

# **Official Transcript of Proceedings**

## **NUCLEAR REGULATORY COMMISSION**

**Title:** Reactor Oversight Process  
Initial Implementation Evaluation Panel

**Docket Number:** (not applicable)

**Location:** Rockville, Maryland

**Date:** Monday, April 2, 2001

**Work Order No.:** NRC-144

**Pages** 1-330

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION  
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REACTOR OVERSIGHT PROCESS (ROP)  
INITIAL IMPLEMENTATION EVALUATION PANEL (HEP)

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MEETING

+ + + + +

MONDAY,

APRIL 2, 2001

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ROCKVILLE, MARYLAND

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The panel met at 9:00 a.m., at the Nuclear  
Regulatory Commission, Room 1F16, One White Flint  
North, 11555 Rockville Pike, Rockville, Maryland,  
Loren R. Plisco, Chairman, presiding.

INITIAL IMPLEMENTATION EVALUATION

PANEL MEMBERS PRESENT:

LOREN R. PLISCO, Chairman

A. RANDOLPH BLOUGH

KENNETH E. BROCKMAN

MARY E. FERDIG

STEVE FLOYD

DAVID A. GARCHOW

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## 1 INITIAL IMPLEMENTATION EVALUATION

2 PANEL MEMBERS PRESENT (Continued):

3 RICHARD D. HILL

4 ROD M. KRICH

5 ROBERT A. LAURIE

6 JAMES H. MOORMAN, III

7 STEVEN A. REYNOLDS

8 A. EDWARD SCHERER

9 RAYMOND G. SHADIS

10 JAMES M. TRAPP

11 ALSO PRESENT:

12 CHIP CAMERON, NRC/OGC

13 DOUG COE, NRC

14 BILL DEAN, NRC/NRR

15 RONALD K. FRAHM, JR., NRC/NRR

16 TIM FRYE, NRC

17 ROGER HUSTON, Licensing Support Services

18 DON HICKMAN, NRC/NRR

19 JEFF JACOBSON, NRC/NRR

20 MIKE JOHNSON, NRC/NRR

21 STEVE KLEMENTOWICZ, NRC/NRR

22 PETER KOLTAY, NRC/NRR

23 SCOTT MORRIS, NRC/OEDO

24 CHRIS NOLAN, NRC/OE

25 VONNA ORDAZ, NRC/NRR

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1     ALSO PRESENT (Continued):

2                     ROGER PEDERSEN, NRC/NRR

3                     DEANN RALEIGH, LIS, Scientech

4                     WAYNE SCOTT, NRC/NRR

5                     JOHN THOMPSON, NRC/NRR

6                     SEE-MENG WONG, NRC/NRR

7                     SUSAN YIM, Winston & Strawn

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C-O-N-T-E-N-T-S

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

(9:00 a.m.)

CHAIRMAN PLISCO: Let's go ahead and get started.

Welcome to the fifth meeting of the Initial Implementation and Evaluation Panel.

PARTICIPANT: It seems like the 23rd.

CHAIRMAN PLISCO: It is only the fifth. It seems a lot more.

This is a public meeting. There is a sign-up sheet by the door for those non-panel members.

The meeting is transcribed.

We'll provide some opportunities for any public comments at the end of each session. We didn't receive any written comments before the meeting to hand out.

Let me go through the agenda for the next two days. You can see what to expect. We'll just do some administrative business this morning. At 9:30, Bill Dean will be in from the Inspection Program Branch at NRR to give us an update on the reactor oversight process, to give us the status of where they are in the self-assessment program, and to provide a brief summary of the results from the lessons learned workshop, the external lessons learned workshop which

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1 was held last week, and a number of us were there.

2 We'll continue with that discussion in the  
3 afternoon to allow the opportunity for any of the  
4 panel members to provide their feedback on that  
5 lessons learned workshop also.

6 We did have some time blocked out this  
7 afternoon for some external invited stakeholders, but  
8 we didn't get any takers for that. So what we'll  
9 really do is move into the main objective for this  
10 month's meeting, is to go through the issues that  
11 we've developed. We did the initial prioritization  
12 the last two months, and John and I have gone through  
13 and tried to summarize what those issues are and put  
14 down what the priority was and what the impact on the  
15 program goals.

16 And you should have in your stack of  
17 handouts there in front of you a list of those issues.  
18 Actually that has all of the areas except for the SDP,  
19 and we're going to finish that tonight and get that to  
20 you tomorrow, but we'll go through those one by one  
21 and make sure we have captured the issue to help us  
22 put the final report together.

23 Tomorrow we'll continue that discussion  
24 and really have the whole day up until two o'clock  
25 allotted to go through those issues and make sure we

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1 have captured the theme or any messages that we want  
2 to provide in our final report.

3 And then we'll do our last agenda planning  
4 session and talk about where we go from here as far as  
5 preparation for our final report.

6 At the last meeting, we had talked  
7 tentatively about a meeting set up for April 25th, and  
8 we'll talk about that and what the objectives for that  
9 meeting might be if we still want to have it.

10 Any questions on the agenda and the plan  
11 for today and tomorrow?

12 (No response.)

13 CHAIRMAN PLISCO: I did want to mention a  
14 couple of administrative things. First, I don't know  
15 if everyone knows. John Monninger and his wife, they  
16 had a baby daughter on Friday.

17 (Applause.)

18 CHAIRMAN PLISCO: We had asked her to wait  
19 until after this meeting, but she did not cooperate.  
20 So because of that we had a contingency plan set up.  
21 We have designated Ron Frahm here in the back from NRR  
22 as our Designated Federal Official for this meeting,  
23 to help us out and keep track of what we've discussed  
24 and take care of some of our administrative items as  
25 we go through the meeting.

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1                   We're expecting Mary to be here -- I know  
2                   her flight was getting late -- last night, and  
3                   hopefully we'll see her soon. Jim Setser could not  
4                   attend. He had personal issues, and he's not going to  
5                   be able to come, but I'm going to go ahead and forward  
6                   electronically the issue sheets to him to see if he  
7                   has any comments, and I'll get those before we put  
8                   that report together.

9                   The last thing I wanted to mention was  
10                  Bill Borchardt was involved in a reorganization within  
11                  actually many of the offices of NRR, and he has moved  
12                  over to the Associate Director of NRR, and he will  
13                  have cognizance of the inspection program. That will  
14                  be under his authority. Actually Bill Dean will work  
15                  for him.

16                  We had discussion last week and today. He  
17                  thought probably the best avenue is to recuse himself  
18                  from the panel, even though he was in OE, since he'll  
19                  be in the line, and we had a long discussion I know in  
20                  our first meeting about our independence and some  
21                  sensitivity of the panel members in that line change  
22                  for the organization that's in charge of the programs.  
23                  So he thought it would be best to just go ahead and  
24                  recuse himself.

25                  MR. KRICH: That's a heck of a way to get

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1 out of having to sit on the panel.

2 CHAIRMAN PLISCO: That's exactly what I  
3 told him.

4 (Laughter.)

5 CHAIRMAN PLISCO: What people would do.

6 MR. KRICH: Well, if we could, I guess  
7 what I'd like to suggest because I think Bill had a  
8 lot of good input to this, and I hate to lose that.  
9 So is there maybe some way we can get him to provide  
10 us written input, you know, from his time on the  
11 panel?

12 CHAIRMAN PLISCO: Yeah, I can talk to him  
13 about that, and he did have a couple of alternate  
14 suggestions as far as, you know, he was really  
15 representing the Office of Enforcement to provide that  
16 perspective.

17 MR. KRICH: Right.

18 CHAIRMAN PLISCO: And he and a number of  
19 staff members in OE -- actually, Chris Nolan sat in on  
20 our first meeting, and he was going to ask them to  
21 come down when we have -- he's here. Hi, Chris.

22 So if we have any issues that come up or  
23 questions and we're looking for some input from that  
24 perspective, Chris will help us with that and provide  
25 that.

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1 MR. KRICH: I'd still like to get  
2 something from Bill himself on --

3 CHAIRMAN PLISCO: Okay. I can talk to  
4 Bill about that and provide his perspective, but  
5 again, because of the sensitivity, and we did have  
6 about a three-hour discussion, I think, on our first  
7 meeting about the sensitivity, the independence, and  
8 that's why he thought that was probably the best way  
9 to handle that even though I just think he just  
10 started the job last week.

11 MR. FLOYD: Well, considering the amount  
12 of time he's been in the job and the fact that if he  
13 gave us comments in writing they'd be part of the  
14 public record, I think that that would be an  
15 appropriate thing to do.

16 CHAIRMAN PLISCO: Okay. I'll do that.  
17 I'll talk to him about that.

18 Any other questions on that?

19 (No response.)

20 CHAIRMAN PLISCO: The meeting minutes in  
21 your package in front of you, and there are copies out  
22 from, is the summary of last month's meeting. John's  
23 working now on getting the transcript on the Web page.  
24 I don't think it's on. It's not on the Web page yet,  
25 but it should be there soon, but this is the brief

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1 summary, and a copy of some of the attachments that we  
2 used.

3 Okay, and as I said earlier, as far as the  
4 panel's wish list of external stakeholders, we had two  
5 left. One was Jim Riccio. We approached him and  
6 asked him if he'd be interested in discussing his  
7 issues with the panel this month, and he declined.

8 I also worked with our Office of  
9 Congressional Affairs to see if there was any interest  
10 from the congressional staff to come over and provide  
11 us any viewpoints, and because of their schedule and  
12 other things that are going on in preparation for the  
13 spring recess, they declined also to come over at this  
14 point and provide us any input.

15 MR. GARCHOW: So, Loren, will you note  
16 that somehow in the record just for the completeness  
17 of seeing that we were reaching out --

18 CHAIRMAN PLISCO: Yes.

19 MR. GARCHOW: -- to anybody and everybody  
20 we could think of? Put that in the front of the  
21 report.

22 CHAIRMAN PLISCO: And actually that  
23 reminds me of one more thing. What I had hoped to do  
24 is if we can get through the discussion of all these  
25 issues today and tomorrow and at the end of tomorrow

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1 try to capture any other thought as far as things we  
2 want to make sure we include in the body of our report  
3 that aren't necessarily -- hi -- captured, the  
4 specific issues as far as general overall themes or  
5 thoughts that we want to capture in the report. I'd  
6 like to talk about those tomorrow near the end of the  
7 day, you know, such as that so that when we put those  
8 together we make sure we get those things captured.

9 MR. LAURIE: Loren, do you know what the  
10 status is of David Lochbaum's petition on -- I don't  
11 know the exact specifics of it. Do you know what I'm  
12 talking about? It's called a petition.

13 CHAIRMAN PLISCO: Yeah, with petition to  
14 require the performance indicators to be made.

15 MR. LAURIE: Yes.

16 CHAIRMAN PLISCO: The submittal to be made  
17 part of the --

18 MR. LAURIE: Yeah. Do you know what the  
19 status is?

20 CHAIRMAN PLISCO: I do not, but when Bill  
21 Dean is here this morning, maybe we can ask him  
22 directly, and he can probably --

23 MR. FLOYD: It's out for public comment,  
24 comments due back towards the end of April, I believe  
25 it is.

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1 MR. LAURIE: And is that something that  
2 the full Commission deals with?

3 MR. FLOYD: Yeah.

4 CHAIRMAN PLISCO: Yeah, when Bill's here  
5 this morning, he's expected and we're going to start  
6 at 9:30. We can talk to him about that.

7 MR. KRICH: Loren, just out of curiosity,  
8 when you approached Jim Riccio, was he unable to do  
9 this because of just schedule of problems or was he  
10 just not interested in talking to the panel?

11 CHAIRMAN PLISCO: I don't know. I can  
12 talk to John. John talked to them, and he's actually  
13 talked to them, I think, the previous meeting and for  
14 this meeting, and I couldn't tell you. I don't recall  
15 what it was as far as it was scheduled issues or  
16 anything else, but I can get an answer to that.

17 MR. KRICH: I'd be interested.

18 CHAIRMAN PLISCO: Okay. And what you  
19 should have in front of you for handouts are the  
20 February meeting summary that I sent to Sam Collins  
21 with some of the attachments.

22 Well, the reason we do that is some of  
23 them are large. We just include those electronically.  
24 We didn't give you all of them.

25 There was an E-mail sent out by Ed --

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1 where is Ed? -- on the Time magazine article. We have  
2 copies of that out front.

3 Our meeting agenda, you should have that,  
4 and then you should have a package of the issues that  
5 we've developed so far, and this includes all of them  
6 except for the SDP issues, and as I said, we'll finish  
7 those tonight and get that out tomorrow.

8 I didn't think we'd get through all of  
9 these today. So I knew I would have the time to do  
10 that tonight.

11 What I've done, and you can just look at  
12 the first sheet as an example, is just provide a  
13 summary of the issue, what our initial priority was,  
14 and what I call primary program goals. What John and  
15 I did is go through the eight goals that we were going  
16 to measure success again, and the primary ones, the  
17 ones that got essentially the most votes across the  
18 panel, we included those.

19 Obviously many of these issues really  
20 cross many, many of the goals, and we decided just for  
21 brevity's sake to pick the ones that appeared to be  
22 the primary ones.

23 And we tried to provide a brief  
24 description of the issue. In cases where we had some  
25 examples to better explain it, we included those, and

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1 then what we're calling right now a panel  
2 recommendation.

3           Some we got from the discussion. Some  
4 were sort of inferred by the way that some of the  
5 write-ups were provided, and we'll talk about those as  
6 we go through those. I think there's one or two that  
7 I still have the panel recommendation blank because it  
8 wasn't clear once I went back to look at our notes to  
9 where we were headed as far as what our panel  
10 recommendation is, if any, and we'll talk about some  
11 of those, too.

12           Let's see. Any general questions about  
13 those?

14           MR. GARCHOW: Is it your anticipation,  
15 Loren, as we get through these this essentially  
16 becomes the report with some sort of opening  
17 description of what we did and then these attachments,  
18 just some just blend into the report?

19           CHAIRMAN PLISCO: Right. John and I are  
20 working right now on the format for the report and how  
21 we want to lay that out, and we could talk about that,  
22 too, as far as any suggestions people have how we are  
23 -- we'll provide, you know, like some kind of cover  
24 letter to present our results, and then a general  
25 overview as far as what the panel did, how we

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1 conducted our business, you know, the external  
2 stakeholders we talked to.

3 And I think right now our thinking is the  
4 details, as in this level of detail, will be  
5 essentially an attachment to the report, and then  
6 we'll try to summarize some of the issues in the front  
7 of the report, like in an executive summary type  
8 discussion.

9 MR. KRICH: And then there would be a  
10 section for minority opinions as we had agreed upon in  
11 the --

12 CHAIRMAN PLISCO: Right, right. And we  
13 can do that with in the body of the report or, you  
14 know, on these individual sheets.

15 MR. KRICH: Right.

16 CHAIRMAN PLISCO: I mean, this might be  
17 the better place to do that, is on these individual  
18 sheets. If there's other comments or minority views  
19 that we want to add, we can just put them right on  
20 these sheets.

21 And our intention is, as I said, to go  
22 through each one of these during this meeting, gather  
23 those comments, and John and I will pull the front  
24 part of the report together, get that out to you  
25 electronically, get some additional comments to

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1 finalize that report, which we're shooting for the end  
2 of the month, end of April.

3 And again, that's what I was going to talk  
4 about, too, is that the need for that meeting on April  
5 25th, where we see how far we get by tomorrow, whether  
6 we still need to do that or the other option is really  
7 what they did in the PPEP panel, was once the report  
8 got to that point, just do it electronically, you  
9 know, send it out, gather comments electronically and  
10 go through several iterations of the report that way.

11 It is harder for me to do it that way, but  
12 we can. We can do it that way.

13 MR. BROCKMAN: From one who was on the  
14 initial, it's just as hard as a member to try to fit  
15 that into your normal work schedule. You get captured  
16 by other things.

17 CHAIRMAN PLISCO: Yeah.

18 MR. BROCKMAN: So I'll express my  
19 preference now. We'll do better coming together.

20 CHAIRMAN PLISCO: Yeah, and just have the  
21 one-day meeting and just finalized and see if there's  
22 any other needed discussion on the issues.

23 MR. KRICH: I would support that also.

24 CHAIRMAN PLISCO: Yeah.

25 MR. GARCHOW: If you could get that out

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1 before that meeting, when we're just coming in then --

2 CHAIRMAN PLISCO: Yeah.

3 MR. BROCKMAN: Come in educated.

4 CHAIRMAN PLISCO: Yeah, and John and I,  
5 before he ran off to pick his wife up from the  
6 hospital discussed that this morning, our time line to  
7 making sure we can get the draft of the report pulled  
8 together and get it out to you in time before that  
9 April 25th meeting so that you have time to go through  
10 that before the meeting. It will make the meeting  
11 more efficient, and that's what we intend to do.

12 But if there are any other suggestions,  
13 we're still laying out the report format as far as  
14 what we need to include. We obviously went back and  
15 looked at the PPEP report to see how that was laid  
16 out. We'll probably use some parts of that format.

17 But I think a lot of the issues in the  
18 previous panel were sort of general. There wasn't a  
19 lot of experience. We do have a lot more detail and  
20 specifics. You know, you can see it in these  
21 individual sheets, and it's the experience gained this  
22 year.

23 MR. SHADIS: Is it your intention that  
24 this meeting on April 25th be the final meeting of  
25 this panel?

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1 CHAIRMAN PLISCO: Yes.

2 MR. SHADIS: I can see looking at my own  
3 schedule where I would have to do an awful lot of  
4 work, jam it in to make certain that the minority  
5 view, if you will, is captured.

6 The more we get into this method of  
7 picking out small bits and pieces of this program and  
8 critiquing each of those, sort of in education what we  
9 call an atomistic approach, if you can pardon that,  
10 the more I keep pulling back to take a high level view  
11 of this, and Bill Dean's recounting of the origins of  
12 the ROP at the workshop, you know, really triggered,  
13 you know, my concern that the Commission's intention  
14 to avoid situations like the Maine Yankee situation,  
15 where so much had slipped by and then was caught up in  
16 the independent safety assessment, that that not be  
17 repeated.

18 And right now I don't have the assurance,  
19 and maybe I'm missing things, but going over all of  
20 these really narrowly focused details on the reactor  
21 oversight process so far doesn't give me assurance  
22 that that goal is going to be met.

23 You know, the lack of complete design  
24 basis information, the lack of comparable PRAs for  
25 comparable plants, I mean, at this point we're very

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1 uncertain about enforcement as to whether or not it  
2 can be anticipated predictable.

3 So I don't see how this program will be  
4 much better, if any better, at catching those problem  
5 plants, and so anyway, it leaves me with, you know,  
6 working at these really big block, basic issues.

7 And so I have to say that between now and  
8 April 25th, given the work load that I have, I don't  
9 know if I can get material in front of the panel for  
10 consideration well in advance of the 25th and how that  
11 would be then incorporated.

12 MR. LAURIE: What are the time  
13 constraints, Loren? You have to submit the report by?  
14 What's the end date?

15 CHAIRMAN PLISCO: The end of April was the  
16 original target. The intent is to get our report out  
17 just in time for the staff to have a chance to see it  
18 before they submit their report to the Commission,  
19 their, you know, end of the year report to the  
20 Commission.

21 MR. KRICH: Could I ask, Ray, how much  
22 time you think you would need in order to do what you  
23 want to do?

24 MR. SHADIS: I don't know. I'm just --  
25 I'm firing cautionary flares up here because, you

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1 know, it may well be that I could sum those issues in  
2 short order and have them down here next week, but the  
3 -- or even in the matter of a few days.

4 But to build the documentation to support  
5 or put away those concerns, one way or the other, you  
6 know, I don't see it happening much before the middle  
7 of the next month, just, you know, looking at it at my  
8 schedule.

9 My schedule shouldn't be the driver, but  
10 it's just the way it is.

11 MR. GARCHOW: I think there's room in the  
12 process. I guess I would say if you had a minority  
13 opinion or something fit in a different view, I guess  
14 I wouldn't say that the standard would be you would  
15 have to assemble a large amount of supporting or  
16 refuting evidence.

17 I think what brought the panel together  
18 was for the sort of collective expertise and, you  
19 know, professional backgrounds, and there is room in  
20 the report for judgments and some examples in the  
21 minority opinions without, I would think, a lot of  
22 time and effort, needing, you know, to build a  
23 justification package.

24 I certainly wouldn't need it to support a  
25 minority opinion on something.

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1                   CHAIRMAN PLISCO: Yeah, and I think for  
2 the purposes of this panel that's why we're here, is  
3 to hear their individual views. I don't think you  
4 have to provide a lot of information to back up  
5 your -- I mean, if it's your view, it's your view, and  
6 that's why people were asked to be on the panel.

7                   I don't think you have to, you know,  
8 develop a case study really to demonstrate that, and  
9 I think a lot of people here have, you know, seen  
10 parts of the program. I think as you raise your  
11 issues, I think they'll, you know, understand that.

12                  MR. SHADIS: Over the next week or two,  
13 and I, you know, am committed to work on this, but  
14 over the next week or two, as I am looking for  
15 documentation, would NRC commit to helping to dig out  
16 those basic documents?

17                  I have more or less some of the same  
18 problems that Mr. Lochbaum has with the ADAMS thing.  
19 In fact, we're rejecting the whole Garden of Eden  
20 thesis now because of ADAMS, but, yeah, in any case,  
21 I really would like to be able to examine some of the  
22 underlying language for developing the goals that were  
23 developed, and I'd like to see where the Commission  
24 was coming from because I do see this not only as a  
25 report to the public, but a report to the

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1 Commissioners, and now I'd like to know if we are  
2 speaking the same language.

3 CHAIRMAN PLISCO: What specific  
4 information are you talking about? I'm not sure I  
5 caught what you're looking --

6 MR. SHADIS: Well, I wasn't. All of the  
7 insights, if you will, whatever I've been able to  
8 bring to this, have been largely based on specific  
9 examples. How does it work in a specific example when  
10 you have an inspection finding or whatever?

11 I think the first meeting I came in with  
12 some inspection findings on similar issues where the  
13 findings were different, wanted to know how that  
14 happened.

15 And given that, you know, Bill Dean  
16 essentially said that the genesis of this whole thing  
17 was in the Millstone Maine Yankee cases, I really  
18 would like to reach back and try to relate the  
19 response to the stimulus for the program for those  
20 cases.

21 So if there's correspondence, if there are  
22 Commission directives, if there are Commission meeting  
23 minutes that led to the development of the reactor  
24 oversight process, I really would love to be able to  
25 look through them to see if that's the direction we're

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1 headed.

2 The objectives that we've laid out here,  
3 whatever there are, eight of them and the goals just  
4 don't do it for me.

5 CHAIRMAN PLISCO: The only documents that  
6 I know that really lay out the foundation are the two  
7 SECY papers.

8 MR. FLOYD: Well, besides SECY 99-007 and  
9 007A.

10 CHAIRMAN PLISCO: Oh, oh, seven A

11 MR. FLOYD: I think what might help him  
12 would be to take a look and read the Arthur Andersen  
13 report, which specifically looked at some of the past  
14 watch list plants and the timing situation, you know,  
15 there, and the SRM from the Commissioners to the staff  
16 to develop a replacement oversight process, given some  
17 of the findings in the Arthur Andersen report.

18 Those would probably be the ones who would  
19 have the bulk of the pre-SECY 99-007 literature.

20 MR. SHADIS: Steve, has the Arthur  
21 Andersen report been filed as a public document?

22 MR. FLOYD: Oh, yes, yeah.

23 MS. FERDIG: I'm also thinking there  
24 meeting transcripts of two Commissioner level  
25 stakeholder meetings that were held early in the

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1 process. I'm thinking there was one in July '98 and  
2 another in November, and those are available.

3 And there were also principles that were  
4 spelled out. Are they in one of the SECY reports or  
5 were they --

6 MR. FLOYD: Are you talking about the  
7 principles of good regulation? Is that -- that's  
8 probably what it was.

9 MS. FERDIG: Yes. As I talk to people who  
10 went back to the origin of this, they frequently  
11 reference this set of principles that were agreed upon  
12 that had, I think, a lot of the performance based,  
13 risk informed, regulatory perspective.

14 MR. FLOYD: Those are available.

15 MR. BLOUGH: In terms of getting, Ray,  
16 information you need, I guess the other, the  
17 Inspection Program Branch is here, and they probably  
18 have most of that, and the PDR is right across the  
19 hall, right?

20 MR. SHADIS: It certainly is.

21 MR. BLOUGH: And you could actually get  
22 that help without -- they actually do use ADAMS for  
23 you there. So if I understand it right, you know, you  
24 don't have to negotiate out if yourself -- if you  
25 either use that directly or call in via the 800

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1 number.

2 MR. SHADIS: Yeah.

3 MR. BLOUGH: So I wonder if maybe it's  
4 useful that Ron is here as a substitute today because  
5 it seems like he's our quickest --

6 CHAIRMAN PLISCO: Yeah. Well, I don't  
7 think the problem was getting the information. It was  
8 really understanding what exactly it was that he  
9 needed. That's what I was trying to understand.

10 MR. BLOUGH: Okay.

11 CHAIRMAN PLISCO: Yeah, I don't think it's  
12 a problem of getting it. It's just knowing what it is  
13 we want to get.

14 MR. BLOUGH: Okay. I'm just getting to  
15 the "how" then. How would be best to help Ray?

16 MR. GARCHOW: We can ask Bill Dean. I'm  
17 sure some of the documents he has in the notebook on  
18 his desk, if he works like everybody else does. I'm  
19 sure he doesn't go to ADAMS unless electronically, I  
20 would guess.

21 MR. LAURIE: So what's the end date for  
22 filing a minority report?

23 MR. BLOUGH: If I could interrupt, I  
24 guess --

25 MR. SCHERER: I guess I'm a little

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1 concerned that we're sitting here figuring out how to  
2 write minority reports when the charter of the panel  
3 was to try to reach consensus, and then if and when  
4 that fails.

5 MR. LAURIE: Well, I respectfully  
6 disagree, and I think what Ray has to say, I think  
7 under our earlier discussions and agreements, anybody  
8 has a right, including myself or yourself, to offer  
9 any additional comment, whether you call it a minority  
10 report or otherwise.

11 And all I'm asking is what's the deadline  
12 for being able to accomplish that, and I would not  
13 expect a challenge on any additional comment that I  
14 sought to offer or anybody else sought to offer.

15 CHAIRMAN PLISCO: And I would say, looking  
16 at our schedule, it's the 25th. That's the last time  
17 we'll be together to talk. Now, I mean, obviously  
18 anyone can caveat their comments and say, you know,  
19 they can provide their comments any time to the staff  
20 or the Commission individually, but for the purposes  
21 of getting our report out and having the other panel  
22 members have an opportunity to see it and comment on  
23 it, it will be the 25th.

24 MR. BLOUGH: I don't think we're presuming  
25 that all of these views would be minority views

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1 either. I mean, part of what I heard Ray say is that  
2 he would like another shot at the panel after he's  
3 done more research, you know, perhaps in swaying, if  
4 his views differ from where we are at a certain point  
5 in time, perhaps in swaying us on some or all of what  
6 he's go.

7 So I guess I agree with that. We  
8 shouldn't be presuming that there will be minority  
9 views at this point, but I guess we shouldn't presume  
10 that anyone's view is going to be the majority or  
11 minority at this point.

12 MR. SHADIS: I appreciate, you know, what  
13 you just laid out because it isn't necessarily even  
14 that I disagree with any of the findings that, you  
15 know, have come out of the panel and have been  
16 summarized. Most of those look fine by me. It's just  
17 the question for me of whether -- you know, what are  
18 the real basic foundation kinds of information that  
19 the ROP needs to be built on.

20 And, you know, my own sense is that  
21 without having the design basis information complete,  
22 without having the PRAs to some degree lined up, the  
23 underpinnings aren't there, and I guess I also have  
24 concerns with what the baseline inspection program  
25 looks like.

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1           It may be, you know, from our perspective  
2           that we're building a house of cards, made out of all  
3           these little pieces. The foundation doesn't seem to  
4           be there.

5           So in any case, what I'm getting to is  
6           that initially we did have some free wheeling  
7           discussion, and then we got down to the business of  
8           putting away all of these little issues. My  
9           difference may be in the approach to the program and  
10          what is going to be included in the report as much as  
11          any real difference about what the conclusions might  
12          be.

13          But I can't see signing off at the end of  
14          this without eight myself or the panel thoroughly  
15          addressing those basic what I call foundation issues.

16          MR. BLOUGH: It would be good that you ask  
17          for the panel because just listening to what you've  
18          said in terms of, you know, avoiding situations like  
19          Millstone and Maine Yankee and also in terms of the  
20          inspection program, my view is that on both those  
21          accounts the new program is better than what we had,  
22          and substantially.

23          So I guess it would be good to kind of  
24          have that debate after we've all done whatever  
25          research we want to do. I'm just wondering now how we

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1 get Ray the information he wants to look at.

2 MS. FERDIG: Loren, I have a thought, too,  
3 that I wanted to put out now so that we can have it in  
4 the backs of our minds, not having read this document.

5 The first meeting that I attended, which  
6 was the second meeting of the panel in Atlanta, we  
7 spent quite a bit of time talking about the  
8 perspective we would take on this report and the need  
9 to identify those things that we thought substantiated  
10 the value of the ROP and document some of the positive  
11 points that exemplified its movement in the direction  
12 that was intended as well.

13 So I think it's a balance relative to what  
14 Ray is saying, and I notice that our conversations,  
15 just because we are analytical people, have tended to  
16 focus on what we see as the critical priority issues  
17 of concern, and I don't know that we are prepared or  
18 have a similar amount of documentation to identify  
19 examples of things that would suggest why it may be,  
20 indeed, moving in the direction that was intended.

21 So do we have that, do you think, or do we  
22 need to also consider how that will be a part of the  
23 report?

24 CHAIRMAN PLISCO: Well, I mentioned  
25 earlier, I think, we need -- I mean, we're going to

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1 have to provide some over arching views of the program  
2 in this cover letter of this report. You know, we  
3 have a lot of details and specific issues that we have  
4 raised, but as we talked in our first couple of  
5 meetings, there are, you know, some overall  
6 conclusions or views we're going to have to provide in  
7 that report about the program.

8 We talked about views about the program  
9 and views about the staff self-assessment process. We  
10 have to address that also.

11 MS. FERDIG: I would just like to see that  
12 substantiated with a sufficient amount of detail that  
13 helped it hold its balance with the total message in  
14 the report, as well as what's in the cover letter.

15 MR. LAURIE: I think that it's going to be  
16 hard to do, and I understand the point, but any time  
17 you develop a panel with 15 analytical people plus one  
18 Californian, you're going to get --

19 (Laughter.)

20 MR. LAURIE: Referring to myself, sir.

21 MR. BROCKMAN: Two Californians. Let the  
22 record show two Californians.

23 MR. LAURIE: -- you're going to get an  
24 analytical report, but I understand the necessity of  
25 having at least a portion of the report written in

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1 English, and that's going to fall upon the authors of  
2 the report to either have it read or written or  
3 reviewed by somebody else for translation purposes.

4 And that's really hard to do because the  
5 total audience is not going to all be analytical. A  
6 portion of the audience will not. So it's a  
7 challenge.

8 MR. SCHERER: I guess part of my reason  
9 for my earlier comment was I seem to recall we spent  
10 a good portion of the first meeting of the panel  
11 talking about goals and trying to reach consensus on  
12 those points where we could reach consensus even if it  
13 took a bit of effort and a bit of wordsmithing to do  
14 that.

15 And I go back and look at the charter and  
16 that's where I seem to find the scope and the effort  
17 at consensus. Just to remind myself, the IIEP will  
18 evaluate the ROP results against performance measures.  
19 The IIEP will provide a written report containing an  
20 overall evaluation of the ROP to the Director of the  
21 Office of Nuclear Reactor Regulation.

22 This report will include the consensus  
23 views of the panel or the majority and minority views  
24 when a panel consensus cannot be achieved, and I seem  
25 to recall a lot of discussion at that first meeting

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1 trying to find areas of consensus, even if it took us  
2 a bit of time.

3 And I, very frankly, up to now had been  
4 pretty pleased at the consensus we have reached when  
5 we've discussed the subjects at hand. I see no reason  
6 that process shouldn't continue as we work through the  
7 report and try to achieve those areas where we can  
8 reach consensus. When we can't, so be it.

9 MR. LAURIE: I certainly am not suggesting  
10 anything to the contrary, Ed. What are you making  
11 reference to? All of this seems to go back to Ray's  
12 stated intent. I mean, the report and my only comment  
13 was that I hope he's provided sufficient latitude to  
14 do that.

15 That does not take away my desire for full  
16 effort for consensus statements to the greatest degree  
17 possible.

18 MR. SHADIS: And, Robert, the only reason  
19 that I'm even suggesting doing that is because of the  
20 press of time, and you know, seeing how the material  
21 that we have for the basis for a report has developed  
22 in these small blocks of information, and I'm -- after  
23 attending the workshop on the ROP, I'm not focused on  
24 the idea of avoiding what Bill Dean -- and Bill Dean,  
25 I guess, will be here in a bit -- but avoiding what he

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1 said the Commissioners' intent was in stimulating the  
2 beginnings of this, which was to avoid running into  
3 the kinds of surprises that came with Millstone and  
4 Maine Yankee.

5 And I have to say, too, that the tool that  
6 opened up all those issues, that was the diagnostic  
7 evaluation team or in the case of Maine Yankee what  
8 they called the independent safety assessment team,  
9 NRC has now done away with the diagnostic evaluation  
10 team program, and I don't see anything else there for  
11 a kind of diagnostic safety net to pick up on what may  
12 be missed, although granted it may well be an  
13 improvement, the new program, including the baseline  
14 inspection program.

15 I haven't, in listening to the  
16 presentations before the panel, I haven't heard a  
17 discussion of how that is, why that is, and whether or  
18 not it's a sufficient improvement to take the place of  
19 that safety net, that diagnostic evaluation team that  
20 would go, you know, through a plant thoroughly looking  
21 at both systems and management.

22 So I can't come to the conclusion that the  
23 new program is taking us where we want to go on all of  
24 these objectives. I mean all of them.

25 MR. KRICH: I guess I'd like to just add

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1 one clarifying point to Ray. In addition to Millstone  
2 and Maine Yankee, the revised reactor oversight  
3 process was a recognition of the maturity that the  
4 industry had achieved.

5 So there's a balance there that I think we  
6 need to keep in mind.

7 MR. SHADIS: I'm glad that you brought  
8 that up because that's part of the information, too.  
9 I really don't have a handle on what the industry's  
10 argument and correspondence were, you know, who  
11 industry people spoke to at the beginning of this  
12 process.

13 I know that in the case of Maine Yankee --  
14 here we fall back to the case of specific stuff all  
15 the time -- in the case of Maine Yankee, the local  
16 citizenry were first -- we were stunned to find out  
17 how much was wrong with the plant. We were dismayed  
18 to have NRC basically say that even so, it was fit to  
19 operate.

20 But what happened with the company was  
21 that they brought in outside management, and it was  
22 turmoil, and ultimately it was uneconomic to do all of  
23 the repairs that needed to be done.

24 Our sense now is that it was not Maine  
25 Yankee's individual decision to bring in new

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1 management. We have the sense that there was a  
2 terrific amount of pressure from the industry because  
3 of the shock waves that went through when this plant  
4 tumbled, and that reverberated in the agency, and it  
5 affected the agency.

6 So, you know, the idea that the industry  
7 came in and said, "Yeah, but look, you know, we have  
8 all of these other indicators that say we're doing  
9 well, and we need to be recognized for it." And I'm  
10 pleased to hear you say that.

11 I just really would like to be able to get  
12 a handle on what the full game was and understand all  
13 of what went into it. That's the kind of thing we'll  
14 be looking to.

15 MR. FLOYD: I just want to add that you  
16 may be missing a piece of the new program if you think  
17 there's not a diagnostic evaluation. You're right  
18 there's no inspection called a DET like there was  
19 before, but if you look at the supplemental inspection  
20 procedures for a plant that is in the multiple  
21 degraded cornerstone category, which would typically  
22 have been the plants at a performance level that would  
23 have been getting a diagnostic, that supplemental  
24 procedure covers the elements that used to be included  
25 in a diagnostic examination.

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1           So it's a similar procedure by a different  
2 name, but that doesn't mean the same types of issues  
3 aren't being evaluated and looked at.

4           MR. KRICH:   Actually it's an advantage  
5 having gone through that at Quad Cities.  It focuses  
6 the diagnostic evaluation in a specific area so that  
7 you get a much deeper look than you do when you did it  
8 the old DET where they went out across the entire  
9 plant.

10           We found it to be quite effective.  Much  
11 as it was painful, it was still effective.

12           MR. REYNOLDS:  Ray, just to be accurate,  
13 the inspection at Quad Cities was not -- actually  
14 there were three that Steve talked about.  There were  
15 two in production.

16           MR. FLOYD:  There is a more comprehensive  
17 one, which is the 95003, which does look across the  
18 board in broad areas, not directly related.

19           MR. KRICH:  I guess I see those as steps  
20 in that overall process of doing an in-depth --

21           MR. REYNOLDS:  I believe 95003 inspection  
22 at Indian Point-2 that was recently performed; is that  
23 correct?

24           MR. BLOUGH:  That's the only one that's  
25 been done, and that report hasn't been issued yet.

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1 It's due out this month. The public exit meeting  
2 occurred in early March.

3 The program staff is here. We could ask  
4 them to compare and contrast the DET and the 95003.  
5 I know they started, when they wrote 95003, they  
6 started with the DE -- the diagnostic evaluation  
7 procedure that went there.

8 MR. SHADIS: Those special inspections,  
9 what are we calling them? They're not augmented  
10 inspection.

11 MR. BLOUGH: Supplemental.

12 MR. SHADIS: Supplemental inspections. So  
13 it's hard to keep up with the subtle language changes,  
14 but you know, those are welcome, and I think they're  
15 appropriate for the things that trigger them also.

16 However -- and I think that we all know  
17 that, as Rod said, they don't have the scope of the  
18 diagnostic evaluation team inspections, and even the  
19 diagnostic evaluation team inspections, although they  
20 did find problems in some areas, the conclusions  
21 weren't always -- from a public interest point of  
22 view, the conclusions weren't always in line with the  
23 findings.

24 You know, so it wasn't a perfect program,  
25 and I wouldn't begin to say let's go back and

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1 duplicate that program, but I do believe that, you  
2 know, we may well not be capturing what was captured  
3 in the two watershed events of Millstone and Maine  
4 Yankee.

5 MR. KRICH: I didn't mean to imply that  
6 the scope -- didn't have the same scope, Ray. What I  
7 was trying to say was actually it was approved, and  
8 then I thought it was more focused.

9 Steve, did you have something?

10 MR. FLOYD: Yeah, I was just going to say,  
11 again, Rod was actually talking about the procedure  
12 that they had at their plant, which was 95002, which  
13 was a focused inspection on the areas that were  
14 identified that had problems.

15 If you go to the next cornerstone in the  
16 action matrix, the multiple degraded cornerstone, you  
17 go into the 95003 which is a much broader looking,  
18 including in areas where there weren't any previously  
19 identified problems under the assessment process to  
20 see what the extent of condition might be in areas  
21 that hadn't emerged yet.

22 So it's much more analogous to a  
23 diagnostic type of examination. And I just didn't  
24 want to leave you with the impression that there's not  
25 something that is similar, very similar to what used

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1 to be done under the diagnostic examination program  
2 because there is.

3 MR. KRICH: Thanks. Steve.

4 MR. SHADIS: No, I understood that and  
5 also the example now at Indian Point. You know, we're  
6 going to be looking forward to that.

7 My understanding of it is that even the  
8 Indian Point examination is not as extensive and not  
9 as intensive as the diagnostic evaluation that was  
10 done at Millstone or the independent safety assessment  
11 that was done at Maine Yankee, not the same number of  
12 systems, not as wide a slice across the management end  
13 of things as was done there.

14 And so that's what I'm getting back to,  
15 and I don't want to get into the point of, you know,  
16 debating it or arguing about it, but I'm really  
17 looking for information.

18 In fact, if I could have it somehow, you  
19 know, in the short amount of time we have, if I had  
20 assurance from NRC staff that, you know, would show me  
21 that these things did line up, that it had been  
22 replaced with something that was as officious or even  
23 more officious, even more effective, fine, you know.  
24 That would take care of that issue.

25 But, you know, we don't see it at this

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1 point.

2 MR. GARCHOW: I guess I'm a little I'll  
3 say confused, but there could be two ways the panel  
4 could go, and I thought we were heading one way. It  
5 doesn't mean either one was correct. We sort of had  
6 it as a de facto that we were implementing for a year,  
7 and that over that year there were objectives for the  
8 year and a diverse panel was going to be assembled to  
9 take some look at factual data and use experiences and  
10 backgrounds, along with what the staff provides us to  
11 assess whether those objectives over the last year  
12 were met or not, and that provides, I would say, some  
13 fences around the corral to make it even achievable to  
14 get a report out, right?

15 Now, given that great conversations, and  
16 I think we could probably have a lot of discussion  
17 around the framework of how we even got here, whether  
18 or not it goes back in history; those I'll say  
19 discussions and opportunities are always there, and  
20 there was a lot of dialogue and public comment period  
21 even before the first SECY paper came out to really do  
22 that compare and contrast.

23 And there were actually -- I think Steve  
24 can notice the documents actually -- they went back  
25 and looked at the problem plans and went back and sort

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1 of transposed. If we were doing this process on those  
2 plans, where would they have ended up in the action  
3 matrix doing things like screening LERs and going back  
4 into the public record?

5 So fair amount of that was done. Whether  
6 you had access to it or not, I don't know, but that  
7 would be if the Committee was going to be going and,  
8 you know, John would say, "Okay. Is the basis still  
9 sound to go forward?" which isn't really what I  
10 thought that this Committee was doing.

11 It's going forward. There were some clear  
12 objectives one year ago that were set out, and this  
13 panel was going to look at data to say did we meet  
14 those objectives or did we not, as opposed to getting  
15 into an in depth review of whether the framework was  
16 sound or not.

17 So I guess I am a little confused about  
18 what are we doing.

19 MR. SHADIS: Can I clarify or try to  
20 clarify?

21 I think that you're right. I think the  
22 panel has done an excellent job of going through the  
23 data, you know, such as it's been presented, and  
24 picking out whether or not it hits or misses and so  
25 on.

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1           And I would not even want to participate.  
2           I probably would be absent from any meetings that got  
3           into going back and discussing the origins of this in  
4           any detail because I don't want to do that.

5           But what I'm seeing and what was evident,  
6           I think, at the workshop is that the reactor oversight  
7           process is still a work in progress. There are still  
8           in every category -- there are details that are also  
9           fundamental issues that are still being decided, and  
10          as such, you know -- and what I have to do in order to  
11          be able to pass judgment, if you will, is redefine it  
12          in terms that I'm familiar with, put it in my own  
13          language, and when I do that, and I put together an  
14          equation and it's got all of these factors, and then  
15          I see that there's, you know, one large blank in the  
16          middle of the equation that might have to do with  
17          design basis information or, you know, what's the  
18          confidence level in the PRAs, for example, as they  
19          inform the process, and I don't see these things  
20          there, then I become concerned.

21          MR. TRAPP: That's one of our main  
22          objectives though, is PRA quality, and that's one of  
23          our number one priorities. So maybe there's a lot  
24          more consensus than you think. Maybe we should just  
25          continue on and see how it works out.

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1 MR. SHADIS: Again, I don't disagree with  
2 you. And I don't want the panel to stop doing  
3 whatever it's doing, you know, because I have these  
4 concerns, and I'm just automatically presuming -- and  
5 a minority report, by the way, isn't necessarily a  
6 contrary report. It may simply be a supplemental  
7 report dealing with information that the panel itself  
8 didn't have time to get into or didn't feel it needed  
9 to get into.

10 And so what I was essentially asking for  
11 there, given the short time frame we have, was some  
12 help in getting to some of that basic information.

13 CHAIRMAN PLISCO: Yeah, and like I said,  
14 I think if we can narrow it down, exactly what it is  
15 you need, I think we can help.

16 And I think the other question is, you  
17 know, I think for the panel to have a chance to talk  
18 about it and see it, I mean, the 25th is our last  
19 meeting.

20 MS. FERDIG: Exactly. I think that if  
21 there are some foundational questions, that enough  
22 though we are targeted and tasked to look at the one  
23 year implementation, I certainly think that this is  
24 the context for those questions to be asked.

25 MR. REYNOLDS: I was going to offer that

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1 anything that the Inspection Program Branch cannot  
2 provide, I have an administrative staff that could go  
3 look for documents, and I'd be more than willing to  
4 make them available to Ray or Mary. You have to help  
5 us with the type of work, but we would go find those  
6 and get those to you, too, if you'd want.

7 MR. SHADIS: I would appreciate that.

8 MR. REYNOLDS: I'd make those available to  
9 you. If the Inspection Program Branch can't do that  
10 for whatever reason or they're busy with other tasks,  
11 I have administrative people that would be more than  
12 happy to chase down things, and they know how to use  
13 ADAMS. That is a plus for them.

14 MR. SHADIS: I'd appreciate that.

15 CHAIRMAN PLISCO: I would like to move on.  
16 Bill Dean is patiently waiting. Are you ready, Bill?

17 MR. SHADIS: I didn't realize he was here,  
18 and here I've invoked his name in vain several times,  
19 we'll say.

20 CHAIRMAN PLISCO: Are you ready to start,  
21 Bill?

22 MR. FRAHM: Copies of the slides are  
23 available up front. I'll give them to panel members.

24 MR. DEAN: Okay. Good morning, everybody.  
25 I appreciate the opportunity to come before you again

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1 and update you on status and answer your questions,  
2 and I guess we have the rest of the morning pretty  
3 much set aside towards sharing with you where we are  
4 with the oversight process.

5 Those of you that were here last week  
6 participated in the public lessons learned workshop.  
7 I think that that was a very good workshop, and I  
8 think we got through a lot of issues.

9 I guess I would like to make just a couple  
10 of points before we get started maybe to help Ray out  
11 a little bit in terms of the diagnostic inspection.  
12 Some of the people here at the table appropriately  
13 characterize the fact that we model the supplemental  
14 inspection 95003 after the diagnostic inspection.  
15 I've heard some of the same comments regarding the  
16 scope and breadth, and the intent is to be able to  
17 focus that diagnostic inspection on the particular  
18 cornerstone or cornerstones that have been impacted.

19 But there is a lot of flexibility left to  
20 the region and the inspection team to take the past  
21 record and use that to characterize the scope and  
22 breadth of their inspection, but it is intended to be  
23 akin to the diagnostic inspections in the past, and I  
24 would say that Indian Point-2 would probably offer  
25 that they certainly received a lot of inspection

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1 effort looking across a wide breadth of activity.

2 So I think that we've captured the spirit  
3 of the diagnostic inspection team in the program.

4 The other comment I heard with respect to  
5 initial implementation, and you did hear at the  
6 workshop there is a lot of work that's going on in a  
7 lot of areas, but I would actually characterize some  
8 of that work as being whether or not we had a revised  
9 reactor oversight process where we had the old  
10 process. I think some of the work that you would see  
11 ongoing and discussed would be things that we would be  
12 talking about.

13 So I think a lot of the work that we have  
14 in front of us is not so much work that's just related  
15 to the fact that we have a revised reactor oversight  
16 process, but the fact that we have an oversight  
17 process at all.

18 So I think, you know, there's a mix of  
19 things that we're looking at.

20 MR. SHADIS: Bill, can I ask you just a  
21 question with respect to the DET?

22 MR. DEAN: Yes.

23 MR. SHADIS: Why was it that the DET  
24 wasn't killed right out there in public? Why was it  
25 that it was moved to a department that didn't have

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1 funding for it and, therefore, is just sort of  
2 strangled?

3 MR. DEAN: Yeah, I don't know all of the  
4 background in terms of the decisions in terms of  
5 budgeting. I think that the diagnostic inspection the  
6 last few opportunities we had to exercise that really  
7 had migrated towards a process where we offered the  
8 licensees the opportunity to develop an independent  
9 review group, and then we would oversee and follow  
10 along behind that independent review group.

11 And I know that was exercised at some of  
12 the last couple of plants in the last four or five  
13 years. I think we did that at Cooper.

14 MR. SHADIS: Cooper.

15 MR. DEAN: Cooper we did that, and it was  
16 a process that seemed to be fairly successful in terms  
17 of obtaining insights. Okay?

18 Now, our process that we have in the  
19 oversight process is not like that per se. It doesn't  
20 say you go out -- you know, we do our own independent  
21 inspection. That's a key element of the new oversight  
22 process, and so I think that it was felt that we  
23 didn't need the administrative group that we had in  
24 the old AEOD, I think, that supported the DETs.

25 Now, Alan Madison might be able to maybe

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1 later if he pops in this morning; he might be able to  
2 provide you some more insights on that because he was  
3 part of that organization as they were transitioning.  
4 So Alan might be able to provide you perhaps some  
5 better insights than I can in terms of that  
6 organization's demise itself.

7 But I think the perception was that we had  
8 captured the appropriate techniques and methodologies,  
9 and that we felt comfortable in going forward and  
10 integrating if there was a need to do that inspection,  
11 you know, utilizing the assembled staff in the body of  
12 work that we captured in the current oversight process  
13 to be able to support those types of inspections.

14 MR. SHADIS: Thank you.

15 MR. DEAN: Okay. First slide.

16 This is what I really want to talk with  
17 you all about this morning. We'll go over real  
18 briefly the feedback activities that we've utilized  
19 over the past year to collect feedback on the  
20 oversight process. I'll give you a short synopsis of  
21 what I believe the overall results of the first year  
22 have been.

23 I'll talk about some of the initial  
24 implementation issues, and then that will lead us into  
25 discussions of the external workshop and basically the

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1 outcomes of each of the sessions we had there because  
2 I know a lot of you didn't have the opportunity to  
3 participate in that. So I think it would be  
4 worthwhile sharing with you what we went in with in  
5 terms of issues, what other issues emerged during the  
6 workshop, and then what were the outcomes of each of  
7 those workshop sessions.

8 And then we'll just spend a few minutes  
9 talking about some major future milestones and  
10 activities, and so that's pretty much what we hope to  
11 cover.

12 And, Loren, I'll look to you whenever you  
13 all want to take a break, you know, whatever is a good  
14 time for you all.

15 Okay, and we'll be running -- is now a  
16 good time?

17 (Laughter.)

18 MR. DEAN: Did Ken just get here again?

19 Okay. Next slide.

20 Okay. In terms of feedback activities,  
21 just a -- some of this is kind of a reiteration, but  
22 I think it's important to note that over this past  
23 year and even before that, we've gone to great lengths  
24 to communicate, solicit feedback, provide information  
25 to a wide variety of stakeholders.

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1           The first couple of bullets up there note  
2           some of the things that we've done in the public  
3           arena. After we began initial implementation each of  
4           the regions sent out managers to each reactor plant  
5           site, locality to meet with the public described in  
6           the oversight process, solicit feedback, comments, and  
7           discuss, you know, what we were doing, why were we  
8           doing the oversight process.

9           And so I think that was fairly successful  
10          in getting the word out fairly consistently and  
11          comprehensively to at least those public stakeholders  
12          in the area of the nuclear power plants.

13          We also had public workshops in each of  
14          the regions, both at the beginning of initial  
15          implementation and then also at about the mid-term  
16          point of the first year, and once again, the purpose  
17          of these meetings was to describe what did we think  
18          were the challenges that we had seen thus far, as well  
19          as the successes from the oversight process to date,  
20          and then to solicit feedback once again from both  
21          industry and public stakeholders that were in  
22          attendance at those meetings.

23          And we had those workshops in each of the  
24          regions in October and November and, I think, early  
25          December of last year.

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1           So those were some of the things that we  
2           tried to do during the past year in terms of informing  
3           the public and getting public feedback.

4           With respect to interfacing with industry,  
5           we have pretty much on a three to four-week basis had  
6           meetings with the industry working group, ROP working  
7           group sponsored by NEI. We spent a lot of time at  
8           those meetings talking about performance indicators,  
9           but we also spend time talking about other issues that  
10          are of common interest between industry and the NRC  
11          regarding execution of the reactor oversight process,  
12          and so those have served to be very valuable forums  
13          for getting some common understanding of issues, and  
14          to make some progress on coming to resolution on some  
15          of those issues.

16          And we'll more than likely continue those  
17          over at least the near term. I'm not exactly sure  
18          what the ultimate frequency will be, but I think that  
19          it probably has been -- and, Steve, you can chime  
20          in -- but I think they've been pretty valuable  
21          opportunities.

22          We would hope that those would become less  
23          performance indicator oriented and more ROP overall  
24          oriented, which you know, we may be able to reduce the  
25          frequency some.

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1           We sent out a Federal Register notice.  
2           You know, there are certain ways that we can collect  
3           formal feedback for the purposes of analyzing that  
4           feedback and being able to consider it in a formal  
5           way, and we sent out a Federal Register notice late  
6           last year with two purposes in mind.

7           One was to solicit topics for feedback for  
8           the workshop we just had last week, and so we  
9           incorporated those public comments we did get into the  
10          fabric of the workshop last week.

11          But the second piece is in my mind the  
12          more important, and that's to solicit feedback on the  
13          first year of initial implementation of the ROP, and  
14          we listed a number of specific questions that we were  
15          particularly interested in getting feedback on, and  
16          that public comment period closes April 13th.

17          I think you all remember the first IIEP  
18          meeting. One of the suggestions that David Lochbaum  
19          had was to make sure that that Federal Register  
20          closure date occurred after the workshop so that those  
21          members of the public that haven't been able to follow  
22          the program on a day-by-day basis would be able to  
23          take the results of that workshop and be able to  
24          incorporate that into any feedback they might have.

25          And so we've done that, and so that date

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1 closes the 13th of April. So that will be a good  
2 opportunity for us to get some formal considered  
3 feedback from hopefully a variety of stakeholders.

4 Of course, we have the initial  
5 implementation panel, and there's no need to expound  
6 upon that anymore. You all know what you are.

7 Internally we've had obviously a lot of  
8 activities. We have weekly phone calls with our  
9 counterparts in each of the regions. We've made many  
10 visits to the regions. The regions have come to  
11 headquarters for a variety of different level  
12 management meetings.

13 We have a fairly active internal Web page  
14 for communicating issues and guidance to our  
15 stakeholders. We have a formal feed back process by  
16 which we take input from inspectors and incorporate  
17 where appropriate that input into any guidance  
18 document changes or revisions.

19 We actually made site visits to all of the  
20 regions and six sites in each region to meet with the  
21 resident inspectors, as well as region based  
22 inspectors. We did that in the fall time frame.

23 So we've gone through a lot of effort to  
24 try and solicit at various levels a lot of feedback  
25 from our inspectors and managers in the regions, and

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1 so I think we've been fairly successful in fleshing  
2 out a lot of issues, and all of that has been  
3 considered as we go forward in terms of what are we  
4 doing in revising the oversight process.

5 And then lastly on this slide, about a  
6 month ago we executed an internal survey. We have the  
7 raw data available to us now. We're in the process of  
8 analyzing that data. My sense is that we're probably  
9 a couple of weeks away from coming up with some  
10 analysis of that, but that will be considered as well  
11 in terms of going forward with respect to any  
12 modifications or revisions to the oversight process.

13 So that's just a summary really of the  
14 things that we've done in the last year just in terms  
15 of communication and facilitating gathering feedback.

16 Okay. Next slide in terms of overall  
17 results. Based on all of this feedback that we've  
18 gotten, as well as obviously our daily observations of  
19 the process and frequent communications with our  
20 managers in the regions, I think that I would  
21 characterize the first year of the oversight process  
22 as being a successful period in terms of initial  
23 implementation.

24 You all are looking at the criteria or  
25 judging the process against the criteria much as we

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1 are, the eight criteria, and I think that it's been  
2 pretty clear from all stakeholders -- and we heard  
3 this at the workshop both from NRC's perspective, as  
4 well as David Lochbaum's perspective -- that this  
5 oversight process is an improvement over what we had  
6 before when you judge it against those eight criteria.

7 That doesn't mean that we don't have more  
8 room for improvement, and I'll agree with Ray's  
9 earlier comment that we are, you know, still making  
10 changes and continuing to revise, but I think we're  
11 moving into a regime where we are in more of a self-  
12 improvement approach, you know, continuous self-  
13 improvement, as opposed to, you know, let's work out  
14 all the bugs and make major changes to the oversight  
15 process.

16 I don't think that we're going to make  
17 many major changes to the oversight process as a  
18 result of the first year. You know, there will be  
19 some modifications. There will be some refinements,  
20 but I think for the most part, we won't be in the  
21 process of making major, significant changes.

22 I think we're pretty happy with the  
23 framework. We think that the framework is playing out  
24 much like we thought it would be. Obviously there's  
25 still change management activities that have to take

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1 place. I wouldn't say that we have 100 percent  
2 confidence of our inspectors and managers in the  
3 regions yet, but I think that that confidence level is  
4 building.

5 So I think that all in all, the first year  
6 which we've had a chance to substantially exercise the  
7 process, and I'll give you a little bit of data later  
8 on that shows, you know, where we've been able to  
9 exercise the process.

10 But that's been a major factor in, I  
11 guess, my consideration that I think that the first  
12 year has been successful, is that we've been able to  
13 see plants in each column of the action matrix and be  
14 able to exercise that part of the process that deals  
15 with those plants in those columns of the action  
16 matrix.

17 We've seen performance indicators almost  
18 across the board cross thresholds. We've seen  
19 inspection findings in almost every cornerstone, and  
20 been able to execute the significance determination  
21 processes.

22 So I think the fact that we've been able  
23 to exercise the oversight process, as we expected the  
24 first year of initial implementation would allow us to  
25 do, gives us some comfort in being able to move

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1 forward and feel confident that we do have a pretty  
2 sound framework and a sound structure that we need to  
3 build on.

4 We did make several significant changes  
5 the first year. I think physical protection, SDP, was  
6 one that right out of the box we ascertained that that  
7 was not going to be an effective tool, and so we  
8 recently have issued the interim physical protection  
9 guidance, and we're working with our stakeholders to  
10 develop a permanent physical protection SDP. that's  
11 one place where we made a significant change.

12 The second place, I think, where we made  
13 a significant change was in tightening up our guidance  
14 with respect to inspection report findings. I think  
15 that we were finding over the first six months a lot  
16 of the types of issues and observations that we were  
17 intending to extricate from the process, those sort of  
18 subjective or low level issues that were finding their  
19 way into the oversight process, whether it was through  
20 the auspices of no color findings or whatever.

21 And so that was another, I think,  
22 significant change that we made to try and tighten up  
23 the criteria associated with what is a finding, how do  
24 we incorporate cross-cutting issues and cross-cutting  
25 findings into the inspection report regime. I think

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1 those ar probably the two significant changes that we  
2 made during the first year.

3 But for the most part, we tried to hold  
4 the process stable for the expressed intent, purpose  
5 of having a year of initial implementation to be able  
6 to exercise the process as it was developed coming out  
7 of the pilot program and be able to gather information  
8 and insights about how that was going to work.

9 So we really assiduously tried to avoid  
10 making very many changes during the first year for  
11 that purpose so that we would get a good, full test  
12 after the first year, and I think we've done that.

13 MR. LAURIE: Bill, may I interrupt for a  
14 moment?

15 MR. DEAN: Sure.

16 MR. LAURIE: We've never met. My name is  
17 Bob Laurie. I'm an Energy Commissioner in California.

18 MR. DEAN: Yeah, you've been pretty busy  
19 the last few months.

20 MR. LAURIE: If these guys would get their  
21 stuff back on line, California's energy problems would  
22 be solved.

23 (Laughter.)

24 MR. LAURIE: Take it easy. Lighten up.

25 What is your change process? That is, the

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1 panel is going to go away, and we're going to make  
2 some recommendations. You're going to see issues  
3 arise. How do you identify those? How do you make  
4 those changes in response to that?

5 I don't know the bureaucratic formulas  
6 that you all have to go through. Can you take one  
7 minute and provide that for me?

8 MR. DEAN: Sure, sure. There's a couple  
9 of things that we've put in place in terms of how do  
10 we make process changes. The one that probably stands  
11 out the most clearly because that's the one that's  
12 most refined is making process changes associated with  
13 the performance indicators.

14 We have a manual chapter that we've  
15 developed called manual chapter 0608, which describes  
16 the performance indicator program, and incorporated in  
17 that -- I think a lot of you have had the chance to  
18 see this -- is a fairly substantive flow chart that  
19 describes that when an issue emerges regarding a  
20 performance indicator, it describes all of the paths  
21 that you would take in terms of considering that  
22 issue, and that takes you all the way from considering  
23 that issue in terms of making a clarification and just  
24 sending some feedback to the individual or group that  
25 had a common -- all the way to developing a new

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1 performance indicator and going through a formal  
2 benchmarking process and going through a pilot  
3 program, and evaluating the results of that pilot  
4 program before we make a change.

5 So that one stands out the most in terms  
6 of being a clearly defined, fairly deliberative  
7 process in terms of making changes.

8 Now, with respect to other aspects of the  
9 process, let's take, for example internal inspection  
10 procedure guidance. I mentioned earlier the formal  
11 feedback process that we have that we solicit feedback  
12 from our inspectors, and a lot of the feedback that we  
13 get pertains to inspection procedures.

14 For example, certain steps or elements of  
15 an inspection procedure that don't seem to be  
16 appropriate or maybe a better methodology for how to  
17 conduct a certain inspection, and so what we'll  
18 typically do or what our process calls for in an  
19 inspection report revision process is to take that  
20 feedback, develop a proposed revised inspection  
21 procedure. We send that out to the regions. We give  
22 the regions 30 days to comment on that, and then we go  
23 through an analysis of the comments.

24 We indicate, you know, what changes we  
25 have made to the procedures based on what comments,

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1 and then we issue it as a formally changed procedure.  
2 So there, once again, while that is probably not a  
3 process, that is as familiar or as of interest to say  
4 a public stakeholders like the PIs -- they have a lot  
5 of visibility -- that's an equally formalized process  
6 internally.

7 MR. LAURIE: These are not regulations.

8 MR. DEAN: No.

9 MR. LAURIE: So you don't have to go  
10 through a regulatory process.

11 MR. DEAN: Correct.

12 MR. LAURIE: Okay, and there's an  
13 opportunity for external stakeholder input as well?

14 MR. DEAN: Not for something -- there's  
15 opportunity for stakeholder input for us to consider  
16 things, and one of the things I mentioned at the  
17 workshop last week based on -- and you'll hear it  
18 again later when we go through the public  
19 communications sessions -- but one of the issues was  
20 interacting with the public. How do we take public  
21 feedback on the oversight process, consider it, and  
22 then how do we get back to the public as to how do we  
23 consider their feedback?

24 And so one of the things that we've  
25 incorporated into our formal feedback process is that

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1 if we get some input from a public stakeholder, you  
2 know, making some suggestions about the program, then  
3 I give it to my appropriate task lead for that area  
4 and my branch. I ask them to develop a feedback form  
5 and serve that into our feedback process.

6 And then when we develop a preliminary  
7 response, provide that to the individual organization  
8 that made the suggestion. And then when we finally  
9 make a final, determined answer -- okay, which for  
10 some things like, for example, a procedure change; we  
11 change or procedures on -- right now we have a  
12 quarterly. We'll probably move to a semi-annual  
13 inspection procedure change process.

14 So you know, we may get some input early  
15 in that process, and if it's not something that we  
16 need to change because it's not a fatal flaw, being an  
17 enhancement of the procedure, we would incorporate  
18 that into that quarterly or will soon be a semi-annual  
19 change process. So you may not get any feedback until  
20 we've finally fixed your issue, you know, maybe six or  
21 seven months down the line, but you'll get an interim  
22 report that basically says, "Here's how we plan on  
23 considering your feedback. It'll be in this process,  
24 you know, maybe six months down the line before we  
25 actually change the procedure."

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1 MR. BLOUGH: Any change that we make, it's  
2 incumbent on the staff to make sure in the process of  
3 developing and reviewing that change that it fits  
4 within the regulations and also that either it fits  
5 within the existing guidance we've been given by the  
6 Commission or, if we think it's outside the policy  
7 guidance we've been given by the Commission or  
8 marginal, then we should seek the Commission's advice  
9 or approval in those.

10 So those are part of the administrative  
11 requirements of making a change, but having said that,  
12 in the area of inspection and assessment there's  
13 probably the most room for staff to incrementally  
14 improve our processes compared to anything else. For  
15 example, licensing; your licensing processes are more  
16 constrained than the inspection processes, and  
17 probably enforcement would be kind of in between  
18 licensing and inspection in terms of, you know, the  
19 constraints, how much detail is prescribed either by  
20 the regulations or by the Commissioners' offices.

21 MR. LAURIE: Thank you, Randy, and that's  
22 helpful.

23 And I apologize for the diversion. I'd  
24 just add we've spoken a lot about unintended  
25 consequences, and the question in my mind is is the

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1       bureaucracy -- and I'm not using that term in a  
2       negative sense -- flexible enough to respond in a  
3       rather immediate fashion when those unintended  
4       consequences are fully noted.

5                       MR. DEAN: Yeah, I think that we've kind  
6       of coined a term in the first year in terms of, you  
7       know, where would we need to make an immediate change,  
8       and that would be where we detected what we think  
9       might be a fatal flaw, you know, in one of the  
10      guidance documents.

11                      And we do have the capacity to do that.  
12      You know, we would prefer to be in a modus operandi  
13      where we're fairly stable and we take specific points  
14      in time where we make a considered effort to make  
15      changes.

16                      For example, in the self-assessment  
17      process that we've developed, the intent is to  
18      basically on an annual basis take the input from the  
19      previous year, consider all of that in terms of what  
20      sort of changes or refinements should we consider in  
21      terms of the oversight process, and then that would be  
22      brought forward actually to our senior managers at our  
23      agency action review meeting and then describe in a  
24      Commission paper and to the Commission in an annual  
25      briefing.

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1           Okay?    So the intent is to have a  
2 continuous self-improvement process and to have a  
3 formalized self-assessment process, and we have a  
4 couple of guidance documents that are actually being  
5 finalized that describe what our self-assessment  
6 process is.

7           So once those are issued, it might be --  
8 you know, that might be something that would be  
9 worthwhile sharing with you and it might help you out.

10           MR. LAURIE: Thank you very much.

11           MR. DEAN: Yeah, okay.

12           Okay. I'd like to move on to the next  
13 couple of slides real briefly. These are just some  
14 slides that show some data, and I don't want to expend  
15 too much time on them, but to kind of make the point  
16 in terms of were we able to exercise the program  
17 substantially during the first year or not.

18           This first one just shows the performance  
19 indicator results for the first three quarters. This  
20 gets us through basically the end of calendar year  
21 2000.

22           We have yet to get the input for the first  
23 quarter of this calendar year, which we'll get by the  
24 end of April, but this shows that for all of the  
25 performance indicators, with the exception of public

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1 radiation safety, that we have had some plants cross  
2 thresholds, in some cases even yellow thresholds. So  
3 that's given us basically the capacity to be able to  
4 at least understand that we are getting a spectrum of  
5 performance. We are seeing issues emerge and  
6 different cornerstones, and the performance indicators  
7 are picking up some of those issues.

8 The next slide talks about inspection  
9 results. Once again, this shows the inspection  
10 results, and it's very important. I think that I've  
11 recited this mantra a number of times, but that we  
12 have to look at the oversight process in terms of the  
13 complementary nature of both the PIs and the  
14 inspection program. They all fit together.

15 You know, they aren't intended to be  
16 separate. There is, I think, some duplication between  
17 the PIs and the inspection program, but you know,  
18 there's a very strong complementary nature to the two,  
19 and you have to look at the results of the oversight  
20 process, considering both.

21 And this basically shows that we've been  
22 able to exercise the significance determination  
23 processes in all of the major areas, and in some cases  
24 we've had some yellow and red findings. So we have  
25 had some findings of significance, and so I think this

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1 demonstrates, you know, that we have, you know, once  
2 again been able to exercise a lot of the aspects of  
3 the oversight process. It's given us some insights  
4 into some areas where we might want to consider some  
5 improvements, and you'll hear about that a little bit  
6 later this morning when we go into some of the  
7 workshop session results.

8           And then the last one here is basically  
9 the action matrix results, and basically this shows  
10 the number of plants that have been in various columns  
11 of the action matrix. Thus far out of the 100-plus  
12 plants in the country, 73 units have stayed within the  
13 licensee response band. We've had 22 plants that have  
14 entered the regulatory response band, five integrated  
15 cornerstone and one in multiple repetitive degraded  
16 cornerstones.

17           So once again, this gives us some pretty  
18 good basis that we've exercised the program  
19 substantially. We've had plants that have been all  
20 corners of the action matrix -- columns of the action  
21 matrix. They've been there for different reasons, and  
22 so that gives us a good comfort that we are seeing a  
23 spectrum of plant performance out there. we are  
24 detecting it through the oversight process, and that  
25 we've been able to deal with those issues.

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1 MR. KRICH: Bill, if I could, just gut  
2 feel, and I don't know whether you did this when you  
3 started off the process or not, but looking at this  
4 kind of -- this is a good summary of how much or where  
5 the plants are.

6 MR. DEAN: Right.

7 MR. KRICH: Does this match what your gut  
8 feel is or is this a surprise or what? Did you do  
9 a --

10 MR. DEAN: Is it a surprise? No. No, I  
11 don't think so. I think it shows a good spectrum.  
12 Obviously, you know, reflects the fact that most  
13 plants are operating at a level where the licensee  
14 response band is probably an appropriate performance  
15 level, but it is showing that there's a good  
16 percentage of plants that have issues emerge that  
17 require greater NRC level of attention, and that  
18 there's a few plants that require significant  
19 attention.

20 MR. KRICH: Right. So does this match  
21 kind of your sense of, you know, normal, kind of the  
22 way things you expected to run or --

23 MR. DEAN: Yeah, I think so. I think so.  
24 This is not a surprise. This spectrum of performance  
25 is not a surprise to me. I think that some people

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1 maybe would have thought that, you know, with all of  
2 the -- well, some of the verbiage, I think, early  
3 about the NRC program, you know, backing off and  
4 giving things over to the licensees, but I think that  
5 this shows that, you know, there are still issues  
6 emerging, that the NRC is finding issues through its  
7 inspection program.

8 The performance indicators are serving a  
9 role of also detecting issues, and, you know, it shows  
10 that not everything is perfect out there, and that  
11 this process provides a good framework for being able  
12 to help identify in an objective fashion those plants  
13 that warrant additional NRC attention.

14 MR. GARCHOW: I guess I'd ask a follow-up  
15 question to Randy and Ken. Do you think that -- and  
16 maybe Loren to some extent, too --

17 MR. KRICH: And Steve.

18 MR. GARCHOW: And Steve.

19 MR. LAURIE: You haven't heard the  
20 question.

21 MR. GARCHOW: Region III, I apologize. So  
22 I don't exclude the NRC folks who are in the regions  
23 looking at the plants I direct this question to, all  
24 inclusive.

25 Does this fit the data that -- I have two

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1 parts -- does this fit the data in what you actually  
2 think by virtue of your experience of judging plants  
3 for all the years you've been doing it, does that  
4 match? You know, when the plants in your judgments  
5 have issues and you're bubbling them up, does it sort  
6 of follow through the action matrix in a way so that  
7 the plants that you believe are having issues are  
8 being captured in the program?

9           And do you think you have the ability to  
10 direct the resources towards those plants in  
11 accordance with the action matrix?

12           So it's like two questions. I mean, you  
13 see data coming in. Do you believe this process  
14 allows you to direct the resources into the plants  
15 that, based on the feedback of the information that  
16 you're getting from the inspectors, you know, are  
17 plants that are having issues?

18           MR. DEAN: I've asked that question  
19 particularly of my inspectors. We have yet to find an  
20 issue that we think we should have inspected that we  
21 have not been able to inspect. The program has the  
22 flexibility to get you to any issue.

23           You have to learn the new program, and  
24 because it's orchestrated a little differently, but  
25 everything is still there, and that's just getting

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1 familiar with the change in the bureaucratic process  
2 a little bit.

3 Any issues of significance that we're  
4 talking about here certainly we can still get to, and  
5 they can be captured. My resources are fully  
6 utilized. So this has helped me prioritize.

7 In the past there was a tendency, there  
8 was a temptation to spend time on issues that may have  
9 not had the safety significance because of either  
10 professional curiosity or external factors which may  
11 drive you there, and this helps you now maintain a  
12 focus on those areas there and not let your resources  
13 get distracted.

14 There's a Region IV viewpoint.

15 MR. BLOUGH: Well, first of all, I would  
16 say in part it's too soon to fully answer your  
17 question. So you can really, based on the amount of  
18 experience we have so far, you can just give an  
19 impression so far.

20 So far I believe, you know, the system is  
21 working well. It is bubbling up important issues. I  
22 would say if you look at the licensee and regulatory  
23 response columns and if you try to step back and say  
24 how are the plants doing and, you know, how would  
25 plants compare, you know, under a SALP system, you

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1 can't really. Being in the licensee response column  
2 or the regulatory response column is really not  
3 differentiation of performance that is that large that  
4 if you use some other system that it would show up  
5 that way, but I think that's the way it's supposed to  
6 be designed.

7 So moving through the regulatory response  
8 column and back to the licensee response column, I  
9 think that's happening, and I think that indicates  
10 good issues, but it doesn't necessarily indicate a  
11 ranking of plants or anything of that sort of thing.

12 I would say that there are plants that we  
13 know of that have cross-cutting issues that they're  
14 dealing with, and yet they're in the licensee response  
15 column, and sometimes the licensee may have a lot of  
16 issues that they're dealing with and yet be in the  
17 licensee response column.

18 And so you wonder a little bit, but as I  
19 say, so far I think that this system is functioning  
20 well, and you know, there's none that I see right now  
21 where the assessment would be way off, you know, from  
22 what we would have done under a previous program.

23 And of course, the advantage of this  
24 program is with defined thresholds. The NRC starts --  
25 adjusts its assessment and starts action basically

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1 immediately, as soon as we've nailed down --  
2 admittedly some of these determinations have taken  
3 longer than we'd like, but as soon as we've nailed  
4 down the determination of significance on an issue  
5 that should result in a change in assessment and  
6 different NRC actions, we start right away now, which  
7 I think is good.

8 MR. REYNOLDS: I'll give you my bottom  
9 line first. This inspection program and the previous  
10 one allowed us to make sure there was no major safety  
11 issues, and there are no major safety issues that  
12 we're aware of.

13 That being said, there are areas that in  
14 today's space might be categories as low safety  
15 significance to very low safety significance that the  
16 inspection program doesn't deal with as well as we  
17 might like, areas like design and cross-cutting  
18 issues, but those are being worked on.

19 But I think those are two areas that we  
20 find problems that we think need to be addressed, and  
21 the program isn't as flexible as we might like.

22 Another case is you may end up with an  
23 issue becoming white or yellow. We can look at it,  
24 and it may not be as significant as some people think,  
25 but I would say that's how the program is designed or

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1 why it is just crossing the threshold for us to look  
2 at. People tend to over react.

3 Sometimes we've looked at it and spent  
4 time on it. The licensee has spend a lot more time on  
5 that issue than maybe we thought necessary.

6 The inspection program does allow us to  
7 look into whatever areas we need to. As we learn it,  
8 we've had to be somewhat I want to say "creative," but  
9 maybe that's too strong of a word, but on inspectors,  
10 we used the old program, and now we're using the new  
11 program, but we're still looking at the areas we think  
12 are very important to safety.

13 And I would just end by saying that some  
14 of the issues we think PRA can be improved on. Cross-  
15 cutting issues, corrective actions and design are some  
16 areas that need to be improved on. It hasn't  
17 prevented us from saying the plants are safe or unsafe  
18 and making sure those thing are fixed.

19 MR. SCHERER: Steve, what do you mean by  
20 design issues?

21 MR. REYNOLDS: Some examples might be  
22 calculation errors, things that you find from doing  
23 design inspection that don't yet render that system  
24 inoperable. If allowed to accumulate over time or  
25 modification on top of modification may end up

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1 eventually getting you there.

2 MR. SCHERER: Things I would refer to as  
3 an engineering issue.

4 MR. REYNOLDS: If that's how you refer to  
5 them, fine, sure.

6 MR. SCHERER: Thank you.

7 MR. DEAN: I don't have much more to add

8 CHAIRMAN PLISCO: That was helpful. I  
9 mean, I sort of got the gist.

10 PARTICIPANT: One more spectrum from a  
11 Region II.

12 CHAIRMAN PLISCO: And mine is pretty much  
13 the same. I think what issues we get involved in,  
14 when we get involved in them, and the level of our  
15 involvement, I think our view has been appropriate so  
16 far. You know, the issues that we've had have crossed  
17 the thresholds and appear to be the right ones, and in  
18 our level of involvement, especially the green-white  
19 threshold appears to be working.

20 And really, I think the only area where we  
21 had some angst at least in Region II -- I know that  
22 Region IV had some similar issues that weren't handled  
23 well in the beginning -- I think we've been working  
24 through those. Our degraded conditions or issues  
25 involving conditions where there's not really an event

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1 that occurs, but what looks like a significant  
2 condition.

3 I mean, an example is the Summer pipe rack  
4 and how the program handles that. It's not -- those  
5 kind of issues are not real conducive to risk analysis  
6 because it's not really known well, especially in the  
7 beginning, what the impact of the condition is and how  
8 you factor that in to do a risk analysis, and some may  
9 be so complicated, complex, you know. For example,  
10 the issue you had at Cooper with cable splices, you  
11 know. It's a widespread issue, how you handle that.

12 there have been some issues like that that  
13 we've had to work through and make sure we understand  
14 how the process handle is, and I think we've worked  
15 through those, and I think we've made some changes to  
16 the program to accommodate that, to make sure that  
17 those kind of things fit well, too.

18 But in general, we've been able to deal  
19 with the right issues, I think.

20 MR. BROCKMAN: I'd like to let a comment  
21 come from Jim thought down at the grass roots level,  
22 how the inspector sees it as opposed to how the  
23 manager sees it.

24 MR. MOORMAN: Well, I'll get to the bottom  
25 line right away. It seems about right. We've gotten

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1 much better guidance on how to deal with low level  
2 issues and how to differentiate between what's  
3 important and what's not important.

4 The Group 1, 2, and 3 questions have  
5 really helped the inspectors put the small issues down  
6 and decide what to really continue on in. So I see us  
7 as being able to use that guidance, be more consistent  
8 with it, and also get to the issues that we need to  
9 get to with respect to some design issues.

10 My experience with that has been that if  
11 we do have a low level design issue, such as bad  
12 calculations, that will go through the process and  
13 come out as a finding, and then once it does that, the  
14 reliance on the licensee corrective action program to  
15 take and process that and go forward and change their  
16 program for the better or those calculations, that  
17 capability exists.

18 So I see us going in the right direction  
19 there. With respect to resources, as Ken said, we are  
20 fully using our resources, and I would think that as  
21 we grow and change in the future, we'll get a lot more  
22 efficient with it and we'll be able to do the same  
23 with a little bit less.

24 MR. KRICH: Bill, if I could ask one more  
25 question, could you comment on how well the process

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1 has been in terms of being able to predict declining  
2 performance?

3 That's been kind of one of the overall  
4 objectives, and it went into the development and the  
5 design of the process to some degree. Steve, that's  
6 my recollection of this.

7 MR. DEAN: The intent of the process is  
8 not to be predictive per se. It's an indicative  
9 process.

10 MR. KRICH: Right.

11 MR. DEAN: It's to look for indications of  
12 plants and to find indications hopefully in advance of  
13 a plan being in a status where they're like, you know,  
14 a Millstone of the mid-'90s, late --

15 MR. KRICH: Right. That's what I'm  
16 talking about.

17 MR. DEAN: But that's sort of predictive.

18 MR. BLOUGH: Or early and timely  
19 indication.

20 MR. DEAN: Right.

21 MR. KRICH: So could you comment on if you  
22 have been able to --

23 MR. DEAN: Well, that was after hearing  
24 everybody talk, and I wanted to get back to a point  
25 that Randy made, is that, you know, we're still early.

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1 I mean there is some premises of this oversight  
2 process that I don't think are going to be fully  
3 proved out or disproved for a number of years. Okay?  
4 And that would be one of them.

5 Okay. How well does this plant predict a  
6 plant that may be entering unacceptable performance  
7 regime? Okay. We won't know that for several years.  
8 You know, for example, we'll take the Indian Point-2  
9 experience. Well, a lot of what's transpired at  
10 Indian Point-2 goes back several years. It wasn't  
11 just like, boom, all of a sudden, you know, they show  
12 up on a radar screen as a problem plant.

13 They have been a plant that has had the  
14 interest of the NRC at a certain level of senior  
15 management for several years. Okay? They've had a  
16 series of issues and problems there. What the  
17 oversight process allowed us to do was basically  
18 categorize that plant giving the types of findings and  
19 the types of performance indicator results that they  
20 had and then be able to look at it in a more objective  
21 and predictive nature as to what should we do about  
22 that plant.

23 So I think in a lot of respects -- and,  
24 Randy, you can help me -- I think that it would help  
25 regional management crystallize how should they

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1 approach Indian Point-2, you know. But would be one  
2 that if we could go back, and we did do a feasibility  
3 review of Indian Point-2 as part of looking at how  
4 would this process predict performance, but I think,  
5 you know, you would have to go back and overlay the  
6 last two or three or four years of Indian Point-2's  
7 performance to say, you know, would this process have  
8 predicted or made a difference two or three years ago  
9 if they had maybe one or two white issues or whatever.

10 I don't know. It's too early to tell.

11 You know, Mary, you've been trying to --

12 MS. FERDIG: Well, this is simply a  
13 philosophical question that I've asked myself, and you  
14 could probably answer it in a hurry.

15 I'm noticing as we look at this program  
16 now one of the ways that you're helping us to know  
17 that it's working is to show us the degree to which  
18 there are plants that fall in these various  
19 categories.

20 What if hypothetically, given the  
21 continuous improvement in the intentions of both the  
22 industry and the regulator to ultimately reach a level  
23 of optimum safety performance that may theoretically  
24 have plants operating in the green band; what then  
25 relative to how you might view this program and its

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1 effectiveness?

2 MR. DEAN: If all of the plants from the  
3 licensee response band, would I be here staying that  
4 I think we've been able to fully exercise the program?

5 MS. FERDIG: Yeah.

6 MR. DEAN: I don't think I'd be able to  
7 because we wouldn't have had the opportunity to deal  
8 with the plants that had issues or problems that had  
9 some significance to them.

10 Now, you have to remember the process is  
11 set up. You know, the threshold concept is set up to  
12 assure that even plants that have red issues, that is  
13 still a whole, you know, degree of magnitude away from  
14 what the agency has set as its safety goals. Okay?

15 So the intent is for this process to be  
16 able to identify issues of safety import early enough  
17 to assure that both the licensee and the NRC are aware  
18 of those issues and before we get to the point that  
19 we're crossing safety goal space and really having  
20 been an impact on public health and safety.

21 So, you know, when we talk about  
22 protective public health and safety, we've tried to  
23 establish a process that makes sure that when issues  
24 that are significant in this process emerge that we  
25 have not crossed the threshold that we are or the

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1 plant is at an unsafe level in terms of protection of  
2 public health and safety.

3 And that's sometimes is something that  
4 gets lost in the looking at the green, whites, yellows  
5 and reds and different columns of the action matrix,  
6 that there are still several degrees of safety  
7 performance away from impacting safety goals.

8 We're trying to make sure -- and that  
9 maybe is the predictive nature of the process, is that  
10 we want to make sure we can interact and the licensee  
11 can be aware early enough to prevent us from getting  
12 in that regime.

13 MS. FERDIG: But the program could still  
14 be working --

15 MR. DEAN: Sure.

16 MS. FERDIG: -- as intended --

17 MR. DEAN: Absolutely.

18 MS. FERDIG: -- if they were all --

19 MR. DEAN: Absolutely.

20 MS. FERDIG: -- if every plant were  
21 operating within the green band.

22 MR. DEAN: Absolutely.

23 MS. FERDIG: And it wouldn't necessarily  
24 suggest that we would need to come back and look at  
25 the thresholds and question whether they are set

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1 correctly if we don't have a certain percentage of  
2 plants in the white and yellow and so forth.

3 MR. DEAN: Yeah, that's a good question,  
4 Mary. Let me give you one of the things that we're  
5 instituting internally, and this kind of gets back to  
6 the question over here from Mr. Laurie about looking  
7 at making changes and what process do we look at.

8 In terms of, for example, looking at our  
9 inspection procedures, you know, we have a spectrum.  
10 We have what we believe is a risk informed inspection  
11 program to make sure that we look at those areas of  
12 plant operation and design and engineering that are  
13 important from a safety perspective, but within that,  
14 there are some that I think are more risk important or  
15 safety important than others.

16 And so the question emerges, okay, after  
17 we look at this process for year, and one of the  
18 things we're looking at is what sort of findings have  
19 we gotten in each of the inspectable areas. Have we  
20 got a lot of findings? Have we got not very many?  
21 Have we gotten significant findings? Have we not  
22 gotten significant findings?

23 And we're going to use that information to  
24 help us determine should we make some adjustments to  
25 the inspection program, and I'm going to get into that

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1 in a little bit in terms of inspection program  
2 flexibility and resource application because we want  
3 to make sure that we're spending our resources in the  
4 right areas where we have the potential to find those  
5 issues of significance.

6 Okay. So one of the things we have to  
7 consider in making a determination, let's just say  
8 that we have an inspectable area, and let's just take  
9 the design inspection. We think the design inspection  
10 is a very important inspection, but let's say that  
11 we're not getting a whole lot of findings out of that  
12 inspection.

13 Well, that could mean one of two things.  
14 It could mean that licensees are doing a real good job  
15 in terms of, you know, design basis management, or it  
16 could mean that maybe the approach that we're using to  
17 look at that area maybe is not quite the right  
18 approach. Maybe there's a better way to look at it.

19 So one of the things that we have to look  
20 at, we have to look at, you know, what sort of  
21 findings are we getting. Are we getting findings of  
22 significance? What sort of level of effort are we  
23 expending?

24 You know, we're spending a lot of effort  
25 looking at design. It's an important area to look at,

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1 and we think it's important to look at. So you know,  
2 we have to take all of those aspects and say, "Okay.  
3 Should we or do we need to make some adjustments  
4 either in the approach, or is the approach we're  
5 taking the right approach?"

6 And we have to do that for all of our  
7 inspectable areas. So, you know, for example, if we  
8 looked at every plant being in the licensee response  
9 band through inspections and PIs, you know, that might  
10 cause us to consider, well, where have we seen issues  
11 in the past. We're not seeing issues in the past in  
12 those areas anymore. Look at our inspection guidance.

13 And if we're happy with our inspection  
14 guidance, then that's, you know, an appropriate place  
15 to be. I think past history would suggest that given  
16 the complexity of these machine and the human-machine  
17 interface that, you know, you're going to have issues,  
18 you know.

19 And so I think it would be very unlikely  
20 that we would have all plants be in the licensee  
21 response band. But having said that --

22 MR. BLOUGH: I'd just like to comment that  
23 even though we have experience with one red finding,  
24 two yellow findings, and four yellow PIs and a couple  
25 of other cases where there were multiple white

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1 findings in the same cornerstone in a plant, that's  
2 not a whole lot of experience out in the right end of  
3 the action matrix.

4 MR. DEAN: Right.

5 MR. BLOUGH: So in Region I we've done the  
6 one 95003 multiple degrade cornerstone inspection at  
7 Indian Point-2. We haven't issued a report yet. We  
8 have just exercised the 95002 inspection one time. So  
9 although, you know, I think they work well, it's not  
10 a whole lot of experience in the most risk important  
11 things.

12 The way the distribution works you get a  
13 lot of experience in less risk important things and  
14 less at the more risk important things.

15 MR. DEAN: Yeah, I guess that was one  
16 point I was going to make listening to this considered  
17 feedback, is that there's two things, I think; is that  
18 this process requires a certain amount of restraint on  
19 our inspectors, given the level of the issue, that  
20 they have to give the licensee the opportunity to work  
21 their way through an issue to get through the root  
22 cause evaluations and extended condition reviews  
23 before we start looking at them in any sort of  
24 supplemental inspection procedure space or follow-up  
25 inspection procedures.

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1           And so I think that's been part of the  
2 change dynamic that I think our inspectors are still  
3 wrestling with a little bit, that they would like to  
4 delve into issues a lot sooner than maybe they did in  
5 the -- like they did in the past, but that this  
6 program, you know, requires them to have some  
7 restraint at those lower levels.

8           And so I think that's still part of the  
9 change dynamic, and the other one is to reemphasize  
10 what Randy said. While we've exercised the process on  
11 the right side, that that's probably where we'll gain  
12 the most, you know, lessons learned.

13           We're going to take the Indian Point-2  
14 experience and Region I's experience and use that to  
15 help refine our inspection procedures, you know, the  
16 DET-like inspection, Ray. You know, we'll use  
17 experiences that some of the other regions are having.

18           We're going through one now in Region II  
19 dealing with Cooper, which has been a fairly -- Region  
20 IV at Cooper -- that's been a fairly complex and, you  
21 know, more of a programmatic breakdown type issue as  
22 opposed to an issue that's easily translated through  
23 the significance determination process.

24           So, you know, that will help us refine our  
25 guidance and develop that. So we will obviously

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1 continue to learn lessons, but I think we're going to  
2 find more of them more on the right side of the band  
3 than the left side.

4 Having said that, I'm at the point now to  
5 start going through the implementation issues that  
6 came out of our internal and external workshops. It  
7 might be a good time for a break.

8 CHAIRMAN PLISCO: Yes, yes. Fifteen  
9 minutes.

10 MR. DEAN: Okay, and then we'll parade up  
11 a series of people up here and give you that.

12 (Whereupon, the foregoing matter went off  
13 the record at 10:47 a.m. and went back on  
14 the record at 11:07 a.m.)

15 MR. DEAN: Okay. Let me just touch on  
16 what you have here on this slide. It says initial  
17 implementation issues are basically the issues that  
18 came out of our -- considering all of the feedback  
19 that we received over the first year, what we thought  
20 were the key issues to look at in terms of considering  
21 both internally and also externally.

22 And the first issue there, inspection  
23 flexibility and resources, and let me just briefly  
24 summarize what the issue is there, and that is in  
25 developing the oversight process, we put some

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1 particular constraints in terms of sample sizes for  
2 certain inspection procedures. We developed what we  
3 felt were the appropriate frequencies for certain  
4 inspectable area procedures and asked the regions to  
5 live by that and to live by the requirements in the  
6 inspection procedures and to make sure that they  
7 executed the inspection procedures to meet all of the  
8 requirements.

9           So there was a lot of constraints there,  
10 and that was quite a change from our previous core  
11 inspection program which basically left it up really  
12 to the inspector to ascertain whether they had  
13 completed the intent of the procedure.

14           So this process was quite a transition,  
15 quite a paradigm shift for our inspectors in terms of  
16 what constitutes inspection program completion.

17           And in doing that and having those  
18 constraints, and they were, you know, tighter, I  
19 think, that really what we envisioned, but we felt for  
20 the first initial implementation we wanted to try and  
21 achieve as consistently as we could an execution of  
22 the inspection procedures so that we would have a good  
23 sense as to what does it take to complete those so  
24 that we can make some reasoned decisions about how to  
25 allocate our resources in a going forward manner.

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1           One of the big issues internally is that  
2 recognition that we probably need to accommodate some  
3 degree of flexibility so that the regions can better  
4 utilize their resources and deploy their resources and  
5 still execute the inspection program as it's intended.

6           And so that's one of the things that we're  
7 looking at internally. I mentioned earlier the  
8 process that we're looking at in terms of considering  
9 individual inspection procedures, looking at the  
10 number of hours expended, the number of findings that  
11 we had, and helping us -- helping that information --  
12 help us judge how to approach whether we should look  
13 at the sample size for any particular procedures.

14           And so we'll be seeing some changes that  
15 are really going to be more internal in nature in  
16 terms of hopefully giving our inspection force a  
17 little bit more flexibility and the regional  
18 management a little more flexibility so that we can  
19 complete the program as intended while still  
20 appropriately utilize our resources.

21           So that's a big issue internally. We've  
22 got a meeting here on the 23rd and 24th of April with  
23 the Division Directors from each of the regions where  
24 we hope to basically finalize the input and make  
25 whatever sort of appropriate adjustments to give the

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1 needed flexibility there without -- you know,  
2 obviously we don't want to go back to the days of old  
3 where we had regional initiative in different regions  
4 for implementing different inspection procedures, you  
5 know, based on whatever rationale went into  
6 management's decision. We still want to have a  
7 consistently applied and implemented inspection  
8 program.

9 But we do recognize that there is some  
10 room for flexibility there to accommodate things like  
11 plant design differences, to accommodate the fact that  
12 certain plants operate at different levels with  
13 different performance issues, and we need to make sure  
14 that we have the capacity to be able to within the  
15 baseline inspection program accommodate those  
16 differences, you know, without being too restrictive,  
17 overly restrictive on our inspection force.

18 So that's really the major internal issue.  
19 That was not an issue we brought forward for external  
20 consideration. That's basically an internal  
21 effectiveness and efficiency issue.

22 The remaining issues there, the eight  
23 issues there, issues for external feedback, that  
24 basically is the outline for the remainder of our  
25 discussion with you here this morning, and what we

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1 intend to do is have the pertinent task leads for each  
2 of these areas within the Inspection Program Branch,  
3 actually within the division, because some of these  
4 are outside the Inspection Program Branch, but within  
5 our Division of Inspection Program Management.

6 I'll walk you through the issues that were  
7 set aside for discussion at the workshop, additional  
8 issues that might have emerged, and then what the  
9 outcomes are, and we're going to jump around a little  
10 bit because we do have some of our staff members that  
11 have other commitments today.

12 And so first I'd like to start with Don  
13 Hickman, and he will go through the PIs, but then the  
14 next two after that will be maintenance effectiveness  
15 and the physical protection. So we'll have to jump  
16 around a little bit.

17 For this first one, it starts on page 9,  
18 external lessons learned, workshop outcomes on reactor  
19 safety performance indicators. I'll ask Don to step  
20 up.

21 MR. SCHERER: Before you do that --

22 MR. DEAN: Yeah.

23 MR. SCHERER: -- Bill, where did this list  
24 of issues that you have on seven and eight come from?  
25 Is this, in fact, a de facto list of the things you're

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1 working on or is this the result of feedback you  
2 received or --

3 MR. DEAN: Yeah, the list was developed  
4 based on really the accumulated feedback over the  
5 course of the first year of initial implementation,  
6 feedback that we received from various stakeholders,  
7 both internal and external. It also incorporated some  
8 of the feedback. I mentioned the Federal Register  
9 notice. We got feedback from several parties. NEI  
10 sent us some feedback, a couple of licensees, David  
11 Lochbaum from UCS, and we incorporated all of those  
12 into developing the agenda for the external workshop.

13 But I would say that 95 percent or maybe  
14 90 percent of the issues that we used to develop for  
15 discussion at the external workshop for basically the  
16 accumulation of all the input we received over the  
17 past year.

18 MR. SCHERER: Okay. I'm trying to  
19 understand. For example, ALARA is not on here.

20 MR. DEAN: Yes, it is. It's under  
21 radiation safety issues.

22 MR. SCHERER: Okay. So it is here?

23 MR. DEAN: Yes. As you get to the  
24 individual letters, you'll see the actual issues that  
25 we discuss. There's four or five issues under each of

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1 these topic areas in most cases.

2 MR. SCHERER: Thank you.

3 MR. KRICH: And, Bill, just a quick  
4 question. I'm sorry. On the meeting that you're  
5 going to have, I think you said, at the end of this  
6 month.

7 MR. DEAN: Yes.

8 MR. KRICH: Where you talked about the  
9 flexibility, where you're going to talk about how to  
10 add some more flexibility, after you get through with  
11 that, will that thing go through the process that  
12 we've gone through pretty much from the beginning  
13 where you get with NEI and the industry to kind of  
14 work through that?

15 MR. DEAN: Well, we would describe, you  
16 know, if there were any changes in terms of, you know,  
17 let's say, for example, one of the things we're  
18 looking at is the PI&R inspection, the annual  
19 inspection, whether that should be annual or biennial.

20 MR. KRICH: Okay.

21 MR. DEAN: That's one of the things.  
22 We'll make the decision. We've gotten all of the  
23 feedback. That was the purpose of this workshop, was  
24 to get the feedback from the external stakeholders  
25 about some of these things that we're considering, the

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1 bigger ones.

2 And we'll take that, and we'll make our  
3 determination. You know, with respect to some of the  
4 smaller or the other inspection procedures, you know,  
5 my sense is that probably you'll see some changes in  
6 some of them in terms of the range of samples that we  
7 expect to get on an annual basis, and that's probably  
8 how we'll deal with the flexibility issue for the most  
9 part.

10 But it isn't something that we're going to  
11 offer to external stakeholders in terms of, you know,  
12 we're going to spend, you know, 40 hours on this  
13 inspectable area and 24 here and 80 here. I mean  
14 those are the decisions that we're going to make based  
15 on our accumulated feedback over the course of the  
16 first year.

17 We consider that to be an internal, you  
18 know, effectiveness and efficiency issue in terms of  
19 the program. Now, if we had an issue that says, you  
20 know, we're not sure whether this is an area we ought  
21 to be looking at anymore, you know, certainly that  
22 would be something that --

23 MR. KRICH: That's what I had in mind.

24 MR. DEAN: Yeah, yeah, if we had something  
25 of that magnitude.

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1 MR. KRICH: Okay.

2 MR. DEAN: Okay. Any other questions?  
3 Otherwise I'll ask Don to step up to the plate.

4 MR. HICKMAN: Good morning. I'm Don  
5 Hickman, task lead for performance indicators in the  
6 ROP.

7 In the reactor safety performance  
8 indicator session, we presented the status of three of  
9 the important performance indicator issues during  
10 initial implementation and sought stakeholder feedback  
11 on the proposed resolution to those issues, and the  
12 three are the safety system unavailability indicator,  
13 and that's the one that has generated a significant  
14 number of frequently asked questions or infrequently  
15 asked questions and concerns. The unplanned power  
16 change indicator is one that is a proposed replacement  
17 for and a plan to do a pilot program for that  
18 replacement in the near future.

19 And then the unplanned SCRAM indicator,  
20 and there's a pilot program ongoing right now due to  
21 end at the end of this month with the data reported in  
22 April.

23 The pilot program for the unplanned SCRAM  
24 replacement indicator included both the SCRAM  
25 indicator and the SCRAM with loss of normal heat

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1 removal indicator, and what was done there was to  
2 replace the word "SCRAM" with reactor shutdowns, and  
3 the concern here was the perceived negative impact of  
4 counting manual SCRAMs.

5 One of the changes that we made, along  
6 with the name and the definition of the indicator, was  
7 to take the opportunity since we were going to pilot  
8 a replacement for the SCRAM with loss of normal heat  
9 removal indicator to clarify the guidance, and the  
10 guidance that's currently in NEI 99-02, Rev. 0, was  
11 not clear that SCRAMs caused by loss of all feedwater  
12 or decreasing condenser vacuum.

13 And so we have taken that opportunity to  
14 clarify that guidance, and as a result, we expect that  
15 we will probably see some differences, and in fact, to  
16 date we have seen a few differences between what  
17 licensees are reporting to the current ROP, the data  
18 by which they're being measured, and what they're  
19 reporting to the pilot program.

20 With regard to the proposed replacement  
21 for the unplanned power change indicator, what we've  
22 done there was to use very much the same definition  
23 that's contained in the monthly operating report  
24 requirements and licensee tech specs, and initially we  
25 had called -- that section of the monthly operating

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1 report is called unit shutdowns and power reductions,  
2 and one of the comments we got from the workshop was  
3 that perhaps we didn't need the word "shutdown," and  
4 that turned out to be correct. We decided to delete  
5 the word "shutdown." So now it's called unit power  
6 reductions. And that is measured for 7,000 critical  
7 hours.

8 Another thing that came out of the  
9 workshop was another proposal to perhaps pilot a  
10 second replacement indicator at the same time, that  
11 there might be a dual pilot, and the proposal there  
12 was to count power reductions required as a result of  
13 equipment malfunctions or operator errors.

14 There was a fair amount of discussion as  
15 well about counting power reductions that are required  
16 as a part of normal operation, and the proposed  
17 replacement unit power reductions would count all  
18 power reductions of greater than 20 percent in average  
19 daily power level.

20 And that would include such power  
21 reductions or such reasons as broad pattern  
22 adjustments, MSIV testing, turbine valve testing,  
23 those types of things if they exceed greater than 20  
24 percent in average daily power level change.

25 That's a concern to the industry, and

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1 hence the proposed dual pilot to count only those  
2 caused by equipment malfunctions or operator errors.

3 CHAIRMAN PLISCO: Don, I just wanted to  
4 mention that I happened to be a sponsor for the  
5 session, and one of the -- I don't know. Maybe it  
6 wasn't a revelation to everyone, but it was a  
7 revelation to me -- was that a number of the problems  
8 we're having in performance indicators are in the  
9 areas where the measure includes things that are not  
10 necessarily bad things by themselves, and that's where  
11 a lot of, I think, the rubs are occurring in the  
12 program.

13 You know, there are situations like the  
14 power reductions. You know, we have surveillance  
15 requirements, you know, plants required to come down,  
16 and they have to count that or in situations like the  
17 one we currently have, if the plant has an equipment  
18 condition, the prudent thing to do is to come down now  
19 and repair that.

20 With the 72-hour restriction, human nature  
21 being what it is, that comes into play, and it should.  
22 And we had a lot of discussion about that in that  
23 group about, you know, the ideal is to get indicators  
24 where we aren't picking up these things that are the  
25 prudent action, and so that question doesn't come up

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1 in someone's mind. I mean, that came into play, too,  
2 in the manual SCRAM. You know, that's where that came  
3 into play also, where you know the right action is  
4 going to show up on the indicator and where someone  
5 might think about it.

6 MR. GARCHOW: That gets into our whole  
7 discussion on how we handle moving from green to white  
8 because you took all of that out of it. If you had a  
9 number of those occurrences that were done prudently  
10 or for all of the right reasons and you just happen to  
11 determine -- I mean, the original constructed a system  
12 of somebody had come in and looked, and then you'd  
13 have an exit and say, you know, just an artifact of  
14 the system, doesn't really point us to anything.

15 You happen to come down, you know, four  
16 times to clean your water boxes because there's grass  
17 in the Delaware River like there is every year, and  
18 you know, it doesn't point to anything.

19 MR. HILL: But if you know that's going to  
20 happen though, why waste everybody's effort to do it?  
21 Why not just plan that out of it?

22 MR. GARCHOW: If you could come up with  
23 the perfect indicator, that would do it, not  
24 supporting it either way, but saying in some respects  
25 we're in this conversation because we overemphasized

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1 what it meant to go away. That was my only point.

2 CHAIRMAN PLISCO: But I think the staff --  
3 I mean, logically from the NRC perspective, you know,  
4 our view is that if you pick the right threshold and  
5 factor that in, it was fine, but it still causes  
6 problems.

7 MR. SCHERER: That's a key element in the  
8 ongoing discussion on unavailability because a  
9 component of unavailability is a good thing.

10 CHAIRMAN PLISCO: Right.

11 MR. SCHERER: Preventive maintenance.

12 CHAIRMAN PLISCO: Yeah.

13 MR. SCHERER: A component of  
14 unavailability is problems with component, something  
15 you're trying to measure, which is reliability of the  
16 component. So how do you adjust the number to allow  
17 good things to continue to happen and measure the  
18 thing you're trying to measure?

19 It's an ongoing discussion, one that I  
20 think we have to recognize, especially for this  
21 purpose, in its unintended consequence.

22 CHAIRMAN PLISCO: Right, and as a public  
23 confidence issue, too, because, you know, when you  
24 cross a threshold, and it turns out a lot of what  
25 contributed to that were prudent actions, then it gets

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1 difficult to explain. You know, the NRC is taking  
2 action, and we're getting into this regulatory  
3 response band.

4 But then, you know, in the public arena it  
5 looks like, at least from our view, we're trying to  
6 explain it away, and there's a public confidence issue  
7 here.

8 MR. KRICH: You're negotiating.

9 MR. DEAN: I was just going to share, and  
10 Dave kind of hit the nail on the head, these are  
11 called performance indicators, not performance  
12 measures, and it's an indicator. And if we go in  
13 there and look and say, "You guys, we're acting  
14 prudently," it should be described in the inspection  
15 report, and we move on. But that's been a difficult  
16 hurdle to get over.

17 MR. FLOYD: Yeah, and I think if it were  
18 just between the licensee and the regulator, that  
19 wouldn't be a problem at all. It's when you bring in  
20 the public and the financial community and they look  
21 at these and draw different conclusions or at least  
22 perceptions of performance. They don't bother to read  
23 the full report. They just see that, gee, this plant  
24 tripped some white indicators, and it doesn't look  
25 like anybody is doing anything about it, and that's

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1 where the problem comes in.

2 I mean, it's good we make this public, but  
3 then it creates another set of problems that are  
4 really outside of the construction of the original  
5 program.

6 MR. REYNOLDS: We got the public and the  
7 financial community to be better off. Is that what  
8 you're saying?

9 MR. FLOYD: Well, maybe that's a good  
10 suggestion.

11 (Laughter.)

12 MR. TRAPP: Don, do you have a lot of  
13 cases where the PIs that were tripped to white were,  
14 in fact, things that the licensee was doing prudently  
15 or, I mean, have you made that cut and do you have any  
16 data for it?

17 MR. HICKMAN: With this particular  
18 indicator or --

19 MR. TRAPP: No, any, just in general.

20 MR. HICKMAN: In general?

21 MR. TRAPP: Yeah.

22 MR. HICKMAN: Not that I'm aware of.  
23 Generally speaking what we've done -- let me back up  
24 just a little bit. What this turns out to be is a  
25 tradeoff between a simpler PI and a more complicated

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1 PI that excludes the prudent things, and what we have  
2 been doing to date has been making these more  
3 complicated.

4 So we have gotten lots of questions.  
5 We've had to -- we have to start looking at all of  
6 these issues and deciding one by one whether this  
7 counts or not. It has greatly complicated the  
8 process.

9 I think to date I'm not aware of any where  
10 people doing imprudent things have crossed the  
11 threshold. Maybe Steve is, but --

12 MR. FLOYD: Yeah, I'm aware of at least  
13 one plant. On unavailability, for example, they did  
14 a projection ahead, and they plugged in the amount of  
15 planned maintenance that they intended to perform on  
16 the systems in accordance with their maintenance rule  
17 to balance availability and reliability, and they say  
18 that they will be tripping all of the thresholds if  
19 they stay where they are on all of the safety system  
20 unavailability thresholds.

21 MR. HICKMAN: There have been examples  
22 like that where people have looked ahead and been  
23 concerned about doing the maintenance that they had  
24 planned to do, but --

25 MR. KRICH: Ray, did you have a comment?

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1 MR. SHADIS: Well, yeah. I was just  
2 wondering if some of these are not only a product of  
3 the way that you're looking at them, but they're also  
4 a product of the rush for ever shorter outages.

5 I mean, isn't there any -- you want to  
6 give credit for doing things prudently at power,  
7 reducing power if you're going to do certain  
8 maintenance of items and so on, and not penalize the  
9 industry.

10 But at the same time, the frequency of  
11 these things happening seems from the public  
12 perspective, my perspective, to be a result of pushing  
13 for shorter refueling outages, and that ought to go  
14 into the equation for prudence also.

15 If you're stacking up a bunch of these  
16 occurrences while your plant is at power, maybe the  
17 last time you were down here refueling you should have  
18 been thinking about doing some of this stuff.

19 MR. FLOYD: Well, no, the example that I  
20 gave was really people doing planned maintenance, not  
21 having to do unplanned maintenance at power because  
22 they didn't do proper maintenance in shutdown.

23 MR. SHADIS: Well, but it's a choice  
24 though to do it. If you're looking at it in the long  
25 range, you might plan to do it while you were down, or

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1 you might plan to do it while you were up and going,  
2 and you might plan to do that in order to shorten your  
3 outage, yes?

4 MR. FLOYD: Yes. I think the big rub  
5 though is what we're seeing is we're seeing a head on  
6 collision between the deterministic way that we've run  
7 our plant to date versus the risk informed way of  
8 running the plant.

9 For the plants that are allowed to do some  
10 of this maintenance on line, they've had to present,  
11 and it's in our indicator they have to have presented  
12 and gotten approval from the staff on a quantitative  
13 analysis that shows that there is no significant  
14 impact on risk, essentially a risk neutral impact from  
15 doing the maintenance at power as opposed to doing it  
16 while the plant is shut down. Otherwise they have to  
17 take the unavailability.

18 And the ones that we're talking about  
19 tripping the threshold don't fall into that category.  
20 It's the ones where you have to take the  
21 unavailability to do their planned maintenance to meet  
22 their maintenance rule balancing between the  
23 reliability and the availability goals of the  
24 maintenance rule.

25 So we're seeing a dichotomy here, I think.

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1 As we try to become more risk informed, we still have  
2 a set of requirements that are based upon  
3 deterministic analyses.

4 MR. SHADIS: Well, or becoming risk  
5 determined also. I mean, risk informed is one thing.  
6 To pile everything into the column of we can show you  
7 calculations that says we can go ahead and do this  
8 procedure which takes away redundancy, takes away  
9 defense in depth and, therefore, it's okay to do is  
10 another thing.

11 If there is an alternative and the  
12 alternative is to spend a few more dollars and stay  
13 shut down a few more days for refueling.

14 MR. FLOYD: Yeah, that sounds easy, but I  
15 think the reality is that in some cases the shutdown  
16 configuration that you're in is actually riskier than  
17 doing it at power. So from a public health and safety  
18 perspective issue, it's the wrong thing to do to take  
19 the longer outage in some cases and do the work while  
20 you're shut down rather than doing it at power.

21 So it's a somewhat complicated issue.  
22 It's not black and white.

23 MR. KRICH: But just to add something,  
24 Ray, I think I understand your point. Just something  
25 you may not be aware of is when we do that on line

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1 maintenance, in all cases we also look at what  
2 compensatory measures we have to take or what actions  
3 or other activities we will not take while we're in  
4 that particular situation so as to minimize the risk,  
5 and that's why it's judged to be risk neutral, because  
6 you're not doing all of the normal type of activities  
7 that you would do when you're in that condition.

8 MR. SHADIS: No, I understand.

9 MR. KRICH: Okay.

10 MR. SHADIS: I understand. It's just it  
11 is a matter though of at least with some of these  
12 indicators of making the decision that puts you in  
13 that place somewhere well in advance of getting there.

14 MR. KRICH: Yes, yes.

15 MR. HICKMAN: Well, we were talking a lot  
16 here. As you can see, the discussion quickly came  
17 focused on safety system unavailability and because  
18 that's the issue. I mean, that's the one that's the  
19 issue.

20 As far as trying to avoid counting  
21 imprudent actions, as I say, it's a tradeoff between  
22 a simpler indicator and one that in essence would  
23 count most everything and the threshold set  
24 appropriately.

25 What we've gotten to with the safety

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1 system unavailability indicator is one that's quite  
2 complicated, and we're continually addressing issues  
3 and making decisions as to what counts and what  
4 doesn't count.

5 The issue of thresholds becomes very  
6 important then. We established the thresholds based  
7 upon the best data we had available at the start of  
8 the initial implementation, which was the historical  
9 data that licensees provided to us from their WANO  
10 reporting.

11 And we have since found out that the WANO  
12 reporting is not to the accuracy that the NRC is  
13 looking for. It was not counting everything. So the  
14 question of the threshold is a big one, and this is  
15 what Steve was referring to when he talked about the  
16 licensee who may exceed that threshold by doing the  
17 things that he wants to do.

18 We can't adjust the thresholds unless we  
19 have data, and so it's going to be a tough process, I  
20 guess, getting to the point where we have thresholds  
21 that we have confidence in.

22 One of the proposals that was made was to  
23 link the thresholds to the plant specific maintenance  
24 rule criteria for those systems, and then there was  
25 discussion about whether the threshold ought to be set

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1 equal to the criteria or the threshold maybe ought to  
2 be above the criteria to give licensees an opportunity  
3 to -- if they were to exceed the criteria and go  
4 (a)(1) to fix it. That is a proposal that I'm sure  
5 will see further discussion.

6 And then the last issue there, the common  
7 definitions there for unavailability. This is an  
8 issue concerning the burden on licensees to collect  
9 different data for WANO, the ROP, the maintenance  
10 rule, and the PRA applications. Everybody seems to  
11 want something a little bit different.

12 And I think clearly we would all like to  
13 have one set of data that licensees could report and  
14 let various programs use that data however they want  
15 to do it.

16 A common definition is a starting point,  
17 but it's not the answer because the devil is in the  
18 details.

19 Those are the issues that we talked about.  
20 The outcomes, as I mentioned earlier, the replacement  
21 SCRAM indicator has been in the pilot program now this  
22 is the sixth month, and it will end at the end of this  
23 month.

24 We got no disagreement with that indicator  
25 expressed by the stakeholders that were present.

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1 We've had 21 plants reporting that data. At the  
2 completion of the program, we'll evaluate the data  
3 according to the criteria that we listed in regulatory  
4 issue summary, and we'll make a determination as to  
5 what to do.

6 There was a comment made, a good comment,  
7 that the staff should develop success criteria for the  
8 pilot program for the unplanned power reduction  
9 replacement, which is the unit power reduction  
10 indicator, and if we do a dual pilot, it would be for  
11 the other indicator as well to count equipment  
12 malfunctions and operator errors.

13 This we will do. That's the process.  
14 We'll issue a regulatory issue summary. That will  
15 list the criteria that will be used to evaluate those  
16 indicators.

17 And the final outcome, to monitor  
18 equipment performance properly, we really need to have  
19 a nonavailability indicator, as well as a reliability  
20 indicator. We only have unavailability now, which  
21 means we can do a portion of it, but we can't do it  
22 all.

23 We are looking to get some help from the  
24 Office of Research in this regard. They are working  
25 on the risk based performance indicators, which would

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1 certainly help us in the future. In the meantime, we  
2 need to do something with what we've got to try to  
3 simplify the indicator to ease the burden on  
4 licensees, as well as the staff.

5 That's the end of my presentation.

6 CHAIRMAN PLISCO: I was just going to  
7 highlight one more thing on this, the second bullet.  
8 It was interesting. There was a lot of discussion on  
9 unplanned power reductions, similar to our meetings  
10 here, is what sounded like a good idea. Once you  
11 throw it out to a group of people, I think the  
12 proposed indicator -- we spent quite a bit of time  
13 with people shooting holes at the proposed indicator,  
14 and at the end there was a lot of questions raised  
15 about, well, maybe the old one wasn't so bad after all  
16 as far as the indicator itself.

17 And this has to do with what we talked a  
18 lot about here, is unintended consequences, and that's  
19 what we were trying to address in this proposal.

20 MR. LAURIE: Question.

21 CHAIRMAN PLISCO: And some of those  
22 concerns with more unintended consequences.

23 MR. LAURIE: How far in advance when it  
24 comes to planned unavailability? For example, when,  
25 Ed, you're going to do planned maintenance, how far in

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1 advance do you inform ISO of that intent? Is it  
2 months?

3 MR. SCHERER: Right now we don't have a  
4 requirement. You mean one which requires us to reduce  
5 power?

6 MR. LAURIE: Yes.

7 MR. SCHERER: Right now there is no  
8 requirement for us.

9 MR. LAURIE: Okay.

10 MR. SCHERER: The governor has asked us to  
11 start doing that.

12 MR. LAURIE: Because it would be a goal of  
13 ISO to be able -- we have planned and we have  
14 unplanned, and the problem in California has been --  
15 and I was teasing Ed a little bit -- California has  
16 had 13,000 megawatts down, only a tiny fraction being  
17 Edison. But most of that has been forced outages,  
18 unplanned.

19 You want planned because the system  
20 operator can then go out and buy in advance, not have  
21 to pay spot market prices. So the question is I'm not  
22 familiar with what the rules are regarding  
23 notification of system operators to notify of planned  
24 outages. There's no rule because obviously they know  
25 regarding planned outages.

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1           The question is: how far in advance is  
2 that planned for? No rule?

3           MR. GARCHOW: It's different in each ISO.  
4 I mean I can't quote you chapter and verse, but  
5 there's advantages to, you know, providing the planned  
6 outages.

7           MR. KRICH: It's a problem because --

8           MR. GARCHOW: It's very problematic.

9           MR. KRICH: Something we can take  
10 advantage of.

11           MR. GARCHOW: Sine the ISOs typically are  
12 formed -- you know, they were all formed by the  
13 utilities, the ones that manage the transmission  
14 system.

15           MR. LAURIE: Is the information given to  
16 ISO confidentially, but there's no good sense of trust  
17 in that?

18           I didn't mean to take up you guys, but  
19 it's an issue because forced outages are a lot more  
20 expensive to make up the megawatts for than unforced  
21 outages.

22           MR. DEAN: Okay. Without any further  
23 questions for Don on performance indicators, I'd like  
24 to jump ahead to maintenance effectiveness, which is  
25 on page 41. This should be a fairly short issue, and

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1 then we'll get into some of the more lengthy ones.

2 Thank you, Don.

3 PARTICIPANT: What page did you say?

4 MR. SCOTT: Page 41, page 41. That's  
5 because we've got short people presenting it.

6 My name is Wayne Scott. I'm with the  
7 Equipment, Quality, and Performance Branch of NRR, and  
8 my technical right arm here, Dr. See-Meng Wong from  
9 the PRA Branch, giving this presentation on.

10 We're delighted to see that you're running  
11 your schedule on Eastern Standard Time this morning.

12 (Laughter.)

13 MR. SCOTT: The objective of our session  
14 was to discuss the challenges associated with this  
15 (a)(4) related findings and the SDP and to talk about  
16 how we might go about enhancing the SDP in order to  
17 handle maintenance Rule (a)(4) violations more  
18 effectively -- "findings" I guess I should say -- and,  
19 of course, to get feedback from our stakeholders.

20 The problem comes when we have a finding  
21 and we try to fit maintenance rule finding through the  
22 SDP. It often doesn't go, and in the case of (a)(4),  
23 essentially it can't go. We maintain a maintenance  
24 rule enforcement review panel. We've had that in  
25 place since 1996, and usually there's a lot of

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1 resources. We kind of like to get the whole process  
2 structured so we could get out of the one at a time  
3 assessment business.

4 And every time we have an enforcement  
5 issue and maintenance rule, typically it's a struggle.

6 Other issues, page 41. Other issues that  
7 were raised during the discussion include the first  
8 one there, the first bullet. One concern, a concerned  
9 licensee suggested that if they were to find an error  
10 in their PRA or their tool for assessing the risk or  
11 even maybe even worse yet, if they were to enhance  
12 their tool and found that there was some difference in  
13 the numbers that they were coming up with, the revised  
14 version, would the NRC do some hindsight and say, "Oh,  
15 here's a case where we thought you were okay, but you  
16 really weren't," that kind of stuff.

17 And I think without making any serious  
18 policy, we told them that we wouldn't be doing that  
19 kind of stuff.

20 Another issue raised was is there a need  
21 for the SDP in the old part of the maintenance rule  
22 (a)(1), (a)(2), (a)(3) stuff. There's enough of  
23 anguish that goes on during these review panels that  
24 a lot of folks would like to see that, but I think  
25 what we have come to is that we find if there's a

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1 performance issue associated with it, we're able to  
2 get it through the current reactor safety SDP. If  
3 there's no performance issue, then it's basically a  
4 programmatic issue, and under the current approach to  
5 things anyway, it just ends up no color and goes on  
6 about its business.

7 Another concerned citizen wondered if a  
8 licensee totally misses doing an assessment of risk,  
9 then will they get a second violation for failing to  
10 manage that risk that they didn't know they had. I  
11 think that's not a major concern either. We typically  
12 don't cascade violations and give double jeopardy,  
13 although sometimes you'd kind of like to, right?

14 And the last issue there on that page  
15 related to whether getting into this new SDP process  
16 would have the consequence of making -- specifically  
17 focusing on managing the risk issues, whether  
18 licensees would make their own programs vague so that  
19 we wouldn't be able to come in and say, "You said you  
20 were going to do one, two, three, four, five, and you  
21 only did one, two, three. Therefore, we violate you  
22 for not doing four and five, and if they made a mushy  
23 -- some of us talk with our hands -- if they made a  
24 mushy program, then we couldn't violate them for not  
25 following their own program.

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1           And we certainly hope that licensees  
2           are -- what was the term we heard a little bit  
3           earlier, people saying, "Well, you know, human nature  
4           being what it is"? I'm from the old school, I guess,  
5           not the old school of enforcement and whatnot, but the  
6           old school of doing things. My attitude is do it  
7           right and you won't have to have a problem with all  
8           this kind of stuff.

9           The licensee we hope will not vague up  
10          their own programs just to avoid some issues with us.

11          Okay. On the next page, we've got a  
12          little issue with our slides here in this handout.  
13          Please just pass through page 43 and jump on to page  
14          44.

15          Similarly, licensees with bigger and  
16          better PRAs feel concerned that their ability to fine  
17          tune -- when we come into a situation looking at risk  
18          numbers and they've got a tool that fine tunes those  
19          numbers, then they're concerned that we'll be able to  
20          come in with a little razor sharp edge and say,  
21          "You're on the wrong side of the edge of this razor  
22          sharp issue. So that's a violation," where somebody  
23          else who maybe doesn't even have an appropriate tool,  
24          that has a very vague approach to the process can get  
25          away with a lot of things because we can't hold them

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1 to their own -- keep their own feet in their own fire.

2 Again, that's one of the problems that  
3 we're having, trying to inspect and enforce  
4 maintenance rule issues in the (a)(4) area. We really  
5 encourage licensees to have bigger and better tools so  
6 that they can handle analysis of more sophisticated  
7 configurations.

8 I've always taken the position that the  
9 licensee really shouldn't try to enter a configuration  
10 that is more complex than the sophistication of his  
11 tool is able to assess, and so we just really hope  
12 that licensees who are doing more and more on-line  
13 stuff and have bigger and better tools don't cut back  
14 on their ability to analyze their own risk due to some  
15 potential concern about NRC's coming in there and  
16 looking over their shoulder.

17 MR. REYNOLDS: Wayne, so in your opinion,  
18 if there was a standard or similar PRA for each  
19 licensee, this issue would go away?

20 MR. SCOTT: Well, basically I don't think  
21 licensee issues ever go away, but, yeah, that  
22 certainly would be --

23 MR. REYNOLDS: I mean the issue about  
24 being penalized if you have a simple --

25 MR. SCOTT: It would be a major

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1 improvement certainly.

2 MR. REYNOLDS: Okay. Thank you.

3 MR. SCOTT: And the last issue arose,  
4 proposed additional burden to a licensee out of a  
5 discussion where we said if a licensee does an  
6 assessment of the configuration that he thinks he had  
7 and we find that there are more SSEs out of service  
8 than he included in -- he, it -- included in their  
9 assessment, then we would rely on the licensee to do  
10 a revised assessment, and some people felt that was  
11 going back to the licensee and have them do an  
12 additional assessment after they'd already done one  
13 would be an additional burden.

14 I guess in a way it would, but especially  
15 when licensees have these on-line risk tools. I don't  
16 think it really is a significant burden, especially if  
17 it's going to show that they really weren't too far  
18 off out of line.

19 So the other slide that's not here is our  
20 outcomes slide. The outcomes are probably fairly  
21 predictable. The first outcome of our discussion was  
22 that we intend to continue to work toward enhancing  
23 the present SDP so that we're able to address licensee  
24 performance deficiencies with respect to compliance  
25 with (a)(4) of the maintenance rule.

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1           And the second outcome is that we  
2 certainly want to and we're encouraged to continue  
3 working closely with stakeholders in the development  
4 of this augmentation of the SDP.

5           That ends my presentation. Anybody have  
6 any other questions?

7           MR. SCHERER: Yes. In terms of defining  
8 success ahead of time as you work your way through the  
9 process, what is it that you feel that you're trying  
10 to cover in the maintenance rule SDP that's not  
11 already covered in the after safety SDP?

12           MR. SCOTT: Well, the biggest problem is  
13 that there's no way even if we can get into the SDP,  
14 and typically we can't, in the (a)(4) area, and when  
15 we have had opportunities to discuss it and come to  
16 some consensus, we're really never able to find  
17 anything other than a green outcome.

18           And we believe that there is a potential  
19 for outcome beyond green, but there just isn't the way  
20 to get there working through the screens and questions  
21 and whatnot.

22           MR. SCHERER: I'm not sure I got an answer  
23 to my question. What areas are you trying to identify  
24 in terms of risk significance that aren't already  
25 covered under the reactor safety SDP?

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1 MR. SCOTT: I guess I don't understand  
2 your question.

3 DR. WONG: Can I offer a response?

4 MR. SCHERER: Yes.

5 DR. WONG: Can I offer a response?

6 Okay. The current reactor safety SDP does  
7 a level of detail of completeness that we see that  
8 does not cover what we're trying to address licensee  
9 performance deficiencies in noncompliance with (a)(4).  
10 One example that I can give technically is that the  
11 (a)(4) regulation requires the licensee to assess and  
12 manage planned maintenance configurations, and in some  
13 specific cases, external conditions, for example,  
14 inclement weather or electric grid stability problems  
15 that may affect the maintenance activities out in the  
16 switch yard.

17 In the current SDP, although we are doing  
18 -- spending a lot of effort trying to develop the best  
19 models that we have, those details are not there, and  
20 that's the reason why we propose the (a)(4) SDP in the  
21 approaches that we presented at the workshop.

22 Thank you.

23 MR. GARCHOW: To follow on, one of the  
24 assumptions, I guess going in, even the maintenance of  
25 (a)(4), was that the technical specification specified

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1 configurations that assure public safety, and that we  
2 are moving on with the development of our tools to  
3 say, you know, where we can be more prudent, and  
4 understand risks, to put contingencies in place and  
5 really understand activities before we embark on them,  
6 that's the right thing to do, and we'll go do it, and  
7 the maintenance rule, (a)(4), specifies you do that.

8 But relative to this process in trying to  
9 use some sort of risk assessment on different levels  
10 of prudence or ability to accomplish (a)(4) by the  
11 licensee, I sort of agree with Ed that it's hard to  
12 see where that would get you into any kind of risk  
13 significance to point for further NRC engagement.

14 To me it seems very, very isolated in its  
15 scope, and I fall back to the tech specs prohibit the  
16 licensee from getting into configurations that clearly  
17 are risk significant by definition.

18 We've been operating the plants that way  
19 for 20 years.

20 MR. DEAN: Yeah, let me jump in and help  
21 See-Meng here out. I think that actually some of the  
22 things that are done in terms of configuration,  
23 control configuration management during times that  
24 you're taking particularly multiple pieces of  
25 equipment out to do maintenance actually lend

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1 themselves to a risk assessment where you can actually  
2 develop a change in core damage frequency for a given  
3 point in time and be able to apply the thresholds that  
4 we have to ascertain for that period of time what was  
5 the level of significance when there is -- if we find  
6 something where you didn't appropriately manage or  
7 take into consideration something that you should  
8 have.

9 I think that's what the intent of this  
10 modification to the SDP is intended to be. Isn't that  
11 right, See-Meng?

12 DR. WONG: Yes.

13 MR. GARCHOW: Yeah, I understand, but I'm  
14 just trying to tell you when you find that, what is  
15 truly the impact to the real ability to say that you  
16 were, you know, white or yellow. I mean, what's that  
17 pointing to, given the fact that either you're in  
18 compliance with your tech specs or you're not, and  
19 you've done some sort of review to put compensatory  
20 measures in place to increase like we're going to be  
21 successful in the transient.

22 I still don't see where for the regulatory  
23 oversight process it adds value in trying to point you  
24 towards some increased interaction with the licensee  
25 as opposed to like Ed was saying, that clearly as a

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1 result of your maintenance activities you've had  
2 excessive unavailability and you trip the threshold or  
3 your maintenance rule inspection says that you have  
4 some issues with your, you know, repetitive  
5 maintenance program. You have a chance to get into  
6 the oversight process in that manner different than  
7 running through the SDP specifically to (a)(4).

8 That's why I don't fully understand, but  
9 it's not a requirement that I do. I just offer that  
10 as a comment.

11 MR. KRICH: I guess, Bill, I would just  
12 add that I think that it should manifest itself in the  
13 existing either inspections or PIs, it seems to me.  
14 And I'm with Dave. I may not fully understand, but it  
15 seems to me this is a solution in search of a problem,  
16 but I'll be interested to see how it --

17 MR. DEAN: Well, we'll see how it  
18 develops. I think one of the things that we think  
19 might come out of this though is perhaps a different  
20 approach into how we look at licensees in terms of  
21 maintenance effectiveness practices, and that perhaps,  
22 you know, my thoughts are that -- and this is a little  
23 bit visionary -- but my thoughts are that this might  
24 help us actually ascertain in terms of when I talked  
25 earlier about inspection program flexibility, when

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1 should we devote more attention to a licensee in terms  
2 of configuration control and things like that.

3 Are they putting themselves in maintenance  
4 profiles that are at an elevated risk, in which case  
5 we probably need to pay more attention to what's going  
6 on in the plant in terms of, you know, configuration  
7 management and execution of the risk management plan,  
8 and so on and so forth, as opposed to if a licensee is  
9 keeping themselves very low in terms of risk profile.

10 You know, that might be some of the  
11 insights we get from looking at this.

12 MR. SCHERER: I just want you to consider  
13 that when you look at that, it may be that as opposed  
14 to looking for the insidious combination of  
15 maintenance activities, which I encourage you to do,  
16 and I support the effort to go look at it, but it may  
17 be that your comment that you can only have green  
18 findings may only be proving the robustness of the  
19 current tech specs and how much they obviously would  
20 be allowable alterations to the plant.

21 MR. DEAN: Yeah, there is some movement  
22 afoot internally with respect to tech specs in terms  
23 of risk informing the tech specs to basically get rid  
24 of things like allowed outage times, and in which case  
25 a process like this becomes even, you know -- right

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1 now we do have the tech spec AOTs to kind of fall back  
2 on, but you know, if things transition to the point  
3 that perhaps they may be heading -- you know, this  
4 type of approach becomes more important.

5 MR. COE: I'd like to dispel one thing.

6 CHAIRMAN PLISCO: Pardon?

7 MR. COE: I'm Doug Coe with the Inspection  
8 Program Branch.

9 The comment that was made earlier about  
10 that you can only get green findings is specifically  
11 with reference to the Phase 1 process, in which you  
12 have to remember that initially findings that are put  
13 through Phase 1 and Phase 2 of the reactor safety SDP,  
14 there was not -- it was not anticipated that there  
15 would already be a quantitative answer for what the  
16 risk impact of the finding was.

17 So the Phase 1 and Phase 2 were intended  
18 to help the inspector make some early decisions about  
19 whether to pursue something further.

20 In the case of maintenance rule (a)(4)  
21 evaluations, the licensee in many cases, if they've  
22 used a quantitative tool, already have a quantitative  
23 answer, and there is a logical problem with Phase 1.  
24 The questions you go through don't specifically  
25 acknowledge that you may already have a quantitative

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1 answer.

2 So what the comment was that you end up  
3 green is you strictly follow the Phase 1 questions;  
4 you can't get into a further analysis.

5 Now, we've already built something into  
6 the SDP that says for inspectors, you know, if you  
7 don't feel that, you know, you're getting a correct  
8 answer out of the Phase 1, go ahead and go on into  
9 Phase 2 and Phase 3, but notwithstanding that, we do  
10 want to fix the problem with the Phase 1 work sheets.

11 But I just want to point out that the  
12 comment earlier was not that maintenance  
13 configurations will always be green if you have a  
14 finding where the licensee missed something. That is  
15 not correct.

16 MR. DEAN: Okay. Anything else for this  
17 topic area?

18 (No response.)

19 MR. DEAN: Okay. I think I saw Vonna walk  
20 in. Vonna Ordaz, who is currently the Acting Section  
21 Chief in the safeguards area, will spend some time  
22 talking about workshop activities associated with  
23 physical protection, and then after that we'll move  
24 into radiation safety.

25 I think this is on page 37 of yours.

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1 MS. ORDAZ: Okay. For the physical  
2 protection issues, our session objective was to  
3 introduce several issues that NRC is currently working  
4 on and answer questions about these issues.

5 There were four items. One was the Group  
6 2 questions that's in the 0610\* procedure. This is  
7 whether or not the Group 2 question that currently  
8 existed was usable, and it turns out it was unusable  
9 and open to interpretation. So we did revise the  
10 Group 2 questions.

11 The second issue had to do with the  
12 physical protection SDP. As you may know, we have an  
13 interim SDP because the original physical protection  
14 SDP was unusable in several cases that we had during  
15 initial implementation.

16 The SDP results were inconsistent with the  
17 actual risk significance, and also we introduced a  
18 draft physical protection SDP for consideration, one  
19 that would follow the interim PPSDP.

20 The third item was inspection procedures.  
21 Of all the baseline inspection procedures we have,  
22 we've been making some revisions to those procedures,  
23 and we were showing some insights on how we're going  
24 about doing that.

25 And the fourth item had to do with

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1 performance indicators to determine if they clearly  
2 accomplish their stated purpose.

3 Next slide, please.

4 The other issues raised in the workshop  
5 included, as a result of all those discussions, should  
6 licensee identified findings that are entered in their  
7 corrective action program be run through the physical  
8 protection SDP. That was the first question that came  
9 up, and is it a threshold question?

10 It's one of the items that we will be  
11 considering in the next step to figure out how to  
12 address it.

13 The second item is insuring the SPA pilot  
14 program follows the current program in Revision 2, 10  
15 CFR 7355.

16 The third item is --

17 CHAIRMAN PLISCO: You may want to explain  
18 what SPA is.

19 MS. ORDAZ: Oh.

20 CHAIRMAN PLISCO: I'm not sure everyone  
21 here knows what that is.

22 MS. ORDAZ: Okay. As far as the  
23 safeguards performance assessment that the industry is  
24 proposing, and it's their version of how to perform  
25 the OSRE, which is what NRC currently inspects to.

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1 MR. REYNOLDS: The force-on-force drills.

2 MS. ORDAZ: For the force-on-force  
3 exercises. Thanks, Steve.

4 MR. KRICH: If I could, I'm not sure I  
5 understand. How can the SPA then follow revision to  
6 7355 if that's not finalized yet?

7 MR. REYNOLDS: The point was when it  
8 becomes final.

9 MR. KRICH: So in other words, make the  
10 adjustment to the SPA.

11 MR. REYNOLDS: Sure.

12 MR. KRICH: Okay.

13 MR. REYNOLDS: The point of the workshop  
14 was not to make the current program with revisions  
15 follow SPA, but to make SPA follow the regulations and  
16 the rules.

17 MR. KRICH: Okay.

18 MR. REYNOLDS: And if the rules changed,  
19 to make sure that it complied.

20 MR. KRICH: Yeah.

21 MR. REYNOLDS: That was the point.

22 MS. ORDAZ: Right, and some of the  
23 concepts in the SPA pilot program will be -- are being  
24 factored into the rulemaking activities associated  
25 with 7355.

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1           That item includes physical security  
2 performance indicators should be reevaluated in light  
3 of the performance requirements of the revision to  
4 7355.

5           Next slide, please.

6           The fitness for duty performance indicator  
7 was discussed, and it was recognized that it should be  
8 reevaluated in light of the requirements of the new  
9 fitness for duty rule and also the security equipment  
10 performance index PI has an inconsistent performance  
11 threshold and should be changed.

12           That was one that had the, from what I  
13 understand, a lengthy discussion on, and we'll have  
14 some continuing discussions on that later this week.

15           Okay. Next slide.

16           As far as outcomes from the workshop, we  
17 clarified the recent revision to the Group 2 questions  
18 that were issued 2/27/01. It says in this slide no  
19 further actions needed, but we're always welcome to  
20 any comments from the public or the industry.

21           I know there was some discussion on those  
22 questions at the workshop, but the latest revision,  
23 the ones where we fixed the unusable term is now in  
24 the 2/27 inspection procedure -- pardon me -- the 2/27  
25 0610\* procedure.

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1           The second item, inspection procedures  
2           being revised were discussed and questions answered.  
3           It says no further action is needed. However, we're  
4           still finalizing those inspection procedures, and this  
5           includes making efficiencies in the procedures and  
6           consolidating the force-on-force procedures, and the  
7           OSRE rules of engagement that you may be familiar with  
8           that was issued November of 2000 into one draft  
9           procedure for all force-on-force exercises.

10           And the third item there, the interim SDP,  
11           which was issued 2/27 into 0609 was discussed and  
12           questions were answered. Staff should address  
13           efficacy of the SDP as it is applied.

14           On the interim PPSDP, that was issued in  
15           COMSECY-36 from the Commission back on January 25th,  
16           and that is our interim, and as we mentioned in the  
17           workshop, we have a proposed final, if you will,  
18           PPSDP, but we're in the very beginning stages of it.  
19           We have a lot of discussions to have yet in an open  
20           and public forum and a ways to go before we have it  
21           considered a final PPSDP.

22           MR. KRICH: How could it be a final and  
23           still have a long ways to go, I guess?

24           MS. ORDAZ: Pardon?

25           MR. KRICH: I'm confused.

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1 PARTICIPANT: Proposed final.

2 MS. ORDAZ: Proposed. I even told them to  
3 strike the word "final" from our discussion.

4 MR. KRICH: So what I'm interested in --

5 MS. ORDAZ: Is draft. You know, whatever  
6 comes after interim, the last leg, the --

7 MR. KRICH: Yeah, I don't care what you  
8 call it. What I'm interested in is making sure that  
9 whatever comes out of this is as a result of going  
10 through the process that we have established for --

11 MS. ORDAZ: Absolutely.

12 MR. REYNOLDS: And that's exactly what  
13 this last sentence means or was intended to mean, is  
14 that any lessons learned from implementing the interim  
15 SDP will be put forth when we develop the next SDP,  
16 whether it's the final or whatever. Hopefully it's  
17 the final, but the next wave.

18 MR. KRICH: Right.

19 MR. REYNOLDS: We'll take lessons learned.  
20 We took lessons learned to develop the interim SDP.  
21 Take lessons learned from apply interim SDP. So we  
22 developed the next one. So we don't do that cold.

23 MR. KRICH: Right.

24 MR. REYNOLDS: That's your point.

25 MR. KRICH: As well as getting input from

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1 the stakeholders is what I --

2 MR. REYNOLDS: Sure.

3 MS. ORDAZ: Right. We actually considered  
4 it a draft.

5 MR. KRICH: But when you issue something  
6 as a final, we get, you know, kind of --

7 MS. ORDAZ: Right. We called it a draft  
8 proposal for consideration, I believe, at the workshop  
9 just to make sure you didn't think it was final.

10 PARTICIPANT: It will have to be final at  
11 some point though.

12 MS. ORDAZ: But to let you know we are at  
13 the beginning stages of that. Okay?

14 MR. SHADIS: Yeah, could you give us in a  
15 narrative way the basic difference between the SPA and  
16 the program it's intended to replace?

17 MS. ORDAZ: You mean the SPA as it  
18 currently exists?

19 MR. SHADIS: OSRE versus SPA.

20 MS. ORDAZ: Well, in general is that we  
21 inspect the -- for the OSREs, we do the inspections  
22 for the SPAs. It will be the utilities that will be  
23 doing what the NRC would have done in the past, but we  
24 will be overseeing their implementation of oversight  
25 of the force-on-force exercises.

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1 MR. SHADIS: But the exercises will be  
2 carried out, will be a physical test. It won't be an  
3 analysis.

4 MS. ORDAZ: No, it's still considered --  
5 the NEI document as written still includes the  
6 tabletops and the force-on-force exercises, which is  
7 similar to the OSRE.

8 MR. SHADIS: What is the rationale that  
9 NRC is applying to this one?

10 MS. ORDAZ: In terms of?

11 MR. SHADIS: Entertaining it at all.  
12 What's their rationale for changing it of thinking  
13 about changing it?

14 MS. ORDAZ: Well, the SPA program has  
15 actually been discussed in a number of public meetings  
16 in the past, the NEI document, over the past year or  
17 so before I started working here, and through the  
18 interactions we've discussed and weighed all of the  
19 options, and we have a Commission paper going forward  
20 currently that lays out the program and the  
21 implementation issues associated with it.

22 As a matter of fact, that's up with the  
23 EDO's office right now. So the rationale, which is  
24 what you're asking me, for going to the SPA versus  
25 what the OSRE is is that we were open to piloting this

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1 SPA program. It is a pilot, and we'll take it up for  
2 the full course of the year if agreed to by the  
3 Commission, and then at the end of the year, we'll  
4 have a period of lessons learned evaluation to  
5 determine if that's a program that we'd like to go  
6 with, and see if there's any insights we can factor  
7 into our rulemaking process.

8 MR. REYNOLDS: Ray, also any time we have  
9 a change in the inspection program or a case like that  
10 when industry takes on more of a cost and more of a  
11 burden to do these activities, we are sure ourselves  
12 that there's an equivalent level of assurance that the  
13 safeguard program will be implemented effectively.

14 So even though they may do more of the  
15 drills, more of the assessments, we're still going to  
16 be involved doing inspections and assessing to make  
17 sure that they are in compliance and that they're  
18 safe.

19 So any time we let our licensee take on  
20 this sort of activity, we're assuming that it's an  
21 equivalent level of safety.

22 MR. SHADIS: Well, sure. I would  
23 anticipate you'd want to do that, but let's try a fill  
24 in the blank. This is better because, blank. Can we  
25 do that?

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1 MR. BROCKMAN: It is more effective and  
2 efficient, period.

3 MR. SHADIS: Because?

4 MR. BROCKMAN: The licensee knows their  
5 particular site better and can better investigate it,  
6 and it is more efficient because it requires less NRC  
7 resources to effectively oversee that, as opposed to  
8 independently administer the evaluation themselves.

9 MR. SHADIS: All right. I'm just  
10 checking. So it has nothing to do with all of those  
11 failures of exercises that have taken place in the  
12 last couple of years?

13 MR. BROCKMAN: Absolutely not.

14 MR. SHADIS: Oh, okay.

15 MR. BROCKMAN: In fact, the new program,  
16 one of the things you would have to do is assure that  
17 those types of deficiencies would be caught by this  
18 one to the same degree that they ere by the other one.  
19 If they didn't, then you couldn't pursue down the  
20 path.

21 MR. REYNOLDS: I do have to temper what  
22 Ken said. We hope it's more efficient and effect.

23 MR. BROCKMAN: To be determined.

24 MR. REYNOLDS: It's not clear. That's why  
25 we're doing a pilot. If you talk to some industry

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1 folks, some of them think it will be more costly for  
2 them, but in the long run it may be more efficient and  
3 effective for the whole, if you add both pieces  
4 together.

5 We haven't yet determined if our  
6 inspection resources will be less or more or the same.  
7 That's still to be determined.

8 MR. BROCKMAN: But that is the premise by  
9 which we're pursuing the pilot.

10 MR. REYNOLDS: Right.

11 MS. ORDAZ: So we'll know more at the end  
12 of the pilot program once we do our lessons learned.  
13 And we do have a public meeting on the 5th of this  
14 week to talk about some of the implementation details.

15 MR. DEAN: Yeah, let me just offer I think  
16 the approach that's being promoted is one that is  
17 analogous to what we do in emergency preparedness  
18 space where the licensee conducts exercises we  
19 observe. We watch them critique because the burden  
20 is, after all, on the licensee in terms of making sure  
21 their staff is trained and capable of executing in  
22 this case their security plan.

23 And so I think there's an analogy there in  
24 terms of what we do in EP space.

25 MS. ORDAZ: Thanks.

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1 MR. DEAN: Anything else for Vonna?

2 MR. FLOYD: Yeah, I was just going to add  
3 I think one of the things that the licensees are  
4 looking for from the SPA program is more timely  
5 identification of perhaps deficiencies the way the  
6 program is set up. Right now our plant gets in OSRE  
7 what is it, about every eight years roughly? And  
8 under this program it's actually a three-year program  
9 that has sub-elements being evaluated periodically  
10 through the three years, and then every three years a  
11 force-on-force exercise.

12 So you get much more of a more timely  
13 heads up if you have any weaknesses in your program to  
14 correct them.

15 MS. ORDAZ: In the OSRE program --

16 MR. SHADIS: Thank you.

17 I had to rate them all. I liked your  
18 explanation.

19 MS. ORDAZ: The OSRE program does continue  
20 throughout the SPA pilot.

21 MR. DEAN: Okay, good. Anything else for  
22 Vonna?

23 (No response.)

24 MR. DEAN: What I'd like to do before  
25 lunch is to have our people who represent the

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1 radiation safety arena, Steve Klementowicz and Roger  
2 Pedersen, come up and talk about the issues associated  
3 with those particular cornerstones, and I think then  
4 would probably be a good time to break for lunch.

5 PARTICIPANT: What page is that on?

6 MR. DEAN: Yeah, this is on page 19, I  
7 believe. Page 19.

8 MR. KLEMENTOWICZ: I'm Steve Klementowicz,  
9 and I'm the public radiation safety cornerstone lead.

10 And I have three issues. We changed one  
11 of the blocks in the transportation SDP.

12 The second issue was on the radioactive  
13 material control portion of the SDP, the NRC  
14 inspectors have asked for additional guidance.

15 And the third issue, again, the NRC  
16 inspectors have asked for additional clarification and  
17 guidance about a time frame to be used for counting  
18 occurrences against a licensee's program.

19 Now, let me go into the first issue, the  
20 transportation change. It was not in your handout,  
21 but we can have copies made. You'll have to get the  
22 copies to go through it properly.

23 But let me explain it. In the  
24 transportation area, this issue addresses that a  
25 licensee has to quantify and classify radioactive

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1 material that they ship off sit either to another  
2 licensee or to a burial site. So the NRC regulations,  
3 as I say, to classify and quantify the radioactive  
4 material.

5 The original SDP -- and that's low level  
6 burial ground. That's the SDP we're talking about.  
7 On the right-hand side, the lower right-hand two  
8 decision diamonds are new. Prior to that what we had  
9 was a very simplistic significance determination  
10 process which stated that any time a licensee shipped  
11 radioactive material off site, if they did not  
12 correctly classify it, if they under classified it,  
13 that would be an automatic white finding.

14 And right out of the gate in April, as  
15 soon as the program started, we encountered a  
16 situation where a licensee shipped some material, Type  
17 B. There's three classes, A, B, and C, C being the  
18 more risk significant type of waste. The licensee  
19 classified the waste as A waste when, in fact, it was  
20 B waste. So they got an automatic white finding.

21 Based on an investigation of what actually  
22 occurred, industry came back to us and said, "This SDP  
23 needs to be expanded because what really happened was,  
24 yes, the licensee did under classify the waste. It  
25 was B waste and it was called A waste in all of the

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1 shipping papers. However, there was very minimal risk  
2 because the licensee met all of the NRC regulations  
3 pertaining to the waste."

4 So all of the regulations were met. The  
5 material was packaged as if it was Type B waste. It  
6 was sent to the Barnwell disposal site and correctly  
7 disposed of as Type B waste. The error was they  
8 called it A waste.

9 We had several public stakeholder meetings  
10 to discuss the proposal to expand the SDP to reflect  
11 that if the licensee did meet the regulations, but  
12 still under classified it -- and here we refined it to  
13 only consider Type A and B waste. So if the situation  
14 happened again where the licensee met all of the  
15 regulations, packaged it properly, but through some  
16 administrative oversight called it A instead of B,  
17 there would be no risk to the public or to the workers  
18 or at the disposal site. So we would call that a low  
19 risk situation and classify it as a green finding.

20 However, for those situations with Class  
21 C waste, everyone agreed that that is a risky  
22 situation. There is more risk there, and so that  
23 would be an automatic white finding.

24 So what we brokered over the course of  
25 last year through public stakeholder meetings,

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1 including the regional inspectors, was an expansion of  
2 the SDP to further refine the risk for transportation  
3 of radioactive material, and so that will be coming  
4 out in the new NRC inspection manual, 0609, Appendix  
5 D.

6 Any questions on that? Yes.

7 MR. LAURIE: Can you clarify for me the  
8 jurisdictional lines on transportation and storage  
9 issue between NRC and DOE? In all of my efforts in  
10 regards to transportation, I've always dealt with DOE.  
11 Is that confusing?

12 MR. KLEMENTOWICZ: Well, the NRC, we along  
13 with the Department of Transportation, regulate the  
14 shipment of radioactive material to the other sites.  
15 DOE is not part of our process.

16 MR. KRICH: Do you mean DOT, Bob?

17 MR. LAURIE: I'm sorry?

18 MR. KRICH: Do you mean DOT, not DOE?

19 MR. LAURIE: No, no.

20 MR. KLEMENTOWICZ: All of the power  
21 reactor waste is under NRC regulation. We incorporate  
22 the Department of Transportation, but DOE is not part  
23 of our --

24 PARTICIPANT: What comes in from other  
25 places and is in a port and then goes up to Hanford,

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1 it gets --

2 MR. LAURIE: Well, okay. So DOE handles  
3 foreign spent fuel.

4 MR. KLEMENTOWICZ: Yeah, and we're not  
5 talking about that here. We're talking about Part 50  
6 power reactors.

7 MR. LAURIE: Okay.

8 PARTICIPANT: So a different strain of  
9 radioactive materials are handled differently.

10 MR. LAURIE: Okay. Thank you.

11 MR. KLEMENTOWICZ: Yes?

12 MR. SHADIS: My understanding is that  
13 Class A waste doesn't require any kind of warning  
14 placard on a ship. Is that a requirement of Class B  
15 waste?

16 MR. KLEMENTOWICZ: Yes. I mean, I can't  
17 cite you chapter and verse, but there are specific  
18 requirements for the shipments of all radioactive  
19 material. It just doesn't go out, except for exempt  
20 quantities and some very, very exclusive use shipments  
21 that hospitals and universities typically use.

22 MR. SHADIS: It strikes me there's a risk  
23 impact in no labeling this material correctly, and the  
24 only instance I can cite to you is that it's probably  
25 not even contaminated, but designated to be

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1 contaminated rubble was sent from the Maine Yankee  
2 site. The containers it was in were labeled using  
3 wide cellophane tape and magic marker as Class A  
4 waste, but there was no indication that it was  
5 radioactive waste or where it came from on the  
6 containers, and it was parked on a rail siding in a  
7 town of about 40,000 people within 100 yards of a  
8 housing development and left there for a period of  
9 about five to six weeks, and you know, the metal  
10 containers well sealed and so on.

11 So I would anticipate not a heck of a lot  
12 of risk there, although if I was a kid growing up in  
13 that neighborhood, I would have been in those  
14 containers to find out what it was.

15 However, if that were Class B waste and it  
16 was labeled as Class A, I would say there was a safety  
17 difference at least, a risk difference.

18 MR. KLEMENTOWICZ: And we agree.

19 MR. SHADIS: And I was wondering if you  
20 would agree.

21 MR. KLEMENTOWICZ: The green risk, say if  
22 it was B waste, the situation that occurred, shipped;  
23 it was B waste called A waste. However, what I'm  
24 pointing out, the risk -- it was a finding. It's  
25 contrary to the procedures and the requirements. So

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1 it's a finding.

2 But when you look at the risk, it met the  
3 NRC regulations as far as packaging and security and  
4 dose rates external to the surface of the package.

5 So the licensee correctly handled the  
6 waste as B waste. The only situation was the paper  
7 work the driver was carrying says this is Class A  
8 waste. All the other radiation levels at the surface  
9 of the material, the packaging for the material was as  
10 B waste as it should have been.

11 So if it was called B waste, there would  
12 have been absolutely no issue, but they misclassified  
13 it.

14 MR. BROCKMAN: To take your example, Ray,  
15 if --

16 MR. KLEMENTOWICZ: Wait one second,  
17 please.

18 In other parts of the transportation SDP,  
19 we have risk categories if the material for a  
20 situation like you present, if the container is not  
21 adequate, if there is a breach of the container, if  
22 the radiation levels exceed what they're supposed to  
23 while being out in the public.

24 We have other flow charts that relate to.  
25 So if someone did breach the package, that would

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1 escalate the severity based on the dose to the member  
2 of the public.

3 MR. SHADIS: All right.

4 MR. KLEMENTOWICZ: So we address those  
5 issues.

6 MR. SHADIS: Fine.

7 MR. KLEMENTOWICZ: This one is specific to  
8 this.

9 MR. SHADIS: I'm sorry to interrupt.

10 MR. KLEMENTOWICZ: This one has about four  
11 separate flow charts to address risk from --

12 MR. REYNOLDS: I think if we just answer  
13 a couple of simple questions, my issues that Ray  
14 asked, the issue that you talked about, the container  
15 was labeled as Class B.

16 MR. KLEMENTOWICZ: As A.

17 MR. REYNOLDS: As A, and the truck that  
18 transported was not labeled as carrying B because it  
19 thought it was carrying A or it was labeled  
20 appropriately?

21 MR. KLEMENTOWICZ: I believe, well, it was  
22 placarded as a radioactive material shipment, but the  
23 paper work --

24 MR. REYNOLDS: As B or for A?

25 MR. KLEMENTOWICZ: -- the paper work that

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1 the truck driver carried called it Type A waste.

2 MR. BROCKMAN: The issue you're talking  
3 about is if everything had been done as if it was B,  
4 except for the piece of paper, everything in fact was  
5 done. In other words, take your example, Ray. If you  
6 could put B on a rail siding for six weeks and the  
7 only difference on it was the kids would see a B  
8 instead of an A, which they would know no difference  
9 on, but everything else was okay, there is no  
10 difference.

11 It's how it was done. There is certainly  
12 a risk associated with it when you're looking at it  
13 from in front, but if it was handled totally as if it  
14 was B in every way, shape or form, and the only  
15 difference is it's a piece of paper, then they say  
16 there's no difference, and you can come up with the  
17 finding still being a finding, but it's green.

18 MR. SHADIS: Yeah, I guess I'm using this  
19 as an example because the problem I have is that  
20 you're driving back from the outcome. You're saying,  
21 well, at the end no one got into these containers. At  
22 the end they were delivered safely, whatever it may  
23 be.

24 But the fact is that in this process, you  
25 hand over improperly labeled materials, and thereby,

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1 you open it. You put it in harm's way. You open it  
2 to the prospect that it is going to be handled based  
3 on the confidence that people have in that labeling as  
4 it goes down the track and it gets out of the  
5 licensee's control and it gets out of your control.

6 And to my way of thinking, that has an  
7 impact on risk.

8 MR. KLEMENTOWICZ: And we agree. It's not  
9 a minor issue, and this is a green finding that's  
10 documented and that must be corrected by the licensee.  
11 So we agree, but in a situation if they meet the NRC  
12 regulations, albeit that they really didn't know that  
13 they met -- if the situation -- okay. Let's go  
14 through that flow chart again.

15 If they did not meet the NRC regulations,  
16 if they thought it was Type A waste and they packaged  
17 it as A waste and we find out that it's B waste, and  
18 again, the receiving site, Barnwell, does inspections,  
19 specific inspections on all waste material; so if it  
20 was found to be B waste called A waste and packaged as  
21 A waste, that would go to a white finding. The  
22 severity increases because the risk potential is  
23 increased.

24 But the situation we encountered was they  
25 met the Type B NRC requirements. So it really was an

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1 administrative error.

2 Now, to point out -- I won't go into any  
3 detail, but the flow chart that is up there, if  
4 someone gets into the package, if there's a breach, we  
5 look at the dose rates and the contamination levels to  
6 assess severity. So even for A waste, A, B, and C  
7 waste, if there is a breach and a member of the public  
8 receives some exposure from it, we've quantified the  
9 risk here.

10 The next issue is clarification,  
11 clarification of radioactive material control, and  
12 this by itself doesn't help you very much. So you  
13 should take a look at the overall cornerstone.

14 And this is part of the overall program,  
15 but that is the public radiation safety cornerstone.  
16 On the left-hand side it talks about the radioactive  
17 material control, if we could focus in on that. Magic  
18 zoom here.

19 Okay. What the inspectors requested  
20 additional clarification on is the part of the flow  
21 chart that goes down rad material control, public  
22 exposure and over to the right, greater than five  
23 occurrences.

24 And we have situations where licensees  
25 have radioactive material on their sites, but yet it's

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1 still under their control. They may have released a  
2 contaminated tool or wrench on their property, and  
3 it's still under their control, and we want to give  
4 credit for that, that it can't reach a member of the  
5 public.

6 But there are other situations where we  
7 maintain that the licensee has -- that the tool could  
8 just walk off site, and what we've provided is  
9 additional guidance to the inspectors as to when the  
10 licensee still in our opinion has control, and  
11 basically that means does this material, this wrench  
12 or this contaminated soil or concrete blocks -- is  
13 there a final radiation survey point that this  
14 material would have to pass through, and would that  
15 radiation detector be able to detect the material that  
16 could go into the public domain?

17 If it can, if it can be surveyed and  
18 detected, then we maintain the licensee still has  
19 control, and it is not a finding. If we find there is  
20 no survey point, then the licensee has lost control,  
21 and that would be a green finding, and we would assess  
22 over a two-year period whether or not they've done  
23 this greater than five times because there is some  
24 dose associated with each release of material, and we  
25 look at the integrated dose from that material

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1 potentially getting it off site.

2 So essentially what was provided was  
3 additional guidance that's going into the SDP to give  
4 the inspector guidance. When has the licensee lost  
5 control, and when can we assess credit?

6 And we'll leave that up because the third  
7 issue, the inspectors were also asking for additional  
8 guidance on the greater than five occurrences relates  
9 to over a two-year inspection cycle, and realizing  
10 that the regions do not conduct their inspections on  
11 the same month every two years, there is some  
12 movement.

13 So the request, the feedback comment to  
14 the region was: can we lock this in, something like  
15 that's done with the PI reporting? Take a two-year  
16 window and either do rolling quarters or assign it a  
17 two-year calendar year fixed window, and that's what's  
18 currently out for discussion with stakeholders, with  
19 the regions, and the industry.

20 So that we're still working, but we'll  
21 lock into some two-year period and then be able to  
22 assess whether or not the five occurrences were met  
23 within that two-year period.

24 Any questions?

25 (No response.)

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1 MR. KLEMENTOWICZ: Thank you.

2 MR. GARCHOW: Loren, I guess there is a  
3 question.

4 So where are we talking about the ALARA  
5 and the --

6 MR. KLEMENTOWICZ: The next gentleman.

7 CHAIRMAN PLISCO: I know we're due for  
8 lunch, but these guys have been waiting all morning.  
9 I know you guys wanted to get back to work.

10 MR. DEAN: I was just going to say we're  
11 flexible, but when you said that --

12 CHAIRMAN PLISCO: I'd like to get through  
13 the radiation safety.

14 MR. SHADIS: Can I ask one quick question?  
15 And it may go back to the previous speaker. In that  
16 one diamond up there, that one box, there was half an  
17 mr dose level. Where did that come from?

18 PARTICIPANT: Point, oh, oh, five.

19 MR. SHADIS: Yeah, .005 rem.

20 PARTICIPANT: Two mr. I mean that's --

21 MR. SHADIS: No, it's .005, isn't it?

22 MR. KLEMENTOWICZ: Right, .005 rem.

23 MR. SHADIS: You've got public exposure  
24 and five millirem.

25 MR. KLEMENTOWICZ: That was part of the

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1 reactor oversight program working with stakeholders as  
2 to what is the appropriate risk to go greater than  
3 green. It essentially came from the effluent release  
4 program.

5 In Appendix I, Part 50, we define for  
6 radioactive effluents what is ALARA, and that is three  
7 to five millirem. We equated risk, what we considered  
8 ALARA to the Appendix I to Part 50 for effluents, and  
9 carried it over to be consistent.

10 MR. SHADIS: Thank you.

11 MR. BLOUGH: And is that an actual  
12 exposure in this case or is it a hypothetical?

13 MR. KLEMENTOWICZ: In this case, this  
14 would be an actual exposure. The material was  
15 released, the licensee has the responsibility to  
16 calculate the dose to whoever could have -- who was  
17 exposed to it.

18 MR. BLOUGH: Okay. Thanks.

19 MR. PEDERSEN: I'm Roger Pedersen. I'm  
20 the technical lead for the occupational radiation  
21 safety cornerstone.

22 Steve didn't mention it, but our session  
23 was broken into two sub-sessions. The first session  
24 was an information exchange. Those issues that we  
25 thought we had a fairly good handle on what the

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1 resolution -- what the problem was and what a viable  
2 resolution was.

3 The three issues that Steve just covered  
4 were in that first session, and the first of my  
5 issues, which starts on page 21, was in that session  
6 as well, which has to do with the way that our current  
7 STP characterizes the Commission's policy on  
8 enforcement discretion from skin exposure and over  
9 exposures from hot particles.

10 A recent issue at one of the plants  
11 pointed out that the way it is, the wording in there  
12 can be read that it excludes all exposures from any  
13 type of exposure from a hot particle, which wasn't the  
14 intent. So we agreed to revise the words to more  
15 accurately characterize the actual Commission policy,  
16 which is an over exposure to the skin, a shallow dose  
17 exposure from a hot particle.

18 That was easy. Now, moving on to the  
19 harder part, ALARA.

20 The next two of my issues at the bottom of  
21 page 21 and the top of page 22 are related to the way  
22 we do performance assessment in the ALARA area. The  
23 objective to our cornerstone as we identified in the  
24 Pook's Hill public workshop back in October,  
25 September-October of '98, is that the objective of the

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1       cornerstone is to insure that licensees maintain doses  
2       within the limits in Part 20, and this is the way the  
3       Commission paper characterizes it, which turns into an  
4       issue, and that those doses are ALARA.

5               So we have two objectives here. We  
6       actually have two pages of our SDP, but they're a  
7       single SDP. There's two halves of it to cover those  
8       two objectives.

9               The ALARA SDP, there's been a number of  
10       issues that have surfaced recently. There's a couple  
11       of issues that have been outstanding issues from day  
12       one, from the first day that we created the SDP, and  
13       they're wrapped into these issues.

14               Before we started the second session on  
15       ALARA, which by the way its objective was to first  
16       clearly articulate what the bases and background was  
17       for the SDP we had, and then to have a facilitated  
18       discussion type workshop to either arrive at consensus  
19       that what we have was adequate, with possibly some  
20       modifications that the staff proposed, or to at least  
21       come to some alignment as to an alternative course of  
22       action.

23               So before we started that discussion, I  
24       took the opportunity to review the basis and  
25       background of what we have, and that started with

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1 agency goals, ROP program objectives and structure, a  
2 brief history of the regulatory and enforcement  
3 history of ALARA, and then I covered some constraints  
4 that the staff felt that they were under when they  
5 developed the current SDP, and a number of assumptions  
6 that we made when we put the current SDP together.

7 I didn't intend to go through that  
8 whole -- it took me two hours last week. So I didn't  
9 want to do that today. The important ones I'll bring  
10 up as we go along.

11 These first three issues on 21 and 22 are  
12 the issues that the staff identified in our internal  
13 focus group shops, our meetings, and then we allowed  
14 the industry obviously or the participants -- it  
15 wasn't just the industry -- to raise issues. Because  
16 this was a facilitated discussion, we wanted to get  
17 all of the issues up on the table, categorize which  
18 issues we needed to attack first, and work from there.

19 MR. KRICH: Roger, I would just propose  
20 that the industry did have some input into Issue 3.

21 MR. PEDERSEN: Actually not as much as you  
22 think.

23 MR. KRICH: Well, I think a lot.

24 MR. PEDERSEN: No. I'll go through them.

25 The second issue on page 21 of whether the

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1 current SDP is too lenient for, quote, good performers  
2 and too harsh for poor performers breaks into two  
3 aspects. The way the SDP was structured, and I don't  
4 have this slide either, but it was one that we handed  
5 out. So it might be helpful if we look at the SDP  
6 itself.

7 Can you focus in on the top half of that  
8 and zoom it up?

9 When we, the staff, were attempting to  
10 create this SDP on how you do performance assessment  
11 in ALARA, it's a challenging task. The purpose of ROP  
12 stated objective is to have an objective measure of  
13 performance that is scrutable or understandable and  
14 reproducible.

15 ALARA performance is admittedly a  
16 subjective process. I say admittedly because that's  
17 a direct quote out of the statement of considerations  
18 that we published in '92, when we published the '92  
19 rule that made ALARA a requirement, a "shall" instead  
20 of a "should."

21 So what we, the staff, came up with was a  
22 comparison of the intended outcome in terms of  
23 collective dose for work activities or jobs and  
24 compare that to the intended outcome or the planned  
25 outcome, the estimated or projected dose that

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1 licensees' ALARA programs developed in their work  
2 planning, and we put a criteria that if that exceeded  
3 by more than 50 percent, then possibly we have a  
4 finding here or an issue.

5 This flow chart right here actually was  
6 part of the SDP when we first put it together a year  
7 ago, the lessons learned from the pilot program. It  
8 was pointed out that this was actually screening  
9 criteria. So we took it out of the SDP and put it  
10 into 0610\* as the first question in the Group 2  
11 questions in our area, in our cornerstone.

12 As it appears in 0610\*, it's just a  
13 paragraph, but this is the flow diagram, the logic  
14 diagram that's in that paragraph. This logic diagram  
15 does not show up in 0610\*.

16 Anyhow, once you get past that first  
17 question or half part of a question, then that second  
18 diamond there compares the particular licensee  
19 performance to a median value of performance in terms  
20 of a rolling three-year average. The concept was if  
21 a licensee is doing at least as well as the median  
22 value in terms of performance, in terms of low  
23 collective dose, they must be doing something right,  
24 and so we probably don't want to interfere with that  
25 process. That was the logic that went behind that.

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1           If they're not doing as well as the  
2 median, and of course, the basis for that median value  
3 was the agency's first strategic goal is to maintain  
4 the current level of safety. The staff assumption  
5 built into that -- I guess I just talk with one hand  
6 here. I'll try to -- the staff assumption built into  
7 that logic was that the current industry performance  
8 in ALARA is acceptable, in general.

9           Some licensees are actually doing much  
10 better than that, and their performance is world  
11 class, is comparable to any country out there, which  
12 wasn't necessarily true ten or 15 years ago.

13           Anyhow, once you get through those two,  
14 then there's a five person-rem screen there also,  
15 which is to establish some low level of significance  
16 in the work activity we're talking about.

17           That screening criteria develops what it  
18 is, the bases, you know, what constitutes the bases  
19 for judging this performance, this ALARA performance.  
20 You pass those you have a finding that goes into the  
21 SDP, which is on the bottom.

22           You want to move the slide up there, Tim?

23           The actual SDP takes that finding, and  
24 then it uses the magnitude of the collective dose at  
25 25 person-rem, the frequency of occurrence, which is

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1 the diamond over to the right and/or, again, the  
2 rolling three-year average to come to significance  
3 levels of green, white or yellow.

4 We determined early on that we didn't feel  
5 that it was appropriate to get to a red outcome from  
6 ALARA issues. At the time we were developing this,  
7 our understanding of red was that you'd shut the plant  
8 down. I know that's not the current complete  
9 definition of a red finding, but still, we still don't  
10 feel that it's appropriate to get into a red finding  
11 just from ALARA issues alone.

12 So with that background, flipping back up  
13 to the top, that rolling three-year average in the  
14 screening criteria, that second diamond there, of  
15 course, if you're on the good side of that, if you're  
16 below in terms of collective dose or above it in terms  
17 of performance, you have no finding. There is no  
18 finding there at all.

19 A number of our stakeholders, particularly  
20 our regional inspectors, objected to that unintended  
21 outcome that they could not even document a problem at  
22 a plant if they're on that particular side of that  
23 screening criteria.

24 So that's the genesis of it's too lenient  
25 to the, quote, good plants. The flip side to that

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1 coin is that if you're not on that side, then you're  
2 subject to possible multiple significant findings,  
3 multiple white findings or maybe even multiple yellow  
4 findings, although that's hard to grasp.

5 So that's what we looked at. That was the  
6 issue that we brought forward.

7 We had a solution. I won't bore you with  
8 it because it has been kind of taken over by events.

9 The third issue, if you will, the second  
10 ALARA issue which we spoke of earlier was, again,  
11 towards that bases. When we developed -- no, leave  
12 that there, if you will.

13 When we developed this SDP, and again,  
14 those screening criteria are part of the SDP at the  
15 time that we originally constructed it, we realized  
16 right away. We had a lot of interaction with NEI and  
17 our stakeholders. We had several public meetings in  
18 which we discussed this. This was not our first  
19 draft. This was at least the three that we finally  
20 put into place.

21 But we recognize right away it's based on  
22 doing a dose estimate on jobs. It's job specific, and  
23 it's based on the licensee's dose estimate. It was  
24 pointed out from day one that there is no standard  
25 definition of a job. Licensees slice and dice their

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1 outage and major work activities in various ways to  
2 control the dose and control the work activities.

3 In addition to that, there's no hard  
4 requirement that a licensee even do a dose estimate,  
5 much less an accurate dose estimate. That's why I  
6 said even though those issues have resurfaced very  
7 visibly recently with at least one fairly visible  
8 enforcement activity, and those issues were identified  
9 from day one. That's been an outstanding IOU from the  
10 conception of this SDP, and the agreement that we had  
11 or that we came to at least in our public workshops or  
12 public meetings was that we would use this first year  
13 of implementation to inform us as to whether that  
14 needs to be changed, what kind of additional guidance  
15 that needed to have.

16 One of the big concerns which is  
17 articulated in Issue 3 was that the licensee could  
18 manipulate those numbers or manipulate the outcome of  
19 the SDP just by doing those things which were within  
20 their power, which was slice and dice, if you will,  
21 jobs into much, much finer increments so that they  
22 would never pass the 25 person-rem in the SDP or maybe  
23 never even pass the five person-rem in the screening  
24 criteria, and then you know, have the possibility of  
25 having some creative definitions of a job that would

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1 bias the outcome of this SDP.

2 So that was a recognized potential from  
3 the day one.

4 Yes?

5 MR. GARCHOW: And as someone who tries to  
6 make these decisions, you know, there are ALARA  
7 committees trying to actually parcel the activities  
8 into the smallest possible segment of the job and  
9 differentiate so that the different parts of the job  
10 planning can be done with those groups that can  
11 influence the dose.

12 So it actually drives you toward parsing  
13 the job into smaller and smaller increments.

14 MR. PEDERSEN: Well, we didn't intend to  
15 drive the ALARA programs any way with this program.  
16 We were trying to establish a basis for assessing the  
17 performance of the programs that are out there.

18 Again, anyone who has any history with  
19 ALARA in the U.S. industry knows that over the last 20  
20 years it is significantly improved, dramatically  
21 improved.

22 MR. KRICH: There's another consequence.  
23 You probably know about it, but just for purposes of  
24 completeness, since one of the screening criteria is  
25 150 percent over the estimate, the original estimate,

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1 then certainly it would tend to make people  
2 overestimate jobs so as to --

3 MR. PEDERSEN: Yeah, that was another  
4 potential as far as biasing the outcome of the SDP.

5 MR. KRICH: And clearly, that's against  
6 ALARA principles. You want to estimate the job as  
7 tightly as possible to create a challenge or a --

8 MR. PEDERSEN: Yeah, it's not an unknown  
9 issue between the inspection program and licensees  
10 anyhow. The regulatory history in ALARA is somewhat  
11 complex in that ALARA was a "should" in the old Part  
12 20 or the pre-'92 Part 20. ALARA performance was  
13 noted to not be what it should be back in the '80s.  
14 The NRC put a lot of emphasis on ALARA. We had a lot  
15 of interactions between our inspectors and our regions  
16 and licensees. Performance dramatically improved by  
17 the time we put the regulation in place. The  
18 regulation lagged the licensee performance.

19 When we put the regulation in '92 into  
20 place, we were very cautious about negatively  
21 impacting that good trend, and we're trying to do that  
22 same thing here. We're trying to be cautious about  
23 having a negative unintended outcome.

24 So anyhow, there was potential for that  
25 negative unintended outcome. We recognize that, and

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1 we decided to watch and see how it played out and see  
2 what we needed to do now.

3           If you'll flip over to page -- well,  
4 excuse me. We probably should go through the other  
5 issues that the participants of the workshop brought  
6 up. These are kind of in reverse order in terms of  
7 significance of the comment and how much it impacted  
8 the discussion and proposed resolutions that we talked  
9 about in a while.

10           But as you can see, there were a number of  
11 them. There was a lively discussion. Many issues  
12 came out. The first one that the cornerstone  
13 objectives conflict with Part 20 is what I referred to  
14 a minute ago, and that's just a choice of terminology  
15 and wording that's in the SECY paper, 99-007 and 7A.

16           There was a question that the choice of  
17 words could be read that there was an intended subtle  
18 change between the NRC's expectation and what's  
19 actually a regulatory requirement in Part 20. The  
20 answer to that was that there was no intended subtle  
21 change. There is no intended change between our  
22 expectation and what's in Part 20.

23           And as you'll see on the later pages, we  
24 agreed to go back and look at that and see if we could  
25 revise the words to more accurately reflect the

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1 regulatory requirement.

2           There was a lot of discussion on what the  
3 basis for the criteria of the SDP. As I told you, I  
4 went through our bases, and we talked about a number  
5 of issues that might be an adequate basis for a  
6 performance assessment in this area.

7           The use of a performance indicator was  
8 brought up. I didn't mention it earlier. We have one  
9 performance indicator in this cornerstone that deals  
10 solely with individual exposure control. During that  
11 Pook's Hill '98 workshop in which we scoped this  
12 process, there was a consensus that we didn't have an  
13 identified performance indicator in the ALARA area.

14           There was strong consensus that a rolling  
15 three-year average wasn't it, and we couldn't put  
16 anything else into place. So not having a performance  
17 indicator in this area, of course, means that the  
18 performance assessment is done solely by the baseline  
19 inspection. It's an inspectable area, and it's done  
20 solely by the baseline inspection.

21           So this idea of a performance indicator in  
22 ALARA has been alternately brought up and withdrawn  
23 and brought up and withdrawn over the last couple of  
24 years, most recently last week, and you'll see when we  
25 get a couple of pages. It was discussed possibly a

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1 performance indicator could resolve some of the issues  
2 that the NRC brought to the table, as well as some of  
3 the issues that the licensee brought to the table.

4 There was an issue about this whole  
5 process having the unintended consequence of  
6 lengthening outages and causing more dose rather than  
7 less dose, interfering with the licensee's programs.  
8 We talked about those.

9 SDP criteria should be related to  
10 identified program weaknesses or failures. That was  
11 a fairly important concept that I thought was already  
12 built into our SDP, but it was evidence from the  
13 discussion that people didn't realize that, and we  
14 discussed that at length.

15 On page 24, the three-year rolling average  
16 collective dose missing from that should be more  
17 contemporaneous. There was an issue that currently  
18 that rolling three-year average is published in a  
19 NUREG that sometimes takes up to a year, year and a  
20 half to get on the street, and so this issue actually  
21 gets subsumed in a further issue.

22 There was an issue about the thresholds  
23 built into the logic, and the logic itself. These, of  
24 course, are just a list of the issues that were raised  
25 by the stakeholders at the meeting.

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1           An issue about the inspection level not  
2 decreasing in response so that it improved industry  
3 performance. That was discussed and somewhat tabled.  
4 We couldn't solve that problem by talking about the  
5 SDP basis.

6           There is an issue about frequency and  
7 scope of inspections that we're doing on another  
8 track, and we refer to that in terms of what the right  
9 number of inspections, the right number of hours are,  
10 particularly in ALARA.

11           The last three, the bottom bullet on the  
12 bottom of page 24 and the next two, were probably the  
13 three most significant in terms of impact on our  
14 discussion, and that was that the STP is overly  
15 focused on projected doses; that a number of the  
16 stakeholders were concerned that there was even  
17 numerical criteria in the SDP, the five person-rem,  
18 the 25 person-rem, the 135 person-rem for PWRs, those  
19 numbers.

20           There was a concern that that would lead  
21 to unintended consequences by possibly implying a de  
22 facto definition of ALARA which was not intended by  
23 this process.

24           And then something that surprised me was  
25 the use of the rolling three-year average collective

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1 dose. I explained to you our rationale for having it  
2 built into the SDP or the assessment process. It's  
3 actually both in the SDP and in the screening  
4 criteria. It's more than a majority. It was a  
5 unanimous by vote. Non-NRC participants in the  
6 workshop indicated that they didn't think it was  
7 appropriate to even use a rolling three-year average  
8 in the SDP, period.

9 After much discussion, that was brought up  
10 to a vote to see where people stood, and when the  
11 question was asked should a rolling three-year average  
12 be part of the screening criteria and/or the  
13 significance criteria built into the SDP, a show of  
14 hands indicated that the only people that thought it  
15 was were the NRC folks.

16 At that point I changed my vote. So we  
17 have come -- well, I'm getting to the conclusions.

18 If you turn over now to page 27, it's got  
19 the outcome of our session. On page 27 it clearly  
20 identifies that we're going to change the SDP in terms  
21 of the enforcement policy in SDPs.

22 Twenty-eight starts the ALARA issues.  
23 Again, I've already covered the first one, and that's  
24 make sure that the stated objective is consistent with  
25 the regulation.

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1           The next two bullets actually go towards  
2 an alternative to the current SDP. After the vote  
3 that the stakeholders clearly objected to using a  
4 rolling three-year average in the SDP, we agreed; we,  
5 the NRC, agreed to explore the possibility of using  
6 that solely for adjusting baseline hours. It's not  
7 currently in the program, but there is discussion. We  
8 have gone through some discussion about having a  
9 flexible number of hours in the baseline program.

10           The baseline program was initially the  
11 minimum amount of inspection, but I think one of the  
12 lessons learned from this year of implementation is  
13 that some licensees are easier to inspect than other  
14 licensees, and so it may be a single number isn't the  
15 right thing to do, that there should be a range  
16 depending on how easy a licensee is to inspect.

17           And so it was generally -- the feeling was  
18 that it would be more appropriate to use that rolling  
19 three-year average in terms of a high level, overall  
20 performance indication, if you will, into adjusting  
21 those baseline hours and not necessarily using that as  
22 a screening criteria and/or a decision gate in terms  
23 of significance within the SDP.

24           So if you take that out of the SDP,  
25 there's two issues there. The first is since it's

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1 using the screening criteria, you have to figure out  
2 how you're going to get into the SDP. What is it that  
3 your inspection finding is based on now? What is it  
4 that's an occurrence that has to pass some screening  
5 criteria that gets you into the SDP?

6 And that's what that third bullet is. It  
7 was noted in the meeting that the second Group 2  
8 question in our cornerstone, which currently speaks  
9 just to individual exposure controls, could be  
10 expanded to cover ALARA as well, possibly, and that is  
11 to expand this concept of unplanned, unintended dose  
12 to more than just an individual unplanned, unintended  
13 dose, but also to a collective unplanned, unintended  
14 dose.

15 So we're exploring defining what unplanned  
16 unintended dose would be in the ALARA sense, in  
17 collective dose, and use that as a basis for getting  
18 into or a basis for this performance assessment in  
19 ALARA.

20 I hate to do this, but if you'll jump over  
21 to page 29, the third bullet down, since we're  
22 covering the consequences of taking a rolling three-  
23 year average out of the SDP, that is another  
24 consequent.

25 Currently to get to a yellow finding from

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1 a single event -- Tim, you want to put the SDP back up  
2 on the bottom half of that and zoom in on it?

3 The large diamond at the bottom defines  
4 the significance of a single event that would take you  
5 to yellow, and that's a fairly high threshold. That  
6 we were just putting in a rock catcher, if you will.  
7 We're talking -- well, it was based on the median  
8 value, but I can't -- we're talking outliers. We're  
9 talking two, three standard deviations from that  
10 median value that the original criteria was based on.

11 If you take rolling three-year averages,  
12 and of course, it's based on rolling three-year  
13 average, if you take it out of the equation here, then  
14 the issue is, well, how do you get to a yellow? How  
15 do you get to a degraded cornerstone from a single  
16 issue?

17 And that instigated quite a bit of  
18 discussion, and the general consensus is that probably  
19 you shouldn't be able to get to yellow. You shouldn't  
20 get to a degraded cornerstone from a single ALARA  
21 issue.

22 So that's what that third bullet is on 29.  
23 We came to a consensus that yellow outcome probably  
24 isn't, from a single event, probably isn't appropriate  
25 in ALARA, as well as the red outcome that we talked

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1 about earlier isn't appropriate.

2 Now, you still can get to a degraded  
3 cornerstone, and that's the current high visible  
4 enforcement action that we've got going on, got to a  
5 degraded cornerstone not from a single yellow outcome,  
6 but form multiple white outcomes, and there was a  
7 consensus, which is the last bullet on page 29, that  
8 it is appropriate to get to a degraded cornerstone  
9 from ALARA alone, without having an overexposure or  
10 some significant individual exposure as long as that  
11 path to a degraded cornerstone was for multiple  
12 whites. So that's that last bullet.

13 Now, jumping back to page 28, there was  
14 also agreement that the magnitude of the unintended  
15 dose was an adequate basis for determining  
16 significance level. One of the assumptions built into  
17 this process is that dose is a direct measure of risk,  
18 and that's a fairly well established assumption, if  
19 you will, that based on ICRP, International Commission  
20 on Radiation Protection, recommendations, the risk  
21 factors of four times ten to the minus four death per  
22 rem; that that risk factor is defined for an exposure  
23 rate and exposure range in which that risk is  
24 additive, and therefore, those risks are additive  
25 until you get to high dose, high dose rates, where you

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1 start talking about getting out of the stochastic  
2 region, the statistical outcomes and get into non-  
3 stochastic outcomes that, in fact, those risks are  
4 additive.

5 So the magnitude of dose should be built  
6 into the SDP. Obviously changing the bases for our  
7 performance outcome is going to change not only the  
8 screen criteria, but it will probably change the SDP,  
9 the way it looks, somewhat, although things that we  
10 agree to that are adequate measures are gates in this  
11 logic flow path, are currently built into the SDP.  
12 There were a few other ones that were bloating around  
13 which may or may not be added to or modify the ones we  
14 have, but the three principles built into the current  
15 SDP in terms of magnitude of dose, frequency of  
16 occurrence, and getting to a degraded cornerstone from  
17 the possibility of having multiple white outcomes is  
18 all built into the current SDP.

19 Going back to 29, page 29 now, that first  
20 one we've already talked about. The use of the  
21 rolling three-year average collected dose is more for  
22 inspection planning rather than for significance  
23 determination.

24 And we've already covered the second  
25 bullet there as well.

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1           So on page 30, we list some of the areas  
2 of alignment here. The first one was that even though  
3 the performance indicator idea was raised yet again,  
4 it was tabled pending the outcome of this road towards  
5 success or road towards resolution that we've  
6 identified, if you will.

7           There was also one parking lot issue that  
8 was raised, which was the findings of no color. At  
9 least one individual in the room had recently gotten  
10 a finding of no color in the ALARA area and wanted to  
11 debate at length the purpose of a finding of no color,  
12 and we had to defer that to another session, which was  
13 dedicated to findings of no color, not just ALARA, but  
14 in general, the whole process and where that fits in.

15           So we parked that issue, pending the other  
16 session.

17           On page 31, the process that we've  
18 identified that we're going down, which is to first  
19 remove the current Group 2 screening criteria for  
20 ALARA and include those either in inspection planning  
21 or inspection guidance in terms of how small a job  
22 should the inspector be looking at and should be  
23 interested in and that rolling three-year average be,  
24 of course, used as that inspection planning tool in  
25 terms of frequency of inspections or frequency or

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1 length of inspections, hours of inspections.

2 To try to develop this concept that was  
3 floated at the public workshop of using this unplanned  
4 or unintended dose as the entry level or the entry  
5 stuff into the SDP, that our inspection finding would  
6 be based around that rather than comparing the planned  
7 dose to the actual dose, and I can't be any more clear  
8 than that because we haven't gone through that  
9 process.

10 And of course, once that fundamental basis  
11 changes, that will most like change some aspects of  
12 the current ALARA SDP and possibly revise inspection  
13 guidance in addition to the inspection guidance I just  
14 referred to. We might have to provide some additional  
15 guidance to the inspectors by what we mean once we've  
16 defined if, in fact, we do get to a clear definition  
17 of unplanned or unintended dosing, go that way. We'll  
18 have to provide additional guidance to our inspectors  
19 so that they understand what that is and are focused  
20 at the right things to be able to make that  
21 determination.

22 Now, obviously this is all with the caveat  
23 that we have processes in place to make these changes.  
24 We have an SDP process change. We have inspection  
25 program process changes, and a significant change to

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1 this SDP, I understand, is going to also require us to  
2 benchmark, to go back and look at experience to date,  
3 and whatever SDP we come up with, run those cases to  
4 see if the outcomes are consistent with what we think  
5 the proper outcomes were when we went through them.

6 And then I believe there's also a pilot  
7 phase in which if we do come to a -- well, we will  
8 come to an understanding of what the SDP should look  
9 like. When we do that, then after the pilot of that  
10 new SDP, then there will be an implementation in which  
11 we gather lessons learned, and I guess there'll be  
12 more opportunities.

13 I'm not that familiar with these  
14 processes, although I'm sure I'll be intimately  
15 familiar with them in the next year or two.

16 That's where we came to. That's what we  
17 did last week. Any questions?

18 MR. FLOYD: Yeah, I've got one, Roger.  
19 You said the ALARA regulation was first promulgated in  
20 '92. Do you know about how many violations to ALARA  
21 have been issued over the years? Just ballpark.

22 MR. PEDERSEN: You're throwing me a hand  
23 grenade here. Actually, because of public comments we  
24 got during the '92 rulemaking, we, the staff, put a  
25 fairly high threshold as to what we considered a

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1 violation of Part 20. Okay?

2 And that's something I had to draw a  
3 distinction between. The SDP is not trying to  
4 determine if you violated Part 20. The SDP is looking  
5 at performance assessment in the ALARA area because  
6 the requirement in Part 20 is that you have a program  
7 to assure doses are ALARA, not that doses are ALARA,  
8 which kind of spins off that first issue.

9 So it's a programmatic requirement. So we  
10 put a fairly high threshold as to when we determine  
11 that program is broken to the extent that we can draw  
12 the conclusion that you're not complying with Part 20.

13 I believe, although I can't quote you, I  
14 believe early on there was one violation cited in  
15 Region I that didn't meet that staff criteria, which  
16 is why we did that after that experience. Since then,  
17 up until recently, there hasn't been a cited violation  
18 in ALARA. There hasn't been a violation cited against  
19 the requirement in Part 22, implement engineering  
20 controls, programs and procedures to assure that the  
21 doses are ALARA, until recently, until the current  
22 case that we have ongoing.

23 MR. REYNOLDS: Which is a violation of  
24 having an ineffective program.

25 MR. PEDERSEN: Yes.

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1 MR. REYNOLDS: Not so much doses.

2 MR. PEDERSEN: Cited against Part 20, yes.

3 We've had many issues about --

4 MR. REYNOLDS: A big distinction.

5 MR. PEDERSEN: -- about licensees not  
6 conforming to their own procedural requirements that  
7 they put on themselves in implementing that program.  
8 We've had lots of citations of failure to implement  
9 your procedures as required by Part 20. We've had a  
10 number of issues of whether your program is getting  
11 the kind of management attention it should be getting.  
12 There's been lots of that dialogue over the years.

13 But in terms of actual citations against  
14 Part 20, since actually '94 is when licensees were  
15 required to implement. The '92 was the statement of  
16 considerations, and if you remember, from '92 to '94,  
17 we had two sets of Part 20. We had the old Part 20  
18 and the new Part 20. So there was a crossover  
19 implementation period.

20 But by '94, all licensees were required to  
21 implement that new revision, which had changed from  
22 the license should have an ALARA program to the  
23 licensee shall have an ALARA program. So sine '94 now  
24 we've had very little enforcement history there.

25 MR. FLOYD: Okay. Thanks.

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1 MR. NOLAN: I'd just like to supplement  
2 that information. Within the past year there's been  
3 on the material side of the house a severity Level 1  
4 violation in which ALARA was from the '94 --

5 MR. PEDERSEN: Yeah, I was talking just  
6 from a Part 50 perspective.

7 MR. NOLAN: The '94 that he was referring  
8 to was an NCB in Region 1, and it was a failure to  
9 follow procedures based on the administrative controls  
10 in the tech specs. There have been other procedural  
11 violations, but you were specifically asking for --

12 MR. FLOYD: Right. Thanks.

13 CHAIRMAN PLISCO: Lunch time?

14 MR. DEAN: Thanks, Roger.

15 CHAIRMAN PLISCO: Are we ready for lunch?  
16 Be back at 1:50.

17 (Whereupon, at 1:16 p.m., the meeting was  
18 recessed for lunch, to reconvene at 1:50 p.m., the  
19 same day.)

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1 A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

2 (2:10 p.m.)

3 CHAIRMAN PLISCO: Are we ready to get  
4 started again?

5 What's the next topic?

6 MR. DEAN: We have four more topics to  
7 walk you through here this afternoon. Hopefully we'll  
8 make some good progress. What we'd like to start off  
9 with, I think, is one that might be fairly short and  
10 sweet, and that's fire protection issues.

11 MR. REYNOLDS: Short and sweet. Didn't  
12 you say it with all of them, short and sweet?

13 MR. DEAN: I can always rely on Peter to  
14 be short and sweet. At least short.

15 After that we'll jump ahead to assessment  
16 and enforcement issues because Mike has somewhere that  
17 -- he's moved a meeting to three o'clock. So we want  
18 to make sure we get him in.

19 And then we'll do cross-cutting problem  
20 identification and communication issues.

21 PARTICIPANT: That will take us to  
22 midnight.

23 MR. DEAN: That will take us to 3:30.

24 MR. SCHERER: You really know how to  
25 celebrate the first anniversary of the program.

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1 MR. DEAN: Yes, we do.

2 MR. BROCKMAN: He's throwing a party.  
3 What do you want?

4 MR. DEAN: Nothing better than being with  
5 my closest friends in industry.

6 (Laughter.)

7 MR. DEAN: Okay, Peter.

8 MR. KOLTAY: Okay. Fire protection.

9 MR. DEAN: This starts on page 13, lucky  
10 number.

11 MR. KOLTAY: Fire protection. I was one  
12 of the test leads on the fire protection task force,  
13 and we initially addressed two issues. One is  
14 improvements to be made to the SDP, which has been  
15 around since we issued that SDP, making it more  
16 effective, more efficient, and more user friendly.

17 And the other issue had to do with the  
18 licensing basis and changes and how to control changes  
19 to the licensing basis in the fire protection area  
20 only, generally dealing with the Appendix R  
21 requirements and how does the licensee go about  
22 changing those requirements, which at this point are  
23 outside the 5059 change requirements.

24 And of course, during our meetings and  
25 during the external workshop additional issues were

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1 brought forth. One was concerning the use of licensee  
2 self-assessment, and this only addressed fire drills  
3 and fire brigade training and anything associated with  
4 the fire brigade and how we assess the fire brigade.

5 This one keeps showing up over the past  
6 year: too much emphasis on safe shutdown and not on  
7 defense in depth.

8 The next one was passed a resolution of  
9 issues for public confidence. Fire protection due to  
10 the complexity of the SDP has been more bogged down in  
11 bringing forth and finalizing issues and putting them  
12 out in the public domain through the inspection  
13 reports. Probably some are slower than the other  
14 areas that have SDPs.

15 MR. KRICH: Could you go back just a  
16 second and explain --

17 MR. KOLTAY: Sure.

18 MR. KRICH: -- a little bit more what you  
19 meant by the second bullet there?

20 MR. KOLTAY: To much emphasis on safe  
21 shutdown and not defense in depth.

22 MR. KRICH: Yeah. What defense in depth  
23 are you talking about?

24 MR. KOLTAY: The way the inspection is  
25 broken down in the fire protection, one is alternate

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1 shutdown capability is safe shutdown. Defense in  
2 depth is actually inspecting for the individual fire  
3 protection installations that protect the plant that  
4 include fixed or manual protection and detection, fire  
5 brigade, fire barriers and so on.

6 MR. KRICH: Okay.

7 MR. KOLTAY: Resources, inspection  
8 preparation support.

9 On the outcomes, actually fire protection  
10 technical people are concentrating quite a bit on  
11 improving the SDP. I'm not sure it's going to be that  
12 much user friendly. That's one of the issues, but  
13 most important is to give the inspectors a better  
14 tool. Right now their tool is somewhat cumbersome,  
15 and they rely on equitous (phonetic) people quite a  
16 bit or probably more than we expected them to. So  
17 we're trying to develop a process that will give them  
18 better tools to assess the fire scenario and the fire  
19 development.

20 And this is a simplistic or relatively  
21 simple tool relying on existing information and data  
22 available to fire protection engineering handbook on  
23 calculating -- evaluating the size of the --  
24 estimating the size of the fire, the amount of  
25 combustibles, and then calculating temperatures at the

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1 ceiling level, and giving the tool to the inspector to  
2 determine based on those temperatures how will the  
3 fire development and what will it affect.

4 This is going to be ready for trial use  
5 some time this summer.

6 MR. KRICH: Is that all that you're doing  
7 or does it include also looking for taking or  
8 availability or credit for other pieces of equipment  
9 that may be available?

10 MR. KOLTAY: Do you mean fire protection  
11 equipment?

12 MR. KRICH: No, just other safe shutdown  
13 equipment that would be available.

14 MR. KOLTAY: Basically --

15 MR. KRICH: In other words, is that the  
16 only thing that's being done for that first bullet  
17 then, is just calculating fire damage?

18 MR. KOLTAY: Exactly. To borrow the  
19 drawbacks of the SDP, that it doesn't -- you know, the  
20 appendix, going back to the Appendix R, fire  
21 protection was usually based on a very simplistic  
22 assessment or assumption that you enter a room that  
23 could have a fire and just assume that it's destroyed.

24 MR. KRICH: That's correct.

25 MR. KOLTAY: And that's become --

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1 MR. KRICH: And you didn't have to be an  
2 Appendix R plant to assume.

3 MR. KOLTAY: Right. It's too conservative  
4 and we're trying to make it more realistic, and giving  
5 the tool to the inspectors and ourselves to reduce  
6 that size and put some boundaries on it. And it's  
7 very difficult to put boundaries on a fire because  
8 it's not like a piece of equipment that just fails.  
9 Then you know what your failure actually is.

10 And we're trying to keep it conservative  
11 still.

12 MR. KRICH: So if you now are able to have  
13 more realistic fires, then you're able to take credit  
14 for other equipment that may --

15 MR. KOLTAY: Exactly.

16 MR. KRICH: Okay.

17 MR. KOLTAY: Is that what you were getting  
18 at?

19 MR. KRICH: All right.

20 MR. KOLTAY: The other important aspect of  
21 the SDP is, of course, fire frequency. Right now we  
22 use generic -- a lot of plants use generic  
23 frequencies, and the data dates is available up to  
24 1994-'95 time frame, and we're trying to bring that up  
25 to date using a contractor and various other means.

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1           The next bullet also relates to the  
2 frequencies. Insure that plant specific data is  
3 factored in and actual plant performance deviates from  
4 industry averages, and there what we're suggesting is  
5 make sure that we use plant specific data when it's  
6 available.

7           Improve the validity and objectivity of  
8 the evaluation, the fire brigade drill performance.  
9 Assessing the fire brigade drill performance has been  
10 an issue for us, has been an issue for the licensee.  
11 There were many different suggestions that were made,  
12 and we'll be looking at all of them.

13           The next one says need to provide  
14 additional guidance to the inspectors on the  
15 evaluation of the fire brigade. That's already being  
16 done, and we issued additional guidance just in the  
17 past couple of weeks.

18           Someone suggested to consider developing  
19 a PI for assessing fire brigade performance, and that  
20 really hasn't been looked at at this point.

21           Fire brigade performance should not be  
22 addressed -- apparently there was a lot of concern on  
23 how we evaluate the fire brigade. So fire brigade  
24 performance should not be judged on the basis of only  
25 one drill.

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1           We agreed with that, and it is --  
2           currently I don't believe it is being judged based on  
3           one drill, but I think --

4           MR. TRAPP: My program only calls for one  
5           drill observation at present.

6           MR. KOLTAY: Right.

7           MR. DEAN: Yeah, that's what we've been  
8           basing it on.

9           MR. KOLTAY: So I'm sure they may be  
10          observing parts of other drills. I don't know, but by  
11          requirement, they're only looking at one, and they're  
12          going to try to make some improvements in there.

13          Develop a process for evaluating human  
14          performance and provide a quantitative basis for the  
15          significance determination. This is a more complex  
16          area that the risk analyst who's dealing with fire  
17          protection is working on, as to how to give credit for  
18          human performance during fire or fire scenarios.

19          And this is not the fire brigade, but the  
20          operators. The reactor safety SDP already addresses  
21          this issue, but there's a concern that if there's a  
22          fire at the same time that they need to shut down the  
23          reactor or change plant conditions, there may be an  
24          added stress and an added requirement on the reactor's  
25          end, and we need to look at that and see how to

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1 address that, in fact, on the operators.

2 The next two issues deal with the  
3 baseline. We didn't explore the changes to a baseline  
4 very much. So we didn't have a lot of input.  
5 However, we need to look at how to control changes to  
6 a fire protection program.

7 It's no longer in the 5059 process, and  
8 other processes that address changes to fire  
9 protection, which is like, I think, 5048. I don't  
10 really give you a lot of detail or a lot of guidance,  
11 us or the licensees. So that's an area that needs to  
12 be addressed.

13 And the last one I just spoke to. The  
14 licensees are making changes. It follows sort of the  
15 one before this. Licensees are making changes to the  
16 Appendix R mostly replacing automatic or fixed  
17 protection systems with manual actions, and we don't  
18 have a methodology currently to measure that, and it  
19 could be of concern because even though we can accept  
20 individual replacement of a fixed or automatic action  
21 by a manual action individually, but then you compile  
22 them and we go from three specified manual actions,  
23 let's say, for example, from the Appendix R that's  
24 currently in there to ten to accomplish the same  
25 thing. You really haven't evaluated how that would

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1 impact the plant.

2 Any?

3 MR. DEAN: So I think the bottom line  
4 there is that we're looking to improve the fire  
5 protection SDP. We annotated a few areas there. I  
6 think that we're continuing to look at the licensing  
7 basis, I guess, to make it clear to our inspectors and  
8 licensees how we're incorporating the license basis  
9 type issues in the process, but I think, you know,  
10 these fire protection issues, you know, for example,  
11 the latter one, a licensing basis, has been an ongoing  
12 issue. That's not anything that's new with this  
13 oversight process. That's been a challenge for some  
14 time.

15 MR. HILL: On that last one where you talk  
16 about automatic actions or passive devices, are you  
17 talking about barriers or anything?

18 MR. KOLTAY: Exactly. One of the areas  
19 that first showed up in there is the removal of the  
20 thermal leg and being replaced by manual actions. The  
21 functions of the equipment that was protected by the  
22 thermal leg.

23 MR. SHADIS: I attended that breakout  
24 session.

25 MR. KOLTAY: Right.

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1 MR. SHADIS: And workshop, and I noticed  
2 that the conversation really wrapped itself around  
3 fires in spaces, and that the primary concern seemed  
4 to be the vulnerability of the cables.

5 MR. KOLTAY: Right.

6 MR. SHADIS: And I'm wondering if fires  
7 like fire at the resin filters or fire in a low level  
8 waste storage container or building or fire related to  
9 the diesel generator, for example, why those were not  
10 discussed, and if they are included in this process  
11 you're working on.

12 MR. KOLTAY: Some of the examples maybe I  
13 can use to tell you why they are running. Like diesel  
14 generators are generally pretty well protected.  
15 They're isolated. They've got three-hour fire  
16 protection around them. They've got automatic  
17 protection, automatic detection. So chances -- you  
18 know, that's pretty well contained, and they  
19 compartmentalize so that redundant equipment wouldn't  
20 be affected.

21 The filters on some of those areas, it  
22 varies from site to site. Typically those rooms are  
23 isolated, and there are no other combustibles in the  
24 area, and no credible ignition source that perhaps is  
25 self-igniting, let's say.

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1           So it would come up if a specific site has  
2 a problem in that area, but generally those areas are  
3 pretty much devoid of combustibles, except the filter  
4 itself and ignition sources.

5           MR. SHADIS: When I talked about low level  
6 waste containers with one licensee, I asked if they  
7 segregated out rags that had been used in radiation  
8 areas that had become coated with grease for one  
9 reason or another, and that wasn't part of their  
10 program.

11           MR. KOLTAY: Probably not. You're talking  
12 about self-starting, self-igniting situations.

13           MR. SHADIS: Yeah. I'm just saying that  
14 I saw the possibility.

15           MR. KOLTAY: Yeah, and these issues are  
16 examined, and the reason they wouldn't be brought out  
17 is because they probably haven't been identified as a  
18 problem, and that doesn't mean that they are a  
19 problem. Chances are they can address.

20           Thanks.

21           MR. DEAN: Thanks.

22           I'd next like to have Mr. Johnson step up  
23 and cover assessment enforcement issues. I believe  
24 those start on page 45 of the handout.

25           MR. JOHNSON: Yeah, that's right, 45.

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1           The assessment of enforcement section  
2 really had two groupings of issues. The first issues  
3 are on page 45, and they were really intended, I  
4 think, to be primarily informational, although as you  
5 see we actually had some discussion on a couple of the  
6 issues.

7           The first issue is 50.9, enforcement PI  
8 reporting. You'll remember a year ago we had some  
9 significant concerns about inaccurate reporting and  
10 how we would handle them under the new oversight  
11 process.

12           We've had some experience with that, and  
13 so we wanted to talk about that just a bit, and in  
14 addition, to provide some information on where we see  
15 ourselves going with enforcement discretion in the  
16 future.

17           The second issue on enforcement,  
18 consistency in the ROP. It really deals with  
19 application of enforcement or consistency of  
20 application of enforcement. We had a concern that was  
21 raised by Dave Lochbaum regarding a couple of  
22 enforcement actions that we took, and he perceived  
23 that we handled one more significantly, with more  
24 significant enforcement than we should have and one  
25 with less significant enforcement than we should have,

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1 and so we wanted to talk about that issue a little  
2 bit.

3 The third issue deals with no color  
4 findings. No color findings are findings that are  
5 greater than minor, that is, when you look at the  
6 Group 1 questions, you would pass through those.  
7 However, when you go to Group 2, you would see that  
8 there's no SDP that applies to those. If you go to  
9 Group 3, then you look for extenuating circumstances,  
10 and it turns out that the extenuating circumstances in  
11 Group 3 actually allow a fair number of issues to pass  
12 through, and those issues are no color findings.

13 And so we talked about the perceived  
14 concern of inconsistency with respect to how those  
15 issues are treated. We talked about the fact that the  
16 ROP is colorized, and so what do you make of the  
17 significance of a no color finding, and we talked about  
18 that a little bit.

19 The last was the role of the regulatory  
20 conference and the action matrix. You'll see  
21 reference to a regulatory performance meeting. That  
22 is typically confused, has been confused with the  
23 regulatory conference. We wanted to clarify that, and  
24 in addition, we wanted to talk about how we conduct  
25 that regulatory conference to make sure that there was

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1 a good understanding about regulatory conferences and  
2 what we expected and, in fact, what we're going to do  
3 to kind of clear that up.

4 So we talked about those four issues on  
5 the first afternoon or the afternoon session, and in  
6 fact, if you look at the next slide -- well, I'm  
7 sorry. Before I get to the next slide, we talked  
8 about the fact that with respect to information on  
9 50.9, that we have, in fact, not had the problems that  
10 we felt we were going to have with 50.9; that there is  
11 room for discretion in the current policy; and that if  
12 we add new PIs, we'll once again look at discretion  
13 and see whether discretion was appropriate for new PIs  
14 because to some extent that is warranted.

15 We answered the questions with respect to  
16 the consistency of application of the enforcement, and  
17 I don't think there was a lot of discussion in  
18 response or a lot of input or other issues that were  
19 raised as a result of that.

20 Now let's go to the on color finding  
21 slide.

22 Recent guidance really has indicated -- I  
23 mean, we revised the recent guidance, and that recent  
24 guidance revision, we think has resulted in really a  
25 decline in the number of no color findings, we

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1 believe. We intend to continue to watch it.

2           When we ended the workshop, we had the  
3 perspective that we wanted to revise the guidance in  
4 0610 to eliminate no color findings, and we got some  
5 feedback that said that we really ought to treat it --  
6 I guess there were differing views on how we should  
7 treat it.

8           One said that we ought to keep the no  
9 color findings and try to resolve this perception  
10 problem about sort of the absence of significance of  
11 no color findings or how those no color findings  
12 really play out in terms of their significance.

13           And the second approach really was that we  
14 should try to minimize no color findings and drive for  
15 fewer bins of findings, and so we left that action on  
16 this issue to go forward and continue to try to work  
17 on no color findings.

18           Next slide.

19           With respect to regulatory conferences and  
20 regulatory performance meetings, we discussed with the  
21 group the fact that we really do want to change the  
22 focus of the regulatory conference. It really is a  
23 discussion primarily or first and foremost on the  
24 significance of the issues, and we wanted to place  
25 that first in the conference.

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1           Secondarily, it's a discussion of  
2 compliance, and last but not least, I think going into  
3 the workshop we would have said that corrective  
4 actions really weren't a key feature of this  
5 regulatory conference, although it was pointed out in  
6 the workshop and we think it makes sense that  
7 considering the public forum, it's not a good place  
8 for licensees to leave those, to in that meeting for  
9 us to talk about problems and not to have in that  
10 forum some discussion of corrective action.

11           So we've allowed that. We're going to be  
12 modifying the guidance to allow that in the regulatory  
13 conference.

14           We discussed some other possible changes,  
15 such as someone else besides the Regional Enforcement  
16 Coordinators opening the meeting, again to make the  
17 shift on significance of the issues and to conduct  
18 this SERC, if you will, with the appropriate levels of  
19 management commensurate with the action matrix.

20           It doesn't make sense for an issue that is  
21 a regulatory conference to deal with a white issue, to  
22 have the Regional Administrator out talking about it.

23           MR. KRICH: Mike, just a minor point, but  
24 some regulatory conferences are not dealing with  
25 noncompliances, but rather findings that are not

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1 necessarily in noncompliance.

2 MR. JOHNSON: Absolutely, absolutely. I  
3 didn't mean to imply that they were, in fact. In the  
4 case that there are noncompliances, we want to make  
5 sure that they are handled in the proper sequence in  
6 the conference.

7 Emphasize the importance of sharing safety  
8 evaluation bases and assumptions prior to the -- in  
9 fact, Bill is going to in communications talk about an  
10 issue that we have with respect to openness of the SDP  
11 process and so you'll hear more about that issue, but  
12 we want to make sure that the information that is, in  
13 fact, the basis -- provides the basis for the  
14 decisions, in fact, is shared early. In fact, we make  
15 it publicly available.

16 Next slide.

17 Then we went onto a couple of other  
18 issues, and this is really where we spent the brunt of  
19 the discussion, if you would, and we tried to really  
20 have the group arrive at some sort of an alignment on  
21 some approaches to address these issues.

22 The first issue really is a treatment of  
23 a situation in which you've had a performance issue  
24 which resulted in a cross-threshold, and when we go  
25 out and do our supplemental inspection, the licensee

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1 has not either taken -- has had significant weaknesses  
2 in the way they look at the root cause or the extent  
3 of condition or even when we look at the corrective  
4 actions. They don't seem to match or they're not  
5 extensive enough and so on and so forth.

6 And what do we do with those issues? We  
7 had always intended in the program that we would keep  
8 those issues open until the licensee had, in fact,  
9 dealt with them, that is, the root causes and those  
10 kinds of things.

11 And there's a way to do that. In fact,  
12 there were specific words in the enforcement chapter  
13 that talked about doing it for inspection findings,  
14 but if you think about it for performance indicators  
15 where the performance indicator is based on the  
16 calculation and that calculation once the PI has  
17 tripped the threshold can return back to the green  
18 band, we hadn't really written the implementation  
19 guidance about how you would keep that performance  
20 issue open.

21 And so we talked about that in this  
22 particular session. There was a good degree of  
23 alignment. In fact, I by a show of hands asked for  
24 folks who agreed with the fact that we need to keep  
25 this issue open, the performance issue open until it's

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1 resolved, and everyone raised their hands in that  
2 session. They thought it was important that we keep  
3 that issue open.

4 We talked about how you would do that, and  
5 there was good alignment in the group that the way to  
6 do that would be to open for that finding in the event  
7 that the NRC had gone out and done some supplemental  
8 inspection and found that there were significant  
9 weaknesses in the licensee's root cause and those  
10 kinds of thing.

11 We would open a finding. That finding  
12 would have the same color as the original finding, and  
13 again, there was good agreement on that particular  
14 approach for addressing that issue.

15 The point was made that we need some  
16 criteria for opening that finding, some criteria, that  
17 is, for deciding that we have had enough problems with  
18 the licensee's performance and addressing this  
19 performance issue, that we want to keep it open, and  
20 we already have some, in fact.

21 If you look in 95001, it talks about the  
22 words a lot like what I just used in terms of trying  
23 to characterize the issue for you, but there also was  
24 a point made that there needs to be a strong causal  
25 link between what we find in terms of the weaknesses

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1 or just inadequate corrective action, if you will, or  
2 root cause and the actual performance issue that  
3 emerges.

4 And there was some thought at least on  
5 some parts, some people who participated, that there  
6 ought to be some indication that this is not an  
7 isolated situation, but some sort of a programmatic  
8 problem that we're trying to address that has resulted  
9 in this performance issue that cross thresholds.

10 We talked about the opportunity for the  
11 licensee to provide input. You know, we have long  
12 wrestled with this notion of due process, whatever due  
13 process means. It was important. The group decided  
14 that we do, in fact, provide licensees an opportunity  
15 to provide input before we do open that finding that  
16 carries this issue forward.

17 We talked about whether that should happen  
18 at the SERC or whether it would happen at the exit  
19 meeting, and there was a large degree of consensus  
20 that it really ought to happen at the exit meeting.  
21 That's the logical time to do it. It doesn't draw out  
22 the process. It still provides the opportunity for  
23 licensee management to raise concerns and those kinds  
24 of things. So, again, a good amount of consensus on  
25 that issue.

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1           And we decided that the findings or the  
2 group decided that the findings should be closed when  
3 the appropriate corrective action had been taken and  
4 we had satisfied ourselves with an inspection, and  
5 contrast that with the way we handled the normal  
6 finding, which is that we keep that finding resident  
7 on the books in the action matrix for four quarters.

8           So what we're saying is if you've extended  
9 this performance issue because the licensee didn't fix  
10 it, as soon as they fix it and as soon as we satisfy  
11 themselves that they've fixed it, that issue will go  
12 away.

13           MR. HILL:    What happens when you talk  
14 about the opportunity for licensee input at the exit  
15 meeting?  What happens if at the exit meeting it isn't  
16 resolved?

17           I mean a lot of times at least in the  
18 past, we've had to go back and have regional input to  
19 determine what the finding is going to turn out to be.

20           MR. JOHNSON:   Yeah, that's a good  
21 question.  It actually goes beyond where we were able  
22 to get and the discussion.  I mean, I think the answer  
23 is that we would handle it like we do a SERC.  We  
24 would take the information back.  We would make a  
25 decision, and then we would have a -- get back to the

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1 licensee with respect to a final determination.

2 That's my off-the-cuff answer, but we  
3 didn't actually talk about that in the issue.

4 MR. HILL: But my question is when does  
5 the licensee have a chance to have input then if it  
6 turns out, you know, that they don't know it's going  
7 to be finding and it isn't resolved at the time.

8 MR. REYNOLDS: Well, usually the way we  
9 handle that, if we leave in an exit meeting and  
10 there's not a finding and we wait around two minutes  
11 at finding, we re-exit, and at that exit you had your  
12 chance. That's how we handle when we have a finding.

13 MR. JOHNSON: Yeah, yeah. You'd want to  
14 do it at the exit or at a re-exit. That's exactly  
15 right.

16 MR. SCHERER: Before you leave this slide,  
17 I had two quick questions. On the first bullet, if  
18 the original issue was white and you open a PI&R  
19 finding of the same color, does that mean you're in  
20 multiple degraded?

21 MR. JOHNSON: No, no. We use the word in  
22 the session that it was a place holder, and there was  
23 some objection with the notion of it being a place  
24 holder, but in essence, it really is. It's preserving  
25 that performance issue open at its significance until

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1 it's resolved. That's all.

2 It's not double counted.

3 MR. SCHERER: And then what if for  
4 whatever reason the NRC delays inspection because it  
5 wants to put it off for the next regularly scheduled  
6 inspection of that area? Does that mean even though  
7 the licensee has closed the action it remains open?

8 MR. JOHNSON: yes. Yeah, I mean we  
9 wouldn't -- go ahead and jump in, Ken -- we  
10 wouldn't -- I was waiting for Ken. I thought you were  
11 nodding your head and you were going to say something,  
12 but you were probably just falling asleep. No, sorry.

13 (Laughter.)

14 MR. JOHNSON: No, we really are going to  
15 try to inspect that issue as soon as we possibly can,  
16 but we've got a performance issue that has been  
17 opened. We allowed some licensee to correct it. We  
18 did some initial supplemental inspection, and that  
19 that supplemental inspection found that there were  
20 weaknesses.

21 And now the licensee has had an  
22 opportunity to fix it, and we need to go back out and  
23 see it. And we're going to factor that in in our  
24 planning and get to it as quickly as we possibly can.

25 And, Ken, I thought I had heard you talk

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1 about --

2 CHAIRMAN PLISCO: I was going to say, I  
3 think it would be akin to how we handle the  
4 supplemental inspections now, is the way those  
5 inspections are supposed to be done is we wait till  
6 you finish; you know, for 9501, wait until you finish  
7 your root cause analysis, and usually there's a  
8 conversation between the regional manager and the  
9 licensee that we say, "Okay. When are you going to be  
10 ready for us to come," and once you give us that date,  
11 then we'll arrange a schedule for the inspection, and  
12 I would assume it would be similar in this case.

13 You would tell us when you think your  
14 corrective action could be done and ready for us to  
15 come look, and then we'll work our schedule to come do  
16 that.

17 MR. SCHERER: Okay. My question was it's  
18 clear from your response that you're not planning to  
19 wait for the next triennial inspection in that area.

20 MR. JOHNSON: No, no, no, no, no, no, no.

21 MR. HILL: I thought up till now though  
22 sometimes you would look at an issue and say based on  
23 what you say you're going to do it looks okay, and so  
24 when the time period comes out, if we've done our  
25 corrective action we can remove it.

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1           Now what I hear you saying is we can't  
2 remove it. You've got to come reinspect and find out  
3 did we actually do what we said we were going to do.

4           MR. JOHNSON: No, no. I didn't mean to  
5 imply that the corrective -- all of othe corrective  
6 actions had to be completed. Because that's not what  
7 the supplemental inspection is looking for. It's  
8 looking for -- it's our look at the three things I  
9 mentioned really: the extent of condition, root  
10 cause, and corrective action.

11           And with respect to corrective actions,  
12 for example, do the corrective actions that have been  
13 identified some of which may have been implemented and  
14 some of which will be implemented, do those match up  
15 with the root causes and the extent of condition? Are  
16 they appropriate? You know, does a licensee have a  
17 plan to make sense and that kind of stuff?

18           MR. HILL: Let me see if I understand this  
19 right. I may be understanding it wrong. Is this  
20 opening of the PI&R finding of same color as original,  
21 is that only if you come in and you find a problem, or  
22 I sort of heard you -- I thought I understood you to  
23 say once we have one, it's going to stay open until  
24 you inspect it to your satisfaction.

25           MR. JOHNSON: Let me try again because I

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1 did talk kind of fast through that.

2 An issue crosses a threshold. We allow  
3 some time for you to, you know, take a look at the  
4 issue and figure out what the root cause is and those  
5 kinds of things.

6 We do a supplemental inspection. As a  
7 result of that supplemental inspection, we decided  
8 that there are significant weaknesses in what you've  
9 done to address a performance issue. It's at that  
10 point that we'll open this finding that stays open  
11 until you've addressed those weaknesses and we've been  
12 able to go out and look and satisfy ourselves with  
13 respect to our concerns.

14 MR. HILL: But at the supplemental  
15 inspection, we may not have actually done the  
16 corrective action. We may just identified --

17 MR. JOHNSON: That's correct.

18 MR. HILL: -- what we were going to do.

19 MR. JOHNSON: That's right. That's right.

20 MR. HILL: So at what point in time. If  
21 you're acceptable at that time, when -- do we have to  
22 have any more action from the NRC before it can be  
23 closed out?

24 MR. JOHNSON: Yeah, now, I think that's a  
25 situation where we wouldn't even be opening this

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1 finding.

2 MR. BLOUGH: Right, if we do the  
3 supplemental inspection and the extent of condition  
4 that looks appropriate, root cause is reasonable, and  
5 corrective actions are reasonable. And the schedule,  
6 even if it might go out into the future for quite some  
7 time, if that's reasonable, the supplemental  
8 inspection is satisfactory and that's it.

9 MR. JOHNSON: Yeah. That's right.

10 MR. BLOUGH: And it may be that your PI  
11 changes back to green before your corrective actions  
12 are all implemented, but so be it.

13 MR. JOHNSON: Anymore on that?

14 (No response.)

15 MR. JOHNSON: Okay. Last issue. We  
16 talked about a historical issues a little bit. The  
17 concern was that -- and this grew out of a real  
18 situation that we had during the first year of  
19 implementation -- it was that it's possible that the  
20 licensee will have found an issue. Maybe let's say  
21 it's an old design issue, and will have done a good  
22 look to find it, taking corrective action, and so on  
23 and so forth.

24 When we go out and take a look at that  
25 issue and document it in our inspection report. You

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1 can run it through the SDP and get an SDP result that  
2 is great, that crosses the threshold. How do you  
3 treat those issues, those historical issues like old  
4 design issues? In the assessment process, how do we  
5 decide what actions we're going to take? How do we  
6 balance that with the need to not provide  
7 disincentives, if you will, for licensees to take the  
8 action to go out and find those issues and try to  
9 resolve them?

10 So we talked about the treatment of  
11 historical issues in the assessment process. And we  
12 had probably a couple of hours of good discussion on  
13 this issue.

14 The group actually arrived at alignment on  
15 the determination of significance and how it's  
16 portrayed, and that alignment was that an issue with  
17 current risk significance, that is, an issue that you  
18 can run through the SDP and get a color on, is a  
19 performance issue regardless of whether, you know, it  
20 was sort of an issue that was the result of a licensee  
21 action that is in the recent assessment window or  
22 whether it was something that was done 15 years ago  
23 that the licensee just discovered.

24 And issue is an issue is an issue, and  
25 there was a good degree of alignment on that.

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1           Now, once we've decided what the  
2           significance of the issue is, then that alignment  
3           really broke down, and we really had two camps of  
4           thought, if you will, on how you treat those issues.

5           There was sort of one school of thought,  
6           and I posed four options for folks, and I had them try  
7           to decide where they stood out, and I'm going to tell  
8           you about the two that seemed to carry the most  
9           thinking in terms of where people were.

10          The first was with respect to how you  
11          treat the issue in the action matrix. There was a  
12          school of thought that said we ought to treat these  
13          issue that you can run through the SDP and get a color  
14          just like you treat any other issue in the action  
15          matrix. That is, you put it in the PIM. You put it  
16          in the action matrix. You take whatever action the  
17          action matrix would say you take on those issues, just  
18          like any other issue. That was one school of  
19          thinking.

20          The other was that they're not just like  
21          any other issues. Yeah, we ought to call them what  
22          the SDP says that they are, and we ought to put them  
23          in the PIM, but when it goes to deciding what actions  
24          that we ought to take, we ought to either take a  
25          deviation from the action matrix or we ought to have

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1 some defined class in which those kinds of issues  
2 would fall, and we would provide discretion for those  
3 kinds of issues so we wouldn't end up taking actions.  
4 So that was another school of thinking.

5 The NRC folks tended to think, almost  
6 unanimously tended to think that an issue is an issue  
7 is an issue. The licensees tended to think that we  
8 really ought to be trying to apply some discretion.

9 Now, I guess I ought to just take a second  
10 to tell you the two approaches that really didn't have  
11 anybody that supported them, and one was let's run it  
12 through the SDP, call it a white, put it in the PIM as  
13 a white, but then ignore it, not put it in the  
14 framework. You know, so even though it's a white  
15 issue in the PIM, let's not do anything with it.  
16 Let's just put it in the PIM and leave it there.

17 No one in the room voted for that one.

18 The other approach was an issue is an  
19 issue is an issue. You run it through the SDP. You  
20 assign a color. You put it in the action matrix, and  
21 you take whatever action you're going to take based on  
22 the action matrix, but then should additional issues  
23 come in in the next quarter, then is when we would  
24 allow discretion.

25 Then we wouldn't say take that issue and

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1 put it with another issue and call it a degraded  
2 cornerstone. No one in the room favored that approach  
3 either, or very few people in the room favored that  
4 approach.

5 So people really did say either treat it  
6 like an issue, treat it like any other issue, or put  
7 it in the action matrix, but then have discretion for  
8 the actions that you're going to take at that time for  
9 that particular issue. That's where we came out with  
10 respect to that.

11 The last thing that we talked about was  
12 when do you remove these issues from the assessment  
13 window. Remember I talked about the fact that issues  
14 continue for four quarters. Normal inspection issues  
15 continue for four quarters, and we talked about what's  
16 the correct approach.

17 Again, we had two schools of camp. I'll  
18 let you decide who decided to do what. I can tell you  
19 we were split. One school of thought said, you know,  
20 an issue is an issue is an issue. We ought to keep it  
21 for four quarters just like we would any other issue.

22 The other school of through said, "Hey,  
23 it's not like any other issue. Let's remove it when  
24 it's corrected." So you would have, again, this class  
25 of issues that we wouldn't carry for four quarters,

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1 the thinking being, again, we want to try to avoid  
2 creating a disincentive, if you will, for licensees to  
3 find these issues as we go forward in the future.

4 So, those last two areas are areas that we  
5 know we need to work on, that we know we are sort of  
6 in different areas with respect to how we proceed, but  
7 in general, I think we made good progress in the  
8 session.

9 CHAIRMAN PLISCO: Just for clarification  
10 because one of these issues happened in Region II,  
11 what we're doing now is treat it like any other issue  
12 and keep it for four quarters.

13 MR. DEAN: But then if something else  
14 comes up, then consider it discretionary.

15 CHAIRMAN PLISCO: Yeah, if something comes  
16 up. That hasn't happened yet.

17 MR. JOHNSON: That's right. That's right.

18 MR. TRAPP: An interesting example would  
19 be like RHR's sump valves where I know if you believe  
20 the ASP program, it's a ten to the minus three. So  
21 you have some sort of generic industry issue, like  
22 pressure locking of valves that all of a sudden start  
23 popping up red findings at each unit that that applied  
24 to. It seems in that case you might want some weasel  
25 room.

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1 MR. JOHNSON: Right, right.

2 Okay. Any other questions?

3 MR. GARCHOW: Mike, I wasn't at that  
4 workshop, but if you go back it seems like on a simple  
5 look at it, which is what are we trying to accomplish  
6 with the oversight process and do we need to assign  
7 more resources to this particular utility based on,  
8 you know, some graded approach of the assessment of  
9 the types of issues they are having; so that must have  
10 been in the camp that would say that you would have to  
11 define that discretion because it really doesn't --  
12 the fact that maybe on a good engineering review  
13 somebody comes up with a 15 year old CALC issue that  
14 they fixed, I mean, that may not be indicative of  
15 anything at all with the configuration change process,  
16 which would be the typical one.

17 Was that sort of the basis for --

18 MR. JOHNSON: Yeah.

19 MR. GARCHOW: -- the one camp?

20 MR. JOHNSON: Yeah, I think it was.

21 MR. GARCHOW: And what was the basis for  
22 the other camp then if the oversight process was to  
23 dispatch resources to plants that are having current  
24 performance issues? What was the basis of an issue is  
25 an issue is an issue and just comply with the action

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1 matrix independent of that assumption?

2 MR. JOHNSON: It really sort of turned on  
3 people's perception of what performance was. You  
4 know, we probably spent -- I don't know -- 15 minutes  
5 or a half hour talking about what is a performance  
6 issue, and we talked about the fact that is the  
7 performance issue the performance of the plant, that  
8 is, what you get when you run an issue through the  
9 SDP, or is it a performance of the licensee, the folks  
10 who were at the plant? And is there a difference?

11 And I think the folks who would say an  
12 issue is an issue is an issue would say, "Hey, if you  
13 run something through the SDP and you get a color  
14 result, the public doesn't really care if, you know,  
15 the folks who made the error are at the plant today or  
16 if it's inside the assessment window or if they were  
17 at the plant 20 years ago, when you look at your plant  
18 and you look at what's on the framework, that ought to  
19 reflect that SDP result.

20 So it was that kind of thinking that I  
21 think shaped where people came out with respect to or  
22 at least how people approached the answers about how  
23 we ought to treat issues in the assessment matrix and  
24 how long we ought to keep them resident and that kind  
25 of stuff.

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1 MR. DEAN: Okay. Thanks, Mike.

2 Next we'd like to have Jeff Jacobson talk  
3 to you about cross-cutting issues and problem  
4 identification and resolution. I believe that's on  
5 page 32 of the handout.

6 MR. JACOBSON: Okay. The session on  
7 cross-cutting issues was combined with problem  
8 identification and resolution, which in fact is one of  
9 the three cross-cutting issues that we've called out.  
10 The three cross-cutting issues that we've been talking  
11 about are problem identification and resolution,  
12 human performance, and safety conscious work  
13 environment. Those are essentially the three that  
14 we're predetermined that we're going to focus on, and  
15 that's primarily what our session focused on.

16 The objectives of our session were really  
17 to inform stakeholders of some of the initial results  
18 of the oversight process with regard to cross-cutting  
19 issues. This is an issue that's kind of carried over  
20 from the framework and was discussed in our earlier  
21 workshops. It really boils down to whether or not  
22 people felt comfortable about our framework and our  
23 cornerstones appropriately addressed cross-cutting  
24 issues and whether the process would deal with those  
25 performance concerns appropriately when they're

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1 identified.

2 And essentially the framework looked at  
3 these cross-cutting issues, and one of the basic  
4 assumptions made in the revised oversight process is  
5 that cross-cutting issues, such as human performance,  
6 should they occur, will show up either in the  
7 performance indicators that have been established or  
8 in one of the baseline inspections that are being  
9 done.

10 That's kind of the premise, and the gold  
11 was to try to prove that premise through the data that  
12 we're going to acquire as we go along. So we've  
13 presented some of our initial results with regard to  
14 that.

15 We also discussed some proposed changes  
16 that we're going to be looking at making to the annual  
17 problem identification and resolution team inspection  
18 that we do. We're thinking about moving that to a  
19 biannual inspection. I'll touch on that more in a  
20 minute.

21 Next slide, please.

22 We really had four -- we broke that down  
23 into four specific topics to discuss. The first one  
24 is: does the ROP provide sufficient information on  
25 those three cross-cutting issues? Do our inspections

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1 and our PIs appropriately cover the three cross-  
2 cutting issues of problem identification and  
3 resolution safety conscious work in the environment  
4 and human performance?

5 The next focus area was are there other  
6 cross-cutting issues other than those three I just  
7 mentioned that the ROP should be calling out and  
8 treating separately.

9 The third focus area was once the ROP does  
10 identify a concern in one of the cross-cutting areas,  
11 does the structure of the ROP and our assessment  
12 process appropriately treat those cross-cutting issues  
13 when they're identified?

14 And lastly, the fourth issue, like I said,  
15 has to do with the frequency of our PI&R team  
16 inspection.

17 During the workshop we really presented  
18 our preliminary findings with regard to the first  
19 three issues, not a lot of discussion or dissention,  
20 I guess, on what our preliminary results were. There  
21 were some questions regarding the second focus area,  
22 which is: do we have all of the cross-cutting issues  
23 covered?

24 Some individual expressed concerns like  
25 should we be looking at common cause as a cross-

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1 cutting issue and should we deal with that separately?

2 And our answer to that was, well, that's  
3 really part of the problem identification and  
4 resolution piece, and in fact, our inspection  
5 procedures tell the inspectors when they're looking at  
6 problem identification and resolution to make sure  
7 that common cause has been appropriately addressed.

8 We would also look at that in any  
9 supplemental inspection we did. Where we're looking  
10 at the root cause, one of the questions that is asked  
11 is: what is the extent and condition and generic  
12 nature of the issue? And is there a common cause  
13 associated with the issue?

14 A few individuals I think mainly from the  
15 state regulatory side of the house raised a concern  
16 that if we reduced the frequency of the annual PI&R  
17 inspection, they thought that might have a negative  
18 impact on public confidence. It was really two  
19 individuals, I think, and they were both from the  
20 state regulatory agencies.

21 I'll briefly go over the preliminary  
22 outcomes with regard to each focus area. Like I said,  
23 the first issue had to do with dose the ROP  
24 appropriately cover the three crosscutting issues that  
25 I mentioned.

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1           Our preliminary answer to that is, yes, it  
2           does. Primarily we think it does because when we look  
3           at plants that I know have concerns in the cross-  
4           cutting areas, specifically plants that we have  
5           identified have either weak or problematic PI&R  
6           programs, we notice that those plants have also moved  
7           out of the licensee response band for one reason or  
8           another, and we identified four facilities where we  
9           think that's true.

10           We didn't identify any facilities where we  
11           thought there was a broad, cross-cutting concern. Yet  
12           that facility was still within the licensee response  
13           band.

14           So we think preliminarily at least the  
15           data seems to support the original assumption made  
16           during the development of the framework, which would  
17           be that problems in these cross-cutting areas will  
18           show you either in the PIs or in the baseline  
19           inspections.

20           MR. KRICH: Jeff, did you look at the  
21           reverse, just out of curiosity, where you do a PI&R  
22           inspection, have some findings, but go back and look  
23           to see that, in fact, in general the licensee is doing  
24           corrective actions properly and these were kind of  
25           aberrations?

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1 MR. JACOBSON: We didn't do an exhaustive  
2 review of these things, but what we did is we looked  
3 at the plants that we thought had the worst outcome in  
4 the annual PI&R inspection and then looked to see  
5 where those plants are in the action matrix, and the  
6 four ones that we had the most concern about in our  
7 annual inspection have moved outside the action  
8 matrix.

9 We didn't look at ones that had maybe one  
10 green finding in PI&R to try to make a more general  
11 conclusion.

12 MR. GARCHOW: Jeff, before you move on, I  
13 just noticed on Slide 34 there's an issue about some  
14 discussion apparently at the workshop talking about  
15 human performance. I'd just like for you to comment  
16 on that.

17 I don't know if you inadvertently skipped  
18 that.

19 MR. JACOBSON: Oh, well, I mistakenly  
20 skipped it. One individual, I think, actually a few  
21 individuals raised the issue of maybe we ought to get  
22 rid of human performance as a cross-cutting issue  
23 because it's so subjective, and we had some  
24 discussions about how in the past we may have  
25 inappropriately linked unrelated issues together just

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1 because a human was involved and tried to make a point  
2 that so-and-so has a human performance concern when,  
3 in fact, these were three or four issues that were  
4 really totally unrelated other than the fact that a  
5 human was involved.

6 And when you look at it, just about  
7 everything at the facility has a human involvement at  
8 some point or another.

9 So I think there's somewhat of an  
10 agreement that this is an area that has to be watched.  
11 I don't think we're ready to say that we're going to  
12 eliminate it as a cross-cutting issue yet, but  
13 certainly we don't want to be in the position where  
14 we're linking unrelated events together and trying to  
15 make something out of them just because a human was  
16 involved in the process. That doesn't really serve  
17 anybody any good to do that.

18 CHAIRMAN PLISCO: And it wasn't really the  
19 subjectivity of the individual issue being human  
20 performance. It's really subjectivity in development  
21 of the trend.

22 MR. JACOBSON: Right.

23 CHAIRMAN PLISCO: And what meets --

24 MR. JACOBSON: Yeah, there's no  
25 question --

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1                   CHAIRMAN PLISCO: -- a number of unrelated  
2 issues. What does that mean?

3                   MR. GARCHOW: I can conclude positively  
4 that 100 percent of my performance issues are done by  
5 my workers. So, I mean --

6                   (Laughter.)

7                   MR. JACOBSON: Right.

8                   MR. GARCHOW: -- how do you differentiate?  
9 Who else is going to make the mistakes?

10                  MR. JACOBSON: Okay. Like I said, we  
11 didn't really identify any new cross-cutting issues  
12 with respect to our second focus area. We talked  
13 about human performance and common cause and explained  
14 how each of those are handled in the current program.

15                  I think most of the people were fairly  
16 satisfied with that.

17                  With regard to the third focus area, we  
18 talked about some of the changes that we've made  
19 recently with regard to our guidance to how we treat  
20 cross-cutting issues, and just a synopsis is  
21 originally I think we were somewhat lax in our  
22 guidance as to when we would allow an inspector to  
23 document that a cross-cutting issue exists, and then  
24 we got into this thing with no color findings, and it  
25 got very confusing even for me to understand where we

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1 were.

2 So I think we've made some improvements  
3 where now we're not going to document cross-cutting  
4 issues unless we can tie multiple events to green --  
5 first, it has to be a green finding. That's number  
6 one.

7 And then you have to have several of those  
8 green findings in a certain area, and they have to be  
9 causally linked. The example I spoke of before would  
10 not work where it was just because it was a human, but  
11 let's say you had four errors made in a short time by  
12 one operating crew in a certain area. That might be  
13 something more of a specific cross-cutting issue that  
14 we would be concerned with.

15 So we've tightened up the guidance with  
16 regard to our documentation. We do not engage in  
17 inspection space anyway on cross-cutting issues. All  
18 issues have to be run through the SDP, and they go  
19 into the action matrix, and the action matrix governs  
20 what type of supplemental inspections we would do.

21 We would not do supplemental inspections  
22 solely for a cross-cutting issue, but we do deal with  
23 cross-cutting issues in our documentation and in the  
24 inspection reports and in our assessment process and  
25 some of the letters that we would send out to the

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1 licensees. If we felt it was a significant cross-  
2 cutting issue we would highlight that.

3 We would probably also use that if the  
4 licensee moved out of the licensee response band.  
5 That would be a factor. That would be taken into  
6 account when we plan our supplemental response.

7 So, for instance, if we thought that there  
8 was a weakness in the licensee's corrective action  
9 program, we would maybe allocate more resources into  
10 looking at the root cause of a performance issue than  
11 we would at a licensee where we had determined they do  
12 real good root causes and have a good corrective  
13 action program.

14 But even within that there's a range of  
15 resource allocations that we work from. Lastly, we  
16 discussed the basis for a possible reduction in the  
17 frequency of the annual PI&R inspection. We think  
18 probably an inspection once every two years is more  
19 appropriate at most plants.

20 However, we feel that at some plants we  
21 want to continue an annual inspection, and the debate  
22 is what is the threshold for which plants get it every  
23 two years and which plants get it every one year.

24 And there's some proposals that have been  
25 put forward, such as if the licensee is in the

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1 licensee response band, they would get it every two  
2 years, and if they move to one of the other columns in  
3 the action matrix, they would get it every year, and  
4 the question is: is that going to be tied to the  
5 degraded cornerstone column or the second column in  
6 the action matrix? Or specifically how we work out  
7 the details, we have to get through that.

8 So we haven't definitively defined where  
9 the threshold is going to be, but pretty much everyone  
10 is in alignment that there ought to be some that's  
11 every two years and some that's every one year.

12 We also talked about preserving the  
13 ability to follow up on issues throughout the year as  
14 part of our overall approach to looking at PI&R, but  
15 right now our inspection program allocates about ten  
16 percent of each inspection procedure to looking at  
17 PI&R.

18 We don't specifically account for it, but  
19 it's supposed to be part of that process, and that's  
20 been a challenge due to the fact that we don't  
21 specifically allocate for it, and we haven't been real  
22 good about documenting when we do that.

23 So one of the changes we're proposing is  
24 that we may add a PI&R section to every inspection  
25 report so it would make it more visible and it would

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1 help account for it.

2 Also, if we go from an annual to a  
3 biennial inspection, that's going to save about 100  
4 hours a year in the PI&R area, and there's a  
5 discussion of using some of those hours to establish  
6 somewhat of a pool approach where you could follow up  
7 on some selected issues throughout the course of the  
8 year.

9 The question is: how much of those hours  
10 do we allocate and how much do we save and how much do  
11 we spend? And we're still working on that. Hopefully  
12 within the next month or so we'll come up with an  
13 approach to that issue.

14 That's essentially all I have.

15 CHAIRMAN PLISCO: Jeff, I just wanted to  
16 mention, and maybe Jim can provide some input on this.  
17 The information I get from the inspectors, even though  
18 the procedure does say ten percent from PI&R, in  
19 reality they're actually spending much more than that  
20 typically, especially the residents. I think they're  
21 on a day-to-day basis because they spend a lot of time  
22 looking at individual corrective actions as they come  
23 through the system every day, and I think in actual  
24 experience they're spending more than that ten percent  
25 even though we don't account for it in our own

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1 accounting system. So we don't have any actual  
2 numbers.

3 But, Jim, what's your perspective?

4 MR. MOORMAN: Yeah, a lot of that review  
5 gets charged to plant status. We review -- if they do  
6 what I do, is they review every condition report that  
7 gets written in the plant, and then we follow up on  
8 selective ones, and then the ones that rise to the  
9 level go through the questions, and then subsequently  
10 get followed up. There's either findings or non-cited  
11 violations.

12 So to a certain degree we are following  
13 the problem identification and resolution issues.  
14 Having done some of the inspections, I personally  
15 believe that we may be a little bit more effective  
16 doing it on a day-to-day basis than we would just  
17 coming in to do it on a one-shot inspection.

18 But that's how we're doing that.

19 MR. JACOBSON: Yeah, I think one of the  
20 challenges is in the documentation, and like you said,  
21 you're doing it as part of plant status. What exactly  
22 constitutes PI&R versus -- I mean, it's almost  
23 intertwined in many of the activities that we looked  
24 at.

25 To stop and say, "Well, now I'm really

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1 looking at PI&R," it's not always apparent. The  
2 challenge is to be able to document it in a way that  
3 when they do the team inspection that they can  
4 integrate those results and come away with a  
5 meaningful assessment of PI&R that would include both  
6 the samples that were reviewed throughout the year, as  
7 well as what was looked at during the team inspection.

8 But that's the goal, and that's where  
9 we've had some challenge in integrating those results  
10 due to the way that we've been documenting things.

11 MR. MOORMAN: Well, we always ask the  
12 questions about the condition reports that we review.  
13 Do they understand the problem? Have the corrective  
14 actions been assigned appropriately? And are they  
15 following through with those corrective actions?

16 And 95 percent or more of the time the  
17 answer to those questions is, yes, they're doing just  
18 fine, but there are on occasions where we find some  
19 instances where they don't.

20 I guess what I would be curious in knowing  
21 is what percentage of findings in the PIR reports  
22 relate to problem identification and resolution and  
23 not just issues that were identified by reviewing the  
24 list of condition reports. I don't know if the staff  
25 has that data or not.

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1 MR. GARCHOW: Say that again.

2 MR. JACOBSON: I don't understand the  
3 question.

4 MR. MOORMAN: Well, what my question is:  
5 what number of findings in a problem identification  
6 and resolution inspection report are findings related  
7 to the program itself as opposed to findings that were  
8 discovered by the team that the residents missed?

9 That's kind of what it comes out to be.

10 MR. JACOBSON: I don't --

11 MR. GARCHOW: Not making findings that,  
12 hey, here was an issue that maybe you had an  
13 inadequate root cause and came back because your  
14 corrective actions weren't timely rather than just  
15 here's an issue?

16 MR. MOORMAN: Exactly.

17 MR. JACOBSON: You mean -- okay.

18 MR. DEAN: How many different issues were  
19 found by the inspection team that weren't found  
20 through the routine inspection process? Is that --

21 MR. MOORMAN: Yeah.

22 MR. JACOBSON: You mean like hardware  
23 deficiencies in the field?

24 MR. MOORMAN: Right, right. You know,  
25 when the team comes in, they get a list of condition

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1 reports and go through it to pick out the ones, you  
2 know, sort of a smart sample of condition reports that  
3 may have issues with them.

4 Sometimes they'll see condition reports  
5 and decide, well, yeah, this is an issue. It has  
6 nothing to do with the corrective action program, but  
7 yet it goes in that particular inspection report.

8 MR. JACOBSON: Well, I would say that in  
9 most cases if we and the team inspection find an issue  
10 that the licensee was unaware of or had  
11 inappropriately characterized --

12 MR. MOORMAN: Well, they got it from the  
13 list of condition reports.

14 MR. JACOBSON: Yeah. Well, they may have  
15 gotten it, but it may have been -- it may have been  
16 inappropriately characterized, let's say.

17 MR. MOORMAN: Well, then that would be a  
18 problem identification and resolution issue if it's  
19 not characterized properly whether it's adverse or  
20 significance or however they categorize the plan.

21 MR. JACOBSON: Right.

22 MR. MOORMAN: But the issue just typically  
23 doesn't change. The issue, the facts of the issue  
24 don't change; the corrective action doesn't change.  
25 The issue then becomes a regulatory issue, and it goes

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1 in the inspection report.

2 CHAIRMAN PLISCO: But I can't give you a  
3 full answer. I've been going to most of the PI&R exit  
4 meetings in Region II for this first year, and most of  
5 the findings I would say are issues with the program  
6 that the team had developed, but as you well know,  
7 some of those issues they developed they got hints  
8 from the resident inspector of areas that they ought  
9 to peek at, you know, things that have come up during  
10 the year.

11 So they didn't start, you know, to just  
12 look at this whole program. They had some  
13 intelligence from the resident inspector of areas that  
14 they had seen signs and maybe some problems that they  
15 thought needed development, and the PI&R team when  
16 they came in did that.

17 So I mean, I think sometimes maybe there  
18 are issues there that maybe the residents aren't aware  
19 of, but in most of the cases the residents actually  
20 pointed them in the direction.

21 MR. JACOBSON: Well, why is that not a  
22 success in either case? I mean from a program  
23 perspective, I don't care if it's the resident or the  
24 team. The fact that the NRC identified something that  
25 was -- I mean, that's the way I'd look at it.

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1           We're not trying to play the residents  
2           versus the team or whatever.

3           CHAIRMAN PLISCO: Yeah. That's what I'm  
4           saying. I think there are success stories where I  
5           think the residents did see signs of some potential  
6           issues and then the team, you know, has a lot more  
7           latitude and time to develop the issue, and they did.

8           MR. JACOBSON: Okay. Any other questions?

9           (No response.)

10          MR. JACOBSON: Thank you.

11          MR. DEAN: Okay. Thanks, Jeff.

12          The last point starts on page 52. This is  
13          communication issues. Randy was actually the sponsor  
14          for that session. So he may be able to chime in in  
15          appropriate moments.

16          Basically the five issues we came forward  
17          with were the ones listed here. The first one was and  
18          is a notable internal issue in terms of the change in  
19          threshold and inspection report documentation and the  
20          fact that there's still a body of insights,  
21          observations, feedback that the inspectors can provide  
22          licensees and which for the most part most licensees  
23          are desirous of receiving.

24          And some of the discomfort that some  
25          inspectors feel in sharing information that doesn't

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1 make its way into the inspection report and concerns  
2 about public confidence and, you know, in a lot of  
3 respect concerns about covering themselves if  
4 something were to emerge at a future date that may  
5 have been related to a low level issue that they had  
6 informed the licensee of in the past and did not get  
7 documented.

8 So there's a lot of internal issues  
9 associated with that first one.

10 The second item was really more an attempt  
11 to get some insights regarding the role of the annual  
12 assessment meeting and how we can make that productive  
13 and beneficial both for the NRC, the licensees and our  
14 public stakeholders.

15 The third item there, the Web page was  
16 just an opportunity to try and solicit feedback on  
17 ways that we can improve the Web. The fourth issue  
18 there was one that would have been alluded to earlier  
19 regarding public communication regarding the  
20 significance determination process and the perception  
21 that discussions or negotiations or whatever were  
22 being done not in the public way, and so we talked  
23 about that issue, and some ways we can improve in that  
24 area.

25 And then the last item there was ways that

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1 we could improve the way that we, the NRC, solicit and  
2 consider and integrate public feedback, including  
3 assuring that those individuals, organizations have a  
4 good understanding of how their feedback was  
5 considered.

6 We had some other issues that were raised  
7 in the course of all of these discussions. A lot of  
8 discussion took place regarding the concept of not  
9 documenting minor violations, which is an  
10 organizational philosophy that's been in place for  
11 several years. It's not a reactor oversight process  
12 issue. That was an issue that came with improvements  
13 or refinements in the enforcement process.

14 But we had a lot of discussion regarding  
15 documentation of minor violations and minor issues,  
16 and some parties felt it was important to do that for  
17 a completeness factor, but we've opted thus far not to  
18 document those for an efficiency and effectiveness  
19 factor and be able to assure that what's in the  
20 inspection reports are those things that we want the  
21 licensees most to focus upon.

22 Some discussion regarding that compliance  
23 is not commensurate with significance. That's  
24 obviously something that's been illuminated by this  
25 process, and the focus on significance at times are

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1 compliance issues that aren't significant necessarily  
2 in terms of plant safety, but they are significant in  
3 terms of assuring that licensees are in compliance  
4 with the regulations, which still is a basic  
5 underlying premise of our oversight process.

6 So we had some discussion about that  
7 issue.

8 The third bullet there in terms of being  
9 able to describe in our write-ups of findings in the  
10 SDP how the SDP was utilized, how do we answer the  
11 questions, how do we get to where we were with respect  
12 to a finding, that that was an area that was noted by  
13 all stakeholders as an area that we can improve in  
14 both internally as well as externally.

15 There was a suggestion that we should  
16 consider a Web site for decommissioned plants that  
17 provides as much information and insight about the  
18 status of decommissioning plants, as well as operating  
19 plants, and that's something that we committed to get  
20 back to our staff here that handled decommissioning  
21 plants.

22 In terms of establishing a feedback  
23 process for licensees on the ROP, we do have the  
24 frequently asked question process for performance  
25 indicators, but some licensees expressed a desire that

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1 we consider establishing a formalized feedback process  
2 that is broader, and so that's something that we took  
3 back with us.

4 And then we did not -- this is kind of  
5 jumping ahead to outcomes -- but there was no  
6 consensus on the annual assessment meetings for all  
7 green plants, whether we ought to have them or not.  
8 So that was something that engendered a lot of  
9 discussions.

10 CHAIRMAN PLISCO: But we are doing them  
11 this first --

12 MR. DEAN: We are doing them this first  
13 year, absolutely, absolutely.

14 We received a lot of comments to consider  
15 in all of those areas. I kind of highlighted a few.  
16 With respect to the Web page, I think one good set of  
17 feedback that we're going to consider in terms of  
18 revising the way the Web page works at least in terms  
19 of how it displays performance assessment is instead  
20 of starting from basically a level where you have the  
21 details and working up to the overall, to start with  
22 a first page as you enter the Web page with kind of an  
23 overall picture of where is a particular plant  
24 relative to the action matrix, and then allow you to  
25 migrate down and get to actually individual issues and

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1 PI trends and things like that.

2 That was a good suggestion. Also some  
3 suggestions in terms of what can we do to make it  
4 easier to navigate; that perhaps we should consider  
5 when we describe certain aspects of the process like  
6 what does a certain PI mean. You know, right now we  
7 use the specific language that's associated with the  
8 99-02 guidance, which is fairly --

9 MR. GARCHOW: Obtuse.

10 MR. DEAN: -- obtuse. Thank you. I was  
11 looking for the right word. That's a good one.

12 We can put that perhaps in a more  
13 accessible language for the public stakeholders, and  
14 that was a good suggestion as well.

15 So we got a lot of good feedback, and  
16 those were all things that we'll consider, and you'll  
17 start seeing some improvements with respect to the Web  
18 page. In fact, a lot of the suggestions we got were  
19 things that we were already working on, and as a  
20 matter of fact, Ron Frahm over here is my key staff  
21 member responsible for that, and you'll start seeing  
22 some of the improvements that were suggested at this  
23 meeting already taking place, and you'll see those in  
24 the next roll-out at the end of this month.

25 In terms of we got a number of suggestions

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1 on how we could better respond to the public comments  
2 on the oversight process. One suggestion, as a matter  
3 of fact, that Ray made was something that he had seen  
4 successful in other arenas, which is establishing some  
5 sort of matrix set-up that shows, you know, public  
6 feedback in what area and how was it considered.

7 And so that might be something depending  
8 on the volume that we get in terms of public feedback,  
9 might be something that's worth considering, and I  
10 think that probably would be a good suggestion for us  
11 to look at in terms of the feedback we get in the  
12 Federal Register notice. I think that might be a real  
13 valuable approach to display that. So we're going to  
14 look at that as a possible suggestion for the next  
15 month or two when we collect all of that feedback.

16 And then in terms of considering ideas for  
17 public interaction in conjunction with the annual  
18 assessment meeting, like I said, there wasn't a  
19 consensus in terms of how valuable that meeting is.

20 I think one of the important thoughts that  
21 was brought out, particularly for plants that are in  
22 the licensing response band where you don't have a lot  
23 of notable issues that emerged during the year to  
24 discuss, to make that a valuable meeting, the  
25 licensees ought to bring to the table those types of

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1 issues that they have, things that they've come out  
2 with out of their own self-assessment, and share those  
3 insights with the NRC.

4 And I think that would make probably for  
5 a more valuable meeting in terms of giving feedback to  
6 the NRC, but also presenting to the public  
7 stakeholders, you know, a view and opportunity to see  
8 what is it that a licensee is doing in terms of trying  
9 to develop their own aggressive self-assessment  
10 program.

11 So that was one of the thoughts that came  
12 up.

13 MR. KRICH: That's a good point. It's  
14 kind of like the mid-cycle meetings that some of us  
15 used to hold, where we'd go in and tell the NRC where  
16 we thought our performance was to see if there was a  
17 match-up.

18 MR. DEAN: Right.

19 MR. KRICH: So are you going to try to do  
20 this for this first round of assessment meetings?

21 MR. DEAN: Well, the first round of the  
22 assessment, I mean, the guidance is what it is.  
23 Basically we go out there, have an annual public  
24 meeting. It's a graded approach. If you're a plant  
25 that's in the licensee response band, you can expect

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1 to see the branch chief, you know, come out and meet  
2 with you.

3 We want to use that also as an opportunity  
4 to interface better with the public. For example, one  
5 of the things that Region II does for these annual  
6 meetings is they actually send letters to various key  
7 public stakeholders, and they have a meeting with  
8 those public stakeholders after the assessment  
9 meeting, and that's been very beneficial, I think, in  
10 terms of Region II being able to interface with those  
11 other public stakeholders and to get their feedback  
12 and to let them know what we're working on and receive  
13 comments.

14 So, you know, that's not something that  
15 we've mandated for all of the regions. All we really  
16 have told the regions is that you should use this as  
17 an opportunity to interact with your public.

18 We haven't mandated a way to do that. I  
19 think that some regions can provide some good lessons  
20 that I think other regions should consider. I know  
21 Region IV has developed some valuable insights from  
22 their public meetings.

23 You know, this all fits within the  
24 agency's four performance goals of, you know, public  
25 confidence, with efficiency and effectiveness, and you

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1 know, on the surface you can say, "Oh, green plant.  
2 Gee, we don't even need an annual meeting," but there  
3 are some other things that can be done, I think, of  
4 value for some of these other performance goals that  
5 an annual meeting really -- you know, I myself am a  
6 strong supporter of having an annual meeting. We just  
7 need to make sure that we utilize it in a way that  
8 best satisfies our needs, the licensee needs, and the  
9 public needs in the area.

10 And obviously depending on where you live  
11 in the country, those needs are different.

12 MR. BLOUGH: The guidance for this first  
13 time through says, in part, that the staff should give  
14 the licensee an opportunity at that meeting to present  
15 any information they want about existing or new  
16 programs designed to maintain or enhance performance.

17 So it requires the staff to give the  
18 licensee an opportunity, but of course, it can't  
19 require the licensee to make any of that presentation.  
20 So that's where it ends up.

21 If a plant has got all green findings and  
22 indicators and they don't want to present any of that  
23 information that the staff is required to give them an  
24 opportunity for, you can have a fairly bland meeting.

25 MR. BROCKMAN: There is one significant

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1 difference from the previous program, and that's for  
2 those plants that are in that licensee control band,  
3 the senior person there is the branch chief.

4 MR. DEAN: Right.

5 MR. BROCKMAN: Which has historically not  
6 been satisfying to most licensees for that  
7 presentation. They're looking to get a higher level  
8 audience.

9 MR. DEAN: Higher profile, yeah.

10 I don't know. Randy or Ray, you were an  
11 active participant in that session. I don't know if  
12 you have anything to add or --

13 MR. BLOUGH: No, it was really almost a  
14 brainstorming session where the staff was trying to  
15 get ideas in several areas on how to improve things.  
16 There wasn't a lot of consensus from the participants  
17 except on very high level principles. The details,  
18 there was a wide range.

19 It certainly met the objective of getting  
20 a lot of ideas how we might do things better.

21 MS. FERDIG: Were there any public  
22 stakeholders in that conversation?

23 MS. BLOUGH: Just a few, but you know,  
24 David Lochbaum was there, but he had another  
25 commitment, and so he presented some slides and

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1 participated for about half of the time, and Ray was  
2 there and participated very actively, and then three  
3 states, Pennsylvania, New Jersey, and Illinois, were  
4 there, and they were all fairly outspoken and provided  
5 a lot of ideas and a lot of insight.

6 MR. DEAN: So we had good, active  
7 participation from those public stakeholders that were  
8 there. No question.

9 Okay. With that, I've just got two more  
10 slides really to talk about. That's future milestones  
11 and activities, the last two slides. Page 55 talks  
12 about really some near term stuff.

13 The first item is one I've already talked  
14 about, getting the input on the Federal Register  
15 notice and evaluating that, and that will pretty much  
16 complete the picture in terms of all the feedback  
17 processes that we've tried to implement this first  
18 year.

19 We will have had the internal survey  
20 results, hopefully analysis complete by then.  
21 Obviously the results of this workshop. We've got a  
22 meeting tomorrow, and as a matter of fact, to kind of  
23 do a post mortem on the workshop and where do we go  
24 from here with those results, as well as all of the  
25 feedback that we've collected over the past year in

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1 terms of, you know, helping formulate the Commission  
2 meeting paper on the first year of initial  
3 implementation.

4 We had the first agency action review  
5 meeting in June, June 26th through 28th. That's the  
6 replacement for the senior management meeting, and it  
7 really takes on a whole different flavor. It's not  
8 necessarily a decision making meeting, as opposed to  
9 really a validation of the approach that we've taken  
10 for those plants that are in the multiple, repetitive  
11 degraded cornerstone column or above, as well as  
12 consideration of industry trends, consideration of ROP  
13 self-assessment results.

14 The Commission paper is due on initial  
15 implementation about the same time, late June, and our  
16 briefing for the Commission on initial implementation  
17 results is July 20th of this year.

18 So those are some of the near term  
19 milestones in terms of specific to the reactor  
20 oversight process and, you know, looking at what this  
21 panel was formed to do.

22 I want to spend an opportunity just to  
23 talk about a couple of kind of broader activities that  
24 are taking place. One is the risk-based performance  
25 indicators, and you all have had some information

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1 provided to you over the course of your time together  
2 on what we're doing in terms of risk based performance  
3 indicators.

4           There currently is a white paper  
5 describing the phase one process of the risk based PI  
6 program that is out for public comment, and there's a  
7 meeting April 24th, I believe, a public meeting, and  
8 then after that point the public comment period will  
9 close, and the research staff that has developed that  
10 program will basically consider all of the public  
11 feedback they receive, make a recommendation to us  
12 here at NRR, and then we'll make some decisions about  
13 where to move forward, you know, what performance  
14 indicators or what family of performance indicators do  
15 we want to consider moving forward on.

16           What are the ones that we don't think  
17 there's any benefit in moving forward on? And start  
18 working on how will we integrate the results of that  
19 program and what needs to be done further to improve  
20 the reactor oversight process.

21           I will say that my own personal  
22 observations are there's a couple of areas that I  
23 think that they can help us improve on. One is within  
24 the realm of safety system unavailability and  
25 reliability. They're developing a process that

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1 incorporates plant specific thresholds so that the  
2 performance indicators are basically tailored towards  
3 individual plants and their design, and we think that  
4 that will be beneficial.

5 It will also help separate some of these  
6 issues we have with fault exposure time by having a  
7 reliability indicator. So we think that that's one  
8 place that is certainly worthy of further development.

9 The other area that I feel strongly that  
10 will give us some insights is some of the data that  
11 they're looking at, things like initiating event  
12 trends, common cause failures, will give us some  
13 benefit perhaps not on an individual plant performance  
14 assessment arena, but within our industry trends  
15 program and trying to develop some trends that will  
16 help us support the belief that the reactor oversight  
17 process is, indeed, maintaining safety.

18 Those are the two areas that I think that  
19 we'll get the most benefit out of the risk-based  
20 performance indicators, but that's just my own  
21 personal observations.

22 The industry trending program, we hope to  
23 have a Commission paper by late this month or early  
24 next month that will describe what we're doing in  
25 terms of industry trending. The industry trend

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1 program will borrow from some of the processes that we  
2 already have in place. For example, the accident  
3 sequence precursor program that the Office of Research  
4 currently runs in terms of looking at events,  
5 conditions, and providing after all the information  
6 in, providing a risk characterization of that event or  
7 condition and the trends that we see in there in terms  
8 of significance in number of issues that fall within  
9 the ASP program.

10 There's other things that research does  
11 that provides us insights about industry-wide  
12 performance initiating that frequency, data,  
13 reliability studies that they do on a periodic basis.  
14 Those are all things that we will continue to  
15 incorporate into our industry trends program.

16 But we also will look at developing  
17 industry-wide performance indicators that will be  
18 based on both the current what we refer to as the AEOD  
19 performance indicators, but those performance  
20 indicators that that office collected for quite a  
21 period of time, there's a lot of history with those,  
22 a lot of good trend data, and then as we get more  
23 information associated with our current performance  
24 indicators to the point that we can feel that we have  
25 enough information to call it a trend, then we'll

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1 migrate away from those AEOD performance indicators  
2 that aren't needed that are duplicative of what we  
3 have in our reactor oversight process, but basically  
4 trend that data on an industry-wide basis and look  
5 for, you know, any potential trends in industry that  
6 might show a decline in overall performance that may  
7 not be reflected in individual plant performance  
8 results.

9           And then we're also looking at other  
10 aspects of the oversight process, you know, for  
11 example, inspection program results and things like  
12 that, action matrix. You know, where do plants find  
13 themselves in the action matrix over time? And  
14 utilize all of that to develop trend data, which is,  
15 you know, things to look at over three and four-year  
16 periods of time, not on a quarter-by-quarter basis  
17 like the ROP does.

18           So you should see something hopefully,  
19 like I said, by the end of this month that describes  
20 where we think we're going in that area.

21           And then the last area is the oversight  
22 process self-assessment. I've described earlier our  
23 philosophy that we want to have a continuous self-  
24 improvement aspect to the oversight process, and we've  
25 defined an annual self-assessment process that

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1 includes, you know, consideration of feedback that we  
2 received throughout the year.

3 We'll probably utilize some form of  
4 soliciting stakeholder feedback on results that will  
5 incorporate looking at any significant issues or  
6 events that occur during the year and taking that  
7 feedback and basically rolling that all up into some,  
8 you know, global self-assessment of the oversight  
9 process and where it is that we can make improvements,  
10 refinements. You know, where does it appear to be  
11 doing its job? Where does it perhaps appear to be  
12 missing the mark? And use that as a means of  
13 continuous self-improvement.

14 And in my mind those are, you know, three  
15 of the biggest activities that are going on that have  
16 the potential to influence the ROP on a long-term  
17 basis.

18 MR. KRICH: Bill, maybe I'm missing  
19 something here, but we had gone through with you  
20 before the current self- assessment that you're going  
21 through, went through all of the --

22 MR. DEAN: All the metric --

23 MR. KRICH: -- metric schools, all of the  
24 metrics that you're using.

25 MR. DEAN: Correct.

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1 MR. KRICH: In fact, you showed us some  
2 preliminary results that were not terribly meaningful  
3 because you just didn't have enough data.

4 MR. DEAN: Correct.

5 MR. KRICH: Is that going into the report  
6 that you're sending to the Commission and then --

7 MR. DEAN: Right. Yeah, we will take the  
8 aspects of that that are -- we're debating right now  
9 whether to develop a separate report that takes the  
10 results from the metrics and provide some analysis to  
11 that and make that an attachment to the Commission  
12 paper or whether to send that up under separate cover.

13 I think what we'll see in the future is  
14 something like that would go up. We'd probably see  
15 three pieces go to the Commission on an annual basis.  
16 One would be the results of our self-assessment, which  
17 will include those, plus all this other stuff that I  
18 described.

19 A second would be the industry trends;

20 And then the third would be, you know, the  
21 annual role of a plant performance and maybe a three-  
22 prong.

23 MR. KRICH: So that would go into that  
24 third bullet --

25 MR. DEAN: Correct.

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1 MR. KRICH: -- basically on a continuing  
2 basis.

3 MR. DEAN: Correct, correct.

4 MR. KRICH: Okay.

5 MR. DEAN: So we're still refining that,  
6 you know. As we collect data and look at it, we find,  
7 you know, much like you all find in your own, you  
8 know, metric programs that you set up for plant  
9 performance; you know, you find some that aren't  
10 worthwhile and you come up with ideas. You know,  
11 we're still doing that.

12 MR. KRICH: So just out of curiosity, is  
13 there any value in looking at the results that you've  
14 gotten so far or is there much more information to  
15 look at from --

16 MR. DEAN: Well, basically we have an  
17 additional quarter's worth of data from what we had  
18 last time.

19 PARTICIPANT: That's not even in yet.

20 MR. DEAN: Yeah, still not -- I don't  
21 think I would feel comfortable in terms of  
22 demonstrating any trends beyond things that we're  
23 already reacting to based on, you know, the anecdotal  
24 feedback that we've gotten from either licensees or  
25 internally.

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1           And we're struggling a little bit with the  
2 display. I don't know if Mike looked at it. You  
3 know, I gave Mike some feedback.

4           We had a third quarter data set about two  
5 or three weeks ago, and I gave Mike a lot of feedback  
6 on ways that we can improve it, and you know,  
7 obviously we haven't had much time to work on it with  
8 the workshop.

9           So, you know, we hope to in the next  
10 couple of weeks clean that up and at least get the  
11 third quarter data out. The fourth quarter data is  
12 due at the end of this month, you know. So that will  
13 probably follow close on the heels.

14           So our goal is to have by the end of the  
15 fourth quarter, i.e., the data we're going to collect  
16 here in the next three or four weeks, to have a  
17 complete set that has analysis in each of the areas,  
18 but we don't have it now.

19           MR. SCHERER: So I understand, the answer  
20 to Rod's question is that you really don't have  
21 anything significant that changed from the first  
22 briefing you gave us and your October 16th, 2000 --

23           MR. DEAN: No.

24           MR. SCHERER: -- memo?

25           MR. DEAN: No, not beyond the things that

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1 we described here.

2 MR. BLOUGH: On October 16th, they  
3 outlined the program.

4 MR. DEAN: Right.

5 MR. BLOUGH: And then a couple of meetings  
6 later, they came in and they gave us data and charts,  
7 primitive charts.

8 MR. DEAN: Primitive, yes.

9 MR. BLOUGH: That had two quarters' worth  
10 of actual data on them.

11 MR. DEAN: Right.

12 MR. BLOUGH: I forget which meeting that  
13 was.

14 MR. DEAN: That was the one down in the  
15 hotel down in Bethesda.

16 MR. BLOUGH: January, and now you probably  
17 have three quarters' worth of data.

18 MR. DEAN: Right, and we're in the  
19 process, you know, based on our own assessment of the  
20 quality of the last product, we're trying to improve  
21 it, make it more, you know, reader friendly. But  
22 there isn't much, you know, in terms of another  
23 quarter's worth of data that gives us anything that we  
24 feel comfortable in making any sort of analysis on  
25 just based on that metric data.

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1 MS. FERDIG: What kind of response have  
2 you been getting from the Federal Register notice, or  
3 is that still open and therefore --

4 MR. DEAN: Right. It's still open, and I  
5 don't think that we've gotten anything. We haven't  
6 even checked. You know, we've been checking just for,  
7 you know --

8 MS. FERDIG: To see if you're getting  
9 anything.

10 MR. DEAN: Right, right.

11 MR. GARCHOW: So, Bill, maybe you have  
12 this. It's just not well advertised, but is there one  
13 place where you could go where you have like sort of  
14 a project manager, where you have on a couple of  
15 sheets of paper like what it is we're trying to do in  
16 the short term to improve the inspection program?

17 Do you have like an integrated action plan  
18 that describes all of the different facets? Because  
19 I see you've taken a lot of input in. So it's like a  
20 blender, but in the end that has to be used to  
21 influence, you know, some sort of short and midterm  
22 action plan.

23 And I have yet to see from NEI or the NRC  
24 any, you know, where you could pick up a document and  
25 say, "Yep, here's the major thrust in the next 90

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1 days, 180 days, or next year for inspection, PIs,  
2 SDPs."

3 I mean, so it's sort of hard to just grab  
4 that all in one spot.

5 MR. DEAN: Yeah, I would offer a couple of  
6 things in response to that. You know, as I mentioned  
7 earlier, one of the things that we tried to do for the  
8 initial implementation period was to hold the program  
9 as stable as we could. I identified some of those  
10 things where we've made mid-course corrections or  
11 changes because we felt we needed to, but for the most  
12 part, our changes have been along the lines of  
13 refinements. Okay? We haven't made any significant  
14 changes.

15 I think the workshop that we had last week  
16 was, in addition to the feedback we're going to get,  
17 you know, at the end of this month we're going to the  
18 Federal Register notice, and the analysis of the  
19 inspector survey will provide pretty much kind of an  
20 over arching cap over what it is we think we need to  
21 work on.

22 Like I said, we're going to have a post  
23 mortem meeting tomorrow. We were going to have it  
24 this afternoon, but you guys -- I talk too long.

25 But the intent of that is to start then

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1 planning out, okay, what is it that we need to work on  
2 near term. What is it we need to work on long term?

3 I will say that our major near term goal  
4 right now is associated with the inspection  
5 flexibility and resources issue, the internal issue  
6 that I identified earlier today; to develop for the  
7 regions to use when they go into their planning for  
8 the end of cycle meetings in early May that they have  
9 an outline of what the inspection program should look  
10 like for the next year.

11 MR. GARCHOW: I'd just offer a suggestion  
12 that if you had some sort of living project planned  
13 where you could see what you are trying to work on or  
14 enhance over a period of time. I think that would  
15 help everybody, the inspectors, the public, NEI, the  
16 utility.

17 Because I spent a lot of my licensing  
18 manager's time trying to figure out exactly what's  
19 going on in each of these separate areas because  
20 they're typically done by separate people.

21 MR. DEAN: Right, no.

22 MR. GARCHOW: And the staff, and it's hard  
23 to get one picture of what's going on.

24 MR. DEAN: We do have a project management  
25 plan. It's about 15 pages long, and it does pretty

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1 much what you talk about. It identifies what are the  
2 major issues; what are the key milestones; what dates  
3 do they need to be accomplished by; who's responsible  
4 for them, and we've been using that to get us up to  
5 this date.

6 It includes things like developing the  
7 Commission paper. It includes, for example, our  
8 internal process to revamp our inspector training  
9 program and the manual chapter that goes with that.

10 So we have a product like that. What we  
11 need to do is take the results of this workshop and  
12 integrate that into that plan, but we do have a tool  
13 that does that, but it's, you know, a tad broader than  
14 the oversight process.

15 MR. KRICH: One other quick question I  
16 had, Bill, and it came to mind earlier. There was  
17 a -- I forget -- a GAO; I think it was GAO who did a  
18 survey early on internal to the NRC. The results were  
19 not unexpected.

20 Then you talked about doing this second  
21 internal survey. Is that to show, you know, here's  
22 where we were; here's where we are, or has there been  
23 anything in between?

24 MR. DEAN: Yeah, the purpose of about a  
25 year or so ago GAO did a survey probably about 18, 19

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1 months ago that looked at basically the staff's  
2 readiness to accept risk informed philosophy. It also  
3 incorporated questions that were pertinent to the  
4 oversight process.

5 About the time that those results were  
6 being made public, we had already commissioned an  
7 internal survey ourselves, and we were in a bit of a  
8 quandary because we didn't want to be seen as, you  
9 know, here's our survey to combat your survey, and I  
10 think for the most part we effectively deflected that  
11 comparison, for the most part.

12 But the intent of the survey we're doing  
13 now is, in part, to do that. It's in part to say,  
14 okay, there were some issues that were of concern:  
15 usability, SDP, the predictability of future poor  
16 performance of a licensee in this oversight process.

17 And so part of the intent of the survey  
18 that we sent out last month was to look and see where  
19 do we stand with some of those issues that were, you  
20 know, low ranked issues last time, issues of concern  
21 with our inspectors.

22 But it was also intended to be much  
23 broader in getting insights on the oversight process  
24 to facilitate some of the metrics that we had  
25 established for our self-assessment process. A lot of

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1 those rely on internal stakeholder feedback.

2 So it was to fulfill that feedback need,  
3 to see how are we doing against some of the criteria  
4 for the oversight process, and so it's kind of  
5 twofold. It's basically to help figure out where are  
6 we in the trend in terms of changed management --

7 MR. KRICH: As well as fit the metrics.

8 MR. DEAN: Correct.

9 MR. KRICH: Okay.

10 MS. FERDIG: Is there any reason to assume  
11 GAO will administer another survey in the near future?

12 MR. DEAN: I don't know. I don't know.  
13 It's a good question. I imagine they might if  
14 somebody expressed an interest in Congress that wants  
15 them to go look at it.

16 Anything else I can help you with? We'll  
17 be here tomorrow, Loren, if you need us for anything.

18 CHAIRMAN PLISCO: There was one question  
19 this morning. I think we were waiting for Bill Gray  
20 earlier, looking for some background information on  
21 the basis and genesis of the program, and off the top  
22 of our head we talked about two SECY papers, 99-007  
23 and 07A. Is there anything else if he wanted to go  
24 back and look at the genesis of the program and what  
25 some of the underlying --

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1 MR. DEAN: Yeah, I mean, you can actually  
2 go all of the way back to 1996-'97 time frame and  
3 start looking at some of the SRMs at the Commission.

4 A lot of this, you know, a lot of this  
5 started in the aftermath of Maine Yankee, Ray, as a  
6 matter of fact, the concern that here was a plant that  
7 had heretofore been fairly well rated in terms of the  
8 SALP process, and the next thing you know, they're on  
9 the problem plant list, and then several months later  
10 they're shutting down. You know, how did that happen?  
11 You know, and how come the NRC wasn't on top of that  
12 issue?

13 And so the Commission challenged the staff  
14 back then to look at the SALP process and was that an  
15 effective means of performance assessment, and so out  
16 of that emanated our what we called our IRAP,  
17 integrated review of assessment --

18 PARTICIPANT: Assessment programs.

19 MR. DEAN: Yeah, and that emanated out of  
20 that, and then you get to 1998 and, you know, we had  
21 made pretty good progress with IRAP, and then we had  
22 the defining moment with Senator Dominici, and you  
23 know, we were going to cut the staff by 50 percent, et  
24 cetera, et cetera.

25 And so that spurred us to work even

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1 harder, and that basically provided the impetus that,  
2 gee, maybe we'd better start engaging our  
3 stakeholders, and so that's where we had the meeting  
4 in late '98, the Pook's Hill Marriott, that helped  
5 really germinate the structure and the framework for  
6 the oversight process as it exists now.

7 So, I mean, you can go back and look at  
8 that old information, and then that leads up to, you  
9 know, basically you'll find the description in SECY  
10 99-007 and 007 alpha that kind of described how did we  
11 get from those days to the oversight process that we  
12 used to implement in the pilot program.

13 So if you need any help finding any of  
14 that information, I'm sure we can help.

15 CHAIRMAN PLISCO: We were asking for help  
16 this morning, but we weren't sure where the best place  
17 was to look.

18 MR. SHADIS: You know, you start by  
19 looking at the first piece of paper, and sometimes  
20 that lets you know where else you want to go. I'm  
21 glad, you know, for the offer of help to dig some of  
22 this out.

23 MR. DEAN: Five letters, ADAMS.

24 (Laughter.)

25 CHAIRMAN PLISCO: That's why he asked for

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1 help.

2 MR. BROCKMAN: That was a precursor of his  
3 statement.

4 MR. DEAN: I'm just kidding.

5 MR. SHADIS: I think some of this is  
6 cultural and imbedded in conversations other than  
7 those that take place in the formal forums also. I  
8 had a member of the ISAT team tell me that I was all  
9 wet about Maine Yankee falling off a cliff, that  
10 basically the plant was not in that bad a condition,  
11 and that going on the watch list was politically  
12 motivate, and the owners really wanted to get rid of  
13 it, and you know, it took on a momentum of its own,  
14 but that basically there were very few problems that  
15 couldn't have been readily resolved there, and said  
16 so, you know, in no uncertain terms.

17 So I'm interested to know if the  
18 Commission's original intent in putting this in motion  
19 hasn't been adjusted as the program has grown so that  
20 we're not there anymore.

21 MR. DEAN: I don't think so. I think, you  
22 know, you go back to the four criteria that we've  
23 applied to this process relative to the objectives of  
24 developing an oversight process, and those go back to  
25 the early, you know, feedback we got from the

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1 Commission. They wanted to see something that was  
2 more risk informed, more predictable, more  
3 understandable, and more risk informed.

4 And those have been with us, you know,  
5 since day one. We continue to apply those as criteria  
6 by which to evaluate the program. I think as long as  
7 we stay true to those initial criteria, that the  
8 Commission challenges the process that was better in  
9 those respects, you know, I think that we're on fairly  
10 solid ground in terms of evaluating how well are we  
11 doing against those.

12 MR. SHADIS: I'd like to make one comment  
13 just in case you're going to bolt out of here soon,  
14 which I suspect. In terms of polling, internal polls  
15 are risky because your own view drives the way the  
16 questions are structured, and you know, if it's all  
17 possible, it's really valuable to get a pool that's  
18 put together by someone else, not necessarily GAO, but  
19 essentially hiring it done.

20 MR. DEAN: Yeah. We talked a lot about  
21 how do we best solicit stakeholder feedback without  
22 delving in to the realm of surveys because, you know,  
23 that would probably just be too difficult a task in  
24 the end.

25 What we tried to do was make sure that --

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1 we did a massive mailing of the Federal Register  
2 notice. We did a detailed mailing to interested --  
3 people who had expressed interest in meetings in the  
4 past and key stakeholders in each of the vicinities of  
5 the plants to, you know, send them the Federal  
6 Register notice, and if they had an interest, to send  
7 it in, send in a response.

8 So that's the way that we thought, you  
9 know, probably achieved the best balance of at least  
10 getting it out there that we were interested in  
11 feedback in this area from the public, but not tying  
12 ourselves to a survey because --

13 MR. SHADIS: Yeah, I was referring to your  
14 internal survey.

15 MR. DEAN: Oh, okay.

16 MR. SHADIS: That, you know, where if you  
17 all are going to put together the questions based on  
18 what you perceive to be the major questions that came  
19 up, and you didn't have a full round of communication  
20 on what were minor questions, some of those may really  
21 loom larger in the end, and sometimes an outside point  
22 of view, even if it's not thoroughly grounded in this  
23 whole, big process, sometimes that can get you a more  
24 accurate view of where you are.

25 MR. DEAN: Yeah. I think our survey, you

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1 know, in trying to do two things, I can see -- you  
2 know, I appreciate your point. If we're just looking  
3 for feedback on the processes and how they're working,  
4 certainly. But if you're looking for feedback from a  
5 more global sense or a reflection on the process and  
6 the appropriateness of the process, you're right. I  
7 mean, our questions could probably be tailored that  
8 maybe would result in maybe not the most accurate  
9 response.

10 And that's something we had to be careful  
11 of, and I know that when we developed the survey, we  
12 sent it out to a number of internal staff members that  
13 didn't have a role in the oversight process to try and  
14 eliminate some of those biases, and I don't think that  
15 we were 100 percent successful, but we tried to make  
16 an effort to do that.

17 But I appreciate your point. IG offered,  
18 as a matter of fact, to help us with a survey. So  
19 that might be something to consider in the future.

20 CHAIRMAN PLISCO: I think what gave me  
21 some confidence -- I had some of the same concerns --  
22 is I talked to Augie Spector. He got, I guess, a lot  
23 of narrative come, and they weren't answers to  
24 specific questions. I think there were many places on  
25 the form where inspectors are given opportunity just

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1 to provide written comments that didn't necessarily go  
2 with the question, and apparently he was surprised at  
3 the volume of what he got in those sections.

4 And I think that's part of the reason it's  
5 taken him a while to go through all of that, because  
6 he got so much. So that gave me a little more  
7 confidence that they didn't just focus on those  
8 specific questions, but that if they had any burning  
9 issues, they provided it with those narrative  
10 sections.

11 MR. GARCHOW: We've done a lot of internal  
12 surveys in our place. I'll tell you: read those  
13 comments. We found that it's going through those  
14 comments on the bottom of the survey forms that  
15 actually give you much, much great insight to what's  
16 really, you know, bothering people or what the issues  
17 are than somebody assigning a one to five score on a  
18 question that always comes out to be about average, a  
19 three, depending on you how write up the survey.

20 MR. BLOUGH: So would you recommend that  
21 Bill gets those narrative comments in the hands of  
22 regional managers.

23 MR. GARCHOW: No, I'm just saying --

24 MR. BLOUGH: Just kidding.

25 MR. GARCHOW: -- my review of those is

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1 probably very insightful. I mean that's what we found  
2 at our sites.

3 CHAIRMAN PLISCO: Is he trying to tell you  
4 something?

5 MR. DEAN: Yeah, he is.

6 MR. SHADIS: Well, you know, for the  
7 public that are activists that are engaged in sort of  
8 oversight oversight, those are the kinds of things  
9 that jump out when there's a differing professional  
10 opinion or, you know, you get a random comment, and it  
11 very often has that what we call the "whoa" factor.  
12 You go, "Whoa, what's this about?"

13 And sometimes there are good insights to  
14 be gained then.

15 MR. DEAN: Absolutely.

16 MR. BLOUGH: I had a question on a  
17 different topic. A lot of the issues here, it was  
18 really evident from these slides the acronym SDP came  
19 up again and again and again in many of these  
20 different areas, and I just wondered if from your view  
21 how much of a hindrance it is right now to be having  
22 so many SDP type issues that we're working on.

23 MR. DEAN: A hindrance? I think that's  
24 just a natural. You know, the SDP is a new tool, and  
25 it's a tool that's intended to help our inspectors

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1 view the significance of an issue in a consistent  
2 manner to be able to divorce a certain level of  
3 subjectivity that maybe has existed in the past.

4 In doing that, in going through the logic  
5 that is defined in each of the individual SDPs,  
6 obviously in developing those we didn't think of every  
7 circumstance or happenstance or, you know, twist or  
8 turn that maybe needed to be considered.

9 And you heard from some of the presenters  
10 today some of the areas that we've identified that  
11 we've fixed because, you know, the way we had it  
12 tailored in the original SDP perhaps wasn't quite  
13 right.

14 We have some of the SDPs that are by their  
15 very nature fairly complex and, you know, the fire  
16 protection SDP in particular, and that in and of  
17 itself applies a certain amount of judgment that needs  
18 to be applied to execute that SDP, and so our  
19 inspections, in trying to do that, struggle sometimes  
20 in making their deliberations.

21 And so, you know, I think we've found some  
22 places where it was needed to give either additional  
23 guidance or clarify the guidance or whatever, but I  
24 would consider for a tool that's only been in place  
25 for a year -- you know, I'm still of the opinion that

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1 the significance determination process was perhaps the  
2 most important feature in the oversight process in  
3 trying to achieve those objectives of being risk  
4 informed and objective and predictable.

5           You know, we may not have been necessarily  
6 effective and efficient in some of them. Some of them  
7 have taken longer, but I think that's just a natural  
8 growth process of implementing a new tool that is at  
9 the very core of our decision making.

10           So I'm not bothered by it. I think it's  
11 to be expected that we'd see enhancements and, you  
12 know, I think out of the seven or eight SDPs that we  
13 have, you know, the physical protection one was one  
14 that kind of fell apart pretty early, but all the  
15 other ones have proven to be successful tools in being  
16 able to ascertain what was significant, focus on the  
17 significance, and get the discussions between the  
18 licensees and the NRC to focus on what we thought was  
19 important about that issue.

20           And in my mind that's the very value of  
21 having that process. It lays out your thought process  
22 and allows people to discuss in an intelligent  
23 fashion, you know, what are the issues, what are the  
24 assumptions, and make some judgments about the import  
25 of those.

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1 MR. KRICH: Well, I was just going to  
2 editorialize just a bit here. I see this process as  
3 a living, ongoing process. It's going to be a work in  
4 progress basically. Even as we go forward, it's like  
5 people who think that when you write a procedure it  
6 should be perfect. Procedures are never perfect.  
7 They're continually being improved upon.

8 So this has been -- I know it's been  
9 tough. It's been a cake walk for you, right, for the  
10 last two years?

11 MR. DEAN: Yeah.

12 MR. KRICH: People haven't complained.  
13 You haven't gotten a lot of feedback.

14 MR. DEAN: No, all of the stakeholders  
15 have seen things the same way.

16 MR. KRICH: The stakeholders are just  
17 happy people.

18 So I want to tell you that I appreciate  
19 how this has gone over the last -- because I've been  
20 involved since the pilot process, and I know it's been  
21 difficult, but I think it's worth all of the effort  
22 that all of us have put into it.

23 MR. DEAN: Oh, absolutely. I appreciate  
24 the comment. I think that, you know, there's various  
25 stages of work in progress, and I think we started off

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1 with, you know, a lump of clay and then maybe we had  
2 a profile. So now we're getting, you know, eyebrows  
3 and ear lobes and things like that in there.

4 So I think, you know, we'll continue to  
5 refine and improve, but I think, you know, we've gone  
6 from, you know, 60-40 to maybe 80-20, 85-15. So we're  
7 getting there.

8 Anything else?

9 (No response.)

10 MR. DEAN: Okay. Anything comes up  
11 tomorrow, you know, send for us and we'll have someone  
12 come down and help you out.

13 Ray, if there's any, you know, help that  
14 you need --

15 MR. SHADIS: Thank you.

16 MR. DEAN: -- to get some documents, let  
17 us know.

18 MR. SHADIS: Thank you. I appreciate it.

19 MR. DEAN: Okay. Thanks everybody.

20 CHAIRMAN PLISCO: Want to take a break?

21 (Whereupon, the foregoing matter went off  
22 the record at 3:56 p.m. and went back on  
23 the record at 4:20 p.m.)

24 CHAIRMAN PLISCO: Are you ready to get  
25 started?

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1           So we're done with presentations and we're  
2 ready to work.

3           MR. GARCHOW: This is where we assign  
4 Loren a very daunting task, and we'll be back in the  
5 morning when you think about it.

6           CHAIRMAN PLISCO: No, actually we're up to  
7 three o'clock.

8           MR. FLOYD: He updated all of this while  
9 we were going through all those presentations.

10          MR. GARCHOW: That would be no.

11          CHAIRMAN PLISCO: I had originally  
12 intended to have a slide on here. If there's any  
13 other comments of the panel members that did  
14 participate in the workshop, if there's any other  
15 views that they want to talk about, I think a lot of  
16 it just added them as we went along.

17                 I know that's what I tried to do. I don't  
18 know if anyone else --

19          MR. FLOYD: I can make a three-hour  
20 presentation.

21          MS. FERDIG: No. No, you can't.

22                 I have a question. How many of us did  
23 attend?

24          CHAIRMAN PLISCO: I was going to cover  
25 that.

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1 MS. FERDIG: Okay.

2 CHAIRMAN PLISCO: I was there. I know  
3 Randy was there. Of course, these are the people that  
4 I saw. So maybe I didn't get everyone. Steve  
5 Reynolds was there. Actually he had -- he's not going  
6 to be here tomorrow. He had to go back. Ray Shadis  
7 was there. I sat next to him for one session. I know  
8 he was there. And Steve Floyd was there.

9 Those are the ones that I saw.

10 MR. LAURIE: Brockman brought the beer.

11 MR. SCHERER: You must share.

12 CHAIRMAN PLISCO: Was that it? Was there  
13 anyone else that I missed?

14 MR. KRICH: I had a representative.

15 MS. FERDIG: So my next question is then:  
16 of those of you who were there and kind of had the  
17 experience of what we heard the overview of today,  
18 were there any revelations? Were there any surprises?  
19 Were there any things that you could highlight for us  
20 based on what we've heard that we need to pay  
21 particular attention to?

22 CHAIRMAN PLISCO: I was going to say, big  
23 picture revelations, I didn't have any. I think most  
24 of the issues that I heard and the views, and even,  
25 you know, when the views were across the Board I

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1 didn't hear anything new that I hadn't heard before.

2           The one thing that did surprise me in one  
3 particular area, which I found interesting, is in the  
4 PI&R discussion, how strongly the two state  
5 representatives were opposed to moving the PI&R  
6 inspection, the team part of that inspection, the  
7 frequency from two years instead of one year, but the  
8 perception that it was a pull-back, which I found very  
9 interesting because knowing the genesis of how we got  
10 the one year, there was no scientific basis. Our  
11 program was a one-year program, and the two choices  
12 were it's a one year or two year inspection.

13           So we picked one year for the first year,  
14 but the perception now, and now that we picked one  
15 year, to go to two years, it looks like we're backing  
16 off even though there was no basis at all, but one  
17 year.

18           MR. SHADIS: But one year is useful for  
19 bureaucrats, and it's also useful for activists to,  
20 you know, set their calendar by and go find out what  
21 they can find out, and you know, a state bureaucrat  
22 can then write up their annual report rather quickly  
23 to the legislature, whatever they do.

24           CHAIRMAN PLISCO: But as far as what  
25 struck me, I was struck by how strongly they were

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1       opposed to that.

2                   MS. FERDIG:   And who's "they"?

3                   CHAIRMAN PLISCO:   This was the State of  
4       Pennsylvania, wasn't it?

5                   MR. SHADIS:   Rick Janati and --

6                   CHAIRMAN PLISCO:   Yeah, Pennsylvania and  
7       Illinois, right?   Weren't those the two states?

8                   MR. BLOUGH:   Pittsburgh, Pennsylvania, New  
9       Jersey, and Illinois were all there.   I think they all  
10      spoke.   They still want the overall inspection  
11      reduced.

12                  CHAIRMAN PLISCO:   Yeah, that was a  
13      surprise to me, how strongly they were opposed to  
14      that.   It's like I said.   Knowing that the original  
15      one year was based on no really technical basis at  
16      all.

17                  MS. FERDIG:   It was just the fear?

18                  CHAIRMAN PLISCO:   It was just the  
19      convenience, especially since it was the first year.  
20      I think the staff's view was it's the first year and  
21      we need a baseline of this inspection process, and  
22      we'll do it once per year this first year, I think was  
23      the view.   But the corollary inspection in the old  
24      program was done between 18 and 24 months, you know,  
25      the old what we called the 4500 inspection, the

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1 corrective action inspection.

2 MR. SHADIS: California?

3 (Laughter.)

4 CHAIRMAN PLISCO: People were concerned  
5 about the brightness of the light.

6 MR. SHADIS: That's better. Thank you.  
7 I didn't know you could do that or I would have been  
8 yelling about it a long time ago.

9 CHAIRMAN PLISCO: Is that better?

10 But to answer your question, that was the  
11 one thing. What about you, Ray?

12 MS. FERDIG: How about others that were  
13 there? Were there any surprises for you? You  
14 mentioned at the beginning of our conversation.

15 MR. SHADIS: Well, you know, in the areas  
16 like in fire protection and in maintenance, in those  
17 arenas, there's still a lot that it seems that they're  
18 getting together.

19 CHAIRMAN PLISCO: And I think part of the  
20 maintenance was it's a new rule. I didn't see that as  
21 an ROP issue. It's sort of taking the new rule and  
22 now to see how it fits into the ROP which we didn't  
23 have in the beginning.

24 MR. SHADIS: Yeah.

25 CHAIRMAN PLISCO: I mean the (a)(4)

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1 portion.

2 MR. FLOYD: It does sort of beg the  
3 question. Do you do an SDP for every regulation.

4 MR. SCHERER: Yes, correct question.

5 MR. FLOYD: Yeah.

6 MR. SHADIS: And I'm not sure what else,  
7 you know, NRC could do to get additional public  
8 involvement in the workshop, but there were times, and  
9 we had some of the larger sessions, and there were  
10 maybe, you know, 100 people there, and they were  
11 saying, "Well, I'm talking about the public." And it  
12 was amusing because there was no public to be had.

13 CHAIRMAN PLISCO: But I was a witness.  
14 You held your own.

15 MR. SHADIS: Well, we got into it a little  
16 bit.

17 One of the things, and this is a minor  
18 point, but it gets to the language thing. It's on  
19 this no color findings, you know, and I understand,  
20 you know, that a lot of these things are going to be  
21 put away or have the potential to be reduced in number  
22 so that this becomes very rare, but at the same time,  
23 it's being wedded to that language, and from a public  
24 perspective it makes not a lot of sense. It makes all  
25 of the rest of the colors look silly. I mean it does.

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1 It puts a certain air of I don't know what, frivolity  
2 or something about designating by color.

3 And if these are, you know, non-SDP issues  
4 or I don't know. I came up with a bunch of --  
5 scratched down some things here, you know, like non-  
6 graded findings or -- I don't know -- isolated, stand  
7 alone. Call them something, but --

8 MS. FERDIG: Rather than no color.

9 MR. SHADIS: Yeah. It just --

10 MR. HILL: How about clear?

11 MR. SHADIS: Just clear, crystal clear,  
12 yeah.

13 MR. BROCKMAN: Translucent.

14 PARTICIPANT: Other than the fact that  
15 you've got to put them on the Web page.

16 MR. SHADIS: You know, yeah. Well, that's  
17 one of the things that happens sometimes when you  
18 start building a system, is you get wedded to, you  
19 know, categories and languages and symbols, and then  
20 you can't get away from it, and I just would offer  
21 that that's one that just come up with a reasonable  
22 term that covers what those kinds of things are that  
23 don't fit in all the rest of it and call it that.

24 CHAIRMAN PLISCO: Are you having trouble  
25 here?

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1 MR. SHADIS: I'm sorry. Anyway, yeah,  
2 call it whatever term it may be, and even at -- it was  
3 typical, I think, at the workshop that lots of time  
4 was spent talking about trivial issues, just like that  
5 one, and less time as it increased in safety  
6 significance. You know, we were ready to talk about  
7 minor stuff.

8 MS. FERDIG: What does that mean, do you  
9 think? Does that mean there are fewer major  
10 philosophical issues and, therefore, the minutiae is  
11 worthy of talking about?

12 MR. SHADIS: I don't know. I come from  
13 Maine where we have town meetings, pure democracy, and  
14 we always spend huge amounts of time arguing about a  
15 new coat of paint for the fire engine and then buying  
16 a new firehouse is nothing. That goes through in a  
17 flash.

18 MS. FERDIG: It's not necessarily an  
19 indication of --

20 MR. SHADIS: No, I don't think so.

21 MS. FERDIG: -- big things sorted out.

22 MR. SHADIS: Let me see what else I had  
23 down here.

24 I guess I observed that some of the  
25 industry guys were doing their job. They were

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1 caucusing and strategizing for what they wanted to get  
2 expressed in those breakout sessions, and that's value  
3 neutral. I think that's what they're supposed to be  
4 doing.

5 I wish, you know, that there had been a  
6 few more activists there. Sort of Lochbaum and I were  
7 kind of back to back making our way from one meeting  
8 to another.

9 MR. GARCHOW: So your caucus was very  
10 efficient.

11 MR. SHADIS: Exactly. And I was surprised  
12 to hear Dave Lochbaum say that this program, the ROP,  
13 was the public's best protection, any single source  
14 protection with respect to a nuclear accident. This  
15 ROP was it, and anyone that had to criticize, but I  
16 thought that was a heck of an opening statement.

17 I don't know. The people who spoke  
18 earlier pretty much covered the ground.

19 CHAIRMAN PLISCO: And during the break, I  
20 was asked really what the purpose of having Bill Dean  
21 go through all of those, and the real purpose is, you  
22 know, we've developed our issues internally, you know,  
23 from our own experience or the groups we represent,  
24 and before we got into, you know, going back through  
25 what I think the issues have been and going through

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1 the issues we've gone through the last few months to  
2 really hear if there was anything else that came up,  
3 any other feedback or maybe a different perspective  
4 that we really had before we got into that, and that  
5 was really the purpose, to see if anything else came  
6 up because that did get a lot of feedback, you know,  
7 internal feedback and external feedback on the  
8 process, and to see if there were any new revelations  
9 or, like I said, maybe a different perspective on some  
10 of the same issues, you know, before we got into our  
11 discussion. That was really the purpose.

12 And I myself, I did hear some different  
13 perspectives on some of the issues that I hadn't heard  
14 before or at least got a better understanding of what  
15 that perspective was than what I had before. So that  
16 was useful for me, especially as an implementer here  
17 and some of the concerns and the perspective of that  
18 concern.

19 Randy?

20 MR. BLOUGH: I really don't have anything  
21 to add. I think I really don't have anything to add.

22 CHAIRMAN PLISCO: Steve.

23 MR. FLOYD: I don't think I heard any --  
24 certainly no new significant issues were raised that  
25 hadn't already identified, I think, as a panel back

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1 last fall when we started settling the issues list.

2 Like you, I think I heard some different  
3 nuances on it. I think I have a little bit better  
4 appreciation as you said for why somebody has an  
5 opposing position, but no, nothing of significance.  
6 All down in the noise level range.

7 CHAIRMAN PLISCO: Yeah, exactly what Ray  
8 said. There was a lot of I don't want to call it  
9 trivial, but there was some low level discussions on  
10 a number of issues, but --

11 MR. SHADIS: But that was another language  
12 thing that we got into when someone from NRC -- this  
13 was in assessment and enforcement, I think -- insisted  
14 on saying that if it was minor, if it was a minor  
15 issue, it did not get into the inspection report, and  
16 then repeated that over and over again.

17 And the only thing I could think is that's  
18 part of a dichotomy. The other part is major, you  
19 know. so how do you characterize what's in the  
20 inspection report? Well, kids, it's not minor. We  
21 know that.

22 And yet so many times when NRC staff are  
23 called upon to characterize what is in the inspection  
24 report in public, they have to say, you know, there's  
25 no big risk here. It's not very safety significant,

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1 and I think I actually have heard them say, "Well,  
2 these are minor issues."

3 So, you know, this is just lessons in  
4 language that came through.

5 CHAIRMAN PLISCO: Anything else for input  
6 or questions?

7 MR. BLOUGH: I guess one thing that did  
8 surprise me a bit was I had heard from external  
9 stakeholders, you know, that the issue of, quote,  
10 negotiations in the SDP and lack of scrutability in  
11 the SDP process, but I was surprised also. A lot of  
12 licensees were claiming that the process was not that  
13 transparent for them as well. At least they seemed to  
14 say that.

15 I didn't have time to pursue, you know, on  
16 an individual basis how much experience they had with  
17 it, the ones who were making that comment, but that  
18 did surprise me.

19 But I do believe that all of the SDP  
20 issues are being worked on, and it was the most new  
21 and novel tool associated with the ROP, and it was the  
22 most incomplete one when we started. So it's not  
23 unexpected that there would be a lot of work. I was  
24 just surprised to hear the licensees, at least a few  
25 people, say that it's kind of a mystery to them as

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1 well.

2 MR. SHADIS: Did you take "negotiated" to  
3 be a, you know, pejorative term? Did you feel that  
4 was a negative characterization of --

5 MR. BLOUGH: The staff typically takes it  
6 in a pejorative way.

7 MS. FERDIG: I get that sense that that's  
8 how Dave Lochbaum was characterizing it, as  
9 questionable.

10 MR. KRICH: I can tell you that I took it  
11 as a pejorative. We don't negotiate anything with the  
12 NRC.

13 MR. SHADIS: Well, you propose and then  
14 they dispose. Is that what it is?

15 MR. KRICH: I don't know if I'd  
16 characterize it that way, but --

17 MR. SHADIS: Well, I guess, you know, what  
18 licensees were saying is that they come in with their  
19 preliminary findings, and then there may be issues  
20 that are plant specific or conditions that are plant  
21 specific that NRC is not aware of or they may have a  
22 separate analysis and they take that to NRC and ask.

23 There's a conversation that takes place,  
24 a dialogue.

25 MR. KRICH: Right. There's an exchange of

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1 information, and it's like any other meetings that we  
2 have with the NRC in this arena, and we provide them  
3 with our information. They take that in, go through  
4 their process, and come to a conclusion,

5 MR. GARCHOW: It's actually no different  
6 than the previous process. They send us mail; we send  
7 them mail.

8 MR. SHADIS: Well, yeah, but I wonder if  
9 the NRC guys here would agree that there's no sense of  
10 pressure for them to adjust their findings.

11 MR. TRAPP: Sure, there's a sense of  
12 pressure, but that's part of the whole game. You  
13 know, they have their position; we have our position;  
14 and we come together, and we reach hopefully the right  
15 conclusion. But --

16 MS. FERDIG: It seems to me that that  
17 exchange of information is an effort of everyone  
18 involved to get smarter by learning more about a  
19 broader perspective. So I'm commenting about the use  
20 of the word "negotiation" and the connotation I think  
21 people have when they use that word.

22 But the act of exchanging information to  
23 broaden perspective and come to wiser decisions, I  
24 think, is a characteristic of this program.

25 MR. GARCHOW: But there's nothing in the

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1 program that says I have to agree. So in the end they  
2 hear the information, right, and I think they'd tell  
3 me what the answer is.

4 MR. SHADIS: Where the public wants a  
5 confident, strong regulator and the end result of  
6 these conversations that take place are it's either  
7 neutral and nothing changes or the significance of the  
8 findings goes down. I mean, that's what we see. It's  
9 either -- you know, it drops from a yellow to a white  
10 or to a green or whatever, or it stays the same.

11 So really the end result of these  
12 conversations, dialogues, exchanges of getting smarter  
13 is all in one direction.

14 MR. FLOYD: But I think you have to  
15 recognize there's a good reason for that, and the  
16 reason for that is that they're intentionally meant to  
17 be conservative at the initial screening that goes on.  
18 So it's intentional that you are likely to get a color  
19 that is more severe than what it is if you did a more  
20 complete analysis. That's the way the program was set  
21 up.

22 Now, that probably hasn't been  
23 communicated to the public very well in a way that's  
24 understandable, and that's probably what the issue is.  
25 But that's why you generally see the movement only in

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1 the one direction, because they are intentionally  
2 conservative on the front end.

3 MS. FERDIG: What I would hate to see  
4 would be for the NRC to not take action that made  
5 sense to them because they feared that the public  
6 would presume they were in some negotiating.

7 I think that I need to be able to know  
8 that the best decisions are being made on the best  
9 kind of information available without that political.

10 MR. SHADIS: Then I spoke to NRC personnel  
11 this morning on another issue altogether, and they  
12 were engaged with the licensee in sending out RAIs on  
13 a license amendment, and the licensee was going all  
14 the way up to Commission level to accuse them of, you  
15 know, playing it too hard ball, and so the pressure  
16 was there, and I think that's real. I think it's a  
17 fact of life in any, you know governmental agency.

18 And so, you know, I think you have to  
19 understand how the public can come to see a change in  
20 a finding and one that goes to a more lenient finding,  
21 if you will as suspicious.

22 MR. FLOYD: Well, Ray, would you suggest  
23 that they maybe don't come out with a preliminary  
24 finding then and make sure they do the full thorough  
25 evaluation such that it's a final finding?

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1 MR. SHADIS: Yeah, well, that would help.  
2 I don't know if that would help in safety. I don't  
3 know if that would improve or maintain safety, but I  
4 think it would help the NRC's public image for sure to  
5 come out with a finding, and the sooner the better.

6 MR. BROCKMAN: But it can't go that way.  
7 The APA won't let me go that way because of due  
8 process, and you have to present the new --

9 MR. SHADIS: Administrative Procedures  
10 Act.

11 MR. BROCKMAN: I have to present due  
12 process to, you know, present what the initial  
13 presentation is, and then you go into that. I mean,  
14 the entire law by which we operate can't do it, and  
15 myself as a regional manager, I mean, I never want to  
16 get into a position and find out during a conference  
17 that the situation is worse than I thought it was. My  
18 inspection is broken if every time I don't come about  
19 it and say, "This is the worst possible thing it could  
20 be."

21 And we'll move on from there, but you're  
22 correct. It's a public relations nightmare, and I  
23 don't know of a solution to it. But if I'm the  
24 public, I'm much more upset about that than if I,  
25 "Now, wait a second. You low balled this thing? You

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1 had no idea how significant this thing was?"

2 And the licensee in a public meeting wound  
3 up saying, "No, you all really under played this  
4 thing. It's really we had -- this is terrible."

5 That's far more incriminating on the  
6 agency's technical capabilities to oversee and assure  
7 reactor safety.

8 MR. SHADIS: Well, it's part of the  
9 criminal code, but people don't like plea bargaining  
10 either. You know, you can just see all of the  
11 analogies and where they fall. So I guess I'm  
12 suggesting that if that's your case, that it needs to  
13 be stated more clearly, and it has to go in the front  
14 of the pamphlet about reactor oversight process.

15 MR. BLOUGH: And see what's going to  
16 happen -- I'm sorry -- when we get the what's called  
17 the Phase 2 work sheets done, we'll be using those for  
18 the initial determinations, and those will be designed  
19 to be conservative. We would be able to get them out  
20 a lot quicker. The initial answer would come out  
21 faster, and so that helps, but they'll be  
22 conservative. So there will still be this and perhaps  
23 even more of this reevaluation using Phase 3 with  
24 actually more of the burden on the licensee to take  
25 what we have with Phase 2 and show us why there's

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1 something wrong with it.

2 It could be actually perhaps even more.

3 I don't know. What do you think?

4 MR. TRAPP: Oh, yeah. It's just going to  
5 be quicker.

6 MR. SHADIS: Could some of it be avoided  
7 if the licensees had all of their information in their  
8 own basis for their performance indicators and so on?

9 MR. TRAPP: The only thing we color is  
10 findings with the Phase 1, 2, and 3.

11 MR. SCHERER: We may be talking past. I  
12 think Ray is raising a very valid point, and where  
13 responding to the difficulty in coming to the final  
14 conclusion, which I agree with everything that has  
15 been said, but my concern is I think Ray is raising an  
16 extremely valuable point, one of communication, and I  
17 don't think we are as clear as we could be.

18 If, for example, instead of saying our  
19 preliminary finding is it's a yellow finding, and then  
20 after months and more meetings the NRC comes out and  
21 says, "Sorry. It's green," that appears that  
22 something went on behind the scenes, sort of the old  
23 "Saturday Night Live" skit. Never mind.

24 My view is perhaps we ought to find a way  
25 to communicate and clear terms that the NRC doesn't

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1 know the ultimate disposition. Conservatively it  
2 could be up to a yellow finding, and the NRC is going  
3 to start a process by which it will get more  
4 information and make a final determination.

5 Being up front and explaining the process  
6 and not say it's a preliminary yellow, which we all  
7 sitting around this table may be able to understand,  
8 but the people who are interested may not. State our  
9 own uncertainty. State the process that we're going  
10 to use to resolve the issue, and then come out with a  
11 final finding so that at the end of the process, you  
12 say, "Yes, we thought it could be conservatively a  
13 yellow finding, but we've looked. We've now gotten  
14 the following information from the licensee. The NRC  
15 has made its determination, and it finds it is either  
16 a white finding, a yellow finding, or a green  
17 finding," whatever it is it has determined.

18 But instead of just saying the word  
19 "preliminary" and think we've addressed the public  
20 concern, I think it's fooling ourselves.

21 MR. LAURIE: Is there any way to have a  
22 preliminary assessment be anything other than a color?  
23 Because I share the view that there's gross mistrust  
24 of government at all levels. Federal is by far the  
25 worst as far as public trustworthiness goes, not

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1 because of specific actions. It's just the nature of  
2 the beast.

3 And so there will be the sense that a deal  
4 was cut behind doors. So is there any way to have a  
5 preliminary standard be anything other than a color  
6 and only the final determination to be the color if  
7 you choose to stay with color? Can you do that? Is  
8 it workable?

9 MR. FLOYD: Yeah, I think you could. In  
10 the inspection report if you had a finding that when  
11 you ran it through the Phase 2 didn't come out to be  
12 green, but it was greater than green, you could just  
13 put in the inspection report that we've identified a  
14 finding that has more than a negligible impact on  
15 safety, and it's under further evaluation. I mean,  
16 you could do that and not assign a preliminary color.

17 MR. GARCHOW: Most of these events over  
18 time, the initial corrective actions have stabilized  
19 the situation. I mean, they are long past that part  
20 of the process. So the communications to the public,  
21 all you'd have to do is say that the initial actions  
22 are taken and, you know, stabilize the situation.  
23 It's under further review or something. That's an  
24 excellent solution.

25 MR. TRAPP: The other positive part about

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1 that is I've gotten feedback from licensees that once  
2 we go out with our preliminary red, that's what hits  
3 the front page of the paper. The NRC identifies a red  
4 finding. If it backs down to a green, that wouldn't  
5 even make the back page.

6 MR. FLOYD: The nuances are not relevant.

7 MR. KRICH: So, in fact, there's an old  
8 process in place where the NRC in an inspection report  
9 will identify what's called an unresolved issue, which  
10 is we found something that we think is a concern, but  
11 we haven't finished evaluating it yet, and either the  
12 licensee has to do something or the NRC has to do  
13 something.

14 Until that happens, it will remain as --  
15 it will be carried as an item. So you could use that  
16 in place, but you know --

17 MR. SHADIS: Entered in the risk  
18 significance determination program.

19 MR. KRICH: Process, right.

20 MR. SHADIS: And that's where it's going,  
21 folks, and results will be out after carefully  
22 examining --

23 MR. KRICH: Exactly.

24 MR. SHADIS: -- what the licensee has to  
25 offer and what we --

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1 MR. KRICH: I was going to add, not to  
2 spend any time, but what Ed said. I understood, I  
3 think, now what your concern is, the fact that we meet  
4 and then things change. Even though there's no  
5 negotiation going on, the perception may be that  
6 there's something going on.

7 MS. FERDIG: My notes from this  
8 conversation last time, too, I had reflected on before  
9 I came in here, suggested, and I don't know if I have  
10 this correct, is there an opportunity to provide more  
11 information than is currently provided to help the  
12 public understand how the ultimate finding was  
13 determined, if it did vary from the initial finding,  
14 or does that defy the efficiency goal by having to  
15 worry about --

16 CHAIRMAN PLISCO: Well, I think we are  
17 striving to add more. I mean, we've made some changes  
18 in the process to add more detail, and Jim can  
19 probably add more to me to this, but I think it's not  
20 going to get -- I think at some level in the public,  
21 they're just going to see it went from yellow to  
22 white, and they're not going to study the four pages  
23 in the back to explain why. They're just going to see  
24 -- I mean, is that right, Ray?

25 MR. SHADIS: Yeah, but --

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1                   CHAIRMAN PLISCO:  You know, that -- at  
2                   some level some people are only going to see that it  
3                   went -- you know, the press release goes out.  It's  
4                   yellow, and then --

5                   MR. BROCKMAN:  But it's an interesting  
6                   point.  If you've got no color with it, it's just an  
7                   issues being resolved and at the end you come out with  
8                   what is a final issue, and then if you want to go  
9                   there, you go into the formal appeal process and what  
10                  have you.

11                  There's something appealing to that.  To  
12                  answer your question, Mary, personal thoughts are  
13                  you're without a doubt -- efficiency is fighting this  
14                  because one of the things you would do is say, "Okay.  
15                  Every time we have a regulatory conference it's going  
16                  to be in the town hall, you know, right outside the  
17                  city at seven o'clock in the evening," where the  
18                  public meetings are forced into the local public  
19                  venue.

20                  That would help.  I don't know if it would  
21                  fix it, but it would help, but it defies efficiency up  
22                  one side and down the other.

23                  MR. SHADIS:  Very few people would show up  
24                  if there was a yellow, white, and green.

25                  CHAIRMAN PLISCO:  Yeah, but it's all in

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1 the record, and --

2 MR. BROCKMAN: It's all on the record  
3 anyway. I mean, all of this is already on the record.  
4 They're announced. Meeting minutes are put out, and  
5 all of these types of things. I mean it's --

6 MR. SHADIS: Dave Lochbaum brought this  
7 issue up at the workshop and also at the -- and  
8 basically what he was saying is that the process is  
9 really not real clear, and you may have -- you may  
10 have a meeting summary for your meeting with the  
11 licensee, but it isn't always apparent what the line  
12 of reasoning was that took you where you, you know,  
13 finally wound up.

14 CHAIRMAN PLISCO: And the timeliness  
15 factor comes into play, too.

16 MR. FLOYD: I think you're absolutely  
17 right, Ray, and I think the original program, at least  
18 when we talked about it in our public meetings with  
19 the staff, the original intent was in the inspection  
20 report, the inspector would lay out the logic that  
21 walked through the matrix. It's in this initiating  
22 event frequency because it's this type of event. The  
23 duration of the condition was X, and here's what else  
24 was available, and as a result of that, when you ran  
25 it through, it came out they have a, you know,

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1 mitigation factor of four, and that puts it in the  
2 white or the green or whatever.

3 I mean, that was the logic that was  
4 supposed to be in the reports.

5 MR. SHADIS: If no one would debate green  
6 findings, and I don't want to be too tedious about  
7 this, but if you weren't debating green findings, a  
8 report could say that issues significant enough to be  
9 entered into our determination process found or, you  
10 know, this was an issue that's significant enough to  
11 be entered into the determination process, and here it  
12 goes.

13 MS. FERDIG: And that's identifying it  
14 without a color.

15 MR. SHADIS: That's right.

16 MS. FERDIG: So there's one piece of it.

17 MR. SHADIS: So then when you, you know,  
18 went through your process and the licensee got the  
19 chance to plug in their information, I think it would  
20 satisfy the APA also, and then you would at the end of  
21 it come back with a color determination and put it in  
22 your --

23 MR. FLOYD: Yeah, and I don't think  
24 anything would necessarily be missed because the item  
25 doesn't enter into the action matrix for further

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1 agency action until the final determination is made.

2 MR. SCHERER: Yep.

3 MR. FLOYD: So maybe the intermediate  
4 color is just causing public confusion and could be  
5 remedied real easily.

6 MS. FERDIG: But I'm hearing two levels  
7 here. I'm hearing the general public that would  
8 misunderstand the change of color, that really  
9 wouldn't understand the technical logic.

10 And I'm also hearing Dave Lochbaum and  
11 perhaps Ray and others who do understand the technical  
12 logic and aren't getting enough information to know  
13 why that --

14 MR. TRAPP: That's simply an  
15 implementation problem.

16 MS. FERDIG: So that becomes part of the  
17 write-up.

18 MR. TRAPP: It's not a process problem  
19 because if we do our job right, that should be it.

20 MS. FERDIG: Okay.

21 MR. BLOUGH: We should stipulate that that  
22 is the problem in terms of the level of detail and the  
23 way the logic is explained in the inspection report,  
24 but I think is well understood.

25 MR. SCHERER: If I recall --

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1 MR. BLOUGH: It's well understood, and  
2 it's being worked on, and that was -- Doug Coe and  
3 others conveyed that at the conference.

4 MR. SCHERER: If I recall Dave's  
5 presentation though, he gave us several examples where  
6 he believed that there was inadequate justification  
7 for the finding. He also gave us some examples where  
8 he thought a good job was done, and I think that's an  
9 implementation issue. I think it's worthy of note, and  
10 it ought to be transparent.

11 I think we discussed it last time that as  
12 you drill down through the process, you want to be  
13 able to find a justification for the color of the  
14 finding, whether it's green, white, yellow or red.  
15 You do want to be able to find a clear justification.

16 If I recall correctly, that seemed to be  
17 the point he was making and gave us some examples of  
18 what he considered on both sides of that issue.

19 MR. FLOYD: This approach would also  
20 probably solve what Randy was hearing from licensees,  
21 too, about the lack of transparency in the process.  
22 I think the complaint that we've picked up from the  
23 industry on this is that it's not clear when does the  
24 initial flow of information start and stop. You know,  
25 is the inspector able to share the preliminary results

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1 with the licensee, and if so, when? And when does the  
2 cone of silence drop and say, "Well, no, we're kind of  
3 pre-decisional now and we're not accepting anymore  
4 information"?

5 And there seems to be a difference across  
6 regions and even across inspectors within regions as  
7 to how that's handled, and this solution, I think, of  
8 not putting the preliminary color in the inspection  
9 report would also help with that because it's just an  
10 ongoing evaluation until you get to the final answer,  
11 which of course then is still subject to the appeal  
12 process, as Ken points out.

13 CHAIRMAN PLISCO: I think there is one  
14 practical issue. I mean, I think that may help in  
15 this public confidence issue, but the flip side is one  
16 of the things we're doing now is putting more detail  
17 of how we reached our preliminary conclusion in the  
18 body of the letter.

19 So we may say this -- that will say it  
20 appears to be more than a, you know, green finding,  
21 and then there will be four pages where if someone  
22 with, you know, some sophistication with the process  
23 will be able to figure out that that's a green issue  
24 or, I mean, a red issue or a yellow issue, it will be  
25 in there because -- and part of this, you know,

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1 attempt at due process will provide in writing on the  
2 public record what the basis of our preliminary  
3 decision is and what assumptions were made so that  
4 it's clear to everyone.

5 So we may say that in the first paragraph,  
6 but if you go to the, you know, second half of the  
7 letter, you'll be able to figure out what it is.

8 MR. GARCHOW: Why would that be bad  
9 necessarily?

10 CHAIRMAN PLISCO: No, I'm just saying in  
11 practical terms we'll be saying what color it is, you  
12 know, without saying what color it is.

13 MR. BLOUGH: Right, and what we're, I  
14 think, worried about is this perception of  
15 negotiations and the NRC says it's yellow, and then  
16 there's whatever happens happens, and a long period of  
17 time goes by. There may have been a meeting down in  
18 King of Prussia, maybe not. Who knows? And then we  
19 come out with the white.

20 So we have said we thought it was yellow  
21 and then it turns out white. You know, it always goes  
22 in that direction or stays.

23 If we change them and we don't put the  
24 preliminary color in the inspection report, what  
25 happens though is at the time we issue the report,

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1 we'll still think it's yellow based on the information  
2 we have, and then we get more information from the  
3 licensee, and we go through a process, and then we may  
4 come out to white, and the only difference is that  
5 when we issued the report, even though we thought it  
6 was yellow, we didn't say we thought it was yellow.

7 I'm just wondering about that. Is that  
8 the right thing to do?

9 MR. LAURIE: I would have to argue that  
10 that is the right the thing to do because I'm not  
11 satisfied that sufficient thought was given to the  
12 psychological repercussions of choosing colors.  
13 Everybody, the whole world demands green regardless of  
14 what it means, and anything less than green, any  
15 negotiation among colors will be perceived as  
16 something untrustworthy. So words in this case, I  
17 think, is much more valuable than an ultimate color.

18 Maybe you want to end up with an ultimate  
19 color, and that was a decision that was made some time  
20 ago. I'd question that, but we're beyond that. The  
21 colors are dangerous because people have been living  
22 with them since they were two years old.

23 So I think colors are problematic, and  
24 words as substitutes, I think, in many cases would be  
25 helpful.

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1 MS. FERDIG: It helps to avoid early  
2 generalizations that may not be accurate and  
3 substantiated.

4 MR. LAURIE: No, I agree with them.

5 CHAIRMAN PLISCO: Of course, we spent the  
6 last half hour doing what we said we would never do,  
7 is figure out the solutions to the problem rather than  
8 define the problem.

9 And not only that. This is an issue I  
10 don't have on the agenda until tomorrow.

11 (Laughter.)

12 MR. BROCKMAN: Then tomorrow's meeting  
13 will be a little more efficient, but as opposed to  
14 some, maybe we've just focused on what one of our  
15 recommendations is going to be.

16 MS. FERDIG: I was just going to say that.

17 CHAIRMAN PLISCO: Yeah, the SDP I had for  
18 tomorrow.

19 MR. BROCKMAN: You're going to be 30  
20 minutes more efficient.

21 CHAIRMAN PLISCO: That's right, tomorrow.

22 Any other feedback or issues about the  
23 workshop and things that came up in response to Mary's  
24 original question?

25 MS. FERDIG: Good answers. I feel like I

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1 know more.

2 CHAIRMAN PLISCO: Well, we've got  
3 according to our schedule an hour.

4 MR. SCHERER: It's not necessary to use  
5 it.

6 MR. GARCHOW: Maybe, Loren, take what you  
7 think the path between here and the end tomorrow looks  
8 like, since you put a document together that we didn't  
9 have a chance to read. Potentially we might be able  
10 to get some efficiency by reading the packet in our  
11 hotels tonight.

12 CHAIRMAN PLISCO: Yes.

13 MR. GARCHOW: And be very efficient  
14 tomorrow.

15 CHAIRMAN PLISCO: Yeah, in fact, I  
16 would --

17 MR. SCHERER: But we could put a  
18 preliminary color on it tonight.

19 MR. FLOYD: I would almost recommend that  
20 we do that rather than trying to even start on this  
21 tonight and read through these items, not having had  
22 a chance to digest them; kind of read through the  
23 whole package, let people make their comments and  
24 mark-ups, and then come in and be a lot more efficient  
25 tomorrow.

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1 CHAIRMAN PLISCO: And I'll explain what  
2 you've got. What you have is a summary of the issues  
3 that came out of our prioritization activities and  
4 collecting comments. If you go back and remember the  
5 table that John had put together with all of the  
6 individuals sub-elements that we rolled up into  
7 specific issues, and we went through our  
8 prioritization and rolled some issues together.

9 What you've got is what we have pulled  
10 together, John and I. First is the performance  
11 indicator issues. And what I tried to do for each one  
12 of these is put a short summary of what the issue is  
13 related to, what the initial priority was, what the  
14 primary program goals. I mentioned that this morning.  
15 Went through and looked at how people voted, even  
16 though we said we weren't going to vote, but how those  
17 numbers fell out and the categories, are they goals  
18 that appeared to be the primary ones is what I've put  
19 here. I didn't try to capture every one.

20 Actually in most cases, there's at least  
21 one goal checked or one person checked each one of the  
22 eight goals, amenities, but I tried to stick with the  
23 primary so that it's easier just to communicate what  
24 we think the big issues are.

25 A summary of the description of the issue.

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1 I tried to capture a narrative. That's really what  
2 I'd ask you to focus on as you're reading through  
3 these, if I've really captured the issue that we  
4 wanted to talk about, explain what the problem is, and  
5 in some cases we had specific examples that were  
6 raised or in our discussions or that were provided in  
7 the individual comments, and I tried to capture some  
8 of those to try to get the point across more clearly.

9 And then panel recommendation, and on some  
10 of these I've just tried to capture what I thought  
11 were coming out of the discussions, and we can go  
12 through those tomorrow.

13 What I've tried to do is not provide the  
14 answer. You'll see how I've worded carefully the  
15 recommendation to evaluate an issue, to clarify a  
16 guidance and not say what that specific clarification  
17 should be, except like our last half hour, if there's  
18 something specific that we want to recommend. Then  
19 that's what we need to add in here.

20 But in general, if you look through, I've  
21 tried to use those type of words as far as evaluating  
22 and making any necessary changes to try to address the  
23 concern that we've expressed.

24 And then let me walk through just to make  
25 sure everyone has got all the pages. There should be

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1 P-1, which is the unintended consequences for the  
2 performance indicators.

3 P-2 is the new performance indicators, and  
4 that was a roll-up of several things that we had  
5 having to do with risk-based performance indicators  
6 and new performance indicators. Safety system  
7 unavailability we've had a lot of discussion about,  
8 and frequently asked questions. And that's it for the  
9 performance indicators.

10 For the inspection program, we've got the  
11 appropriate level of baseline inspections.

12 Number two is the documentation threshold.  
13 We've talked about that.

14 Number three is the physical protection  
15 inspections.

16 Number four is the event response.

17 Five is the use of licensee self-  
18 assessments.

19 MR. FLOYD: Didn't we -- I'll go back and  
20 look at my notes. I thought we rolled up several into  
21 the physical protection. Maybe that's -- I'll go back  
22 and look at my notes.

23 CHAIRMAN PLISCO: Yeah, several of  
24 these -- actually I don't have it written on here --  
25 have been rolled up, and there are also several that

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1 were rolled up into the overall, and I'll get to that.  
2 They're on the back here.

3 MR. FLOYD: Oh, okay.

4 CHAIRMAN PLISCO: There were a number in  
5 certain specific areas that we rolled up in the  
6 overall category.

7 Okay. Where was it?

8 Assessment first had to do with how long  
9 an inspection finding should be included in the action  
10 matrix. That's one issue.

11 The second is the regulatory conference.

12 The third is the no color inspection  
13 findings.

14 The fourth is how do you handle multiple  
15 inspection findings that are related to the same  
16 issue. And that was one that I think was in the  
17 inspection area before, but it's really an  
18 assessment/enforcement issue, and we moved it into  
19 there.

20 Overall we have process improvements and  
21 stakeholder feedback and building an infrastructure to  
22 handle those.

23 The second overall is public access to  
24 timely and clear reactor oversight information, and  
25 there were a number of issues in several different

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1 categories that were rolled up into that one.

2 The third overall is long-term program  
3 effectiveness and testing the program against the  
4 original program assumptions to make sure they are  
5 still true or they are true.

6 The fourth is cross-cutting issues, and  
7 that also was a number of issues in specific areas  
8 that were rolled up into this one.

9 And the fifth overall is one we've had a  
10 lot of discussion about, is this green to white  
11 threshold and the differences between how it's handled  
12 in performance indicators and the inspection findings  
13 and how that is creating some problems and  
14 communications issues in the program.

15 And that's one we had a lot of discussion  
16 about. As I went through all of my notes, I'm not  
17 sure what our recommendation is in that. So think  
18 about that one specifically and what kind of  
19 recommendation we want to make in that specific area.

20 The one you're missing is the SDP. I was  
21 going to finish that one up tonight.

22 MR. GARCHOW: We did have one accusation  
23 under the green to white, I think, about maybe moving  
24 the May action matrix line over one column because  
25 early on in the framing of that, some of the earlier

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1 discussions in the development of this, the actual  
2 thought was that one white finding would still be in  
3 the regulatory response band, and somehow along the  
4 way in a way that I haven't been able to exactly  
5 determine when, that thought got dropped.

6 Early on we were saying one white and just  
7 fill in the green licensee response thing, and  
8 somewhere along the line --

9 MR. FLOYD: That died pretty early on the  
10 vine in internal review.

11 MR. GARCHOW: And that caused some  
12 unintended consequence by having one white finding get  
13 you into the other column of the action matrix. So  
14 that might be one you might have a suggestion on.

15 MR. CAMERON: When you read these over  
16 tonight, you also might want to give some thoughts to  
17 what type of methodology you want to use when you  
18 review it to make it work as efficient as possible.  
19 I think Loren indicated this morning that he and John  
20 are going to rewrite these based on your conversation,  
21 tomorrow send them out again. So you'll get a chance  
22 to do the type of wordsmithing you want to do.

23 So you may be able to concentrate tomorrow  
24 on does this write-up characterize the issue  
25 correctly. Are there things in there that shouldn't

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1 be in there? Are there things that should be in  
2 there?

3 And I know Ray raised this point this  
4 morning about the, quote, minority report, but I think  
5 anybody can be in the minority. It's not just going  
6 to be --

7 MR. SHADIS: The minority.

8 MR. CAMERON: Right. It's not going to  
9 just be the minority. Well said, Ray, but you may be  
10 able to start fleshing out, going to Ed's point also  
11 this morning about how you all agreed that first  
12 meeting is let's try to make this a consensus, is that  
13 you may see items that are coming out here that may  
14 form a possible minority opinion, but you may be able  
15 to do something to make that part of the consensus,  
16 too, by accommodating that somehow.

17 MR. GARCHOW: That's exactly what happened  
18 during the pilot plant process when we got to just  
19 this point, because half of the last day we determined  
20 that 12 people could not individually word-whack 100  
21 paragraphs and ever get done. I mean, you can't just  
22 do that. So --

23 MR. FLOYD: I think the favorite  
24 expression of the day boiled down to, "Okay. You  
25 would have worded it differently, but can you live

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1 with the way that it's worded here?"

2 MS. FERDIG: That's exactly consensus.

3 MR. FLOYD: And that's what consensus is,  
4 exactly.

5 MR. GARCHOW: Right, or we'll never get  
6 out of here.

7 MR. HILL: Where do we handle things like  
8 I think Ray brought it up once upon a time, that right  
9 now the NRC is doing its own self-assessment, and what  
10 about the idea of somebody else looking at that?  
11 Where do we fit that in? Is that some other part, a  
12 narrative?

13 Have we made a recommendation about  
14 anything like that?

15 CHAIRMAN PLISCO: That was not exactly an  
16 issue.

17 MR. FLOYD: You would wish this process on  
18 another body?

19 MR. HILL: I'm trying to add to the  
20 process. I'm not saying that's my recommendation, but  
21 it is something addressed.

22 MR. SCHERER: I thought Dave Garchow was  
23 going to be part of a continuing --

24 MR. GARCHOW: I was just making a joke I  
25 thought.

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1 CHAIRMAN PLISCO: Yeah, I think if we're  
2 going to talk about that, the best way to handle it,  
3 I mean, we can --

4 MR. HILL: Anything that we have, such as  
5 there was another comment earlier, but any  
6 recommendations that's not exactly an issue, when are  
7 we going to talk about it or how do we fit it in?

8 And I'm sure he's got a number of topics  
9 from the previous parking lots and other issues that  
10 might be --

11 MR. BROCKMAN: If we've got things that  
12 are open, we probably need to identify the issue that  
13 it's related to, which I think this one is probably --  
14 the one you just mentioned is probably related to 03.

15 MR. BLOUGH: That would be a good way to  
16 do it, I guess. I guess that's a good point though  
17 when we're looking at what's here we ought to be  
18 thinking about --

19 MS. FERDIG: What's not here.

20 MS. BLOUGH: -- what's not here. We've  
21 gone through a process to get to this point, and we  
22 ought to be thinking about what's not --

23 MR. HILL: Well, is that something you can  
24 look at and see if from all of our table stuff and  
25 everything is there something we should be re-talking

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1 about in here that we haven't covered?

2 MR. CAMERON: Did John keep a -- he was  
3 going to keep a running tally of all the flip charts.

4 CHAIRMAN PLISCO: Yeah, and I've been  
5 going through this. A lot of them we have come back  
6 to, and what we need to do is go back and cross-check,  
7 see if there's any others that we haven't come back  
8 to.

9 MR. CAMERON: Because we started that at  
10 the first. There were a whole lot of parking lot  
11 items that first meeting, and I think that we have  
12 covered a lot of them as we've gone back, but that's  
13 a good suggestion. See if we've done all of that at  
14 this point, yeah.

15 MS. FERDIG: Do I also hear you asking  
16 about the other kinds of assessment activities that  
17 are going on simultaneously with ours, internal self-  
18 assessment, for example?

19 MR. HILL: No, no. I'm just -- the  
20 question came up is: should we recommend some kind of  
21 group outside of the NRC be looking at that? That was  
22 one example of recommendation. I'm just trying to use  
23 that as how do we fit that type of recommendation in.

24 MS. FERDIG: I just want to make one  
25 comment again that I alluded to this morning, and just

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1 call it to our attention. As I'm reading the purpose  
2 here, we are asked to monitor and evaluate the results  
3 of the first year initial implementation of the ROP  
4 and provide advice and recommendations to the Director  
5 of the NRR.

6 I think because of the nature of the way  
7 these groups work and the ways that we think, we tend  
8 to do diagnostic and identify the things that are  
9 wrong and call them issues and make that the content  
10 of the report.

11 I'm just challenging that assumption and  
12 asking what does that mean in terms of the overall  
13 meta-message, and are there evaluative positions that  
14 we can take that may reflect something other than the  
15 problems that we've identified on these pages? And if  
16 so, how should they be characterized and can they be  
17 substantiated to the same degree of credible  
18 accounting that we are on these issues, and do we  
19 care?

20 It's just a question.

21 MR. FLOYD: I think Mary makes a good  
22 point. I mean, this report, although it goes to the  
23 Director of NRR, it obviously has a much wider  
24 audience, and I think we do need to be sensitive to  
25 the way that we write this up so as not to mislead the

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1 people that may not have a complete picture of this.

2 I mean, just take the first one as an  
3 example. I mean, if you read that first one, you  
4 would think that licensees are out there doing all  
5 sorts of unsafe actions potentially because they're  
6 trying to manage an indicator, and I don't think  
7 there's any evidence of that.

8 In fact, the staff says they don't have  
9 any evidence of when somebody's actually taking an  
10 unsafe action. They have some indications of where  
11 they might have managed the indicator, but it wasn't  
12 done in an unsafe manner.

13 And if you don't put that proper  
14 characterization on it, I think you're missing  
15 something.

16 Also, while this focuses on unintended  
17 consequences, there are also some intended  
18 consequences that were positive for the way some of  
19 the PIs were put together, and I think that's maybe  
20 some of the flavor you're talking about.

21 MS. FERDIG: Yeah. I mean, I've heard  
22 those things intermingled into our conversations, but  
23 I don't know that we have recorded them, documented  
24 them.

25 MR. CAMERON: And you've raised this. You

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1 raised this first in Atlanta. It is sort of a parking  
2 lot item, but it's more than that in the sense that I  
3 think that the panel thought that there was some value  
4 to making some more general, positive statements, not  
5 just in the example you gave, Steve, by you're giving  
6 a false impression perhaps by the way the language is,  
7 which you always need to look at.

8 But I thought that you were thinking about  
9 something like, well, what are the positive results  
10 from this program. Is that correct?

11 MS. FERDIG: Well, right. And I just  
12 raise the question again so we can be conscious of the  
13 choices we're making about that, and it may be that  
14 the cover letter, the reference to that is sufficient,  
15 but it does create a powerful message when the  
16 content, the substance is, you know, dealing with the  
17 problematic issues, when in fact that may not be the  
18 strongest message.

19 MR. GARCHOW: Now, I would agree. I mean,  
20 we in our management of the place -- I mean, I can get  
21 groups of employees together and ask them what's wrong  
22 with the place, and we can have a good three-hour  
23 discussion, and I can generate walls full.

24 But you can have the same conversation,  
25 what's going right, and can generate the same

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1 conversation. So you almost influence the reality by  
2 how you choose to go after it.

3 So, I mean, I do appreciate the fact that  
4 there probably is some intended consequences like  
5 Steve said. You know, the EP performance indicator,  
6 I believe, has driven the industry to a better EP  
7 program by nature of the performance indicator and  
8 looking at something that probably wasn't looked at in  
9 that manner prior to this new process.

10 Security equipment is another good  
11 example. I mean I think that we ought to when we read  
12 this tonight be looking for some positive examples as  
13 well to, you know, make sure we get the right balance  
14 in, that it's not all a problem.

15 CHAIRMAN PLISCO: And a number of the  
16 individual inputs did provide that. We had to compile  
17 all of that.

18 MR. KRICH: Right. Early on we had talked  
19 about, and I think it came from Ed, was what were some  
20 positives that came out, and I know I provided you a  
21 list of positives in addition to the issues, and I  
22 think other people did as well.

23 So the items are out there. I don't know  
24 if we ever did anything with it.

25 CHAIRMAN PLISCO: No, we haven't compiled

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1 it. I have it.

2 MR. KRICH: Okay.

3 CHAIRMAN PLISCO: Everyone didn't do it  
4 that way, but we have some like that.

5 MR. KRICH: And then I have one other  
6 question, and Rich kind of juggled my memory, but I  
7 remember that back early on here I thought that one of  
8 the things -- I was just checking the charter, but  
9 it's not explicit in there -- but I thought we had  
10 agreed early on, and I might not be remembering this  
11 right, that part of our work was to evaluate the NRC's  
12 assessment or evaluation, what we just talked about  
13 with Bill.

14 CHAIRMAN PLISCO: Yes. Yeah, we have to  
15 say something about that, and I think the way the  
16 timing is worked out, you know, I think we'll  
17 obviously have to pass some caveat since we didn't see  
18 the final results.

19 MR. KRICH: Right, right. I think what we  
20 can pass judgment on is at least the framework and not  
21 necessarily whether it's given good results or not.

22 CHAIRMAN PLISCO: Right, and I don't want  
23 to tell the panel what the final answer is going to  
24 be. We need to talk about that, but I gained some  
25 confidence, you know, in these workshops. You know,

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1 many of those issues that were in the workshop are the  
2 same issues that we have.

3           You know, like I say, we may have a  
4 different, slightly different take on the issue as far  
5 as the different components of it, but I think most of  
6 the issues that we have talked about in these five  
7 meetings, you know, were talked about in that workshop  
8 or in the internal workshop that the staff had as far  
9 as things that still need to be addressed in the  
10 program.

11           MR. KRICH: Let me just make sure I'm  
12 clear here. I agree with you. I think from my  
13 knowledge of what the issues were in the industry that  
14 they match pretty well with what we've talked about  
15 here. What I was talking about is the big, thick  
16 evaluation process that --

17           CHAIRMAN PLISCO: Yeah, yeah. We do have  
18 to --

19           MR. KRICH: We've got to pass on that or  
20 at least give some feedback to --

21           CHAIRMAN PLISCO: Yes.

22           MR. KRICH: Okay.

23           MR. BLOUGH: Well, I didn't read it that  
24 way, that that packet we got on October 16th was what  
25 we had to pass judgment on.

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1 CHAIRMAN PLISCO: Right, not just that.

2 MS. BLOUGH: I thought it was more  
3 holistically the self-assessment, meaning everything  
4 was being done through self-assessment.

5 MR. KRICH: I didn't mean to limit it to  
6 just that. You're right, Randy, but it was  
7 specifically included in that.

8 MR. HILL: And, by the way, I think I said  
9 Ray brought up the idea of the process. I think it  
10 was really Jim from Georgia who is not here now who  
11 brought up the idea that you need an outside type  
12 review of that self-assessment.

13 MR. SCHERER: He linked it to the Quality  
14 Council concept. I recall that was on my list.

15 MR. SHADIS: That was running through my  
16 mind over and over again to make this come out like  
17 something I had said, and it didn't.

18 CHAIRMAN PLISCO: But, again, you know,  
19 what you have left of this evening after you go  
20 through these issues is, you know, what other higher  
21 level, you know, messages do we want to include in  
22 this report or things do we want to say.

23 But that's one question we do need to  
24 answer. We need to say something about --

25 MR. FLOYD: Maybe what we're really

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1 talking about is what do we think the introductory  
2 part of this report --

3 CHAIRMAN PLISCO: Yeah, that's what I'm  
4 talking about.

5 MR. FLOYD: Like an overall summary, and  
6 I could, just for an example, I could see a  
7 subparagraph under the overall that addresses each of  
8 these areas that we've got comments in. Like  
9 performance indicators, I could see an overall  
10 statement that says something like performance  
11 indicators were shown to be capable of being reported  
12 in a timely and accurate manner, and they did point to  
13 some performance issues which resulted in additional  
14 supplemental inspection. Some of them promoted, you  
15 know, the right behavior and had the intended  
16 consequence.

17 However, there's a number of issues that  
18 we've identified below that we have some  
19 recommendations on for further improvement, and there  
20 may be a section in the main body of the report that  
21 reads like that for performance indicators, inspection  
22 area, SDP, right on down through the line.

23 MR. HILL: Aren't you glad that was  
24 recorded?

25 MR. FLOYD: Something like that. I think

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1 that's what we're talking about.

2 MR. GARCHOW: For each topic.

3 MR. FLOYD: For each topic, yeah.

4 MR. GARCHOW: Every group that came in,  
5 the resident inspectors, the risk analysis, I mean,  
6 they all had positives as well as issues when they  
7 talked before the Board. The state, I mean, everybody  
8 was --

9 MS. FERDIG: Had some substantive  
10 examples, something other than just black.

11 MR. BLOUGH: I agree as long as it goes  
12 through the same assessment. I mean consensus  
13 process.

14 MS. FERDIG: Oh, absolutely, which is why  
15 I'm bringing it up now as opposed to when we're  
16 writing the report and it's too late to know that.

17 MR. HILL: And what was that quote from  
18 David Lochbaum that you thought ought to be put in the  
19 beginning? This was the hope of the --

20 MR. SHADIS: No, I didn't say it should be  
21 put in the beginning. I said he --

22 MS. FERDIG: Do you think we need to  
23 report that?

24 MR. SHADIS: Here, wait a minute. Let's  
25 see. I have his comments actually that he submitted

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1 for the -- at the Federal Register invitation that he  
2 wrote on March 29th, and he said, "As stated at both  
3 the opening session and the public communications  
4 session at the recent ROP workshop, the Union of  
5 Concerned Scientists believes the ROP is much better  
6 than its predecessor at monitoring plant safety levels  
7 and communicating to various stakeholders about safety  
8 levels."

9 And then from there it goes negative, but  
10 ten pages.

11 MR. GARCHOW: We could do it like movie  
12 reviews.

13 CHAIRMAN PLISCO: Anything else?

14 MR. SHADIS: The format I think is just --

15 MR. LAURIE: So you've assigned homework.

16 CHAIRMAN PLISCO: Yeah, we have homework.  
17 Read through these. I don't have the SDP ones. So --

18 MR. SHADIS: Loren, I'm going to be  
19 disappointed if this group cranks out something on  
20 schedule and the agency doesn't get its stuff done on  
21 schedule. Do you know what I'm saying?

22 You know, is it a drop dead issue that the  
23 Commission can't be told to wait another month while  
24 we have time to like read through and think about  
25 this, not time for another meeting, but just time to

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1 contemplate all of what we've absorbed?

2 CHAIRMAN PLISCO: Well, like I said, our  
3 goal in the beginning was to make sure before the  
4 staff goes back to the Commission that they have our  
5 thoughts before they do that and they had time to  
6 absorb our input, and that was really the goal.  
7 That's why we were looking at the end of April, early  
8 May, because they've got to go to the Commission in  
9 June.

10 So they need time to see what we have.

11 MR. SHADIS: But they probably won't show  
12 up until November.

13 CHAIRMAN PLISCO: They have a meeting  
14 scheduled that's on the calendar.

15 MR. GARCHOW: I don't know if history is  
16 future performance like your stock market, right, but  
17 having been involved in this process before, when we  
18 took the PPEP letter and then it went in, I mean, it  
19 wasn't a matter of just a couple weeks and several of  
20 us got invited to be at the NRC Commission meeting  
21 where that was presented to the Commissioners, and  
22 they were on a pretty aggressive time line, and those  
23 meetings were scheduled and executed.

24 So if we delayed the PPEP report, we'd  
25 have sort of like missed the train.

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1 MR. BROCKMAN: I believe right now it's on  
2 the schedule for the Commission meeting, is on  
3 schedule for the 20th of July.

4 PARTICIPANT: We have SECY up on June in  
5 advance of that.

6 MR. GARCHOW: All I am saying is they  
7 followed their schedule last time because we had the  
8 same conversation at the end.

9 MR. SHADIS: Oh, okay. We benefit from  
10 your previous experience.

11 MR. BROCKMAN: We've been talking before.

12 CHAIRMAN PLISCO: And, again, if we're not  
13 ready to make a conclusion in a specific area or we  
14 want to caveat our conclusion, as we said, we probably  
15 will as far as the metric part of that self-assessment  
16 since we haven't seen the results. I don't think --  
17 you know, we're not going to be able to say a lot.

18 We will have the internal survey results,  
19 which is another piece of that.

20 Enough for today? Thank you.

21 (Whereupon, at 5:26 p.m., the meeting was  
22 adjourned, to reconvene at 8:00 a.m., Tuesday, April  
23 3, 2001.)

24

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