tries to always keep their  
12 resources balanced, and we're trying to do the same  
13 thing.

14 MR. BROCKMAN: And an ancillary question that  
15 goes with that. The NRC works five-eighths. Everybody  
16 may not work that. But as an agency we work five-  
17 eighths. Eleven of the 14 sites in Region IV do not  
18 work five-eighths. They don't work five days a week  
19 every week.

20 MR. GARCHOW: We work six-tens.

21 (Laughter)

22 MR. BROCKMAN: Well, you answered my  
23 question. I'm hearing -- is it a concern of the fact  
24 that the inspection schedules we had, were they

1 premised on getting out there sometime on a Monday,  
2 getting started, coming to closure by midday on a  
3 Friday, and then being able to exit out there. Is that  
4 causing an untoward impact in having to have licensees  
5 rearrange schedules of people and what have you and  
6 distract them from the things they would normally be  
7 doing.

8 MR. KRICH: If you're out there for  
9 inspection, we're going to be out there for inspection.  
10 That has no impact on -- I mean we're going to be  
11 there.

12 The biggest impact truly is, we take  
13 resources that are usually devoted to doing either  
14 improvements to plant liability or addressing issues  
15 from the corrective action program. And now they're  
16 off for the entire two weeks answering questions from  
17 the NRC inspection team. That's life. I'm not  
18 complaining that they shouldn't do that. But the  
19 longer that goes on, the more they're doing that as  
20 opposed to these other things.

21 MR. BROCKMAN: To make sure I understand  
22 then, the activity going on longer than all the plans  
23 that you've put in place to deal with that is sort of  
24 like we're doing. Once the game's defined, it's a

1 nine-inning game. We don't get into it and decide,  
2 well, let's play 13 today.

3 MR. TRAPP: But was some of that driven by  
4 the findings or was that mainly -- I mean, if you come  
5 through with a clean inspection, it's supposed to be a  
6 week, and they take three weeks to do it, I can see a  
7 complaint.

8 If it's an issue where you end up at the end  
9 of this first week and you have 15 late findings, then,  
10 obviously, it's going to take another week to resolve  
11 them.

12 MR. KRICH: That is an element in it, but it  
13 is not the driving element. Because if you look at the  
14 way everybody does inspections these days, I mean, the  
15 same thing that happens at his plant that happens at my  
16 plant.

17 We set up a very elaborate system for  
18 handling every single question that comes out of that  
19 team. The minute the question is put down on that  
20 system (snaps fingers) people are off running and  
21 getting the answers to that question. So we're  
22 resolving issues as quickly as we possibly can. So  
23 there are things that linger that cause it to drag on,  
24 but that's not the driver's fault.

1           I think that people are getting used to the  
2 new inspection procedure. They're finding things that  
3 they hadn't anticipated. I think this is mostly a  
4 learning process.

5           MR. SCHERER: Is it the learning curve that  
6 you're seeing, or is it an extension? I haven't seen  
7 an extension. And the NRC so far has said they're  
8 coming for a week, they're coming for a week.

9           MR. PLISCO: Well, I was going to say that  
10 this is one issue we can look at real hard data. The  
11 first thing we've talked about today. We can look at  
12 hard data. When Bill Dean brings his information, he  
13 can tell us what are we using compared to what was  
14 estimated. We'll have real hard numbers to look at.

15           I mean, we can cut it. I mean, you saw some  
16 of his metrics. He can cut it anyway we want it.

17           MR. BROCKMAN: But I think it's an interest,  
18 because I think we need to look at it in two different  
19 cuts. The overall number, I can get that in a bunch of  
20 different ways. And what I hear you saying is, the  
21 concern is five-eighths has a different impact than  
22 four-tenths.

23           The physical number of days in which the  
24 inspection operates is also a significant factor in

1 addition to how many overall hours there may be  
2 associated with that.

3 MR. KRICH: Schedule issues are an issue too.  
4 I mean --

5 MR. BROCKMAN: We don't have schedules here.

6 MR. GARCHOW: We have a tri-annual fire  
7 protection inspection coming up at one of our plants  
8 that was moved up four months. There were a whole  
9 bunch of resources that -- because that's a big  
10 inspection. Well, your big inspections, we didn't have  
11 planned to be doing that, to be preparing for that and  
12 getting the information together in December and  
13 January. We had that scheduled out for April and May.  
14 And then the schedule change becomes the impact as  
15 we're trying to plan for outages and, you know, we use  
16 people in multiple, different ways.

17 MR. PLISCO: And that's a metric too, I  
18 think. How many of those scheduled changes we have.

19 MR. GARCHOW: A schedule change on one  
20 inspector three days is different, than PIR fire  
21 protection design basis review. You know, your big  
22 ones. They take a lot of resources.

23 MR. KRICH: It was only raised as a flag that  
24 I noticed this. I think it's a learning -- we had a

1 meeting a year ago September, as a pilot plan, in  
2 Region III with Point Beach, and we talked about what  
3 was working, what wasn't working. What we learned at  
4 that time was the PI&R inspection, for example. We had  
5 I think the first PI&R, and it went way longer than  
6 what was put in the procedure.

7 MR. REYNOLDS: Everyone of these we bring up  
8 here: the tri-annual fire protection, the quad-city,  
9 and the pilot PI&R, was the very first time they were  
10 done, and everything's had substantial change since  
11 then. The agency's dropped associated circuits, which  
12 is a major issue at Great Britain that we put in  
13 abeyance. Oddly it wasn't a problem with the  
14 inspection so much with the STP, so it wasn't that the  
15 inspection resources. It was the assessment for the  
16 program that took so long. And the PI&R, like you  
17 said, it was the first one to be common. And I think  
18 everyone since then has been well within. So I think  
19 all these issues aren't nearly as -- we've done  
20 triangular fire protection since then. We've done the  
21 fourth on fourth drills and PIRs, and didn't schedule  
22 going on and resulting going over.

23 All the ones that went over, especially the  
24 fire protection and the osry was based on the issues

1 that were identified, not just the equipment problems  
2 at the plant or their programmatic issues at the plant.  
3 There were a lot of programmatic issues that needed to  
4 be ironed out with the inspection program.

5 MR. KRICH: I agree.

6 MR. REYNOLDS: And so, I'm not sure that that  
7 was allocating inspection resources. It was the right  
8 words, especially it was more the -- in resources you  
9 had to comply with the issues but it wasn't so much an  
10 inspection activity. It was an outcome of -- we make  
11 differentiation between inspection assessments and  
12 inspection programs. I would put it more in inspection  
13 program issues.

14 MR. KRICH: We just lumped it altogether into  
15 one. I understand.

16 MR. REYNOLDS: I just want to make sure I  
17 understood; otherwise, you and I won't communicate.

18 MR. KRICH: No, no.

19 MR. REYNOLDS: That's most of our PI&Rs to do  
20 the scope as we see it is taking more. And the  
21 engineering SSDIs, which is a pretty wide variation and  
22 those specially dependent, how complicated the system  
23 is and how retrievable the information is.

24 MR. BLOUGH: I'm very familiar with these

1 particular ones that Rod was talking about tonight, and  
2 the words and what he was saying I didn't think it was  
3 clear inspection program issues.

4           And another procedure question. You skipped  
5 some of the issues, and some of the issues haven't been  
6 covered. I was going to say the ones that haven't been  
7 covered previously, and you're not covering, are no  
8 longer issues, or they're all issues and your just  
9 hitting the highlights?

10           MR. KRICH: They're all issues. I'm just  
11 hitting on a summary statement. Is there something in  
12 there you want to bring out in particular? In the  
13 interest of time I was just trying to get through  
14 quickly.

15           MR. REYNOLDS: Look, I guess we'll call it  
16 all later.

17           MR. PLISCO: And I would suggest -- I mean,  
18 we can all read these. If you see particularly you  
19 don't understand, I mean if you'd been to some of the  
20 workshops, I think some of these issues in all regions  
21 are similar. But I think if anyone's got questions  
22 about specific ones --

23           MR. CAMERON: Just a point of order. I don't  
24 think the panel has started to wheedle down the issues

1 yet, and I think that it would be Rod's intent to have  
2 all of these issues identified here considered before  
3 the wheedling process would begin. Your not wheedling  
4 yourself. Okay.

5 MR. PLISCO: I was going to say to stay out  
6 of this, but I intended to -- John and I -- or John is  
7 to take all the inputs. I know we're still missing  
8 some inputs. Is to take all of these and try to put  
9 together a consolidated list and make sure we have all  
10 the issues captured, because there is a lot of  
11 duplication, obviously, and we'll try to pull one  
12 composite grouping together so these are not lost. If  
13 it's written on this piece of paper, we'll work on it  
14 when we put our list together. But I wanted to make  
15 sure that we all at least understood what the issues  
16 are as we walk through them.

17 MR. KRICH: STP, in general, the issues that  
18 we found were similar to the issues that we've already  
19 discussed with regard to the use of STP in fire  
20 protection area, in the security area.

21 One new one that we just hit upon is this  
22 long discussion here -- and, Steve, you're probably  
23 aware of this one -- we had an HP inspection at our  
24 Quad City Station. We had a very high unexpected dose

1 rates, when we shut the plant down for refueling, due  
2 to some chemical treatment that we had been doing on  
3 the primary system. Therefore, we had to keep  
4 adjusting the ALARA estimates for work that was being  
5 done on the plant, because the dose rates were about  
6 three times higher than what we had expected.

7           And so we just got a finding because our dose  
8 estimate for ALARA was greater than 150 times -- or the  
9 actual dose was greater than 150 times what the  
10 estimate was, depending on which estimate you start  
11 with.

12           The NRC is starting with one that we when we  
13 first shut down, readjusted it as we learned about dose  
14 rates, and so there was some discussion about what's  
15 the appropriate way to look at this.

16           MR. GARCHOW: Was that a green or white or --

17           MR. KRICH: I'm sorry.

18           MR. GARCHOW: Was that a green finding?

19           MR. KRICH: It was a white finding.

20           MR. GARCHOW: White finding.

21           MR. TRAPP: How did it turn out?

22           MR. KRICH: One of our regulatory  
23 conferences.

24           So we think that this is an issue because

1 there's a -- and I think the NRC recognizes this --  
2 there's a potential disincentive now to do good ALARA  
3 planning, because if you're going to get held to that  
4 first estimate, then everybody's probably going to  
5 inflate that first estimate so as to not get caught  
6 into the --

7 MR. GARCHOW: That would be an undesirable  
8 consequence.

9 MR. TRAPP: And some undesirability going the  
10 other way where you could just re-estimating yourself  
11 all the way up to your --

12 MR. KRICH: That's right. We agree with that  
13 too. You can't keep changing the number as you go  
14 along.

15 MR. GARCHOW: We had a case, a very similar  
16 example just occurred it sounds, and you do want to  
17 keep conservatively redoing your estimate when you're  
18 in the outage, because I challenge the team and say,  
19 okay, this happened. I don't have to like it. But now  
20 here's the estimate. Every day the work group has to  
21 do more to conserve their dose. So I was giving them  
22 challenge goals every day in the fly to keep overall  
23 doses down. I thought I was going to get penalized  
24 every time I exceeded that challenge dose. They

1 probably could still do it, but I didn't think it was  
2 right that I was getting penalized for trying to do  
3 something that was in the spirit of ALARA by  
4 challenging the work groups to be creative once we had  
5 a problem.

6 MR. FLOYD: The potential consequence here is  
7 you could stifle plants wanting to expand the work  
8 scope to further investigate problems to see the extent  
9 of it, if they think they are going to go over their  
10 dose limit. Their original estimate by more than 50  
11 percent and then trip into the white.

12 MR. SCHERER: Exactly. You don't want to  
13 penalize a plant that goes in and does an expansion  
14 inspection, for example, in a steam generator because  
15 that's the right thing to do, even though that might  
16 mean that, even with the best ALARA program, that  
17 you're increasing the dose. That's the right trade off  
18 to do. And you look at all of it, including the dose  
19 to the plant personnel. But if the right answer is to  
20 inspect a steam generator that's still the right  
21 answer.

22 MR. KRICH: I think that this is a good  
23 example of a particular specific case that goes to  
24 addressing the question of -- determining the new

1 oversight process is achieving the NRCs goals. What  
2 was the goal here in terms of the ALARA STP? What  
3 really was the NRC trying to get to? And then are we  
4 doing that in practice? Are we, unfortunately, meeting  
5 some other goal?

6 This shows the kind of -- you go from here to  
7 the overall objective. I think you can see how that  
8 would roll up to that.

9 MR. TRAPP: Can you please explain the third  
10 one. I still have a little trouble with that one.

11 MR. KRICH: Third one?

12 MR. TRAPP: Yes.

13 MR. KRICH: The change management issues?

14 MR. TRAPP: Yes.

15 MR. KRICH: This is the one I was -- this is  
16 the one I mentioned, I think, earlier today. It  
17 sometimes seems to us -- and it hasn't happened  
18 recently -- but early on in the initial implementation  
19 we had situations where a plant condition existed that  
20 the inspector may think was not a good condition. And  
21 so, rather than -- there was an event that then kicked  
22 off the STP process.

23 What would happened is, he had come to us  
24 with, well, I've done a quick STP on this and it looks

1 like your in the white, and so I think we have a  
2 problem here. And then we'd go back and look at the  
3 condition and do our assessment. Rather than there was  
4 something that kicked off the STP process, he was just  
5 looking at -- if this is the condition of the plant,  
6 this is the way we operate the plant.

7 MR. TRAPP: So there's no performance issue.  
8 He's just looking at plant configurations.

9 MR. KRICH: Exactly.

10 MR. GARCHOW: The STP, of course -- the fire  
11 protection STP would sort of steer you and say, okay,  
12 now that I know there might be this one issue, now the  
13 STP is telling me that, you know, the difference  
14 between green and white. And I want to steer the  
15 inspection to say, okay, what's a good inspection,  
16 what's a good detection, what's a --

17 MR. TRAPP: I think that's good.

18 MR. GARCHOW: It is using the STP as sort of  
19 steering the inspection instead of trying to find --

20 MR. TRAPP: We encourage people to do that.

21 MR. KRICH: We want people to look. I mean,  
22 the inspectors have to look. But I think, as I  
23 understand the process, what kicks off an STP is that  
24 there is some event.

1           MR. TRAPP: Right. Should be a performance  
2 issue, and then you've still got --

3           MR. PLISCO: Here's what we're trying to say  
4 too. You don't have a problem. I think what we do  
5 tell our inspectors, actually our hopes for this  
6 program is they learn the STP and will drive what they  
7 look at. Knowing what is important to look at is what  
8 I'm, you know -- based on using the STP over a period  
9 of time. Maybe Jim can answer this.

10           Our expectation was that after they had gone  
11 through a number, they're going to know what's  
12 important and what could fall out. Intuitively, that  
13 will drive back to their same selection and what things  
14 they look at is our expectation.

15           MR. MOORMAN: That's exactly what we do.

16           MR. FLOYD: Why do we have this one the way  
17 it is. The original intent was, it was an attempt by  
18 NRC folks and the RP people in the industry to try to  
19 come up with a performance measure for a regulation  
20 ALARA that has no performance measure. So they're  
21 trying to put a box around it and say, well, if you're  
22 doing this, then you're doing a pretty good job. And  
23 that was their attempt and hadn't got it.

24           MR. KRICH: The objective was to minimize the

1 dose to workers.

2 MR. FLOYD: That's the objective obviously,  
3 yeah.

4 MR. KRICH: And so you're trying to find some  
5 STP that measures how well you are doing it.

6 MR. BORCHARDT: And the STP in these areas  
7 are really not much more than deterministic rationale  
8 that's laid out in some kind of form. And maybe that's  
9 the bigger issue. Whether or not it's appropriate --

10 MR. GARCHOW: I don't agree with that in the  
11 LRP area because that was the case far before it got  
12 jazzy to be risk informed from at least a healthier  
13 standpoint. The LRP regulations actually in the limits  
14 and ...actually have a risk basis to it. It's not a  
15 core melt risk. But it was a risk that a basis and  
16 risk of radiation to individuals. So it had a risk  
17 basis already long before the rest of the regulations  
18 did.

19 MR. BORCHARDT: Had some basis. Right.

20 On your comments are you suggesting re-  
21 evaluating the feasibility of a STP for these areas or  
22 just --

23 MR. KRICH: We would on the STP that is now  
24 in the procedure to see if it's going to -- first of

1 all, we think it needs to accommodate readjustments as  
2 you learn what the dose fields are. Within reason.

3 I've never missed a revised due date. I  
4 understand that concept. But you have to allow for  
5 some adjustment as the learn what the conditions are.  
6 That's number one.

7 I guess the second part was -- there were two  
8 things. You just think the STP needs to be looked at  
9 if its' -- oh, the abuse part. In other words, the STP  
10 has potential consequences of causing you to over  
11 estimate your alaratives.

12 MR. FLOYD: Bill, I can tell you that I know  
13 the effort right now between the NRC and the industry  
14 task force on this is to try and turn this STP into a  
15 PI instead.

16 MR. KRICH: Than it does an STP.

17 MR. FLOYD: Yeah. I don't know how well  
18 they've --

19 MR. TRAPP: So there's a group working on it.  
20 Did I answer your question?

21 MR. KRICH: Yeah, pretty well. I should  
22 mention we did have a situation where at one of our  
23 plants an issue was identified as potential white  
24 condition. We had our regulatory conference; went

1 through our analysis. In fact, NRC concluded that it  
2 was a green situation. So the process works. I mean,  
3 we went right by the book and it worked. It was very  
4 satisfying.

5 MR. GARCHOW: As his company grows, I mean,  
6 they're us, and then he's like representing 22 percent  
7 of the industry requirement. So when he's giving an  
8 experience basis -- how many plants now?

9 MR. BORCHARDT: Quad City is all the issues  
10 we're talking about.

11 MR. GARCHOW: I mean, you've got 17 or so.  
12 It's not just an isolated experience.

13 MR. KRICH: Actually this reflects both of  
14 the plants as well as the Mid-Atlantic plants.

15 MR. GARCHOW: So the people that don't know  
16 who he's representing, he's representing 17 reactors.  
17 So there's a lot of experience in --

18 MR. KRICH: We have Peach Bottom which was  
19 the example of where you had a willful act that then  
20 caused a white.

21 On assessment and enforcement, the only  
22 comments we have there really are, we think that the --  
23 and, Bill, this is for your benefit -- because we think  
24 that the discretion will be considering that

1 discretion.

2           And the other thing is that there's just a  
3 lot of regulatory activity going on in the beginning of  
4 2001. And there's just going to be a lot of activity  
5 all coming together at the same time, and something we  
6 think needs to be carefully watched. And at the same  
7 time allow licensees to adjust to new life under 5059.

8           MR. GARCHOW: Pilots for this and pilots for  
9 that.

10           MR. KRICH: Right.

11           MR. GARCHOW: So I'm just counting on Steve  
12 to do his job, because he's the one central form  
13 following all of this.

14           MR. KRICH: So to wrap up, I want to make  
15 sure -- at least I'm clear -- that we think that the  
16 overall process is a tremendous improvement over the  
17 last process. We have found it to be much more  
18 objective and much more scrutable from our perspective.  
19 However, as we go forward, there are things that we've  
20 come across that we think are shortcomings or areas  
21 that need attention, and that's what we've come up.  
22 And that's what I'm offering here. To use this then to  
23 come to some conclusion. But overall the program, I  
24 think, has been successful.

1 MR. PLISCO: Any other questions?

2 MR. BLOUGH: On that last comment, you have a  
3 lot of comments there on the PIs, and I just thought a  
4 whole lot of them. And if you added them all up and  
5 made some drastic fix, you know, the PIs may look a  
6 whole lot different than they are now. You know, I'm  
7 trying to think about everything you've said here about  
8 the PIs, because I think the PIs have been of great  
9 value. They've highlighted good things.

10 The plants that have significant equipment  
11 challenges, you know, those are showing up in the PIs  
12 to some degree. Some of the emergency planning PIs  
13 have been of great value. For example, in "A" they had  
14 a design problem with the sirens, single barrier  
15 susceptibility. Went through years of broke/fix,  
16 broke/fix. And the PI went back and actually got to  
17 root cause.

18 Likewise, these PIs being somewhat arbitrary  
19 as they are with thresholds. They require once a  
20 threshold is tripped that you go back and actually get  
21 to root cause, even if you have a collection seemingly  
22 unrelated issues on the surface. So from my viewpoint  
23 there's been great value so far having the PIs.  
24 There's a threshold there, and once it is tripped, you

1 know, something has got to happen.

2 MR. KRICH: There's so many comments on PIs  
3 is that's where we spend a tremendous amount of time.  
4 That's also where we think that there is the best most  
5 benefit to gain if we get it right. And we think  
6 there's a lot of room for improvement there.

7 We have four different definitions for the  
8 same indicator that we have to deal with. You only  
9 have to deal with -- as NRC, you only have to deal with  
10 one definition. We have to deal with four different  
11 ones. That causes us a lot of problems.

12 We have what we call "data stewards" at the  
13 plant who collect all the PI data. But depending on  
14 the definition, they have to calculate that number  
15 differently. It is a recipe for a mixup. Especially  
16 with 50-point-9 hanging over our heads, we get very  
17 nervous about that.

18 What we'd like to see is PI data that's one  
19 time for everybody. Is there any NEI/NRC group working  
20 on that? Also PIs that are truly meaningful, so the  
21 issue of T over two, for example. Is there something  
22 in there that causes that to divert attention from  
23 useful information. So we want to fix that. And  
24 that's the type of stuff listed there. So I agree with

1 you. PIs are great. We like the idea. We just want  
2 to make it better.

3 MR. FLOYD: If I could offer perspective.  
4 The unavailability of the PI is the one I think he's  
5 got most of the comments on in there. And that  
6 accounts for about 60 percent of the frequently asked  
7 questions, as infrequently asked as they may be  
8 individually. But collectively the 60 percent of them  
9 are on the unavailability PI. So fixing that one would  
10 take most of the pain away from the PIs.

11 MR. BLOUGH: Okay. Thanks.

12 MR. PLISCO: Why don't we do Jim's issues and  
13 then take a break.

14 MR. MOORMAN: I think most of these we've  
15 already talked about, particularly the first one this  
16 morning "avoidance of a white PI." That's something  
17 where the program is contrary to human nature.

18 MR. GARCHOW: Jim, I think we all agree that  
19 it's an issue, but few of us in here were involved in  
20 this since the first work shop in November, whatever  
21 year it was. And it is really unfortunate how that  
22 came to be, and that was the only issue I had, because  
23 the intent was not to -- the green/white threshold was  
24 set thinking there was going to be white's, and that

1 the NRC would then go in. And if it wasn't a very big  
2 deal, or it wasn't an issue, it could be very simply  
3 closed out in the following inspection report and  
4 disposition, and then went away.

5 But to use the PIs as a screening tool in the  
6 STPs, they sort of took a life of their own. But the  
7 original construct was to use as a screening tool just  
8 to determine if further allocations or resources were  
9 needed. And somehow in the implementation of it, with  
10 the language, the communication or human nature, that  
11 objective was not achieved.

12 And what we thought was going to happen in  
13 the framing of it, at least in the discussions early on  
14 with the NRC, what we're doing at the green/white  
15 threshold is what we envisioned would happen with the  
16 white/yellow threshold. But we never get to the point  
17 because all the energy is consumed at the green/white  
18 threshold.

19 It really wasn't in the NRCs initial framers  
20 minds. And I don't think if any eyes in the industry  
21 as we were working on. We expected there to be more  
22 whites. You didn't necessarily have to like them, but  
23 it was recognized the white being just to steer a  
24 closer look as opposed to something to avoid at all

1 costs.

2 MR. BROCKMAN: That is the fact as to the way  
3 it has evolved to.

4 MR. GARCHOW: And that's unfortunate.

5 MR. FLOYD: I think -- and, correct me, if  
6 I'm wrong. I think that comment mostly goes to the  
7 unavailability and the unplanned power change PI.

8 MR. MOORMAN: That's correct. The unintended  
9 consequences of those. And now with the ALARA PI.  
10 There's some unintended consequences there.

11 I think as the individual PIs are looked at,  
12 this will probably be addressed. I will be willing to  
13 withdraw that as a state of issue.

14 MR. HILL: One thing I'm trying to figure out  
15 was what Dave suggested needs to be done. You said we  
16 need to kill something. I'm not sure what you're  
17 suggesting or asking we do.

18 MR. GARCHOW: We weren't going to get into a  
19 fix. I think it is going to be a very tough fix. I  
20 mean, if you look on the action matrix we were very  
21 clear in our working together with the NRC. And it got  
22 to a common place that there really was no difference  
23 on the action matrix between green and white. And that  
24 consumed a lot of converse. So, really, if you think

1 about the action matrix having a single, white finding  
2 does nothing really on the action matrix.

3 MR. PLISCO: It does some things but not  
4 significant.

5 MR. GARCHOW: When you move from left to  
6 right -- and I remember having those conversations --  
7 it's a --

8 MR. PLISCO: There's an inspection.

9 MR. BROCKMAN: Yeah. There's a follow-up.  
10 Does it have to be a team? There's a 95001 inspection.  
11 But what it does is it makes that particular site plant  
12 utility look different.

13 MR. GARCHOW: And that's the unintended fee.  
14 And we didn't play out like what would that really look  
15 like in practice. The behavior you wanted was to have  
16 all that behavior be at the white/yellow threshold.  
17 That's where you were really crossing the risk  
18 threshold; that's where there was a clear -- anybody  
19 could stand up in public, like Jim, and say, I can tell  
20 you that the plant has degraded in this manner. And it  
21 is based on risk, and you could have the intellectual  
22 conversation in public. That all has started to happen  
23 now at Green Lake, which I think undermines the  
24 process.

1 MR. HILL: Well, is that something then we  
2 need to capture as an observation?

3 MR. PLISCO: I think that's in our report. I  
4 think that's the one we captured this morning. Relates  
5 to how we communicated and what the different  
6 perceptions are of what a white issue is.

7 MR. CAMERON: What's white?

8 MR. GARCHOW: That was just a restatement.

9 MR. CAMERON: I rewrote this. I haven't put  
10 it up yet. There's different perceptions to the  
11 utility NRC stakeholders of what white means, what  
12 green means.

13 MR. PLISCO: What means clear? The issue  
14 that Bob raised earlier, too, about how that's  
15 communicated.

16 MR. HILL: But I don't see that it is that  
17 much different in perception. I mean, Ken even said  
18 that's the way he sees this evolve to. When we got two  
19 whites and one cornerstone, we were told we were  
20 getting increased attention from commissioners because  
21 we were not -- NRC is seeing it the same way as  
22 utilities are.

23 MR. BROCKMAN: You get two whites that's  
24 different than one white.

1           MR. GARCHOW:  When you get two unrelated  
2 whites, I mean it is and it isn't.

3           MR. BROCKMAN:  You've got several issues that  
4 are associated with this.  One, as Jim mentioned  
5 earlier, is the communications issue.

6                   Two, is the use of the data by others, not  
7 necessarily as closely related stakeholders, and the  
8 pressure that that has placed on the utilities.

9                   Three is the perceptual issue.  The  
10 performance has gotten to the point where the 9598 data  
11 does not indicate 5 percent, it probably indicates one  
12 percent or less.  And therefore the standout is  
13 significantly more.

14           MR. PLISCO:  Another factor is the one we  
15 talked about is, from a risk perspective the white PIs  
16 is not equivalent to the white finding, inspection  
17 finding.  And that also contributes that --

18           MR. GARCHOW:  Then we shape that with the  
19 language.  You can be a significant outlier and still  
20 have no significant change in the risk profile,  
21 relative to the public health and safety.  I mean, of  
22 104 plants someone is going to be 104.  Everyone of the  
23 104 could be very safe.  But by definition somebody --  
24 when you start taking objective criteria-- is going to

1 be 104. Doesn't mean there is a 104 -- that one person  
2 is any less safe than the first person. And as the  
3 industry performance continues to improve, as the data  
4 suggests, I mean the difference between top and medium  
5 in most of the WANO indicators now is starting to be  
6 less than one or two percent.

7 I mean the whole industry is coming together  
8 like in a shotgun pattern, and the difference between,  
9 you know, medium and top core tile in some cases is one  
10 percentage point of a hundred percent scale. So it  
11 starts to become irrelevant. And then that language  
12 starts shaping the public perceptions.

13 In some cases there are real outliers with  
14 risk significance. When that occurs, the process  
15 adapts to it. But that's down in the yellow/red, not  
16 just an aggregation of a couple of whites. Which two  
17 whites just mean on two separate indicators you're in  
18 the bottom five percent. Doesn't mean anything about  
19 risk significance.

20 MR. TRAPP: Performance indicator threshold.

21 MR. GARCHOW: I mean that would be a whole  
22 separate discussion.

23 MR. HILL: But it is not just the threshold,  
24 it's how you determine the threshold, like

1 unavailability problems. The problems associated with  
2 how you determine it.

3 MR. TRAPP: I mean, there is an effort out  
4 there to make reliability and unavailability and risk  
5 based and based on your plant.

6 MR. FLOYD: The problem is they depicted a  
7 one size fits all threshold.

8 MR. SCHERER: The difference is we have a  
9 different logic on the PIs. Green to white than we do  
10 for the white to yellow and yellow to red. That  
11 philosophy at some point is going to come back. There  
12 is no rationale reason for having a different  
13 philosophy, and eventually we're going to have to  
14 rationalize it or the staff will have to rationalize  
15 why is it a different philosophy from green to white.

16 I heard all of the discussion here as to what  
17 wasn't the intent, and I understand that. I was part  
18 of that process it wasn't the intent. But realize is,  
19 not the NRC and the industry, but the other  
20 stakeholders are taking it in different context.

21 I heard a good comment just now that I think  
22 is very valid. We treat findings differently, ah, STP  
23 findings differently than we do the PI. Green means  
24 something different for a STP finding than we do for a

1 PI. White means something different for STP finding  
2 versus a PI. And yellow and yellow, and red and red  
3 tend to line up.

4 So in my mind all of that is an artifact of  
5 the fact that we used a different definition for green  
6 and white than we used for white to yellow and yellow  
7 to red.

8 MR. GARCHOW: They looked the same in the  
9 action matrix.

10 MR. FLOYD: Can you explain the green to  
11 white threshold issue that you just said the criteria  
12 we use is different?

13 MR. FLOYD: The green and white PIs was based  
14 upon a 95-5 breakdown, based on 95 to 97 data across  
15 the industry.

16 Whereas, in the STP it was based upon having  
17 a risk significance greater than 10 to --

18 MR. GARCHOW: We got to that sort of funding,  
19 because if you took reactor trips and you said you were  
20 going to do a risk base -- if you were really going to  
21 be risk informed of the threshold green to white, using  
22 the STP it would be 12 reactor trips a year.

23 MR. FLOYD: Well, that won't fly.

24 MR. GARCHOW: We said, well, it'll never

1 stand up in public. The plant is okay, even though  
2 everyone else is running breaker to breaker. So  
3 literally a little reality crept into that PI, and had  
4 some other influences not related to statistics or  
5 risk. It was more based on the public perception.

6 MR. PLISCO: Do you want to finish up?

7 MR. MOORMAN: Sure. The second one is the  
8 RPS activity PI. It can linger at a very low level  
9 during plant operation. If you've got a few leakers  
10 after a reactor trip, possibly with tube rupture or  
11 activity spikes. And I'm not so sure that's the best  
12 measure.

13 MR. FLOYD: Was that fixed, Steve?

14 MR. SCHERER: No. But I don't think the  
15 original purpose of the RCS spike was --  
16 UP: The RCS was to provide an indicator potential off  
17 site release. It was really there to measure how  
18 effective our quality assurance program a licensee has  
19 for buying fuel that was --

20 MR. MOORMAN: ...and as such, in my opinion,  
21 it was intended always to be a very low number, and one  
22 that -- if people were not meeting the safety  
23 significance to losing one of the three. The intent,  
24 my recollection, was to capture all three. Now we

1    couldn't do the containment for other reasons, but we  
2    did the fuel and we did the RCS to try to capture at  
3    least two of the three.

4           MR. MOORMAN:  That is something that is  
5    measurable.  But a plant with a few leakers can  
6    actually take a trip and activity goes way, way up.

7           MR. GARCHOW:  I think there's an FAQ on that  
8    or something that talks about the intention wasn't to  
9    capture the spike; that it was steady activity.

10   UP:  Yeah.  Wasn't it said at 50 percent of the text-  
11   spec?

12           MR. SCHERER:  Which will only get you  
13    somewhere in the neighborhood of 500.

14           MR. BROCKMAN:  He's absolutely right.  The  
15    industry has found several decades of one percent that  
16    we --

17           MR. SCHERER:  And the data you chose that  
18    everybody's well, well, well within that.

19           MR. BROCKMAN:  The unintended consequence of  
20    this, irrespective of what it is designed to do, a lot  
21    of people are looking at this as an indication of a --

22           MR. MOORMAN:  ... especially if you've got a  
23    direct primary to secondary and secondary to the  
24    atmosphere release, which we've seen some of those

1 recently that have an impact on health and public  
2 safety in a false message.

3 That's the unintended consequence. The potential of a  
4 false sense of security being sent by these PIs need to  
5 be looked at for that potentiality.

6 MR. MOORMAN: Let's move on to significance  
7 determination process. We've already talked about the  
8 STP work sheets not being issued. That's causing the  
9 inspectors some issues. For inspection, some  
10 of the inspectors see that the fire inspection  
11 protection like the walkdowns done by the resident  
12 staff as not our best use of resources. There may be  
13 other issues out there.

MR. BROCKMAN: I was  
14 wondering who this "many" was; now I know.

15 (Laughter)

16 MR. MOORMAN: The next one, the threshold for  
17 raising and documenting issues related to the  
18 assessment of the corrective action programs by the  
19 resident staff is not commensurate with the overall  
20 program assumption that a healthy corrective action  
21 program exists in each facility. We've  
22 got about, I guess, ten percent of our time allotted  
23 for each inspection module, but no really good way to  
24 get information into the inspection reports at a level

1 that would, if trended, indicate a possible breakdown  
2 in the corrective action program.

3 We spent a lot of time during that PIR  
4 inspection early in looking at a snapshot of the PIR  
5 program. But the PIR program is, as I see it, more of  
6 a rather than just a program. So I think we can be  
7 more effective in our assessments. MR. BLOUGH:  
8 And when you say "be more effective," do you think it  
9 involves changes in documentation or changes in  
10 inspection?

11 MR. MOORMAN: I think it involves changes in  
12 inspection. And I guess what I'm looking for is a way  
13 to capture issues, the threshold issue again, but a way  
14 to provide information that would indicate a possible  
15 breakdown in the program with issues that may not rise.

16 And for public confidence, changes to our  
17 inspection program are not updated on the website with  
18 any frequency. I think if we're going to communicate  
19 our inspection program to the public, it should be  
20 timely.

21 And as a consumer of that information, the  
22 example there is 0610 star was out for a couple of  
23 weeks before we had a count. So in general it's just a  
24 communications.

1 MR. PLISCO: Any more questions for Jim?

2 MR. LAURIE: Education. You take some of  
3 these issues, referring maybe to some of Rod's issues.  
4 Who has the authority to make changes? Is it the  
5 commission? Is it a division? Is it the commission as  
6 a division so when --

7 MR. PLISCO: Depends on what kind of change  
8 you're talking about.

9 MR. LAURIE: Well, okay, when you look at  
10 these, the changing authority is not necessarily the  
11 same person or the same body.

12 MR. KRICH: There is a fixed process to go  
13 through to make changes, for example, to the PIs.  
14 That's all agreed upon that's all part of this whole  
15 Reactor Oversight Process that we've all adhered to to  
16 make changes to the PIs, for example. It's very  
17 methodical process, step by step.

18 MR. PLISCO: Actually all processes I think  
19 are part of what we have as the formal change process.  
20 It's different levels of what can be changed. And it  
21 depends on if it's an internal process issue or if it's  
22 a policy issue, obviously now those would go up in the  
23 Commission. If it's a --

24 MR. REYNOLDS: Those are pretty clear. So to

1 identify these issues and say, yeah, we want to change  
2 this, 1-87. Everybody in this room would know which  
3 category those fall in and there's a process, pretty  
4 much.

5 MR. REYNOLDS: They all could go through  
6 these special program branches in the office of the  
7 branch of regulation in our headquarters, Bill Dean's  
8 group, as we always call it. That special program  
9 branch is responsible for developing the program.  
10 Everything goes through them, whether they make the  
11 change themselves, they or another group. To change  
12 the PI will need to go up to the Commission.

13 MR. LAURIE: Okay, the Commission does sign  
14 off on changes or not necessarily?

15 MR. PLISCO: Not individual-like process  
16 program, more like policy and the overall philosophy of  
17 the program. They reviewed it initially when it first  
18 went through last year. Some of these issues -- we're  
19 talking a lower level are handled out of a special  
20 program branch.

21 For example, enforcement issues Bill here, he  
22 can change some of these things at a certain level,  
23 right? Some enforcement policy issues have to go up to  
24 the Commission depending on what we're talking -

1           MR. KRICH:  So, Bob, if you see us -- if you  
2 see Dave and me, kissing up to Bill Borchardt, you can  
3 understand --

4           (Laughter)

5           MR. BLOUGH:  I am a Division Director of the  
6 region, and I wouldn't necessarily know for each issue  
7 we discuss here who has change authority.  I know  
8 generally that Sam Collins can change pretty much  
9 anything with a program that doesn't conflict with  
10 previously provided Commission policy or regulation.

11           And I know there's some level change that can  
12 be made probably without Sam's permission but --  
13 without his concurrence because it's an operational  
14 type thing.  But that's actually a complex question,  
15 you know, so we have to have experts -

16           MR. LAURIE:  We don't have to get into that  
17 now.

18           MR. PLISCO:  Yeah, specifically as we go  
19 along if we could try to answer those.  I know we  
20 handed out at the last meeting the draft manual chapter  
21 on how performance indicators would be changed, because  
22 that's a special process now since it's a voluntary  
23 initiative by the industry.  And the NRC are working  
24 with NAI to develop this process.  That has some

1 special processes that are put in place that are in  
2 that draft manual chapter.

3 At the last meeting we talked about how  
4 interaction will occur if you get those changes for  
5 specific performance indicators.

6 Ready for a break? Fifteen minutes?

7 (Off the record at 3:36 p.m., and reconvened at  
8 4:23 p.m., this date.)

9 MR. PLISCO: I think we have two more inputs  
10 with the red marks. We'll walk you through those and  
11 then try to get into our last item on our work planning  
12 session.

13 My input is the last one in this packet that  
14 was stapled together. I went ahead and did include a  
15 couple of positives, and I want to go through those.  
16 We talked about the -- this is just the work shops  
17 we've had and the feedback we got from inspectors  
18 overall, from high level viewpoint on things that have  
19 been working.

20 I'll try not to duplicate some issues we've  
21 already talked about because a lot of these we've  
22 already talked about.

23 Performance indicators, first issue really  
24 gets to unavailability. I term it as I think we're

1 reaching a plan of some perspective, a credibility  
2 issue: so many caveats and so many changes. What that  
3 indicator really means, I think, is cause for confusion  
4 even among our inspectors. What is the indicator even  
5 tell us anymore with all these caveats and exceptions.

6           Consequently we talked about making sure  
7 we're mindful that -- and again the definitions we  
8 talked about that too, making sure there's just one  
9 common set of definitions.

10           MR. KRICH: Do you have an example of where  
11 someone, a licensee, has modified their practice?

12           MR. PLISCO: We have examples where licensees  
13 have modified practices. There's different  
14 perspectives on whether it was the right thing or the  
15 wrong thing to do, but there have been practices.

16           MR. KRICH: And it was strictly to affected  
17 performance?

18           MR. PLISCO: Yes.

19           MR. MOORMAN: Stacking maintenance. Would  
20 you explain what he said?

21           MR. PLISCO: He said "stacking maintenance."

22           MR. GARCHOW: Stacking maintenance? What  
23 does that mean?

24           UP: Taking "A" train, alpha train, as

1 opposed to taking component by component to minimize --

2 MR. FLOYD: Take "A" train now, work on  
3 everything simultaneously, take "A" train back. That  
4 way your unavailability for "A" train, you could say,  
5 is all lumped together.

6 From a risk profile that's not the right  
7 thing to do. We consider that a negative; actually we  
8 won't allow it because ... smaller availability,  
9 because once you take the whole train out, take it out  
10 and put it back, take it out and put it back the  
11 individual -

12 MR. HILL: But then availability is a majored  
13 on a train, for example.

14 MR. FLOYD: Mostly looking at the part system  
15 impact.

16 MR. HILL: Right.

17 MR. FLOYD: It takes personalized system out  
18 separately. You put the frontline system still in  
19 service, and take unavailability on the "A" --

20 MR. HILL: Exactly.

21 MR. FLOYD: When we have to take diesel down  
22 and we take another hit on unavailability. So if you  
23 take your service water at the same time and only get  
24 one hit.

1 MR. HILL: And that's an example again of  
2 what --

3 MR. FLOYD: Statute.

4 MR. HILL: I know, but that's the example for  
5 what?

6 MR. FLOYD: Modifying practices to manage the  
7 PI results.

8 MR. PLISCO: I don't think anyone is saying  
9 at this point whether it's good or bad practice, but  
10 it's got to be evaluated yet. But I'm saying overall  
11 every instance. This one maybe. My question was more  
12 generic.

13 MR. FLOYD: And I think it's important to  
14 understand why that happened. The stations that that's  
15 happening at is because their maintenance role  
16 performance criteria availability on that system is  
17 less restricted than it is under the NRC oversight  
18 process. So they kind of distance that. So in order -  
19 - in either case they're fully in performance with  
20 their maintenance role performance criteria.

21 MR. PLISCO: And we've had cases where  
22 something happened in the plant, say it's on the BOP  
23 side, and it appeared to us they were waiting 72 hours  
24 to do the maintenance.

1           We asked them the question: "Are you waiting  
2 72 hours because of the performance indicator?"

3           And the answer was, "Yes." They normally would  
4 have come right down and fixed it.

5           MR. REYNOLDS: Just to be clear, we're  
6 talking about the "A" train. We're talking about all  
7 systems on the "A" train, not just "A" train and its  
8 systems.

9           MR. FLOYD: Well, no, you've only got four  
10 systems that are on unavailability. There are only  
11 four that you really have to worry about it.

12           MR. REYNOLDS: Right. When you take "A"  
13 train out for maintenance, it's not just that system.

14           MR. FLOYD: Right.

15           MR. REYNOLDS: Once you stack it; you do  
16 everything.

17           MR. FLOYD: Right.

18           MR. REYNOLDS: But it's all those systems.

19           MR. SHADIS: But your grading for  
20 unavailability is not the only thing that would be  
21 driving people to want to apply that practice. I mean  
22 you got --

23           MR. GARCHOW: I can't think of any other  
24 reasons why -

1 MR. SHADIS: Well, you've got complex risks -  
2 -

3 MR. GARCHOW: Unless you're somewhere like  
4 South Texas, where you've got an "A" train system where  
5 --

6 MR. SHADIS: Well, at the risk of opening a  
7 big conversation, where you have companies  
8 consolidating and they want to accomplish economies by  
9 synergies, they want to send a team in to do stuff.  
10 You can go in and swamp the situation with personnel to  
11 take care of everything at once. It's a way to save  
12 bucks.

13 And that would be a temptation to take out an  
14 entire system also. Although you might find yourself  
15 in a hard place trying to get it all back together if  
16 you needed it in a hurry.

17 MR. PLISCO: Inspection program, first thing  
18 is really an internal process. At issue for the NRC,  
19 we should make sure there is the infrastructure to  
20 properly process procedure changes. That hasn't been a  
21 complete success story in terms of getting procedures  
22 revised as we identified changes that we needed.

23 There is a balance that begin back about the  
24 same time we were in workshops about the FAQs and the

1 change to the PIs. You can make too frequent changes,  
2 so people don't know what they're doing. There is a  
3 balance there.

4 MR. GARCHOW: Did you say anything about the  
5 procedure again?

6 MR. PLISCO: No, we really haven't had any  
7 procedure adherence issues. We've had more -- it's  
8 really the opposite question from a number of  
9 inspectors, relatively inexperienced inspectors, the  
10 newer inspectors.

11 The level of detail in our old procedures had  
12 a lot more detail; more like what I would term lessons  
13 learned from things in the past or best practices on  
14 how to do the inspection, ways to do the inspection.  
15 Now it's gone to two procedures and now it says just  
16 look at two of these. And that's all it says.

17 In the old procedures there was a lot of  
18 detail in the back. Here are some things you can look  
19 at to get some perspective that had been developed over  
20 the years. And that was removed from procedures.  
21 There's been some comments from our inspectors. They  
22 said that some ought to go back into the procedures.  
23 But again that's like this last comment: getting that  
24 back in needs to be done, you know, on a nationwide

1 basis, make sure of consistent application of  
2 inspectors across the country doing it the same way.

3           The second one is -- actually this is a new  
4 one we haven't talked about this -- is the PIM and the  
5 inspection report are kind of merging as far as  
6 purposes. In the inspection report, we've reduced the  
7 level of detail.

8           I want to focus the discussion on the  
9 important issues and that's sort of what the PIM is, or  
10 was before. And now the inspection report has only the  
11 more significant issues in it.

12           They are almost the same issues there was in  
13 the PIM, even though the PIM is a shorthand or a  
14 concise description of what the issue is. They're  
15 keeping them kind of close. The report obviously does  
16 have a little more context, a little bit more detail.

17           But we've asked the question, especially in  
18 the electronic age when you can go to the web page and  
19 you click on the box, why not just go click right to  
20 the report? Why do you need the little PIM in the  
21 middle?

22           Because we've had a couple of issues because  
23 of its conciseness, the PIM -- you don't have the right  
24 word; you can be taken out of context or not completely

1 understood until you go look at the report. Once you  
2 read the report, you understand it.

3 It's even worked the opposite effect; we've  
4 seen in a couple of cases, causing confusion about what  
5 the issue was, trying to get the brevity of the PIM  
6 entry.

7 So why even have the PIM is some of the  
8 question I consider. It's the electronic age. You can  
9 go right to the report, right from the yellow block  
10 right to the section report. I'm not sure what the  
11 purpose of it is any more.

12 MR. SHADIS: There's something about having  
13 the immediacy of the first version that if there's  
14 consistency it's reassuring. I think you can eliminate  
15 potential problems by doing it.

16 MR. PLISCO: That's part of a public  
17 communications issue, I think. In effect of its  
18 efficiency obviously as a matter of practice, we have  
19 to create PIM. You go to the inspector's report and  
20 write separate PIM. It's a shorthand version. You  
21 always lose something in that translation. MR.  
22 MOORMAN: Although if we go back to just using the  
23 report, then the licensee identified non-site violation  
24 is going to back your report now, not in the summary

1 but also in the PIM. So that may also be a matter of  
2 confusion.

3 MR. PLISCO: Problem identification and  
4 \*resolution inspections really had mixed results, and I  
5 think we have reasons to talk to this, too. It's not  
6 really clear from what we've seen that this broad base  
7 inspection approach is the most effective and efficient  
8 use of our resources to try to cover a lot of  
9 territory.

10 And I'm not sure we're getting the biggest  
11 bang for the buck with that inspection. We have had  
12 some that have gone well and others, I think, the  
13 inspectors weren't satisfied that they really covered  
14 the area and come up with a good conclusion in the  
15 area.

16 Because of the procedure, \*drives have been  
17 looking things in all the cornerstones. And if you  
18 have a plant that we know probably has more issues in  
19 one cornerstone than the other, this gets some of these  
20 earlier discussions we had about objections in the  
21 program.

22 Based on things we already know about problem  
23 areas, maybe that flexibility ought to be in that  
24 procedure, rather than spend our resources in the area

1 that we know is doing well.

2 MR. GARCHOW: This is part of the same  
3 discussion we had with PSA. There's really no standard  
4 out there to go develop PSAs. And there's no standard  
5 out there for utilities to go develop corrective action  
6 programs with criterion 16.

7 Certain vendors got them favors, so you'll  
8 find a lot of similarities since different companies  
9 use the same vendor. So you'll see a lot of  
10 similarity. But other than that, you know, I mean  
11 there's many ways to meet the \* criterion and that you  
12 suffer a little bit. Because when you go in that  
13 plant, you're not always looking at the same general  
14 process.

15 MR. PLISCO: And the other problem we've had,  
16 as Jim mentioned earlier -- I don't know if everyone  
17 caught it -- is the threshold of the low level problem  
18 identification issues that come up during the year.

19 I think the original intent of the program  
20 was to capture those in the report. So when we get  
21 ready to do the problem identification inspection, they  
22 can look back at the last year and try to connect the  
23 dots and decide what they're going to focus on for  
24 inspection.

1           Because the threshold is not clear, some of  
2 those issues may not be in the report. So they can't  
3 connect the dots, so they may not have the background  
4 information to do that inspection. That's the cause of  
5 the problem. I mean we work around that.

6           And if it's in practice, what the team leader  
7 does is call the senior resident and say, "Okay what  
8 would have been the issues on it last year? What  
9 should we focus on?" That's how they do it. But it  
10 really ought to be all laid out in the documentation

11           MR. BROCKMAN: The 0610 concern right now  
12 really -- the issue has to percolate up to a certain  
13 level on that PI or the ongoing before it would even be  
14 documented.

15           MR. PLISCO: The last one is something I  
16 think we've already talked about. Two is we've heard  
17 in workshops. Again is there flexibility in the  
18 program where there's an area where the utility is  
19 performing well.

20           They've done a detailed self-assessment of an  
21 area, and it's really wasting NRC resources to  
22 reinspect that area just because it's part of the  
23 baseline program.

24           The old inspection program had some of that

1 in it and currently the new program does not.

2 MR. GARCHOW: That's going to be a bigger  
3 problem as time goes on. As this industry right now  
4 through Remco is really focusing on self-assessment and  
5 the quality of self-assessment, I think you're going to  
6 see a lot more sophistication in the industry in the  
7 quality of self-assessments.

8 MR. SCHERER: I know a parallel discussion going  
9 on with the NRC between the combustion engineering onus  
10 group and NRI because the combustion engineering onus  
11 group has a equivalent of a SSFI, or whatever it's  
12 called now, a program where we go around from plant to  
13 plant doing that as a self-assessment with a team of  
14 people.

15 And there's been a dialogue going on for well  
16 over a year as to whether the NRC would or would not  
17 credit that.

18 MR. PLISCO: It's been asked internally but  
19 there's no answers yet.

20 MR. GARCHOW: In fact, some of the same  
21 consulting experts that you bring in to hire for your  
22 SSFI expertise are working with the onus groups and  
23 utilities. So in some respects it's the same pool of  
24 experts that's coming in and passing judgment.

1           MR.BROCKMAN: It gets into the interesting  
2 question of what is the purpose of the baseline  
3 inspectoin program.

4           MR. PLISCO: Yes.

5           MR. BROCKMAN: That's really what it gets  
6 down to, is that exactly. Is that the dominimus  
7 program that has to be done at every site?

8                   Is it the dominimus independent inspection  
9 that has to be done at each site because it has a  
10 verification capability to it. And the reason that  
11 we've gone from the core program is because we know  
12 it's a given.

13                   The licensees were doing self-assessments and  
14 corrective actions had moved on to that. And that's  
15 sort of the ground rules by which it evolved to this.  
16 That whole definition of and really philosophical  
17 confirmation of where the program is, I think, is going  
18 to find a lot of the answers to this.

19           MR. PLISCO: There's a spectrum, too, it's  
20 in the old program. It's not that we didn't do any  
21 inspections. But if we lower the level and actually  
22 went in and look at what the self-assessment did and  
23 look at the results of that. So it wasn't no  
24 inspection.

1 MR. BROCKMAN: Uh-huh (affirmative).

2 MR. PLISCO: I've heard that question raised  
3 a number of times. I think the answer from the program  
4 office that we've heard is we're going to get through  
5 this first year and evaluate the program and then come  
6 back to this question.

7 MR. REYNOLDS: I would comment that I think  
8 Bill Dean would say that, if he was here, that the  
9 inspection program is performance based. But the  
10 baseline is the minimum independent inspection that the  
11 NRC thinks they need to do to assure safety. And so  
12 you're making a good distinction here.

13 The baseline, which was designed not to be  
14 performance based, may need to be modified. You may  
15 want to reduce the baseline. The baseline, I think, in  
16 philosophy needs to be that minimum that we're going to  
17 do independently. Now what that is may be changing.

18 Now that's what you're really saying, right?

19 MR. PLISCO: Yeah, I think there's a number  
20 of aspects. Another part of this is, I mean, it's a  
21 program that can't be fixed; it's got to -- we've got  
22 to move it along as time goes by.

23 My Regional Administrator, one of his  
24 favorite examples is, you know, say we we're going to

1 looking at the most recent significant system in the  
2 SSDI, (Safety System Design Inspections) and we decide  
3 that system is off feed water. We look at it four  
4 times in a row, you know, over ten years. And we don't  
5 find -- you know, it isn't a time to stop looking at  
6 feed water and pick up something else.

7 MR. KRICH: Because it's gone through the  
8 inspection.

9 MR. PLISCO: Yeah, that's what I'm getting  
10 at. So from the big picture the program has got to be  
11 able to make those decisions and assess is it time to  
12 change the program. You know, either change the  
13 resources or change the scope of program.

14 Significance determination process,  
15 timeliness. We talked about -- I think I talked about  
16 most of those issues during the day, about the pencil  
17 sharpening exercises.

18 Another fallout of this we didn't talk about  
19 specifically is expertise. And we have some concerns  
20 in the regions about having sufficient expertise. If a  
21 lot of these extensive dialogues are going to continue  
22 to occur as the program goes on, we're not sure if we  
23 have the resources to do that; at least the way it's  
24 structured now.

1           The Phase II worksheets we've talked about.

2           MR. GARCHOW: That's an interesting question  
3 internal to the NRC, is we've moving to deregulation  
4 and the industry is changing, the reallocation of what  
5 our resources on-site are working on are changing.

6           And I would say as the oversight process is  
7 changing and even some of the work load with life  
8 extension and other things, you may have the right  
9 number of people but maybe not the right mix of people.

10          The challenge is going to be how you can get  
11 more workers. We suffer the same thing every day.

12          MR. REYNOLDS: As Loren points out here, the  
13 effort are underway to make improvements.

14          MR. PLISCO: Right, we've got things  
15 underway, but it's still a concern.

16          MR. REYNOLDS: His point is in the interim.  
17 That's a very valid point. We have already taken steps  
18 to try to improve that, so.

19          MR. PLISCO: In that response we talked about  
20 in management directive, performance issues that Bill  
21 talked about earlier today. The non-STP issues. We  
22 talked about the no-color issues. Assessment  
23 enforcement.

24          MR. GARCHOW: I guess I don't  
understand the enforcement nexus because unless it's

1 50.7 or 50.9. In the regulatory process there really  
2 isn't much enforcement basis to a green-white  
3 conversation. I've been in a couple of those and I  
4 guess there's really no one really talking about  
5 enforcement.

6 MR. PLISCO: Right, and that's --

7 MR. BROCKMAN: It's not advertised like it  
8 used to be, but apparent violations still go out  
9 associated with issues. And especially if you're  
10 yellow or higher level. It becomes very interesting at  
11 that stage of the game as you're looking at the new  
12 process what different stakeholders receive direct  
13 conference, regulatory conference now becoming. A lot  
14 of people just like out at it: oh, it's just precision  
15 conference with your name on it.

16 MR. PLISCO: I had a conversation with a Mr.  
17 Misary the other day. He had a regulatory conference.  
18 If you look at the table and if you look at the  
19 presentations, it's very much the same as what the  
20 enforcement conference used to be.

21 We can say it's not an enforcement  
22 conference. We can say it's supposed to be focused on  
23 a risk. But the way our presentation is set up, our  
24 Regional Manger starts the presentation, and the first

1 person he turns to is our enforcement officer. And  
2 they do the introductions; say, well -- because I think  
3 it's got to be a paradigm shift.

4 MR. BROCKMAN: If it's a regulatory  
5 conference, and usually the licensee has gone a great  
6 deal down the path to totally characterize it. They've  
7 got corrective actions that they want to come in and  
8 share with us and everything. And it just evolves to a  
9 lot of the topics that used to be the topics de jour in  
10 enforcement conferences.

11 MR. PLISCO: And this is a change in  
12 management issue -

13 MR. BROCKMAN: That's right.

14 MR. PLISCO: -- that I think a lot of people  
15 have to work on.

16 MR. KRICH: Our first regulatory conference  
17 was a complete surprise to us. We saw the enforcement  
18 officer there. You know, everybody called back to me  
19 and said, "What was the enforcement guy doing there?"

20 MR. BORCHARDT: The real reason is because  
21 we're serving a function for that agency as  
22 facilitators.

23 (Laughter)

24 MR. KRICH: I understand your reaction to

1 seeing the enforcement guy at conference was, "Gee this  
2 looks a lot like an -

3

4 MR. BORCHARDT: What you need to do, I think,  
5 is train yourself that I can attend a meeting and not  
6 be the enforcement representative. I could perform  
7 another function as well. That's what these people are  
8 taught.

9 MR. GARCHOW: It looks like the IRS  
10 facilitating my financial planning.

11 (Laughter)

12 MR. PLISCO: ... cause confusion and also a  
13 focus on the meeting as far as meeting the meeting  
14 objectives. I know our experience has been difficult  
15 because we weren't sure where we were going in the  
16 first couple of ones we've had.

17 The other issue I wanted to talk about is  
18 allegation. We have some problematic issues as far as  
19 how we handle allegations because the new program is  
20 very discreet, well planned out.

21 We give you our schedule a year in advance  
22 now. The old program had a lot of flexibility, a lot  
23 of what we call initiative inspections.

24 Sometimes if we did follow up on specific

1 allegations, we could do that within the body of that  
2 program and still have at least some hope in protecting  
3 the identity of the allegor (sic) by, you know, not  
4 telegraphing what we're looking at and why. It's a lot  
5 harder in the new program.

6 We sent a paper up to the Commission, I  
7 guess, during the summer explaining what the pros and  
8 cons were OF ways to go. They simply decided to stick  
9 with the same program, go with the old program,  
10 understanding that there are these potential problems.

11 MR. FLOYD: Back up, I'm sorry, the one on  
12 assessment process information.

13 MR. PLISCO: Yes.

14 MR. FLOYD: You've got down a, I guess, a  
15 negative impact would be in effect on the Commission,  
16 but it was a positive impact, I think, on  
17 predictability. MR. PLISCO: Yes, it has been  
18 very predictable --

19 MR. FLOYD: This is some misleading criteria  
20 in here.

21 MR. PLISCO: And again this may be more  
22 internal as far as change in management with our staff.  
23 We used to have these big meetings and people would  
24 work for weeks and weeks and get ready for them and do

1 a lot of detailed analysis. You know, and now you look  
2 at the web page. And if there aren't any non-green  
3 issues, you're done almost, except for looking at some  
4 potential cross-cutting issues.

5 That's why I put in there if you've done  
6 everything right during the year, followed the action  
7 matrix, and taken the action, the assessment part of  
8 the process is really anti-climactic.

9 MR. FLOYD: Yeah, but was that Region IV or  
10 Region II workshop? This was discussed at some length  
11 as to whether or not you even needed the annual  
12 assessment cycle because they basically execute the  
13 action matrix on a quarterly basis?

14 And I think the final outcome of it was that  
15 well that may be fine for, you know, NRC licensees but  
16 there's another audience for the annual assessment  
17 report. MR. PLISCO: Yes.

18 MR. FLOYD: And that's an opportunity for the  
19 public to demand and be able to raise issues. Maybe  
20 what you needed to do is change the characterization of  
21 the annual assessment.

22 You're right, you know, to discuss issues  
23 that are in the action matrix. Everybody already knows  
24 about those. And maybe you ought to think of a new

1 structure on it.

2 Was that Region II or was that IV?

3 MR. BROCKMAN: It was at ours. We did a lot  
4 of brainstorming on these things that even maybe that  
5 meeting should -- the annual meeting should have a  
6 significant -- a training component to it, where we're  
7 describing the new process, trying to just more and  
8 more inoculate, if you want to say, the local public  
9 and especially the local decision makers and what-have-  
10 you which can have a very short half-life. They turn  
11 over very quickly on the aspects of what is the  
12 process, what data can we get, where can we get it,  
13 what does it mean, along those lines.

14 MR. GARCHOW: Kidding aside, on Bill and his  
15 staff ...our regulatory conferences...In our case we  
16 were a pilot plant and we probably had as good an  
17 understand at that point in time our conferences.

18 But the issue was with the papers that came  
19 and some of the external people that came to the public  
20 meeting. When they saw it open up in the same way that  
21 they had been to enforcement conferences before with  
22 the enforcement action, I mean, their mind was already  
23 made up in what kind of meeting they were in;  
24 independent of what was said afterwards.

1           So even if I made a joke, I wasn't trying to,  
2 you know, insult Bill or his staff. But the impact of  
3 introducing the enforcement officer, I mean, from that  
4 point on, the people that don't know the process very  
5 well, the people from the newspapers and maybe some of  
6 the state reps who don't attend all the meetings, I  
7 mean, what do they take away? What do they hear?  
8 They're at an enforcement conference.

9           MR. SHADIS: Did they manifest that  
10 understanding somehow? Did they say something about  
11 it?

12           MR. GARCHOW: I mean we've had articles in  
13 the paper, you know, after those that -- because the  
14 meetings, you know, they announce the meeting. It's to  
15 discuss the performance issue. I mean from an outside  
16 perspective who doesn't know the intricacies it sort  
17 of, you know, walks like a duck and looks like a duck.  
18 And they come to the meeting thinking it's going to be  
19 a duck. And it really wasn't outside of the  
20 introductions and going.

21           But still the newspaper reads the utility was  
22 called to the region to talk about the performance  
23 issue and, you know, there was a violation discussed.  
24 And so, I mean, the article in the paper it doesn't

1 look a lot different than it used to look.

2 I don't know if we had the same writers, the  
3 same local press interest. It sort of looks the same  
4 to them. At least it does around our plant.

5 MR. KRICH: We didn't get a whole lot of  
6 attention on the one that we had. But everybody who  
7 was there came back saying it looked an awful lot like  
8 an enforcement conference.

9 MR. GARCHOW: So I think your change  
10 management is just changing of the structure of the  
11 meeting and the language and how it looked would make  
12 it look like a regulatory conference to discuss the  
13 risk significance, as opposed to the rituals that  
14 really look the same as the rituals that we used to do  
15 in trying to --

16 MR. PLISCO: I think the rest of the issues  
17 on there we talked about, unless you've got specific  
18 questions.

19 MR. SHADIS: One thing that would help to  
20 offset that would be to open the exit meetings as I  
21 tried to get them to do at Main Yankee, which they  
22 decided not to open the conference calls for those that  
23 have a demonstrated stake or interest.

24 MR. GARCHOW: Is that like the routine

1 inspections, your routine resident inspection exits and  
2 those kind of exit meetings? MR. SHADIS: Right.  
3 The more you understand of what's going on, the more  
4 you can put in perspective how serious or not serious  
5 these different things are. Then you finally get all  
6 the way down to where you finally get it in an  
7 enforcement conference or a regulatory conference.  
8 It's too late to get a perspective on it. All you can  
9 get in the information right there. I'm just making a  
10 pitch for it, you know. The cure for a lot of problems  
11 in communications is more communication, more openness.

12 MR. TRAPP: If you could add some data on  
13 that, too, because I know we had a lot of teams would  
14 have open exit meetings. And it was rare, if ever, if  
15 anybody of the public would come. It was like it would  
16 be a lot of fanfare and then all of a sudden nobody  
17 would show up.

18 MR. FLOYD: Steve, you want to go through  
19 this?

20 MR. FLOYD: Yeah, I can be very brief.  
21 Everyone should have a sheet on it. I didn't put my  
22 name on it.

23 MR. GARCHOW: Is that so you could distance  
24 yourself from it?

1           MR. FLOYD: I'll just hit the ones that I  
2 don't think have been covered in the interest of time.  
3 On page 1 "understandable support system cascading" and  
4 the rules for that are pretty nebulous.

5           We have a number of frequently asked  
6 questions on how do you cascade. What are the rules of  
7 cascading? When can you say a support system -- how  
8 much analysis can be used to say a support system is  
9 actually available and if we're not impacting the  
10 frontline system? How much recovery time could be  
11 credited?

12           And there seems to be a different set of  
13 rules in the manual for a support system unavailability  
14 and its impact on the frontline system. And it is  
15 confusing to folks.

16           MR. GARCHOW: And can you credit engineering  
17 judgment?

18           MR. FLOYD: Right.

19           MR. GARCHOW: And all that's river, 40 degrees  
20 matter? In any event obviously it should.

21           MR. FLOYD: Scratch the Boston heat removal.  
22 This is one that is going to be -- in fact, it is being  
23 repiloted right now to remedy this. But right now the  
24 ground rules are confusing. Some people are not

1 reporting the instances where the loss of normal heat  
2 removal initiates the event. After the scram occur,  
3 did they have a loss of normal heat removal? There's a  
4 disconnect out there right now that this will work  
5 with.

6 The rest of the issues on that area have  
7 already been talked about.

8 Under "inspection" on page 3, no new issues  
9 there.

10 Page 4 under the "SDP" under "predictable,"  
11 we're getting a number of concerns; some of them coming  
12 out of the IP 2 event, but some other ones as well  
13 about what's the ground rules for changing the  
14 frequency of initiating events, and for care and on the  
15 action matrix -- not the action matrix but the SDP,  
16 sheet No. 1.

17 You have an assumed event frequency class on  
18 there. If that's going to be deviated from and  
19 adjusted, what's the basis for adjusting that? And do  
20 we need some clearer criteria for doing that?

21 In the case of IP 2, it moved two orders of  
22 magnitude in terms of event frequency. And I think a  
23 lot of people are confused. How could that possibly  
24 be, you know, two orders of magnitude change? There

1 may be a good reason for it, but it hasn't been well  
2 communicated.

3           And on the last page under "assessment  
4 process," I guess that's just a place hold for you,  
5 Bill.

6           We have enforcement guides. It says,  
7 "Memorandum for enforcement discretion expires the end  
8 of January 2001 for the base system." But there are a  
9 number of performance indicators that are likely to be  
10 revised during the second year of the program. And  
11 we're already getting the question, you know, would  
12 there be any consideration of extension of that  
13 discretion if there is significant changes in PIs and  
14 guidance?

15           And the other issues that are in here you can  
16 read them. I think they've already been addressed by  
17 other people, so I won't keep up any longer.

18           MR. CAMERON: I think you also noted  
19 positives.

20           MR. FLOYD: Yes, that aspect of positive  
21 line, also.

22           MR. PLISCO: Any other comments on those or  
23 any other issues you want to throw out now?

24           MR. SCHERER: Yes, I had two that I didn't

1 hear specifically mentioned. One we touched around.  
2 And that is unintended consequences setting up a  
3 process. Not just addressing individual unintended  
4 consequences, but setting up a process, continuously  
5 monitoring Reactor Oversight Process to identify and  
6 resolve the issue of unintended consequences. The  
7 examples we've spoke of here are just examples.

8           But we need to have a close-loop process for  
9 identifying and resolving those issues. An example of  
10 where the process worked is one that was mentioned  
11 earlier. We have a diesel generator allowed outage  
12 time which at least for sending, we justify to the  
13 staff as an improvement in safety.

14           And because there are more systems available  
15 to back up the diesel generator at power, doing it at  
16 power was actually safer. Yet we would have tripped --  
17 as Dave pointed out before NRC agreed to the change, we  
18 would have tripped the green-white PI threshold just by  
19 going into that fourteen-day ALT.           Another process  
20 issue to me that I don't recall being mentioned is, we  
21 talked a lot earlier about false positives coming up  
22 with, finding something that trips the white when it  
23 has no safety significance. The fault exposure hours  
24 was an example.

1           I think we need to set up a process to be as  
2 concerned, or more concerned, about false negatives.

3           The biggest thing that would undermine this  
4 entire process is to have a plant with all green PIs  
5 that everybody would agree is degrading in performance,  
6 that the PIs don't show.

7           I don't have examples of false negatives, but  
8 we need to worry about that. Maybe the nearest thing  
9 was: Well, I'm green on my reactor or I'm green on my  
10 failed fuel; and, therefore, I'm okay. And I've got  
11 300 failed watts.           I think you're paying for it  
12 elsewhere in your indicator or those others would be  
13 off scale. But are there, in fact, false negatives?

14           And I think we need to have a process  
15 continuously looking at it and trying to identify those  
16 and not assume that the process is okay and working  
17 okay.

18

19           MR. LAURIE: That was the point of mine in a  
20 previous question. And what I thought I heard was  
21 there is an ongoing set of mechanisms designed to  
22 address issues and modify issues. Is that something  
23 different than what you're talking about now?

24           MR. SCHERER: I'm open to hearing it. But I

1 haven't heard a discussion that in my mind it satisfies  
2 a process.

3           We're looking at the performance indicators  
4 and looking at the SDP process and looking at those  
5 results, and satisfying ourselves that as we screen the  
6 process and we screen the findings and we screen the  
7 issues, that we aren't coming up with false negatives.  
8 This looks green, but, in fact, is an underlying issue  
9 here if we -- and the SRAs are missing and, in fact, is  
10 risk significant. Only in 20/20 hindsight do we find  
11 out that we've been looking at that issue and missing  
12 the issue.

13           I think public credibility, our own  
14 competence in the process would be undermined to the  
15 point where this entire process would --

16           MR. FLOYD: If you would expand it to not  
17 just PIs but PIs and inspection process.

18           MR. SCHERER: Oh, I'm sorry. If I didn't  
19 make it clear, it was all --

20           MR. FLOYD: Because some of them could be all  
21 green in the PIs because that's just a sampling. But  
22 the combination of the PIs and the inspection --

23           MR. SCHERER: If I didn't make that clear, it  
24 was the PIs and the SDP process and the cross-cutting

1 issues. I leave no area out from that concern of the  
2 false negatives.

3 MR. BROCKMAN: The NRR off plan and the  
4 inspection program branch assessment has at least one  
5 criteria that starts looking at that.

6 And that's the aspect of going back and  
7 having the "S" reviews and what-have-you independently  
8 done by research where they just look at events per se  
9 and go back, and then to see were they characterized  
10 right. So, I mean, that would be done independently.

11 If the Oversight Program hadn't bubbled that  
12 issue up at all, the question would get asked. I don't  
13 know if it fully addresses it. There's the beginning  
14 of the thought there that comes to my mind off the top  
15 of my head.

16 MR. PLISCO: Now we had one area, one  
17 practical example of a potential problem area. One had  
18 to do with one of the press releases that you read  
19 about this summer, the ox feed water pump. What we  
20 found in that issue, we went to the SDP process; right  
21 now it's preliminary that we just had reg in for. It's  
22 still a preliminary issue but it's preliminary; it's a  
23 yellow. If you take that same 48 days and you plug it  
24 into availability, it's still green.

1           Once we researched that, we found there's a  
2 number of issues. One is the ox feed water threshold  
3 is a generic threshold. Looking at motor-driven and ox  
4 feed water, some plants -- the turbine-driven is much  
5 more significant and that threshold is not recognized.  
6 I mean that's the answer to the question.

7           And obviously those thresholds are not site  
8 specific risk-informed thresholds. But that's hard --  
9 try to explain that to somebody. When you plug the  
10 numbers in the unavailability, it's still green. But  
11 those inspection findings are yellow for the same  
12 issue. That's a good example of that.

13           Once we researched it and after we had some  
14 discussions -- when you read those press releases, we  
15 had some discussions with Region I on what are the  
16 differences between these two issues in Region I and  
17 Region II: why one is yellow and one is white. And  
18 that was easy to explain, but this other one is a  
19 little more difficult to explain.

20           MR. SHADIS: That's a consistency issue, you  
21 know, but I'm glad to hear you say that because history  
22 has us getting plants with very good scores all the way  
23 around. And stuff happens, and it turns out that  
24 things were missed.

1           And from a public confidence perspective, you  
2 know, we're looking for assurance that that doesn't  
3 happen in this program.

4           And when you talk about allocating inspection  
5 resources and potentially not covering all the bases  
6 because you have some confidence that, you know, that's  
7 all right. That's a judgment that you have to place on  
8 it, and there's a certain amount of potential for  
9 misjudging.

10           And then as you begin to assess the safety  
11 significance of each of these things and pour it out,  
12 you've got, you know, room to compound that judgment to  
13 where you really, you know -- from our side you've got  
14 it and you say: There's room here to be missing stuff.  
15 And I think in the best of programs you have to admit  
16 that's got to be case.

17           And it's not a question of whether or not  
18 this is the best program or the worst program. But if  
19 you're depending on it being a hundred percent  
20 successful in preventing any incidents, unplanned  
21 outages, whatever it may be, it ain't going to happen.

22           MR. KRICH: Let me go to the other side of  
23 the coin because that is a good question; it's a good  
24 comment. The other side of that also needs to be

1 looked at, which is, you have situations where a plant  
2 may have not a good operating history but show up all  
3 green in the performance indicators and inspection  
4 findings or non-color for inspection findings.

5 But there's kind of a lingering doubt or  
6 desire on people's parts to say that can't be right  
7 because we know that's not a good performing -- wasn't  
8 a good performing plant in the past. There must be  
9 something wrong going on here; there must be some  
10 playing with the numbers going on here.

11 MR. SHADIS: Well, not even playing with  
12 numbers but are you missing something. Middlestone  
13 would be an example. As soon as you have an incident  
14 and it's scored, and people remember all the problems  
15 of the past and they go, well, have they really  
16 reformed their operations?

17 MR. KRICH: And again, yeah, exactly the  
18 point. But remember that the indicator is what we're  
19 looking at in terms of performance indicators or  
20 lagging indicators. They are not going to tell you  
21 what direction you're headed in necessarily. It's  
22 going to tell you what you've got from the way you've  
23 been managing the plant

24 MR. SHADIS: Uh-huh (affirmative).

1           MR. KRICH:    And also to go back to your  
2 point about the indicator for summer that I just put in  
3 there.  If it'd been for more than 48 days, they still  
4 would have gotten a green.

5           We got a reverse situation that was in here,  
6 but I didn't mention it.  We shut down the Sal Station  
7 unit one for refueling -- unit two for refueling  
8 outage.  And during this shutdown we got...had tagged  
9 out the SRVs.

10           And your inspection procedure said, you know,  
11 "Go and check the SRVs are still operable and look for  
12 operation."  Well, they don't need to be operable for  
13 operation.           So the inspector questioned what's  
14 going on here.  And we wound up going through a back  
15 and forth with the Region as to what was going on.  One  
16 of the comments we had was that we think there needs to  
17 be better peer review appendix "G" of that inspection  
18 procedure.

19           My report being that there's both sides to  
20 each one of these issues that needs to be looked at.

21           MR. REYNOLDS:  If you go back to Ed's final  
22 point, I think he's right on it.  You can do more  
23 damage to the industry --

24           MR. KRICH:  Absolutely.

1           MR. REYNOLDS: -- by false negatives than you  
2 can by false positives. False positives are going to  
3 cost time and effort for that particular licensee and  
4 NRC people, but too many false negatives, we all lose.  
5 I think that was Ed's point. That's why I took away

6           MR. REYNOLDS: False negatives where you're  
7 way off, I mean, you can be off a little bit and  
8 there's no harm done. But false negatives where you're  
9 way off is something you have to be worried about

10          MR. FLOYD: Like Ray said there's no program  
11 that's perfect. It's not going to prevent an event.

12           If you go back in history, the plants that  
13 had good grades across the board and did have good  
14 performance were just as likely per the analysis to  
15 have a significant event at the plant as a plant that  
16 found themselves in trouble and had a number of issues  
17 associated with it. It's not going to be perfect; it's  
18 just a sampling.

19          MR. SCHERER: As I recall, we  
20 went back and when we were conceptualizing this  
21 process, we went back and looked at the "problem  
22 plants" that had been on the watch list. And sure  
23 enough they showed one or more degraded PIs; they  
24 showed findings that would have been classified other  
than green as white or yellow or red.

1           So there's some competence that I feel very  
2 strongly we need to institutionalize this questioning  
3 attitude involved in the process to make sure we  
4 constantly question this process, not be satisfied  
5 we've got a perfect process; question ourselves to make  
6 sure that we're validated, that we're not giving false  
7 negatives as a result of this process.

8           Just for completeness I'd like to list four  
9 issues that have already been -- somebody addressed. I  
10 don't need to go into them.

11           I strongly feel that we need as a group to  
12 address the unavailability issue that more than discuss  
13 coming up with more robust SDPs, particularly other  
14 than the Morris machine, SDP that seems to be going in  
15 the right direction.

16           The issue that has been discussed a lot: the  
17 green light threshold versus the other threshold.

18           And a concept that I've become more and more  
19 intrigued with, which is a variable time line on the  
20 race against time for a finding. Having a  
21 white finding have a relatively short half-life, and a  
22 yellow and red finding have longer periods where they  
23 remain in effect ought to be looked at.

24           MR. CAMERON: I just wanted to point out too

1 that Ed's issue on the false negatives shows the value  
2 of the parking lot, too, if you go back to revisit it,  
3 because this is a parking lot issue if you see the  
4 attachment to the Plisco to Collins, December 5, 2000  
5 memo. And I would just urge you don't forget to at  
6 least revisit these other parking lot issues to see if  
7 they're still viable for consideration. But No. 12 on  
8 there was the false negative issue.

9 MR. SCHERER: I raised it.

10 MR. CAMERON: And you raised it then. So you  
11 didn't forget it.

12 MR. SCHERER: Thanks for pointing that out.

13 MR. PLISCO: Any other comments on that?  
14 Randy?

15 MR. BLOUGH: I didn't provide anything  
16 written on this. So I just wanted to provide two --

17 MR. PLISCO: We're still accepting, Randy,  
18 between now and next meeting.

19 (Laughter)

20 MR. BLOUGH: I'll read it to you. Now just  
21 to reinforce one and add another one. On the question  
22 of risk informing the program and making it efficient,  
23 we really need to have a way of making sure we're  
24 spending less time on both the SDPs and appeals of

1 disagreements when we're down in the green/white area.  
2 If the agency spends a whole lot of time determining  
3 the significance of something that's in the  
4 green/white, that's taking away time from other  
5 activities that the agency could be doing.

6           The other one is in the area of risk  
7 informing the program and maintaining safety. If you  
8 look at the program if you want a risk informant, you  
9 have a spectrum of plants out there and we've got a  
10 process here. The process has to be really, really  
11 good at dealing with the plants that have significant  
12 problems or the plants that have more significant  
13 problems.

14           For example, degraded cornerstone, multiple  
15 degraded cornerstone has to be really good also at  
16 defining what's acceptable and unacceptable performance  
17 because those colors, at least where they have risk  
18 significance, there's a order of magnitude change with  
19 each color. So the program to be risk informed has to  
20 be really good at dealing with plants that are in those  
21 categories.

22           And plants that are licensee response band or  
23 regulatory response band, the program can be more quick  
24 and approximate for those. I mean, there's a chance

1 you could be a little off over there and it's not as  
2 big a deal.

3 We're running a full-scale initial  
4 implementation here, and almost all the data we're  
5 getting is on those plants that, you know, have very  
6 little problems of risk significance. The experiment,  
7 although it's being done on a grand scale, is getting  
8 very little data on how the program works with the  
9 plants in the degraded cornerstone or multiple degraded  
10 cornerstone and none unacceptable, so.

11 MR. GARCHOW: It's hard to get volunteers for  
12 pilots, too.

13 MR. BLOUGH: Yeah, it's hard to get, right.  
14 So far we've only had one for the multiple degraded  
15 cornerstone. That's just an aspect we have to be aware  
16 of. If we're trying to risk inform the program, it's  
17 got to be really good in the area for which we have  
18 very little actual data.

19 MR. GARCHOW: Of course, differently in those  
20 areas, it ought to provide the most flexibility, so you  
21 don't end up with being too rigid in an area that  
22 hasn't been well defined. I mean, to a point, it ought  
23 to be flexible out there where you can use some of the  
24 judgments of your previous experience as opposed to --

1           MR. BROCKMAN: This is probably a good segue  
2 to one of the comments I made to yours, just to make  
3 sure we really got it down there and that's going to be  
4 getting an exact definition of what is the base-line.  
5 What's it for. Again, is it again the dominimus?

6           If it is, and you fully encumbered the  
7 inspection staff to accomplish the dominimum capability  
8 of adjusting and diverting into those areas where  
9 you've got a more risk informed need, how to get that  
10 proper balance. I think it's a key thing to make sure  
11 the program's got adequately defined because there's  
12 still is reactive inspection.

13           I mean, event response, which is listed as a  
14 base-line inspection by definition, is still reactive  
15 inspection because if you don't have an event you're  
16 not going to get an event-response inspection. So by  
17 definition you haven't done the dominimus. At least  
18 one event, no more, no less.

19           MR. PLISCO: Anything else?

20           (No response.)

21           Well, we'll move on. It may look like we're  
22 a couple of hours behind but we're not. We already had  
23 one hour of this discussion this morning.

24           MR. SCHERER: So we're ready for lunch now?

1           MR. GARCHOW: So you're going to accept the  
2 other feedback in some detail?

3           MR. PLISCO: Yes, What I was hoping is if  
4 you heard his issues. If you would think it got  
5 captured, you don't need to recapture that one. If  
6 there's other issues or a different perspective on the  
7 same issues, we want to hear that too, to get all these  
8 angles captured.

9           Yes, we'll pull this list together.

10          MR. SCHERER: Before we -- one of the issues  
11 that was raised was enforcement discretion ends January  
12 2001. Is there a position -- already issues that are  
13 good faith efforts to comply with PI or FAQ in the  
14 process. Does that extend beyond January 2001? I'm  
15 just asking it as a question.

16          MR. BORCHARDT: I'd have to go back and read  
17 the \*HEM, but I don't think it addresses a period after  
18 2001. I mean there's some guidance...scheme for...  
19 significant incorrect statement and what its impact  
20 would be and then have that correlate to what the  
21 Agency's response is. But I don't believe we addressed  
22 post-2001.

23          MR. SCHERER: So it may be an issue we would  
24 separately have to address.

1           MR. PLISCO: Just to start off the  
2 conversation, I took a cut fixed on looking at the  
3 previous report and some of the conversations this  
4 morning in a general outline. We talked about some of  
5 this earlier this morning, about how we want to format  
6 and present the results of the panel's conclusions.

7           And also this will help us decide what else  
8 we need to talk about and who else we need to hear  
9 from, and whether we need help with the planning  
10 process. And actually we'll do that somewhat tomorrow.

11           Tomorrow we'll do some agenda planning as far  
12 as what for January and March -- what topics we want to  
13 hear about to help us reach our conclusions.

14

15           MR. LAURIE: What's our time frame on the  
16 agenda?

17           MR. PLISCO: We need to get our report out by  
18 the end of April. I think we have a tentative  
19 milestone laid out for April 29th, or something like  
20 that time frame. Because we talked about earlier this  
21 morning, in reality what's going to happen is we want  
22 to make sure the staff sees our report before they put  
23 their final report up to the Commission, so they have  
24 the benefit of what our views are before they --

1           MR. LAURIE: In order for us to get our  
2 report out by the end of April, when do we have to have  
3 our work done by to allow time for the report to be  
4 written and then shared, or draft shared, in order for  
5 rewrite?

6           MR. PLISCO: I'd say by the end of March we  
7 better be in pretty good shape. I know the last panel  
8 went through a couple of processes trying to get a  
9 report.

10          MR. GARCHOW: It's actually done fairly  
11 efficiently now. Much in the same way you might talk  
12 to Frank Gilepsie and get his learnings on how to herd  
13 the cats at the end --

14          MR. PLISCO: He told me he took all your  
15 input; he wrote the report.

16                   (Laughter)

17          MR. GARCHOW: He threw some drafts out --

18          MR. PLISCO: Yeah.

19          MR. GARCHOW: -- and it was much easier to  
20 manipulate something that existed, than to try to  
21 create something.

22          MR. SCHERER: Is that our report, do you  
23 know?

24          MS. FERDIG: Yes.

1 (Laughter and lots of background talking.)

2 MR. BROCKMAN: Well, they said you read them  
3 your report.

4 MR. PLISCO: But I think as far as getting  
5 our consensus positions then we're -- especially for  
6 this front-end information we need to have I'd say in  
7 by the end of March.

8 MR. LAURIE: Do we need to give thought to  
9 the scope of the report? Are you looking at -- do you  
10 know what your audience needs? Are you looking at a  
11 hundred-page report, a fifty-page report, or a twenty-  
12 page report?

13 MR. PLISCO: The last one was a fifteen-page,  
14 thirteen-page --

15 MR. LAURIE: Fifteen, one-five?

16 MR. PLISCO: Fifteen. And you'll see on here  
17 what they did, and I think it's a good idea, is what  
18 the previous panel did is the final report from the  
19 panel is fifteen pages, but they also attached all the  
20 input from every member, put everything in context.  
21 That's why this is so thick because it has every  
22 individual member's input.

23 MR. GARCHOW: With some minority we couldn't  
24 agree in the sense that we allow one or two individuals

1 to write a minority couple of paragraphs, so the reader  
2 of it could see some of the diversity of the thinking  
3 where it wasn't in agreement. MR. SCHERER:

4 Having seen the context of this outline what do you  
5 think is short term and long term?

6 MR. PLISCO: That's what we talked about this  
7 morning, and I think we gave some prioritization to  
8 things. These are the bigger things you need to do  
9 now. Here are some things --

10 MR. SCHERER: These are the things you need  
11 to do before you put it into operation. And here are  
12 the things you need to do, you know, over the first  
13 year.

14 MR. PLISCO: Right.

15 MR. SCHERER: That's sort of easy. Here, as  
16 we discussed earlier...it's implemented and all the  
17 operating plants are using it. So when we define a  
18 short-term action, I think we need to put a common  
19 focus with it. Is it 30 days or is it 90 days --

20 MR. PLISCO: I thought these terms may not be  
21 the right terms, in the sense I think we need to give  
22 some priority --

23 MR. SCHERER: I think it's a right thing to  
24 do. And I personally agree. I just want to get

1 everybody sort of thinking of what is short term. Is  
2 it 90 days or is it six months or is it --

3 MR. REYNOLDS: That implies we're going to  
4 try to solve the problems. We might go back to what  
5 Bill said earlier this morning. I think is prioritize,  
6 what he called block prioritization. Is that what you  
7 said?

8 MR. BORCHARDT: Uh-huh (affirmative).

9 MR. REYNOLDS: Because we may have a very  
10 important issue, but it's going to take a long time to  
11 fix it. But we may want to focus on that with a lot  
12 more effort than deal with a short term that gives not  
13 as much gain.

14 MR. CAMERON: Did you mean, Loren, when you  
15 talked about short term and long term, were you meaning  
16 to really emphasize the priority of the issues, as  
17 Steve was suggesting, rather than focusing on the  
18 temporal aspect, in other words when they should be  
19 solved? Is that --

20 MR. BROCKMAN: Well, it could be either. You  
21 could have an issue that's very important, that needs  
22 to be worked on. But if it takes time, getting it  
23 right is more important than getting it done quick.

24 You could have another issue that says this

1 one you need to change right now. At least an interim  
2 change needs to be made if the long-term vision  
3 is...you've really got the two options and both would  
4 be priority issues either way.

5 If I were to look temporally at some of this,  
6 right now there's discussion going as to the planning  
7 cycle -- not the planning cycle, starting in April that  
8 --

9 MR. CAMERON: Starts in April.

10 MR. BROCKMAN: Of course, that's a logical  
11 time to start something in April, the 2nd of April,  
12 excuse me. Should it be set on the fiscal year?  
13 Should it be set on the calendar year? If the  
14 Commission meeting is not going to happen probably  
15 until summer and get final confirmation on that, you've  
16 somewhat of a disconnect already.

17 You know, I would almost say if we're looking  
18 at the temporal aspects, are there changes that need to  
19 be made by the end of calendar 2001, which may be where  
20 this thing winds up kicking off its next cycle and  
21 going on to an annual cycle? That to me would be a  
22 sort of temporal aspect.

23 This needs to be done very quickly while it's  
24 still in that transition aspect before the concrete

1 starts setting on this which will be the final guidance  
2 If the Commission comes out with respect to the wisdom  
3 they share with us on this aspect.

4 MR. BORCHARDT: I would hesitate to schedule  
5 on...Number one we have no idea what the full load of  
6 activities is that's already on the plate of the people  
7 that are going to have to do this work. If I can be an  
8 optimist for a second, and I assume that we are going  
9 to conclude that the program is okay and can continue,  
10 then that's our conclusion.

11 Now we can identify some ways to make it  
12 better and prioritize that, I think, to some degree.  
13 But if we're going to say it's okay, then we ought, I  
14 think, given the level we're operating from, just stay  
15 out of the schedule.

16 MR. SCHERER: I tend to agree with that. The  
17 reason I kept coming back to this is I think that  
18 rather than short term or long term, I tend to think in  
19 terms of...And it may be, as several people have said,  
20 that the more important issue, the more immediate issue  
21 is to spend a little more time and get it right, as  
22 opposed to looking at the short term and making a fix.

23 There may be other areas that we say but you  
24 need to look at this in the short term, but it's not

1 that critical.

2 I think that the value of our recommendations  
3 would be, and the importance we attach to the issue, as  
4 opposed to time frame we necessarily say that the  
5 Commission ought to address the issue or result. I  
6 wouldn't hesitate to -- or preclude us from a time  
7 frame.

8 MR. PLISCO: That's what I was saying  
9 earlier. I think I probably picked the wrong -- when I  
10 said short term, what I was thinking was that these are  
11 things you should work on first. That's the way I look  
12 at it, not that you got to get it done in three weeks.

13 MR. SCHERER: Sort of like line items. It's  
14 really more like a prioritized list of recommendations  
15 or whatever we call the advice and recommendations  
16 areas --

17 MR. PLISCO: Right.

18 MR. CAMERON: Anybody want to offer a  
19 dissenting opinion? It seems like a lot of people  
20 agreeing on or shaking their heads. MR.

21 PLISCO: There's a better choice of words.

22 MR. CAMERON: You're into this high priority  
23 rather than --

24 MR. PLISCO: Yeah.

1

2

MR. CAMERON: All right.

MR.

3

BLOUGH: I think the only time we talked -- the short term determined -- was like if the overall conclusion was kind of a conditional conclusion. Then you might want to say those things --

7

MR. PLISCO: If there's a specific issue we may say --

8

9

MR. BLOUGH: We can address that when we get there.

10

11

MR. PLISCO: And as we talked about this morning really on the front end of -- or overall conclusion that's what we talked about a while this morning. We should continue or not or within any specific caveats that we had. And overall it doesn't meet the iscycles.

17

And if not in specific areas, we should spell that out. If there's a specific goal, we --

18

19

MR. GARCHOW: The question is not whether it should continue or not, the reality is it's going to continue. So, I mean, even if we say it shouldn't continue, the reality is the Commission got into the right stuff. There's no interest. It's just not going to stop. It's like turning an aircraft carrier. So

24

1 it's not should it continue.

2 I think we've all pretty much agreed it's out  
3 of the pilot stage; maybe continue with a tremendous  
4 amount of significant high priority issues. I mean,  
5 I'm not sure of what they -- I'm just trying to think  
6 if I was a Commissioner or Sam Collins, what I would do  
7 with this esteemed report that completely stop doing  
8 his agency function.

9 MR. SCHERER: I think what he would do is  
10 look at these reviews and stop. And that's all we  
11 would --

12 MR. GARCHOW: I think a stop work order to  
13 the NRC.

14 MR. SCHERER: Yes.

15 MR. GARCHOW: I mean I'm not sure what --

16 MR. SCHERER: I think a back switch

17 MR. GARCHOW: I don't know what that means  
18 back up handle...looking at to stop.

19 MR. SHADIS: If you would have told him the  
20 program shouldn't go forward, it could be that it would  
21 evolve over time into something quite different, and it  
22 has all the potential for doing that.

23 MR. GARCHOW: I just find that interesting  
24 that we would entertain -- I'm not sure what they would

1 do with it

2 MR. PLISCO: But I think the words Randy was  
3 reading this morning out of our charter. And again  
4 this is cryptic evidence: "Continue as is or reformed  
5 or with the following change." And there's more to  
6 that sentence. Randy would probably tell what the  
7 words were; he read them this morning.

8 MR. CAMERON: You can revise your words to  
9 say should the program continue as is? And that's  
10 certainly a question that we would be answering.

11 MR. KRICH: In its present form.

12 MR. CAMERON: In its present form, as is,  
13 right.

14 MR. GARCHOW: The pilot panel, limited as it  
15 was, took a little different approach. Is the basic  
16 framework sound? So then you'd be saying, okay, now  
17 that we've got a hundred plants' data. We had an idea  
18 it was sound. We did it with nine plants. A group  
19 gets together and says based on some limited data, no  
20 clunkers; still sound; go ahead; 104 plants. Well, now  
21 we've got 104 plants for a year.

22 I'd say the question should be: Is the  
23 general construction framework sound? And does it meet  
24 the objectives?

1           So the idea of PIs and then the inspection  
2 reports and the way the activity has all played out  
3 with one year of operation to still be a sound  
4 construct, because this is a pretty radical construct  
5 when you proceed to shift from south to this. If the  
6 answer to that question is no, you'd have to take some  
7 pretty significant action. So I think you get to the  
8 same spot.

9           MR. CAMERON: You can draw the conclusion,  
10 does the ROP framework meet the Agency's goal?

11          MR. GARCHOW: Right.

12          MR. CAMERON: And that's really, I think, the  
13 question that we're being asked.

14          MR. GARCHOW: Right. So the idea of PIs and  
15 inspectable areas and how this all fits into the action  
16 matrix, all of that is what's on the table.

17          MR. CAMERON: As we're moving, it seems funny  
18 -- should the program even continue or should it  
19 continue as is to some statement about is the framework  
20 sound and does it meet the Agency objectives?

21          MR. SETSER: I think that's -- remember there  
22 are powerful macro driving forces that created the  
23 Agency's souls in the first place. And those are  
24 beyond the scope of this group here. So to assume that

1 we come up with anything to negate those would be a  
2 pretty big assumption. I don't think it's within our  
3 scope to do that.

4 MR. SHADIS: The key word is evaluate, and  
5 this cover page ought to be written after you get done  
6 evaluating. When you get done evaluating, if you've  
7 honestly evaluated, you may run into some humongous  
8 show stopper you might say yeah or cease or whatever.  
9 Trying to work through what kinds of recommendations  
10 you might make at this point is getting ahead of the  
11 game

12 MR. CAMERON: But you're suggesting, I think,  
13 that should the program continue is not necessarily  
14 synonymous with is the framework sound. In other words  
15 you --

16 MR. SHADIS: What I'm saying, Chip, is that  
17 the cover page is the last thing you want to talk  
18 about.

19 MR. CAMERON: All right.

20 MR. SHADIS: I mean, granted you may have a  
21 list of contents included with your cover, but that too  
22 needs to be developed after you've completed your basic  
23 mission, which is to evaluate this interim  
24 implementation period.

1 MR. GARCHOW: Wasn't an interim just  
2 corrective language? Wasn't --

3 MR. SHADIS: Excuse me. Let me correct  
4 myself, initial compliance. So the question I have for  
5 you is, have you all gotten enough information and are  
6 we done with information now?

7 We're going to move on to clearing up what  
8 we're going to say. Or are we still in the process of  
9 --

10 MR. GARCHOW: We're still fact finding.

11 MR. SHADIS: Do we need more information and  
12 what kind of information do we need in order to  
13 evaluate the program?

14 MS. FERDIG: It seems to me that that's what  
15 this is about. What extent does the ROP framework meet  
16 the NRC objectives? That becomes our criterion for  
17 evaluation and the results will be whatever they are.  
18 So we're not determining that now. We're simply saying  
19 that's our objective.

20 MR. PLISCO: That's why we're going through  
21 this exercise, not to come up with the answers, but to  
22 come up with the questions that we might answer at the  
23 end to help us decide what information we need, and who  
24 we need to talk to and where, we need to go in our work

1 planning to get ready for that. That's all it was,  
2 really not to answer any questions. Just what  
3 questions do we need to ask.

4 MR. SHADIS: I'm just a country boy. All I  
5 know is it says right here: "Overall conclusion:  
6 Should the program continue?"

7 And then up there it said: "Should the  
8 program continue?"

9 And that is conclusionary. It's not  
10 definitive of what you're going to look at or how  
11 you're going to look at it, the extent to which you're  
12 going to look.

13 You know, you could look for two minutes and  
14 decide the program should or should not continue, or  
15 you could spend the next year and a half doing it.  
16 That's not what -- coming to that conclusion.

17 MR. CAMERON: If the policy is the same,  
18 would you still feel that way? What I think the panel  
19 -- the other people on the panel are suggesting it's  
20 not should the program continue. But the question  
21 that's going to be asked is, is the framework sound and  
22 does it meet the objectives?

23 Now that's not a -- no conclusionary yet, as  
24 Mary points out. I think it's the question that the

1 panel is trying to answer.

2 MR. SHADIS: The next question that could and  
3 should be asked within the framework of evaluating the  
4 program, sure.

5 MR. CAMERON: And does anybody have anything  
6 to say about Ray's statement? I think the answer to  
7 his question is, got to be done in the framework of  
8 evaluating --

9 MR. SHADIS: I just don't see any one of them  
10 as determining what the rest of the conversation is  
11 going to be about. Contributing to it; Flush out where  
12 the rest of your evaluation has to go, you know. Maybe  
13 we're not coming to the first need.

14 MR. FLOYD: This is just an outline of what  
15 the layout --

16 MR. SHADIS: I understand that; I understand  
17 that. I just bridle with starting with a conclusion.

18 MS. FERDIG: It's a question --

19 MR. HILL: Starting with a conclusion that  
20 have to determine whether you can reach or not.

21 MS. FERDIG: Yeah.

22 MR. HILL: That's a potential, I mean, that's  
23 a question to ask.

24 MR. SHADIS: Fine, but then the process

1 becomes from that point if you get a tree, it spreads.  
2 If you say it shouldn't go forward, then one must also  
3 presumably say what do you want then? The old process  
4 some other process?

5 If you say it should go forward but, then  
6 what are the conditionals that you are going to attach  
7 to it? And so it sort of builds on that. And I have  
8 no problem if that's where this process is going.

9 MR. HILL: I guess I'm not sure what you're  
10 suggesting as an alternative to what's been presented  
11 up there.

12 MR. CAMERON: The alternative being the  
13 second phrase: "Is the framework sound and does it  
14 meet the objectives?" Is that what you mean, Richard?

15 MR. HILL: No, I'm suggesting what would he  
16 want? If he has a problem with that, what do you  
17 suggest? You said we shouldn't go back. What other  
18 alternative is there that you suggest we go?

19 MR. SHADIS: I understand your question.  
20 What I --

21 MR. HILL: You don't have an answer

22 MR. SHADIS: I do; I really do. I think you  
23 should proceed along the line of asking what  
24 information is necessary before you can evaluate a

1 program. And you've gone a long way toward doing that  
2 because you've had the regional reports. You're  
3 building on that, but I can't see where you're done  
4 with that end of the process.

5 MR. PLISCO: Yeah, we're not.

6 MR. HILL: Let me suggest something here  
7 then. I don't think anybody would suggest we could  
8 look at enough information that we could form an  
9 absolute yes, it is; no, without a doubt, it should  
10 continue. What we're looking for is anything and  
11 everything we see that it should not. So it's kind of  
12 like is there something there that says it should not.  
13 But we're not going to go try to evaluate everything  
14 that's been done to be able to prove that it should.  
15 Is that --

16 MR. GARCHOW: We put this panel together on  
17 purpose with intentional biases. That's the strength  
18 of the panel. It wasn't like we went and hired six  
19 academicians or, you know, the guy from the corner  
20 garage.

21 We put together a panel, immerse them in this  
22 for six months, and come up with a completely  
23 independent position. I mean, we hired them -- hired  
24 them chiefly, the people to be on this panel because

1 of diverse opinions and probably the inherent biases.

2 MR. LAURIE: I don't understand the question.  
3 I thought the question was -- or Ray said that he felt  
4 we don't have enough data to start filling in the  
5 blanks. And we all agree on that. We have another  
6 couple of months and another ex-number of hours to go  
7 through that.

8 I think we're just talking about formatting.  
9 Is that right?

10 MR. FLOYD: Yeah. Well, the question on the  
11 table is, should the report start out with a conclusion  
12 statement, saying today what the conclusion is because  
13 we haven't done the evaluation? But should the format  
14 of the report on page 1 state the overall opinion of  
15 the panel? And that's what we're talking about; that's  
16 all.

17 MR. CAMERON: Is that the only thing you're  
18 talking about?

19 (Lots of background talking all at once.)

20 MR. SCHERER: My concern is -- what I think  
21 I've heard is "Wait a minute. Are you starting with  
22 conclusions and trying to find facts to support it?"  
23 And I don't think that's what we're doing.

24 What we're doing is we're collecting facts

1 and we're saying what is it we're trying to conclude so  
2 that we can collect the information. What question are  
3 we trying to answer. Not pre-judging the answer.  
4 We're not starting with the conclusion and working  
5 backwards. We're not using deductive logic. We're  
6 trying to collect all the information and make a  
7 decision.

8           But in order to be efficient, because there's  
9 a lot of data in this world on a lot of things, what  
10 we're trying to define and that's what we had discussed  
11 at our first meeting. Figure out the question you're  
12 trying to answer. I think the question is, you know,  
13 is the framework sound and does it meet the  
14 objectives(?) is a reasonable question.

15           MS. FERDIG: Do you feel the question is  
16 framed in a way where it's leading to the response. Is  
17 that what I'm hearing?

18           MR. SHADIS: I think you just destroyed the  
19 last neuron in my brain.

20           (Laughter)

21           What happens is, you have an outline for a  
22 report. And my concern was that if you're discussing  
23 how a report is going to look that's one thing. If the  
24 outline for the report begins to drive how you're going

1 to conduct the rest of your proceedings, then I become  
2 very concerned.

3 And if the rest of your proceedings go  
4 forward on the basis of, is the first question go/no  
5 go, you know, are we doing that kind of analysis, then  
6 I'm really bothered by that.

7 If the question is the one you've already got  
8 in your outline: Does it meet these eight objectives  
9 that you have? I think that's a good way to proceed  
10 because that dictates what kind of information you  
11 need, and you can work from that.

12 MR. PLISCO: And actually the process is  
13 going to work from the bottom of this sheet; it's going  
14 to work its way up. That's how it should work

15 We're going to collect information and get  
16 the individual views of the panel members and work our  
17 way up to these individual comments and concerns and  
18 hopefully work our way up to the cover page.

19 MR. SCHERER: Hopefully Ray, he still has a  
20 few neurons left.

21 MR. SHADIS: Neurons or morons?

22 (Laughter)

23 MR. SCHERER: I'm a little concerned about  
24 some of the discussion that occurred here for those

1 members that weren't at the first meeting because of  
2 the quick jump to dissenting opinions. I want to  
3 emphasize at least my expectations.

4 We'll spend a sufficient amount of time  
5 trying to reach a consensus and try to have a majority,  
6 a unanimous opinion in the report to the extent that we  
7 can, with the last alternative being dissenting  
8 opinions, and not jump to dissenting opinions so that  
9 everybody can sort of write their report already based  
10 on the prejudices they come in with.

11 We all have biases in personal experience.  
12 But I think that, based on what we hear here, we spend  
13 a lot of time discussing it. I'm really saying it for  
14 the record and for those people who weren't at our  
15 first meeting, that we allow and commit ourselves to  
16 spending as much time as possible trying to reach  
17 unanimous agreement on the points that we can, and only  
18 use a dissenting opinion as a last resort, where it's  
19 clearly no longer cost effective and everybody's no  
20 longer willing to do that. Fine. That's a last  
21 resort.

22 MR. CAMERON: And those are in your by-laws  
23 or whatever we call them. Okay? For the panel. I  
24 mean, that statement is in there. Although Jim and

1 Mary and Ray and Bill, I don't think that I would offer  
2 them -- I don't think the people who were here last  
3 time would disagree with what's in those by-laws in  
4 terms of that trying to strive for consensus. But  
5 that's a real good point.

6 MR. KRICH: I have to ask at the risk of  
7 causing all kinds of problems here. I'm not sure that  
8 I agree with what you've written down. The charter  
9 that we are here for says that we will "monitor and  
10 evaluate information in order to recommend to the  
11 Commission whether to reform or revise the program."  
12 That's our charter.

13 The first meeting we got together on it we  
14 said, well, one of ways that we can meet that charter  
15 is to determine if the process of achieving the NRC's  
16 goals, to determine whether the more significant  
17 problem areas have been identified, and determine  
18 whether the NRC is developing a sound self-assessment  
19 process for the ROP.

20 MR. CAMERON: These three --

21 MR. KRICH: Right. Has something changed?  
22 Maybe I missed something. Did we modify based on what  
23 you wrote down?

24 MR. CAMERON: I don't want to modify

1 anything. I'm basing this on what I'm getting feedback  
2 for -- MR. KRICH: Like, Shadis, I'm running  
3 out of neurons also.

4  
5 (Laughter) MR. CAMERON: Maybe you  
6 hit on a key. We started off talking about maybe  
7 format, but we were phrasing what question is the panel  
8 trying to answer. Maybe we've already stated in the  
9 past what question the panel is trying to answer. Does  
10 it meet what you just read us?

11  
12 MR. KRICH: To my mind if you have a charter,  
13 the first thing you start off with in your summary  
14 statement of your report is, the answer to the question  
15 in the charter is "X."

16 MR. LAURIE: Do you determine to answer this  
17 question by doing follow up?  
18 I think Rod is actually correct. You answer the  
19 question posed to you in the charter.

20 MR. BROCKMAN: There are key words in the  
21 charter that we don't want to forget, and we're to  
22 evaluate the ROP results. Our written report will  
23 contain an overall evaluation of the ROP, which, I  
24 think, certainly is an overall statement.

1           I think what we're talking about here is the  
2 question we see as appropriate to determine the overall  
3 evaluation of the ROP is, should the program continue?  
4 If we can say should the program continue, yes/no(?),  
5 that is that capstone evaluation statement of the ROP.  
6 And then we got a whole lot of detail; we go in there  
7 and all that stuff

8           MR. KRICH: What I'm asking about is, at the  
9 first meeting, and maybe I misunderstood -- but at the  
10 first meeting we went through all the words of the  
11 charter. And we said, "Okay, what does that look like?  
12 How do you translate that into what are we going to  
13 come up with?"

14           I thought what we agreed to was these three  
15 things.

16           MR. SHADIS: That's correct.

17           MR. KRICH: If we went through these three  
18 things, we would answer the words of the charter. Is  
19 that -- did I miss something?

20           MR. BROCKMAN: What were the three things  
21 again?

22           MR. CAMERON: That's correct. We've already  
23 changed one of the three things. Maybe what you said,  
24 Rod, "Does the program meet the objectives of the NRC?"

1 Maybe that should be the question you're trying to  
2 answer. Maybe the question you're trying to answer is  
3 already in the charter and you don't need to worry  
4 about it.

5 MR. BLOUGH: My thinking is we ought to have  
6 a -- this is just a report outline. We ought to have  
7 an overall conclusion. And probably we shouldn't start  
8 out with this questioning should the program continue,  
9 but maybe just call that an overall recommendation.

10 And that would be a short statement to the  
11 extent that we can come up with one that talks on, you  
12 know, should the program be substantially reformed?  
13 Does it need to be revised? Should we think a whole  
14 new way?

15 Just for now we'll call it an overall  
16 recommendation and try to come up with something that  
17 once we're done with it we have all the information.  
18 His advice and recommendation on -- general one on the  
19 extent on which the program would need reformed,  
20 revised, or not. So just call that overall  
21 recommendation for now.

22 And then an overall evaluation -- and the  
23 overall evaluation, I think, we agreed would be the one  
24 that answers the question, does the ROP meet Agency

1 goals?

2                   And then a prioritized list of  
3 recommendations and so on.

4                   MS. FERDIG: And from the conversation this  
5 morning, in keeping with what you're just saying, I  
6 think I heard a suggestion that the language in Point 2  
7 about what you agreed to last time, which was determine  
8 whether or not the more significant problem areas, or  
9 if it's long term, short term, so on, could be re-  
10 languaged as priority areas --

11                   MR. CAMERON: Absolutely.

12                   MS. FERDIG: -- to pay attention to continue  
13 success and allow ourselves to prioritize in a way  
14 that Bill suggested.

15                   And someone then also -- which I wanted to  
16 check with -- suggested we might organize it according  
17 to the four main areas.

18                   MR. PLISCO: And the reason I proposed that  
19 was it's just easier for the staff to take actions and  
20 look at them because that's how they structured the  
21 program. It's easier for them to communicate those  
22 issues, assign actions, or whatever.

23                   MS. FERDIG: And when I did emerge that might  
24 be quickly of further consideration, we include them

1 throughout the report where --

2 MR. BROCKMAN: Are we talking about a  
3 separate attachment? What's listed on here, we have  
4 suggestions, recommendations for improvement, --

5 MS. FERDIG: It really is in the language.

6 MR. MONNINGER: I think a part of No. 2 is --  
7 some of it is the panel, but part of it was the staff  
8 is in the process of identifying significant problem  
9 areas. Was this panel agreed that for all your  
10 evaluation and everything that you have, that the staff  
11 has to identify them? Have you identified something  
12 that the staff hasn't?

13 MR. BROCKMAN: We will not be able to answer  
14 that question. The only question we will be able to  
15 address at that stage of the game is, does the staff  
16 have a process in place for identifying them?

17 And here's some stuff that we want to make  
18 sure you throw onto your platter when you're doing that  
19 because their evaluation is going to be going on at the  
20 same time ours is.

21 And our report will probably be running  
22 almost parallel with theirs. And having their data  
23 review and analyze reflected to include in our report,  
24 the timing is just not going to be right. We'll see

1 various drafts.

2 MR. MONNINGER: I mean, they're going to  
3 report --

4 MR. BROCKMAN: As I say, we'll have some  
5 insights. But I don't think we'll be able to stay the  
6 same with all the issues captured. I just have the  
7 feeling we will be very fortuitous if the timing works  
8 out for us to be able to do that.

9 MR. CAMERON: That may turn out to be true,  
10 and we'll have to deal with that. But where are we  
11 now?

12 MR. FLOYD: First of all, a statement of the  
13 overall conclusion of the panel.

14 Second one was the results of our evaluation  
15 as to how well the overall program meets the eight  
16 performance criteria.

17 Third one, what were the high priority issues  
18 we believe should be addressed?

19 MR. GARCHOW: Works for me.

20 MR. REYNOLDS: Yeah, that's what I got out of  
21 it. MR. SCHERER:

22 We can refine and make suggestions.

23 MR. PLISCO: We can refine obviously the  
24 language later. The thought is just to get a general

1 outline.

2 MR. BLOUGH: Since I said that I was looking  
3 at the sheet and the fourth thing there states  
4 regarding adequacy of staff self-assessment program  
5 controls.

6 If we're going to include that, that probably  
7 should go before the prioritized list of  
8 recommendations, because then we would be addressing  
9 major deltas in that area as well.

10 MR. CAMERON: So you're putting self-  
11 assessment in there before the priorities?

12 MR. BLOUGH: Yeah.

13 MR. PLISCO: Anything else we need to do  
14 today?

15 MR. GARCHOW: As a housekeeping thing -- are  
16 you wrapping this up?

17 MR. PLISCO: Yes.

18 MR. SHADIS: As a housekeeping item, is there  
19 a server list, e-mail server list for this panel?

20 MR. PLISCO: Would this be for all the  
21 members?

22 MR. SHADIS: I was thinking you could very  
23 quickly in a few minutes set up a list with a server  
24 that would simply give us one address. Every panel

1 member would then get a copy of the e-mail. I'm just  
2 thinking about communicating.

3 MR. PLISCO: The way we suggested at the  
4 first meeting is send it to John. John has a list he  
5 set up.

6 MR. GARCHOW: He's our server.

7 MR. PLISCO: Yeah, he takes care of interface  
8 issues. Some people only use WordPerfect; some people  
9 only use Word. He can also handle that as far as  
10 whatever document you need. He can give you the right  
11 --

12 MR. GARCHOW: Hey, John, you know your  
13 business better than I did. In the first panel when we  
14 were briefed by OGC on what the rules were, the backup,  
15 they were pretty clear that the business of the backup  
16 could not be conducted via e-mails or phone mails  
17 amongst members not out in the open. We had to sign on  
18 -- I mean, Federal law is a good motivator to me. I  
19 know we had to sign on to something.

20 MR. PLISCO: That's another reason why we  
21 send it to John. He makes sure --

22 MR. GARCHOW: So you've just got to be  
23 careful with that. Interfacing with some parts of the  
24 people between me -- I mean I'm not -- that was just

1 one of the rules we had to sign on.

2 MR. SCHERER: They made it clear at the first  
3 session. We can talk to each other, just not reach  
4 conclusions.

5 MR. GARCHOW: I'm not that smart.

6 MR. PLISCO: The solution is you send it to  
7 John. It does two things: He can send it out; and  
8 he's the repository to get things in the public data  
9 base. He can take care of that too.

10 MR. SHADIS: Just a comment. I really  
11 appreciate a lot of the thoughtful comments that went  
12 on. It's like given me a lot to chew about. I  
13 appreciate the viewpoints of the people that's trying  
14 to work with this.

15 MR. PLISCO: See you tomorrow morning.

16 (Whereupon, at 6:00 p.m., the meeting was  
17 adjourned to reconvene on December 12, 2000, at 9:00  
18 a.m.)