

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

U.S. NUCLEAR REGULATORY COMMISSION  
FIRST ENERGY NUCLEAR OPERATING COMPANY  
PUBLIC MEETING

Meeting held on Wednesday, November 13, 2002 at  
7:00 p.m. at the Oak Harbor High School, Oak Harbor,  
Ohio, taken by me, Marlene S. Rogers-Lewis, Stenotype  
Reporter, and Notary Public, in and for the State of  
Ohio.

- - - - -

PANEL MEMBERS PRESENT:

- U. S. NUCLEAR REGULATORY COMMISSION
- John (Jack) Grobe, Chairman, MC 0350 Panel
- Christine Lipa, Branch Chief, Region III
- Anthony Mendiola, Section Chief PDIII-2, NRR
- Christopher (Scott) Thomas,  
Senior Resident Inspector - Davis-Besse
- Douglas Simpkins,  
Resident Inspector - Davis-Besse
- Sam Collins, Director of Nuclear Reactor  
Regulation

1           MR. GROBE:        It's about 7:00, why  
2           don't we go ahead and get started. Let me start by  
3           making some introductions of -- oh, thank you.  
4           Should I start again?

5           Let's get started. Why don't I start by  
6           making some introductions, and then we'll get into a  
7           little bit of ground rules for the meeting tonight  
8           and then receive public comment.

9           Our purpose for being here tonight is to hear  
10          what you're thinking, receive any input you have, try  
11          to answer any questions you might have. If we don't  
12          have the answers here, we can certainly get them.

13          My name is Jack Grobe. I'm an Executive in  
14          the NRC Region III office in Chicago, Illinois, and  
15          I've also been assigned for the last several months  
16          as the Chairman of the NRC's Oversight Panel for the  
17          Davis-Besse plant.

18          With me here tonight are quite a few NRC  
19          staff. Let's start with my immediate left is  
20          Christine Lipa. Christine is a Branch Chief in the  
21          Region III office. She has responsibility for the  
22          inspection program, the NRC's inspection program at  
23          Davis-Besse.

24          There's two fellows here that she supervises;  
25          Scott Thomas, sitting right here in front is the

1 Senior Resident Inspector. He works at the plant  
2 every day, and Doug Simpkins is the Resident  
3 Inspector. Doug also works at the plant, and out in  
4 the foyer was Nancy --

5 MS. LIPA: Keller.

6 MR. GROBE: -- Keller, thank you.

7 Nancy is the Resident Office Assistant, and she has  
8 been a tremendous support for us for organizing these  
9 meetings and making sure that we have the handouts  
10 and getting you folks the information that you need  
11 that we bring with us.

12 There's a number of documents that are out  
13 there on the table. I hoped you picked them up.  
14 One is our monthly newsletter. This newsletter  
15 documents the results of several recently completed  
16 NRC inspections, and it also indicates ongoing  
17 inspections, provides a variety of background  
18 information on what happened at Davis-Besse and what  
19 the NRC is doing. Also there were slides from this  
20 afternoon's meeting, both from the NRC presentation  
21 as well as the First Energy presentation. In a  
22 minute, Tony Mendiola, who is sitting on Christine's  
23 immediate left, Tony is a Supervisor in our  
24 headquarter's office of Nuclear Reactor Regulation.  
25 He has responsibility for licensing of the

1 Davis-Besse facility, along with other facilities,  
2 and John Hopkins works for Tony. John's the  
3 Licensing Project Manager.

4 We also have one of our Senior Inspectors  
5 here from the Region 3 office, Marty Farber. Marty  
6 led a team of nine inspectors that were specifically  
7 looking at the adequacy of systems at the Davis-Besse  
8 plant.

9 Jay Collins is sitting back there. Jay is  
10 an Engineer from the office of Nuclear Reactor  
11 Regulation, who's working at the site with Scott and  
12 Doug currently.

13 Over here, we have Roland Lickus and Vika  
14 Mitlyng. Roland is our State and Government Affairs  
15 officer, and Vika is a Public Affairs officer out of  
16 the Region 3 office, and I think Vika is making a  
17 phone call, but she'll be in in a moment.

18 We have two inspectors from the Perry plant,  
19 I believe, Ray Powell. Ray, raise your hand. Ray is  
20 the Senior Resident Inspector at Perry, and he's over  
21 at the Davis-Besse plant helping out, and who am I  
22 missing --

23 MS. LIPA: (Indicating).

24 MR. GROBE: Oh, okay, the resident  
25 left, and on my immediate right is a very important

1 person, Sam Collins. Sam's the Director of the  
2 office of Nuclear Reactor Regulation in headquarters.  
3 Sam has overall responsibility for the safety of  
4 nuclear power plants in the United States, and with  
5 Sam tonight, Tony and John work in Sam's office, as  
6 well as Margie Kotzalas. Margie is an Engineer in  
7 NRR, and she works with Sam. She specializes in  
8 communications effectiveness. Communications and  
9 public confidence is one of our four primary goals.  
10 Our most important goal is the safety of nuclear  
11 power plants, but we also have goals on efficient  
12 effective utilization of NRC resources, making sure  
13 that our regulatory programs are well-founded, and we  
14 minimize any unnecessary burden, as well as making  
15 sure that we endeavor to communicate to the public so  
16 that we enhance your confidence in us as a strong  
17 regulator.

18 I think -- have I missed anybody? I think  
19 I've got all the NRC staff that are here tonight.  
20 We met this afternoon with FirstEnergy for about four  
21 hours -- three and a half hours or so, and then took  
22 public comments and questions after that meeting and  
23 we're here tonight.

24 Tony is going to summarize this afternoon's  
25 meeting, and before I turn it over to Tony, what I'd

1 like to do is ask Sam to make some comments.

2 MR. COLLINS: Thanks, Jack. Good

3 evening. Thanks for being here tonight. I know

4 some of you may have been here this afternoon also,

5 but I did appreciate the opportunity to talk to other

6 citizens of the area and workers at the plant and

7 those stakeholders who are in the area because of the

8 interest in the plant. I did acknowledge this

9 afternoon, I'd like to do so also this evening that

10 we're aware of the burden that the area is under as

11 result of the tornadoes on Sunday in Oak Harbor and

12 Catawba Island, and we appreciate the fact that some

13 of you may be distracted or perhaps not even here

14 tonight because of that, so it's a busy and important

15 time for you, but we are here to answer questions.

16 I'm here specifically to answer any questions that

17 people may have on the program and the process that

18 we use that resulted in the plant operating for the

19 additional 45 days beyond December 31st, at which

20 time they shut down in mid February and upon

21 inspection discovered the corrosion on the head. I

22 can go through the logic and the process and where we

23 are with the reviews and how we have been

24 self-critical under evaluation and how that took

25 place and how we intend to move forward as hopefully

1 a better organization. We think we owe you that  
2 information and that clearly that was an unexpected  
3 result, and we missed an opportunity to discover it  
4 multiple times as a result of our regulatory  
5 processes, and we know that's important to you as a  
6 constituency not only in the plant area, but also  
7 relying on the NRC to be a strong credible regulator.  
8 Thank you.

9 MR. GROBE: Thanks, Sam. There's  
10 one additional document that's outside, and I hope  
11 you take advantage of the opportunity to provide us  
12 some feedback. It's called a feedback form, and it's  
13 self-addressed, so all you've got to do is fill it  
14 out and drop it in the mailbox, and it will get back  
15 to us. It asks you a number of questions regarding  
16 the effectiveness of these kinds of meetings and asks  
17 you for suggestions on how to improve the meetings,  
18 so please take a few minutes after the meeting and  
19 give us your thoughts because we're always looking  
20 for ways to improve in how we conduct our business,  
21 and we'd appreciate your feedback on that also.

22 Tony, why don't you summarize this  
23 afternoon's meeting?

24 MR. MENDIOLA: Easier said than  
25 done. I'm going to try to capture in a few minutes

1 here basically what we discussed in about three --  
2 three and a half hours that we had with FirstEnergy  
3 this afternoon.

4 Speaking from a few documents here -- and  
5 I'll refer to them hopefully to help anyone who  
6 wasn't here negotiate through what we discussed.

7 The first document, of course, is the agenda  
8 from this meeting held as 2:00. I think there is  
9 still some copies in the lobby if you need some, but  
10 basically, we started, of course, with Introduction  
11 and Opening Remarks and moved on quickly to the NRC's  
12 part of the meeting, which was to discuss our restart  
13 action checklist and the status of some ongoing  
14 inspections that we have either completed or in the  
15 process of inspecting at the site. Rather than go  
16 through the long drawn-out list, I would prefer to  
17 refer you to the NRC Update, this handout in the  
18 lobby. It's basically -- well, it says NRC Update  
19 on it, and it has our logo on it, but it clearly  
20 defines the Findings of the Completed NRC  
21 Inspections, including some that we actually had an  
22 exit meeting on this morning at the site, and it  
23 gives you a summary of what the NRC found and what we  
24 still have left to do.

25 Additionally, on the front page, basically



1 where my thumb is here, there's a section which  
2 discusses the ongoing NRC inspections and their  
3 current status and as well as what we're inspecting  
4 on site for those three inspections that are ongoing.  
5 Rather than summarizing those for you, I'd prefer  
6 that you look at these, and if you have any questions  
7 or any -- need anymore information on that, we'll be  
8 happen by to address them here.

9 The update also -- by the way, also has a  
10 large amount of background information on the  
11 occurrence that happened at Davis-Besse, and,  
12 basically, if you refer to it, it will bring you  
13 up-to-date on where we stand after all the activities  
14 that has happened this year.

15 After summarizing that, we also had indicated  
16 a potential for -- not the potential, the actual  
17 scheduling of some future meetings. A week from  
18 today, in this location, the Lessons Learned Task  
19 Force, the NRC's Lessons Learned Task Force will be  
20 here -- I think at 7:00, yeah, 7:00, a public meeting  
21 to discuss their report with the public, and, I  
22 think, to get feedback from the public.

23 Additionally, I'm sorry, the follow week, on  
24 November 26th in headquarters, there will be a series  
25 of meetings with Davis-Besse as well to discuss

1 issues associated with the leakage that has been  
2 found on the bottom of the reactor vessel. That  
3 meeting will be a public meeting in the afternoon of  
4 November 26th, and it will be on the teleconference,  
5 so people can call in and listen to the meeting since  
6 it is back in Washington.

7 That basically wrapped up the NRC's portion  
8 of the meeting. From that point on, we moved into  
9 the Davis-Besse agenda and the -- their discussion of  
10 the return to service update. I believe there is  
11 still slides, copies of this out front. I'm only  
12 going to address the high points. This was the  
13 majority of the three -- three and a half hours that  
14 we had this afternoon.

15 Basically, there was several desired outcomes  
16 from this meeting which FirstEnergy set forth at the  
17 beginning. They wanted to discuss clearly their  
18 quality assurance organization, and the status of  
19 that organization as it works through an  
20 understanding of where quality assessment is at the  
21 plant, as well as to demonstrate that there is some  
22 value being added in their processees that they  
23 currently have in place. They also wanted to  
24 demonstrate where they were on some key Building  
25 Blocks associated with getting the plant back to

1 restart. They wanted to address the lower level  
2 penetrations and to address some emerging design  
3 questions that have come up as they have gone through  
4 their engineering analysis supporting their key  
5 Building Blocks, and then they also wanted to review  
6 the ongoing schedule for returning the plant to  
7 start-up.

8 The first discussion that had to do with the  
9 quality assessment, as I mentioned, the first key  
10 element of their presentation discussing the major  
11 responsibilities of their Quality Assessment  
12 Value-added organization on site, basically the fact  
13 that they had done a number of Plant and Staff  
14 Readiness Assessments and evaluated various portions  
15 of the Building Blocks looking for individual parts  
16 of quality assessments that had been made and  
17 evaluating the value-added and basically showing the  
18 strength of their organization, their quality  
19 assessment organization as issues emerged and were  
20 resolved. They provided -- and you'll see this if  
21 you have a copy of the slides, they provided  
22 individual issues in each of these Building Block  
23 areas and followed through with some simple  
24 discussions on how their organization, their quality  
25 assessment organization had improved or had helped

1 resolve these issues. This is a little awkward with  
2 one hand. Sorry.

3 Basically, though, in summary on their  
4 Quality Assessment Value-Added they indicated that  
5 they had made some organizational changes and some  
6 managerial changes associated with the quality  
7 assessment area. They were still in the taking  
8 action category, but one of the things they wanted to  
9 do was do a quality assessment program review,  
10 evaluate the program where they stand currently and  
11 to determine what future actions they were going to  
12 go on from this point on to make the quality  
13 assessment an even stronger program at the plant.  
14 Then they moved into the key Building Blocks,  
15 basically discussed the restoration of the reactor  
16 head, the current status of that, the engineering  
17 status. That discussion branched off into the under  
18 vessel area. You may be aware that there was some  
19 questions about basically some deposits that were  
20 found on the bottom of the reactor vessel, what are  
21 they, where are they from and what does that mean,  
22 what is the significance of those issues. The plant  
23 worked closely with their vendor and came up with  
24 some engineering evaluations and some chemical  
25 evaluations. Rather inconclusive were the results.

1 Some key was where to go from here and they  
2 developed -- basically, rudimentary developed a  
3 bottom head plan, which is basically how they were  
4 going to go about determining and evaluating what was  
5 the findings on the bottom of the head, and they gave  
6 basically a simple outline of the plan, which  
7 involves basically cleaning the bottom head,  
8 restoring the plant and taking it to what we call  
9 normal operating pressure, normal operating  
10 temperature, otherwise known as NOTOP, and then  
11 holding that pressure for a period of time, anywhere  
12 from three to seven days and then shutting the --  
13 cooling the plant back down and going in and  
14 determining what -- what results in there. If there  
15 is a leak, of course, there would be some buildup of  
16 some boron, or if there is any other misting or any  
17 other spray characteristics down there, then they  
18 would be able to figure out, what, if any, there is  
19 leaking down there, and then obviously incorporate  
20 whatever repair activities would be necessary.

21 There was discussion about installing some  
22 on-line leak detection system currently or as soon as  
23 possible basically so that they could be evaluating  
24 this on a constant basis rather than, if you will, on  
25 an opportunity basis. This system would always be

1 on-line, the leak detection system, would always be  
2 on-line under there to see if there is any leakage.  
3 It's very similar to what they do overseas. The  
4 plan is still being drafted and future activities on  
5 this really will center on the meeting on November  
6 26th in headquarters.

7 Moving on, they went through some of the  
8 other Building Blocks, a System Health Assurance,  
9 basically discussing the Significance Assessments of  
10 various systems and going through some issues and  
11 evaluating those issues to determine just basically  
12 how healthy and how ready these systems are in order  
13 to restore the plant to restart status. Basically  
14 most of the information gathered on System Health  
15 Assurance for the facility anyway is in the  
16 evaluation phase to determine what the significance  
17 is of these issues that they've discovered.

18 Design Issues Resolution, this is one of the  
19 other major issues that we discussed today. Design  
20 Issues, of course, as they have gone through various  
21 programs, they've determined that some of the  
22 fundamental design basis calculations, if you will,  
23 have some -- some -- uncertainty is probably a bad  
24 word, but it's a word I'll use, uncertainty on  
25 whether or not, you know, the calculations are still

1 valid, the methodology for calculations with the  
2 initial conditions in order to set up the  
3 calculations are still valid. They're going back to  
4 verifying to be sure that these calculations are  
5 valid, and they had a chart up on that wall -- it's  
6 gone now, but basically discussing how far they -- or  
7 what they've done so far and how much more they felt  
8 that they needed to do in order to perform what we  
9 call a design basis validation. They had this  
10 program which will be focused on validating the  
11 system descriptions and design criteria. Sorry.

12 The next area was the discussion, the next  
13 Building Block area discussed was the Management and  
14 Human Performance Actions. Basically there's been a  
15 large amount of work associated with the plant in  
16 order to complete an assessment, an evaluation, and  
17 improvement, I guess, of the safety conscious work  
18 environment, the ability, if you will, of the on site  
19 staff to conquer any issues that come at them, and  
20 there was some significant improvements which were  
21 pointed to, a large amount of safety conscious work  
22 environment training for most of the site contractor  
23 supervisors. There was some assessments of  
24 various -- at various levels of the staff on their  
25 ability to follow through on these issues. The

1 staff I'm talking about the executives, the managers,  
2 directors and supervisors, basically discussing with  
3 them, you know, the understanding -- make sure they  
4 have the understanding and training to be able to  
5 follow through on a safety conscious work  
6 environment.

7         There was a lot of discussion about the case  
8 study. This was a one day stand down at the plant  
9 where there was a large discussion of all the staff  
10 on the plant to discuss the case, to discuss what  
11 happened at Davis-Besse and the assessment of the  
12 feedback from that meeting, that day, from the staff  
13 and how -- how it is -- how those themes, if you want  
14 to call it that, are going to be reflected in future  
15 management styles and issues at the plant. Some of  
16 the concerns were, you know, were also discussed such  
17 as the management production versus quality, safety,  
18 priority concerns and that there was some skepticism  
19 about management's response for raising issues and  
20 concerns, fear of reprisal.

21         In the interest of -- oh, I'm sorry, not yet.  
22 One more major issue that was discussed was the  
23 Operations Leadership Plan. This is a plan which is  
24 going to seek to prepare the operations organization  
25 for restart and to ensure that once restarted that



1 they will sustain a higher level of performance.  
2 They were seeking to strengthen and prepare the  
3 operations staff for restart and seeking, if you will  
4 to make the operations staff the leader at the site  
5 and be recognized as the leader at the site among all  
6 the departments at the site and that continuous  
7 improvement would be expected of the operations  
8 personnel at the site.

9 In the interest of the time, we skipped the  
10 last bullet which was a discussion of the Schedule  
11 Review. Some of those Major Milestones are captured  
12 in the slides, and, if you like, you should take a  
13 look at these. These have to do with the major  
14 milestones in the future for the plant, and by that  
15 point we were well over the three hour point. We  
16 had a few closing remarks, which basically I've  
17 already captured. We did recap all the major plan  
18 activities, and we did indicate that the next meeting  
19 of this type would be December 10th, I want to say  
20 down the street -- that's probably the wrong word;  
21 over at Camp Perry at the clubhouse at Camp Perry.

22 That, in a nutshell, is everything that went  
23 on for the last -- well, for three and a half hours.

24 If you have any other questions, or you need  
25 anymore expedition on that, just let me know.

1 MS. LIPA: I also wanted to point  
2 out that in the monthly newsletter, there's a lot of  
3 key information. There's our web site address, and  
4 there's a lot of good information on the web site,  
5 inspection reports, transcripts from these meetings  
6 and other information that you can use, and also in  
7 there are the numbers for our Public Affairs  
8 officers, so if you don't want to come up and ask a  
9 question today, you can call either Viktoria Mitlyng  
10 or Jan Strasma and ask them questions about the  
11 Davis-Besse.

12 MR. GROBE: Before we get started  
13 with questions, let me just do an informal survey.

14 How many people are here for the first time,  
15 this is the first meeting that you have attend?

16 THEREUPON, a response was given by a show of  
17 hands.

18 MR. GROBE: Oh, excellent. Thank  
19 you very much for coming.

20 Given that, why don't I just take a few  
21 minutes and go over some background information so  
22 that you have a better understanding of what we're  
23 all about.

24 I think most of you know that earlier this  
25 year Davis-Besse shut down for a routine refueling

1 outage, as well as the performance of some unique  
2 examinations and tests of the reactor pressure vessel  
3 head. During the course of those activities they  
4 discovered a rather large cavity, some have described  
5 it as football shaped or as footprint shaped or --

6 MS. LIPA: Pineapple shaped.

7 MR. GROBE: What was that?

8 MS. LIPA: Pineapple shaped.

9 MR. GROBE: Pineapple shaped,  
10 about, you know, four inches by seven inches. The  
11 reactor pressure vessel is one of the barriers to the  
12 release radioactive materials. The first barrier is  
13 the fuel itself. The fuel pellets are ceramic, it's  
14 the uranium fuel pellets, and they contains the vast  
15 majority of the radioactive materials, the  
16 radioactive waste within the pellet itself. Some of  
17 the radioactive waste is in the gaseous form. It  
18 collects inside the fuel pin. The pin is about 12  
19 feet long and about the size of your little finger in  
20 diameter, and there is half a gazillion of those  
21 inside the reactor. They are arranged in fuel  
22 elements, but that's the second barrier.

23 The next barrier is the reactor coolant  
24 system itself, and just to give you some context,  
25 there is some very good description in our newsletter

1 of this, so please take a copy of that, and if you  
2 can't get it tonight, we'll be glad to send you one,  
3 or if you can get on-line, all of this information is  
4 on-line at our web site, but the reactor pressure  
5 vessel is about a six inch thick steel vessel. It's  
6 kind of shaped like a hotdog. It's about 14 feet in  
7 diameter and about 25 or 30 feet long -- tall. It's  
8 got rounded heads on both ends. The upper head is  
9 where the degradation occurred. It was caused by a  
10 crack in a -- in a tube, a four inch diameter tube  
11 that goes through the head. There's quite a large  
12 number of those that go through the top of the  
13 reactor head and through these tubes are the control  
14 rod drive mechanisms. That's the equipment that  
15 drive the control rods in and out of the reactor  
16 itself. The control rods control the level of power  
17 by controlling neutrons in the reactor core, so these  
18 rods normally when the plant is shut down, all  
19 inserted in the core. When the plant operates they  
20 are removed from the core, pulled up out of the core,  
21 and these penetrations in the top of the reactor  
22 vessel are for the mechanisms that move these rods in  
23 and out.

24 Over the past number of years, there was an  
25 issue that was developing with the certain type of

1 materials that were used in the Davis-Besse reactor  
2 where some cracking in these penetrations have been  
3 discovered and the inspections that were being done  
4 during this outage were to confirm that, in fact,  
5 there were no cracking. What was identified was, in  
6 fact, that there had been cracking, that the cracks  
7 went through the wall of the penetration tubes such  
8 that the reactor coolant was leaking through these  
9 cracks. That reactor coolant contains boric acid  
10 and there is -- boric acid is an additive to the  
11 coolant that is also used to help control the nuclear  
12 reaction. It's a very, very mild solution of boric  
13 acid. When it's in the reactor coolant, it's not  
14 terribly corrosive, but when it becomes concentrated  
15 it can be corrosive, and what happened on the head of  
16 the reactor was that this boric acid became  
17 concentrated, became a corrosive material and  
18 actually corroded away six inches of steel. This  
19 was a situation that had never been experienced  
20 before in a nuclear power plant. It was completely  
21 unexpected.

22 The licensee during the course of our  
23 inspections immediately following the discovery of  
24 this, FirstEnergy -- it was revealed that FirstEnergy  
25 had a number of opportunities to discover this

1 earlier and they had performed unacceptably, and we  
2 have two reports that document our inspections in  
3 this area; one is an Augmented Inspection Team report  
4 that was issued, I believe May 3rd, and then a  
5 follow-up to that inspection, which was issued, I  
6 think in September -- August or September, but both  
7 of those are our on web site, and if you can't get on  
8 our web site, we'd be glad to get you copies of  
9 those. We identified a number of violations of our  
10 requirements.

11 When the NRC identifies a plant that has  
12 significance performance problems, we have unique  
13 aspects of our inspection program that we implement.  
14 Our baseline inspection program, which is our routine  
15 program, it's administered at every nuclear power  
16 plant in the United States is predicated upon certain  
17 assumptions, and several of those assumptions include  
18 the fact that the plant organization is performing  
19 well, that it's well run, that they have a robust  
20 corrective action program, and we use a lot of  
21 jargon, and I'll try to explain that jargon. If you  
22 have any questions, please ask me, but the corrective  
23 action program what that means is that you're always  
24 looking for problems. When you come across a  
25 problem, you're willing to bring it forward and deal

1 with it and solve that problem, and it's a very well  
2 structured program. In fact, at Davis-Besse their  
3 corrective action program was not effective. They  
4 had identified a number of issues that should have  
5 led them to conclude that there was a big problem  
6 going on in the reactor vessel head over a period of  
7 about four to six years, and they did not do that.  
8 In these kinds of situations where a plant is shut  
9 down and there's significance performance problems,  
10 we implement a procedure, we call it 0350. That  
11 means nothing to you, but let me tell you a little  
12 bit about it.

13 The reason I mention the number is a lot of  
14 times you'll see the newspapers or in other  
15 documents, the panel that I chair is referred to as  
16 the 0350 Panel. It's official title is the  
17 Davis-Besse Oversight Panel, but it's a unique  
18 activity in the agency where we bring together  
19 executives, managers, and staff from across the  
20 agency to bring focus on this unique problem, and the  
21 panel takes over -- the plant is removed from our  
22 normal inspection and oversight programs and it's  
23 placed under the panel itself. I chair that, I'm an  
24 Executive of Region 3. There's an executive that  
25 reports to Sam, a fellow by the name of Bill Dean.

1 He's Deputy Director of Engineering in headquarters,  
2 and he is the Vice Chairman of the panel, so we have  
3 executives both from Washington and Chicago, as well  
4 as the variety of staff, John and Tony, Christine and  
5 Doug are on the panel and a couple of other folks  
6 also from the Region 3 office, so the purpose of the  
7 panel is to provide additional oversight. We direct  
8 the inspection program instead of having a routine  
9 program implemented. We ensure that all of the  
10 agency assets that are necessary, both the people and  
11 any other sort of asset, research people, contractors  
12 are brought to bear, and the entire organization,  
13 NRC, is focused on this -- solving this problem at  
14 Davis-Besse, so the panel has been in existence since  
15 the end of April, and we've been actively involved in  
16 routine oversight, and what I mean routine, it's  
17 essentially continuous oversight at what's going on  
18 at the plant. There's a substantially large or  
19 greater number of inspections that are being  
20 performed than you would normally see go on at a  
21 nuclear power plant and in the United States. We  
22 also coordinate licensing activities. There's a  
23 number of licensing issues that are necessary for  
24 replacement of the reactor head, and those are under  
25 the coordination of the panel, so the panel brings



1 together all of the assets of the agency that are  
2 necessary to make sure that this plant is safe.

3 The plan -- FirstEnergy has developed a  
4 restart action plan, and Tony referred to Building  
5 Blocks. It's comprised of a number of different  
6 Building Blocks. Replacing the head is one of the  
7 Building Blocks. Making sure that equipment inside  
8 the containment structure is another Building Block.  
9 Making sure the equipment outside the containment  
10 structure is good equipment, it's safe equipment is  
11 another building block. Human Performance and  
12 Management Effectiveness is another Building Block,  
13 so there's a number of Building Blocks. That's how  
14 they've structured their restart activities. We  
15 structure our oversight along those same lines so  
16 that we can adequately evaluate what they're doing at  
17 the plant. One of the responsibilities of the panel  
18 is to develop what we call a restart checklist, and I  
19 believe that's attached to the handout from this  
20 afternoon so you should have a copy of that. It's  
21 three pages long, and those are key elements that the  
22 panel has determined are necessary for the plant to  
23 address before the panel would consider a  
24 recommendation for restart, and let me just talk a  
25 little bit about that process.

1           If the panel comes to the conclusion that  
2           FirstEnergy has done an adequate job of addressing  
3           all of the issues that need to be addressed prior to  
4           restart, those issues are captured in our checklist,  
5           the panel would make a determination and a  
6           recommendation to my boss, Jim Dyer, Regional  
7           Administrator, the top person in Chicago, the panel  
8           would believe that the panel was ready for restart.  
9           That decision would not occur until the panel is  
10          convinced that the plant can restart safely and then  
11          successfully operate safely long after restart. Jim  
12          would then discuss that recommendation with Sam, and  
13          Sam and Jim are the decision-makers on a restart  
14          decision, so in a nutshell, that's what we're all  
15          about.

16          Tony, highlighted a little bit larger  
17          nutshell, right, Tony?

18          MR. MENDIOLA:        (Indicating).

19          MR. GROBE:         Tony highlighted that  
20          our newsletter includes -- this monthly newsletter  
21          includes the results of some recent inspections.  
22          We've completed a couple of inspections that had some  
23          fairly positive results. One of the questions was,  
24          is this head that FirstEnergy purchased from  
25          Consumers Power in Michigan, is it an adequate head

1 for replacement at Davis-Besse, and the company  
2 concluded that it was. We did a number of  
3 inspection activities, both in Midland, Michigan as  
4 well as here at the plant and also in Virginia to  
5 confirm that, in fact, this reactor head is an  
6 adequate head for Davis-Besse and will perform safely  
7 in service, so that's a significant milestone.

8 There's a couple of outstanding issues, and  
9 they are discussed in the report that still need to  
10 be resolved, but that's a significant milestone.

11 One of the activities that had to be undertaken was  
12 to put a rather large hole in the side of the  
13 containment building to get the old head out and the  
14 new head in. That's been done before. It's not the  
15 normal type of activity that occurs at a nuclear  
16 power plant, so it's one that we wanted to pay  
17 particular attention to and it's on our checklist,  
18 that that activity is accomplished well, and, in  
19 fact, we concluded that the plant did a good job of  
20 restoring the containment structure itself which is  
21 about a one inch thick large building, one inch thick  
22 steel, and then outside of that is about a three foot  
23 thick concrete structure. It's called a shield  
24 building. They had to cut holes in both of those  
25 structures and then restore that, and we concluded

1 that that was well performed. There is also some  
2 outstanding issues there. One of the most important  
3 is, what is referred to as the containment integrated  
4 leak rate test. What the company has to do is pump  
5 up the containment to about 40 pounds per square inch  
6 pressure inside and hold it there for a long period  
7 of time to make sure that it's leak tight because  
8 it's one of those barriers with multiple barriers to  
9 release radioactive material if there is an accident  
10 at the Davis-Besse plant, so that inspection went  
11 well.

12 Another inspection that was recently come  
13 completed, and we highlighted the results of this  
14 afternoon was what the company refers to as the  
15 Containment Health Building Block. Inside the  
16 containment, not only was the head damaged, but there  
17 was the potential because there was a variety of  
18 boric acid spread around inside containment, there  
19 was a potential that that could affect other  
20 equipment, and we performed an inspection of that  
21 activity very early on in the outage and found that  
22 the company actually had done a very poor job in that  
23 regard. There were a number of violations where  
24 people weren't trained properly. They weren't using  
25 procedures correctly. FirstEnergy stopped work,

1 started again, and rebuilt that effort from the  
2 ground up. Our findings in the second part of that  
3 inspection were fairly positive. There were, again,  
4 some outstanding issues that we need to circle back  
5 on, but that inspection we found that they had done  
6 an adequate job of evaluating equipment inside  
7 containment.

8 An additional inspection, the one that Marty  
9 Farber led here, was looking at the design of  
10 equipment outside containment and the readiness of  
11 equipment outside containment to safely operate the  
12 plant. FirstEnergy had performed fairly extensive  
13 review of five very important systems at the plant,  
14 and then a less detailed review of 31, I think,  
15 systems, additional systems -- excuse me, and  
16 FirstEnergy had identified a number of problems with  
17 the control of the design of the plant. We came in  
18 and did independent inspection of that activity as  
19 well as our own review of three systems with a team  
20 of experts and design -- mechanical design,  
21 electrical design as well as operations and  
22 maintenance of systems and found additional problems.  
23 The Utility, FirstEnergy, is currently trying to  
24 evaluate -- doing what they call a collective  
25 significance review. Again, I'll try to avoid

1 jargon, but what they're doing is pulling together  
2 all of the issues that they identified, all of the  
3 issues that we identified, evaluating them, trying to  
4 determine what that means as far as additional  
5 actions that need to be taken prior to restart and  
6 then lay out a plan for accomplishing those actions.  
7 What FirstEnergy presented was that the significance  
8 of the individual findings for the evaluation to be  
9 completed by the end of November, and then some time  
10 early in December, they will have clearly in focus  
11 what additional work they're going to do, and then we  
12 plan on meeting with them as soon as they are ready  
13 to share that with us. There will be significance  
14 additional inspections in this area.

15 The other inspection we reported on the  
16 results of was -- I had mentioned Scott Thomas and  
17 Doug Simpkins here in the first row, they're here  
18 every day, at the plant, and doing inspection work,  
19 and they issue reports on a regular basis throughout  
20 the year, and they just completed one of their  
21 routine reports, had a number of observations of  
22 areas where work could have been better performed, so  
23 all those reports again are on our web site. They're  
24 summarized in our newsletter, and I encourage you to  
25 -- if you're interested to seek out that information.

1 If you can't find it, as Christine indicated, you can  
2 certainly call our Public Affairs folks. If they  
3 can't get the information, I'm always on the phone  
4 with folks. They're frequently searching me out to  
5 chat with folks like yourself to answer questions  
6 that you might have.

7 With that larger nutshell, to give you an  
8 idea of what we're all about and why we're here, I'd  
9 like to answer whatever questions you may have, and  
10 what I'd like to do is start with folks that are from  
11 the local community here around the Davis-Besse  
12 plant. If you could try to limit your questions to a  
13 three to five minute time frame, and we'll spend as  
14 much time as necessary to answer them. That will  
15 give everybody an opportunity to ask questions, so  
16 I'd invite anybody interested to come forward. If  
17 you could use the microphone, we'd appreciate it.  
18 They way, everyone can hear your question. We also  
19 have a Court Reporter here transcribing this meeting,  
20 and that transcription will be available on the web  
21 site, so please come forward. If you could sign in,  
22 we'd appreciate it. Tell us your name and then ask  
23 us your questions. We're here to answer them.

24 MS. LUEKE: Hi.

25 MR. COLLINS: Good evening.

1 MS. LUEKE: Good evening.

2 This is nicer having you down here. I'm Donna

3 Lueke, and I do have a few questions.

4 I have been trying to surf your web site and  
5 want to thank the people at the public information  
6 office when I couldn't get through, and I needed to  
7 get through some things.

8 The thing that concerns me the most is  
9 obviously we're working from a situation where things  
10 happened that in retrospect nobody wished had  
11 happened, either First Energy or NRC, that mistakes  
12 were made. Those are being explored now and fessed  
13 up to, and I think that's all really positive, but  
14 the thing that concerns me is, there are a lot of  
15 nuclear power plants and even if everything is fixed  
16 with Davis-Besse and we never have another problem,  
17 what can we do to help the NRC, what can the NRC do  
18 to make sure that these same things don't happen  
19 again?

20 Is it a matter -- I know I'm making this  
21 question a little longer than necessary, but is it a  
22 matter of funding? Is it a matter of needing more  
23 autonomy? Is it a matter of needing a different  
24 organization so that it's free of political  
25 appointees and just want -- to the people here, I



1 mean, I know that you don't speak for the whole  
2 organization and that there's another meeting coming  
3 up about lessons learned, but what would you say is  
4 the biggest problem?

5 MR. GROBE: Well, that's an  
6 excellent question. Thank you. Let me tell you a  
7 little bit about what is going on, and then I think  
8 I'm going to give Sam an opportunity to comment on  
9 this because he's much closer.

10 Our primary focus has been on Davis-Besse.  
11 Independent of the oversight panel, there's a group  
12 called the Lessons Learned Task Force, and what the  
13 head of the agency, we call them the Executive  
14 Director for Operations and Bill Travers, what he did  
15 was he chartered a group of folks across the agency,  
16 that were completely independent of Davis-Besse.  
17 It is chaired by an individual who is my counterpart  
18 in Region IV in our Texas office, and there were  
19 people from the office of research, from other  
20 regional offices, from the office of Nuclear Reactor  
21 Regulation who sat on that panel. I think it had  
22 about eight folks on it, and they spent a couple of  
23 months trying to answer that exact question. They  
24 published a report about a month ago, and it was --  
25 received fairly wide coverage in the newspapers, and

1 it is also on the web site, but if you can't get it,  
2 we'd be glad to get you a copy. They made a number  
3 of recommendations in a variety of areas, inspection  
4 area, in the licensing area, how regulations were  
5 structured, and what Bill Travers did once he  
6 received that report, was he chartered a group of  
7 executives in the agency, and Sam is a member of this  
8 team, it's called the Senior Management Review Team  
9 to review that report and identify specific actions  
10 that the agency is going to take. Sam, why don't you  
11 comment on this?

12 MR. COLLINS: Yeah, thanks. You  
13 say you had three questions. Is that the first  
14 question?

15 MS. LUEKE: That's the first,  
16 yeah.

17 MR. COLLINS: Okay.

18 MS. LUEKE: It's a big one.

19 MR. COLLINS: That's okay, that's  
20 good. I think the answer to your question is really  
21 pretty straightforward. You can't be complacent and  
22 this industry has been around since the '70s, been  
23 operating with the sanctions of the United States  
24 Government. We're the ones who license the ability  
25 to use the nuclear material for power reactors in

1 this case. We have a lot of rules and regulations  
2 that power plants, all 103 units that are operating  
3 today, have to abide by, and you can't ever assume  
4 that you know it all, and on the industry's part, I  
5 think you can never stop questioning what's  
6 happening, why is it happening, do I understand it,  
7 and if it takes me the extra time, people, and money  
8 to pursue it, then we need to do it because there is  
9 very little margin of error. These plants are  
10 designed very well. They have multiple barriers and  
11 boundaries, as Jack explained. They have typically  
12 very good people, dedicated people operating them,  
13 but they are high risk -- it's a high risk industry,  
14 both in the business sense and in what I would call  
15 human capital sense and that there's a public  
16 constituency that needs to understand where these  
17 plants are built, that the plants are being operated  
18 safely and are being regulated well, and we lost  
19 confidence in that area. Now, there was no  
20 accident, but we found out something that we didn't  
21 suspect, and we never want to be in that position.  
22 We had multiple opportunities as an agency to  
23 discover it. We had a lot of indicators. We had  
24 people at the reactor vessel head looking at the head  
25 being cleaned. We had people there for inspections,

1 and we never went to the extent where we put those  
2 pieces of information together and asked the hard  
3 questions. Why? I don't know. You have to get the  
4 individuals to find that out and that answer probably  
5 has changed overtime. We are independent. We only  
6 have five political appointees. The rest of the  
7 agency, all 2,100 or so of them are career employees,  
8 so -- I am a career executive, Jack is, so we don't  
9 turn over every five years. The administration and  
10 our commission who are appointed by Congress and  
11 confirmed by the President, don't turn over every  
12 administration. They have four appointed terms, so  
13 every four to five years, one of those individuals is  
14 reappointed by the President Administrations, so  
15 we're fairly neutral, and we pride ourselves on being  
16 a technically focused agency.

17 The Lessons Learned Task Force was hard  
18 hitting. I can go into all that if you're  
19 interested in the details, but we're subjecting  
20 ourselves to the same types of reviews that we would  
21 expect the licensee to be under when there is a  
22 program failure, when you miss these opportunities to  
23 discover these types of issues. We did know about  
24 boron degradation. In fact, it did happen at the  
25 Davis-Besse plant before in a smaller sense to a

1 valve, a pressurizer spray valve, that had corrosion  
2 on the carbon steel parts, which were the valve stems  
3 and nuts or studs and nuts, and we knew about that  
4 firmly. It happened at the Calvert Cliff plant on  
5 the pressurizer. We thought we had a program to  
6 address it, we thought the licensees were inspecting  
7 it, we thought we were inspecting it, but we missed  
8 this opportunity.

9 MS. LUEKE: Do you feel that  
10 that's part of this complacency is because there's  
11 too much of the same structure and not enough new  
12 information or outside opinions or other independent  
13 people taking a look at it from the outside?

14 We discussed this last time that you spend  
15 all your time with the licensees and with each other,  
16 but the public input is fairly limited, and the input  
17 from -- I know there are people like the Union of  
18 Concerned Scientist and people that are the watchdog  
19 agencies, but both the public and watchdog agencies  
20 tend not to get involved until something goes wrong.

21 MR. COLLINS: Well, I think that's  
22 the tendencies of human nature.

23 MS. LUEKE: Yeah, but we don't  
24 have much margin for error.

25 MR. COLLINS: That is true. I

1 would say that our process is probably one of the  
2 more open processes, but is not local perhaps. In  
3 the formulation of the inspection program that we had  
4 today, which was in effect at the time that the  
5 degradation was discovered, this degradation took  
6 place over a long period of time, could be four to  
7 six to eight years depending on the possibility of  
8 the degradation rate. We've had about 30  
9 meetings -- public meetings in the area here, if my  
10 recollection is right. We had five exchanges of  
11 correspondence with FirstEnergy when we were  
12 determining to what extent they had inspections. We  
13 had four public meetings where we had multiple phone  
14 lines where people could call in. That was all an  
15 open process. I would view this as more being  
16 technically astute as being able to step back, look  
17 at pieces of information, take operating experience,  
18 which there is a lot of, use International experience  
19 and focus on these areas that to some extent we have  
20 passed judgment on, and we think they are working  
21 well, so we move on to the next area, and the Lessons  
22 Learned Task Force would say we should reserve some  
23 resources, time, people, and money to go back and  
24 test what we think is working well.

25 MS. LUEKE: Yeah.

1           MR. COLLINS:       And to re-baseline  
2 ourselves to be sure that those older issues -- even  
3 though they maybe understood, may have a program, are  
4 really being done well because we know that exist,  
5 and look for the issues, but don't forget what has  
6 been there, and that's what I mean when I say  
7 complacency.

8           MS. LUEKE:        So that does sound  
9 like a key element. What about funding? From what  
10 I was able to understand from the web site, over 90  
11 percent of the funding comes from the licensees, so  
12 this seems to me to be an inherent problem because  
13 the people that you're regulating -- say, for  
14 example, you found a plant you felt really needed to  
15 be shut down completely and forever.

16          MR. COLLINS:        Uh huh.

17          MS. LUEKE:        By doing that, that  
18 would cost you a great amount of money and a big  
19 chunk of funding, so there wouldn't be much  
20 motivation, I mean, other than your mission  
21 statements, which I'm sure is taken very seriously by  
22 everyone, but that seems to be an inherent problem.

23          MR. COLLINS:        Yeah, I understand  
24 appearance of a conflict between that, we are a fee  
25 recovery agency. There are some details perhaps that

1 are important, and that is our budget does come from  
2 a Federal fund. We reimburse that by fees, and it's  
3 on off years, if you will. About 90 percent of our  
4 budget, as you indicate, comes from the industry;  
5 about 10 percent comes directly from the general  
6 fund, and that funds what we would call the  
7 International work and some other work that's  
8 generic. The way I'm going to respond to you is, my  
9 thinking, there is always going to be work for the  
10 Nuclear Regulatory Commission, whether a plant is  
11 shut down or whether it's operating. If it's shut  
12 down, it's going to go through decommissioning.  
13 Decommissioning takes an extended period of time. In  
14 some cases it might not be done four 20, 15 or 40  
15 years, if it's put in a safe store type of situation.  
16 We're focused on the potential building of new  
17 facilities, the operating of existing facilities and  
18 a shut down of old facilities, so there's a lot of  
19 business lines that we have.

20 MS. LUEKE: Okay.

21 MR. COLLINS: We do not do  
22 accounting like you might think a consultant would  
23 where when one of Jack's people leaves the site, he  
24 presents a bill, collects a check, and leaves, if you  
25 will.



1 MS. LUEKE: Uh huh.

2 MR. COLLINS: Perhaps that

3 connotation could be envisioned, so we stay as far

4 away from that as possible, and budgeting is done

5 really at a program office level. The budget that

6 the region receives is allocated by the office of

7 Nuclear Reactor Regulation. We go in for that

8 budget. We analyze that budget. We defend that

9 budget. We receive it. We analyze any cuts. We

10 allocate those resources to the regions. The

11 regions are not a direct part of that process, so

12 they do not have the view or the influence perhaps

13 that you might believe.

14 MS. LUEKE: Okay.

15 MR. COLLINS: I don't know, is that

16 understandable to you?

17 MS. LUEKE: Yeah, that was. One

18 area that seems to be -- and this may be a very naive

19 thought, but it appeared to me that, I don't know how

20 heavily you use fines, but it seems like that would

21 be an area where a lot could be accomplished by

22 using -- by using the fine approach, then you're not

23 only punishing the Utility for violations in a way

24 that they, as a business understand, but it's also

25 helping to fund more proactive NRC. I mean, so -- -

1 it just seems to me -- and perhaps even an award  
2 system for companies that don't have problems. I  
3 mean, I don't know, I'm just taking this from a  
4 business perspective and what I know of business and  
5 motivation, and it appears -- it's just something  
6 that I had and I don't know if it's incorporated into  
7 what -- how you do business or not.

8 MR. COLLINS: Good question.

9 MR. GROBE: It is. We have an  
10 enforcement policy that includes civil sanctions,  
11 which would include fines as well as orders to do  
12 things. We use fines for very significant  
13 violations. Most of the violations that we identify  
14 day in and day out at nuclear plants that are not  
15 that significant. There are some violations of  
16 safety requirements, but they're handled through a  
17 different process where we assess the significance of  
18 a specific finding, ensure that the company is taking  
19 corrective action, and as the significance goes up  
20 the level of additional inspection goes up, but for  
21 the most significant violations that occur as well as  
22 those that don't lend themselves to risk evaluation,  
23 we do use civil penalties, fines. An example of a  
24 violation that doesn't lend itself to a risk  
25 characterization would be a violation of our

1 requirements that prohibit a company from taking  
2 retribution against somebody who raises a safety  
3 concern. It's a whistle blower concept. If they  
4 violate those requirements they go directly into the  
5 traditional enforcement policy which includes fines.  
6 If there's a significant overexposure or a  
7 significant accident or event, we would consider  
8 fines, but for the vast majority of the violations,  
9 we don't use fines. That is part of our process.

10 MS. LUEKE: I realize that, it  
11 just seems to me if you would use fines for lesser  
12 offenses also, you might minimize them becoming  
13 larger offenses.

14 MR. GROBE: If you go back 10 or  
15 so years, we used to use fines to a much greater  
16 extent, and what we found was that they were not a  
17 significant motivating factor, so we elevated the  
18 level of issues that we would use fines and I think  
19 became more effective in the way we motivate improved  
20 performance, and one of the things that's important  
21 to keep in mind is that -- and this is not talking  
22 about Davis-Besse, this is talking about the industry  
23 as a whole, the safety performance of the industry  
24 over the last 10 to 15 years has been steadily  
25 improving, and if you take a snapshot today as

1 contrasted with a snapshot from 15 years ago, there  
2 is a substantive improvement, very clearly measurable  
3 by all indicators, that the plants in the United  
4 States are operating safer today than they ever have.  
5 Now, that's, like I said, separate from Davis-Besse.  
6 The situation that occurred at Davis-Besse, I think  
7 Sam indicated, an accident didn't occur, but  
8 essentially all safety margin on the reactor pressure  
9 vessel was eliminated because of failures to properly  
10 implement required programs, and we didn't identify  
11 that the company was failing to do that, so that's --  
12 those are issues that we're dealing with.

13 MS. LUEKE: I guess we find that  
14 less comforting because it happened here, No. 1,  
15 because it was so close; No. 2, and because there are  
16 so many of the plants that are aging, so I think  
17 it's -- makes it even more important that these  
18 things do happen.

19 MR. GROBE: Yeah, I think those  
20 are concerns what we also share. We have  
21 requirements that address aging issues. We have  
22 requirements for making sure that the plants are well  
23 maintained. There's a variety of requirements that  
24 address the concerns that you have, but I understand  
25 your comment.

1           Do you have any final comments before we go  
2           to somebody else?

3           MS. LUEKE:        Yeah, I realize I need  
4           to go on. There were just a couple quotes that I  
5           wanted to ask about that have been in the press  
6           lately. One was that Mr. Sheron said that our  
7           lawyer said if you issue an order you must have an  
8           immediate safety concern and that was one of the  
9           reasons that it wasn't shut down in November, and do  
10          you need to go through lawyers every time you do a  
11          shut down notice, and are the lawyers sort of  
12          wagging -- the tail wagging the dog here? I mean,  
13          we all know that lawyers are everywhere and they do  
14          protect us.

15          MR. GROBE:        We'll collect  
16          lawyer jokes after the meeting.

17          (Laughter).

18          MR. COLLINS:       Any lawyers in the  
19          house?

20          (Indicating).

21          MS. LUEKE:        Yeah, and so we  
22          want to be respectful to the lawyers in the house.

23          MR. COLLINS:        Yeah, very good.

24          MS. LUEKE:        But I found that  
25          comment unnerving, that you would have to go ask the

1 lawyers if you could do what was necessary for  
2 safety.

3 MR. COLLINS: Right, I  
4 understand that comment. It's very well articulated.  
5 Dr. Sheron works for me. He's my technical associate  
6 director in the office of NRR. Let me put that  
7 comment into perspective because I believes it's a  
8 comment that's based on an E-mail that's written in  
9 the issuance of those E-mails from a freedom of  
10 information request.

11 We were going through a process with the  
12 Davis-Besse facility that started in the  
13 August/September time frame where they were  
14 responding to a request of information from us in the  
15 form of the bulletin, 2001-01 for the bases of their  
16 inspections of the reactor vessel head. That's not  
17 unique to Davis-Besse. We did it to the fleet, all  
18 103 operating reactors, subject to all of our  
19 requirements, but, in this case, it was isolated to  
20 the 60 or so pressurized water reactors that we have.  
21 At the same time that we were receiving information  
22 from the facilities, there were a number of  
23 facilities who asked for extensions or who based on  
24 their first submittal of information to us looked  
25 like that had not provided an adequate bases for the

1 inspections of the reactor vessel heads given that we  
2 now knew there were circumferential cracking as well  
3 as axial cracking, so we were preparing a means by  
4 which we could address a concern if it arose to a  
5 level of safety and that mechanism that we had was in  
6 order. You asked Jack the question, Jack answered  
7 it appropriately of our enforcement sanctions. They  
8 go all the way from letter writing, if you will, all  
9 the way up to issuing an order to shut down the  
10 plant, all the way to revoking a license, if  
11 necessary, so we were preparing for the worst case  
12 because it takes time to prepare the order, and it is  
13 a legal document, and it has quid pro quo. If we  
14 issue an order to a licensee, and they have to take  
15 action; if it's immediately effective, they have to  
16 take the issue, but they also have hearing rights,  
17 which goes in front of a hearing board. We argue our  
18 case. They argue their case. One of those prevails  
19 based on the judicial system and then off we go.

20 MS. LUEKE: But, meanwhile, the  
21 plant is still operating?

22 MR. COLLINS: Meanwhile, the  
23 plant -- no. If it's immediately effective, in this  
24 case, the plant would be shut down while that process  
25 would be playing out.

1 MS. LUEKE: Okay.

2 MR. COLLINS: So the plant is in a  
3 safe condition, but regulatory reputation, if you  
4 will, could be at risk if we arbitrarily use that as  
5 a tool without a substantial basis, so when we talk  
6 about the formulation of that document, like any  
7 legal documents, we talk about the requirements, what  
8 would be argued in Court, what's the legal standing,  
9 what's precedent, what you need for proof, okay,  
10 because we are in a legal process. In this case,  
11 Davis-Besse has a license from us, which we issue  
12 based on a licensing process and that has quid pro  
13 quo and hearing rights.

14 Now, in this case, the proof is  
15 substantiating that there's a leak, not suspecting  
16 that there is a leak, but substantiating that there's  
17 a leak, and that was the issue that's being debated,  
18 if you will, during the process of should we or  
19 should we not, could we or could we not issue that  
20 order.

21 MS. LUEKE: Okay, thank you.

22 Just one last question, it's the same one I started  
23 with.

24 What can he we could as concerned citizens to  
25 help you do your job better, should we write our



1       Congressmen, say, give everybody a raise or, you  
2       know --

3           MR. GROBE:        That sounds good.  
4           (Laughter).

5           MR. GROBE:        I think the most  
6       important thing you can do is what you're already  
7       doing, and that is being informed, share your  
8       concerns with us, make sure that we understand your  
9       perspectives. For those of you that have been to  
10      these meetings before -- and I know Sam has said this  
11      already, safety is our only focus. It's not the  
12      finances of the company, it's not the schedule --  
13      restart schedule. It's nothing of those things.  
14      It's safety, and if a plant isn't safe, we will take  
15      whatever actions are necessary to make sure it's put  
16      in a safe condition. If that requires a shut down of  
17      the plant, that's the action we'll take.

18           Lawyers are one of our tools to help us take  
19      the right action to make sure that the plants are  
20      safe.

21           MS. LUEKE:        Thank you.

22           MR. COLLINS:     I'm going to add a  
23      little bit to that. I know FirstEnergy is here  
24      tonight, but I would say that there is a forum for  
25      discussion with the operator of this facility besides

1 the type that's forced the events of just you.

2 MS. LUEKE: I'm not aware of

3 that forum. What is that?

4 MR. COLLINS: I'm saying there

5 should be.

6 MS. LUEKE: Oh, okay, yeah.

7 MR. COLLINS: And so as a

8 citizen, and I've had the opportunity and am

9 fortunate to have jobs with the NRC, at the sites,

10 been a resident inspector, have been a senior

11 resident inspector, have lived and raised a family in

12 the area of these nuclear power plants, and it's

13 important that the citizens, the constituency, if you

14 will, are involved in a facility, and that there's a

15 continual dialogue and a continual understanding and

16 appreciation for the technology and the obligations

17 of the operator and the role of the NRC, not just

18 when there's a problem because building up that

19 confidence and understanding of the processees and

20 the creative tension, if you will, that the citizens

21 are concerned and they want to be involved and it's a

22 positive thing, keeps everybody engaged, and it

23 fights that complacency issue because it's not just

24 you who is questioning, it's not just you who is

25 looking, it's not just you who is challenging. Doing

1 all of that in a constructive way, I believe, is a  
2 useful tool.

3 MS. LUEKE: Has a suggestion  
4 been made to FirstEnergy by you?

5 MR. COLLINS: I'm sorry?

6 MS. LUEKE: Have you made the  
7 suggestion to FirstEnergy?

8 MR. COLLINS: Have I personally?

9 MS. LUEKE: Yes.

10 MR. COLLINS: Yes.

11 MS. LUEKE: Okay.

12 MR. GROBE: I appreciate those  
13 thoughts and it brought something to my mind that I  
14 think is important to understand.

15 FirstEnergy has chartered -- Bob Saunders,  
16 the President of FirstEnergy, has chartered a group  
17 that he calls his restart oversight panel, and it's  
18 primarily comprised of senior executives from across  
19 the industry, but Bob invited Jere Witt, your County  
20 Administrator, to sit on that panel, and Jere is an  
21 active member of that panel. I have observed the  
22 panel and Jere in action, and I also meet regularly  
23 with Jere, and that's another opportunity for you to  
24 get information and also provide feedback to Jere as  
25 far as what's going on at the plant, and he's --

1 being County Administrator, he's obviously very well  
2 connected to the community, and he gives me feedback  
3 on a regular basis of what his sense of the  
4 community's thinking and concerned about and he  
5 provides that also to FirstEnergy through the restart  
6 oversight panel, so that's another opportunity.

7 MS. LUEKE: And I just was glad  
8 to see a lot of -- more things empowering the  
9 employees, I think is really important because they  
10 are people that we know and trust locally.

11 MR. GROBE: Good, thank you.

12 MS. LUEKE: We don't know the  
13 higher ups, but we know that good people work there,  
14 and that by those people having more power, I think  
15 that we all lose power by that. Thank you.

16 MR. GROBE: Thank you very  
17 much.

18 MR. COLLINS: Good questions.

19 MR. GROBE: Is there any other  
20 questions or comments from any another individual?

21 (Indicating).

22 MR. GROBE: Certainly, sir.

23 MR. FOWLER: Good evening. John  
24 Fowler is my name. I'm a local Oak Harbor resident.  
25 I have basically four questions this evening.

1 Earlier it was mentioned in your literature  
2 provided this evening, it describes a little bit,  
3 these bottom nozzle tests that have been done,  
4 apparently that Davis-Besse or FirstEnergy rather is  
5 using a Framatome, a contractor, to do some analysis.

6 MR. GROBE: Uh huh.

7 MR. FOWLER: Now, so the  
8 relationship is that Framatome is paid by FirstEnergy  
9 to conduct these tests?

10 MR. GROBE: That's correct.

11 MR. FOWLER: Is that correct?

12 MR. GROBE: Uh huh.

13 MR. FOWLER: So they potentially  
14 might have some interest in coming out with a  
15 conclusion that would be favorable to FirstEnergy,  
16 the possibility exists?

17 MR. GROBE: Sure.

18 MR. FOWLER: Okay. What I'm  
19 wondering is the raw data that's collected being  
20 provided to you, the NRC, so that your own experts  
21 can look at the raw data and come to your own  
22 conclusions and compare and contrast that with the  
23 analysis produced by Framatome, the paid employee, if  
24 you will, of FirstEnergy?

25 MR. GROBE: That's an excellent

1 question. The most consulting groups -- whether  
2 they are engineering consulting groups like  
3 Framatome, PNP, or any other group that provides a  
4 service, if they don't provide an adequate technical  
5 service, they're not going to be in business long, so  
6 there is substantial motivation for Framatome to do a  
7 good job, but, yes, Sam's staff has invited  
8 Davis-Besse to the headquarters office, and I think  
9 either Christine or Tony was mentioning that meeting,  
10 it's currently scheduled for the 26th of November,  
11 and whenever -- we try to have as many of our  
12 meetings our here in the local community as possible,  
13 there are times when it's just not cost effective, if  
14 we have a situation like this one where there's a  
15 variety of technical experts at headquarters that  
16 need to be engaged in the dialogue, we'll invite the  
17 licensee to headquarters to discuss the issue, but  
18 what we do is we provide toll free access to that  
19 meeting via a telecommunications network, and  
20 depending on what we expect is going to be the  
21 interest of the meeting, we'll get anywhere from 50  
22 to several hundred phone lines, and you can both  
23 listen in and participate in the public dialogue  
24 following that meeting. The purpose of that meeting  
25 is to discuss the bottom head penetration situation,

1 and I'll talk a little bit more about that in a  
2 moment, but we've invited Davis-Besse in. We've  
3 asked them to bring Framatome with them. The  
4 purpose of that meeting is to understand exactly what  
5 the data is --

6 MR. FOWLER: Okay.

7 MR. GROBE: -- what the analysis  
8 is, what Framatome's recommendations were, and why  
9 they felt those recommendations were appropriate and  
10 what plan of action Davis-Besse is taking.

11 Let me step back for the folks that aren't as  
12 knowledgeable as you and just try to explain a little  
13 bit about what the bottom head issue is.

14 MR. FOWLER: Okay.

15 MR. GROBE: During the Containment  
16 Health inspections, Davis-Besse identified some  
17 corrosion products on the bottom head and they  
18 couldn't tell whether those corrosions products were  
19 coming from leaking penetrations in the bottom head  
20 or if they had simply run down the side of the vessel  
21 and collected on the bottom head, so they are still  
22 trying to sort that through and figure out what's the  
23 best thing to do to answer that question completely  
24 to their satisfaction and ours, so that's a specific  
25 issue. You had another question?

1           MR. FOWLER:        Yes, along the same  
2 lines as mentioned earlier that apparently there is a  
3 technology that's used on some other reactors,  
4 on-line leak detection.

5           Would on-line leak detection, if such a  
6 system had been installed, would that have aided the  
7 resident inspectors or the agency as a whole in  
8 determining that there was a problem with the head?

9           MR. COLLINS:       That's not clear. I  
10 think there will be a projection. Let me tell you  
11 why. The on-line leaking detection system would  
12 sense that there is a potential for leakage inside  
13 containment, you would then have to go find the  
14 source of the leakage, and there were already  
15 indicators, I believe, that there may be leakage in  
16 containment.

17          MR. FOWLER:        Okay.

18          MR. COLLINS:        And those pieces of  
19 information were not aggregated in a way that allowed  
20 FirstEnergy or the NRC to understand better where the  
21 leakage is and how to discover it.

22          MR. FOWLER:        So mandating an  
23 on-line leakage detection system would not  
24 necessarily have benefitted this particular  
25 circumstance because it was already known that there



1 was some leakage based on --

2 MR. COLLINS: It was suspected.

3 MR. FOWLER: -- visible signs --

4 MR. COLLINS: There were

5 indications that hadn't been read correctly that

6 there would be leakage, like clogged filters, those

7 types of things, the presence of boron in the head.

8 I would, Mr. Fowler, I would say that this detection

9 system in conjunction with the other actions that

10 have been taken, such as the requirement to complete

11 the inspection of the reactor vessel head, the

12 requirement to be able to remove the installation

13 that masked the cracking in this case, all off those

14 together would enhance the ability to prevent this

15 from happening again.

16 MR. FOWLER: But that by itself

17 would not be a silver bullet, so to speak, in the

18 future to what positively prevent this. They still

19 need -- we still need to have good inspectors on site

20 and the results of their inspections acted upon.

21 MR. COLLINS: My experience is,

22 it's always a combination of not more than one

23 thing --

24 MR. FOWLER: Good.

25 MR. COLLINS: -- that prevents an

1 event.

2 A response to your earlier question is, by  
3 law, the NRC has access to any and all information  
4 that a licensee has that we need to have access to --  
5 to make a safety determination and that includes  
6 proprietary information, and we have people on site,  
7 two in this case, who have unfettered access and the  
8 ability to conduct unannounced inspections every day  
9 and all night if that's necessary.

10 MR. FOWLER: Yeah, we definitely  
11 need the human element as well as the technical.

12 Another question, the last time I brought  
13 this up -- and I didn't see anything in the  
14 literature this time that addressed it. One of the  
15 elements that you've identified in here is -- one of  
16 your key elements is looking at all the safety issues  
17 totally involving the plant before it's brought back  
18 on line, but what is going on with the casks at is  
19 this point? Have those been inspected and will they  
20 before the plant is brought back on-line, the above  
21 ground storage casks? Those don't relate to this  
22 particular issue, but they do relate to the  
23 community's confidence in the safety of the plant as  
24 a whole that we identified last time, some variances  
25 in the casks as promised and the casks as delivered,

1 are we inspecting the casks, when were they last  
2 inspected, and are they safe?

3 MR. GROBE: It's -- there is a  
4 long answer, but the short answer is yes. The  
5 longer answer is that we have a variety of  
6 inspections that we do, security, radiation  
7 protection inspection around the casks. The casks  
8 are not part of the restart checklist, and so there  
9 is no additional inspection under the 0350  
10 Davis-Besse Oversight Panel of the dry casks, beyond  
11 our normal baseline inspection.

12 MR. FOWLER: Can you tell us when  
13 those were last done and when they're scheduled  
14 again?

15 MR. GROBE: I don't have that  
16 information, but --

17 MR. COLLINS: If you leave your  
18 name and number, we can get that information to you.

19 MR. FOWLER: Sure, sure. And,  
20 lastly, what was reported in the paper and I asked  
21 this question last time in terms of their, in  
22 essence, their PRP or personal reliability program, a  
23 lot of the decisions that were poorly made by  
24 FirstEnergy staff were committee decisions, if you  
25 will, groups formed, and it almost appears that they

1 came to a point that they spent most of their  
2 committee time attempting to justify doing nothing  
3 rather than resolving problems that they knew  
4 existed. It was indicated that those people -- some  
5 have left. I've never seen and I don't know if it  
6 will ever be released, the names of the people on  
7 those committees, but have they been removed from  
8 positions to where they can make similar bad  
9 decisions in the future perhaps at another plant  
10 whether it's a Perry or a Calvert Cliffs? Since  
11 there is no PRP to track these folks, where do they  
12 go and how do we know they won't continue to make bad  
13 decisions in the future that affect other people?

14 MR. GROBE: That's an excellent  
15 question. There's an ongoing investigation into  
16 exactly how the decisions were made and what  
17 involvement individuals, specific individuals, may  
18 have had. If we concluded that these individuals  
19 behaved intentionally in violation of our  
20 requirements, we get into what the first question you  
21 asked about our normal or traditional enforcement  
22 sanctions. Those sanctions include in the case of  
23 willful deliberate violations, the potential for  
24 orders and the agency has issued orders to  
25 individuals prohibiting their involvement in nuclear

1 related activities for a period of time.

2 MR. FOWLER: So this  
3 investigation is still ongoing at this point?

4 MR. GROBE: That's correct.

5 MR. FOWLER: Okay. The  
6 proprietary information that you indicated earlier  
7 that the resident inspectors have access to would  
8 that include minutes of these meetings that were  
9 conducted by FirstEnergy when decisions were made?

10 MR. GROBE: Yes, we have -- not  
11 only can we review minutes of such meetings, but we  
12 have access to attend such meetings.

13 MR. FOWLER: Okay. So that  
14 should give you a pretty good basis for this  
15 investigation then and the ultimate individuals that  
16 were penalized?

17 MR. COLLINS: Also, Mr. Fowler,  
18 as Jack alluded to, we have an office of  
19 investigations, who are professional investigators.  
20 They have subpoena rights. They have the ability to  
21 conduct interviews, take records and make  
22 determinations as you might imagine in these cases,  
23 so they are professionals, if you will, in this area.

24 MR. FOWLER: Have you ever  
25 actually assessed a penalty against an individual or

1 removed their ticket to operate, so to speak, have  
2 they ever done that?

3 MR. COLLINS: Yes, it's more  
4 common in the materials area, like radiographers, for  
5 example --

6 MR. FOWLER: Okay.

7 MR. COLLINS: -- because they  
8 have the direct impact on safety.

9 MR. FOWLER: Exactly.

10 MR. COLLINS: But there have been  
11 individuals that have been removed for misconduct or  
12 deliberate acts. An example of that would be an  
13 individuals who may have falsified a document for  
14 security clients as part of a screening process.

15 MR. FOWLER: So they are  
16 tracked, and they are no longer able to participate  
17 in the program, if you will?

18 MR. COLLINS: They are provided  
19 a formal order from the NRC that prohibits their  
20 activity, and they are tracked as long as they are  
21 employed for the --

22 MR. FOWLER: Excellent.

23 MR. COLLINS: -- remainder of  
24 that.

25 MR. FOWLER: Thank you, I

1 appreciate that.

2 MR. WHITCOMB: Good evening, Ms.  
3 Lipa, gentlemen. I have a few prepared statements  
4 and a question, and the question will be directed to  
5 Tony, so pay attention. There will be a quiz.

6 Thank you for attending tonight, Mr. Collins.  
7 It's good to see the highest levels of the NRC  
8 involved.

9 MR. GROBE: Howard, do you  
10 want to introduce yourself?

11 MR. WHITCOMB: Oh, I'm sorry.  
12 I'm Howard Whitcomb, resident of the community since  
13 1985. I hope that these public meetings are a  
14 dynamic process and not a static one. In other  
15 words, I hope that our comments are heartfelt and  
16 taken back and something is done with them. It's  
17 not evident to us here in the community that that, in  
18 fact, is happening. I'm asking that as the director  
19 of NRR, you see that something does happen.

20 Two comments, two areas of concern, if you  
21 will. The first is the current assessment of the  
22 quality assurance program.

23 Over the last several months, the NRC has  
24 cited specific violations of the licensing  
25 requirements regarding the use of both unqualified

1 personnel and inadequate procedures during the  
2 current performance of work inside the containment  
3 building. This is after March of this year.  
4 During that same period, FirstEnergy has reported its  
5 own difficulty in controlling the large number of  
6 contract personnel currently working at the  
7 Davis-Besse site. Specific polar crane maintenance  
8 performed by vendor personnel resulted, at one point,  
9 in a decision to temporarily suspend the use of the  
10 polar crane. While the public has not been fully  
11 apprised as to the reasons for that decision, the  
12 allegations contained in a pending lawsuit  
13 illustrates the current inability of the average  
14 worker at Davis-Besse to raise problems to  
15 management's attention even today.

16 FirstEnergy has also reported that its very  
17 own 10 CFR 50 Appendix B quality assurance  
18 organization, upon which the license to operate  
19 Davis-Besse is predicated, has recently failed to  
20 perform independent reviews of safety related  
21 activities at the Davis-Besse facility. 10 CFR 50,  
22 titled "Energy" is the governing federal law  
23 regarding the nuclear industry. Appendix B to 10  
24 CFR 50 specifically requires each licensee to  
25 establish a quality assurance program that applies to



1 the design, fabrication, construction and testing of  
2 the structures, systems and components of the  
3 facility. Additionally, every licensee of a nuclear  
4 operating plant must -- or is required to include  
5 information pertaining to the managerial and  
6 administrative controls to be used to assure safe  
7 operation of the nuclear facility.

8 I'm not going to bore anyone here with the  
9 reading of the code, but it is public information and  
10 is law.

11 Appendix B contains 18 very specific criteria  
12 to be included in any and all licensee quality  
13 assurance programs. Based on the recent reports  
14 received by both the NRC and Davis-Besse regarding  
15 the quality assurance program, it appears that the  
16 quality assurance program fails to satisfy all of the  
17 required criteria. Specifically, the following eight  
18 criteria either do not exist or have significant  
19 deficiencies.

20 Criterion V is with respect to programs that  
21 govern instructions, procedures and drawings.

22 Criterion VI requires procedures for document  
23 control.

24 Criterion IX is the control of special  
25 processees.

1            Criterion X are the criteria for inspection  
2            at the plant.

3            Criterion XI is test control.

4            Criterion XVI is corrective action program.

5            We've already heard that there are serious  
6            deficiencies with that program.

7            Criterion XVII is the quality assurance  
8            records and the maintenance of those records.

9            And, finally, Criterion XVIII governs how  
10           audits are to be performed.

11           Based on the recent findings of the NRC as  
12           well as the reports from FirstEnergy, it is clear  
13           that the quality assurance program at Davis-Beese  
14           does not currently exist at a level whereby safe  
15           operation of a nuclear plant can be assured, and,  
16           therefore, the basis for operating license can  
17           continue to be issued. FirstEnergy's recent actions  
18           demonstrate that the company is not yet prepared to  
19           implement a quality assurance program which places  
20           reactor safety as its number one priority.

21           My question, Mr. Mendiola, is, what  
22           inspection activities, to date, have been performed  
23           by the NRC to address the apparent lack of and/or  
24           complete breakdown of a satisfactory quality  
25           assurance program at the Davis-Besse facility?

1 MR. GROBE: Howard, Tony is  
2 responsible for licensing activities, so why don't  
3 you let me take that question because I'm on the  
4 inspection side of the house. Tony, do you want  
5 to --

6 MR. MENDIOLA: That's fine.

7 MR. GROBE: Okay. The --  
8 pardon me? Christine, you want to --

9 MS. LIPA: No, go ahead.

10 MR. GROBE: Nobody wants to  
11 answer your question except me. The quality  
12 assurance criterias, as you're well aware, is a very  
13 important part of our regulatory process, and, in a  
14 nutshell, what they expect is that things are done in  
15 a disciplined methodical way, and when that doesn't  
16 happen, if the licensee identifies the attribution  
17 into their corrective action program, which is  
18 required under the quality assurance requirements, if  
19 we identify it, we issue a violation. Violations  
20 are not uncommon. I think we'd all like to be  
21 perfect, but we all make mistakes and very rarely are  
22 those violations significant. We inspect day in and  
23 day out against those criteria as well as the large  
24 number of other requirements both include Federal  
25 regulations and in specific licensing for facility,

1 and when we identify violations, we take appropriate  
2 action. We have not concluded to date that the  
3 entire quality assurance program is flawed. We  
4 clearly concluded and so did the company that the  
5 corrective action program, which is Criterion XVI, as  
6 you mentioned, was -- there were serious performance  
7 deficiencies in the corrective action program at the  
8 Davis-Besse. That's been significantly improved  
9 based on our recent inspections, but we still find  
10 occasional violations, and when we find those,  
11 they're cited, so it's -- our inspection -- the basis  
12 for our conclusion that the quality assurance program  
13 is adequate, is contained in our inspections. The  
14 plant is not operating today, and it won't operate  
15 until the panel is convinced that it can be operated  
16 safely, and Sam and Jim accept the panel's  
17 recommendation if it gets to that point, so I think  
18 the plant is safe today, and it won't operate until  
19 NRC concludes that it can be operated safely.

20 MR. COLLINS: Yeah, I'm going to  
21 agree with everything Jack said, however, I'm going  
22 to provide a mechanism for you, perhaps, Mr.  
23 Whitcomb, that is, you apparently have some  
24 information in your views document, and if you want  
25 to write either to myself or to Tony or to Jack with

1 the bases for your concerns, we'll evaluate them or  
2 respond to your issues in writing. I think Jack's  
3 correct in that we have not come to a conclusion, and  
4 I copied down you're words, that there were serious  
5 problems, there are examples of issues, we would  
6 agree with that, but we perhaps have not aggregated  
7 them in the way that you have.

8 Now, in response to the first lady who came  
9 up, I don't want to automatically dismiss that  
10 because I'm not going to stand here and tell you that  
11 we know everything. So if you have a review, if you  
12 have information that you want us to consider, please  
13 submit it to us. We'll evaluate it and respond to  
14 you in writing.

15 MR. WHITCOMB: I don't think that  
16 my point is that I have specific information that  
17 needs to be evaluated. This is information that has  
18 been shared at all the meetings in the last several  
19 months.

20 MR. COLLINS: Okay.

21 MR. WHITCOMB: And I guess what  
22 I'm saying is, as a member of the public and in the  
23 spirit of your initial opening comments about gaining  
24 trust of the public, my concerns are, is that all of  
25 these issues that have been raised over the last

1 several months suggest serious problems.

2 The question is very simply, what activities,  
3 what specific inspections have the NRC done  
4 addressing the quality assurance program and whether  
5 or not it is in acceptable shape since March of this  
6 year?

7 MR. COLLINS: Okay. If we don't  
8 have that answer tonight, we can respond to you.

9 MR. GROBE: If you take a look  
10 at our checklist, some of the items in the checklist  
11 go directly to your question, and we have done a  
12 variety of inspections that include quality assurance  
13 program attributes and we've made citations, which  
14 you've read from, and you've referenced in some of  
15 your comments, so we've done a variety of inspections  
16 into the adequacy of the licensee's implementation of  
17 activities at the plant which are controlled under  
18 their quality assurance program, so I'd be glad to  
19 get into this in more detail privately or as Sam  
20 suggested, if you want to -- if you've rolled up the  
21 issues that you have read in our correspondence  
22 differently than we have, we would be glad to  
23 consider that, but at this point, we haven't come to  
24 the same conclusion you have.

25 MR. WHITCOMB: I guess my question

1 is, the NRC has evaluated the quality assurance  
2 program since March, and they have come to that  
3 conclusion or they have not even evaluated it?

4 MR. GROBE: The quality assurance  
5 program is part of every one of our inspections.  
6 For example, Marty and a team of eight other people,  
7 spent about eight weeks looking at design control,  
8 that's Criterion III. You know, day in and day out  
9 Doug and Scott are in the plant looking at various  
10 activities. It might be something covered by a  
11 license requirement. It might be something covered  
12 by 10 CFR, it might be something covered specifically  
13 by the quality assurance requirements, but that's an  
14 integral part of all of our inspections.

15 MR. WHITCOMB: Okay. You mentioned  
16 design criteria, Criterion III, that was not one that  
17 I listed, but, for instance, test control, have you  
18 had somebody look at test control since March?

19 MR. GROBE: Part of the inspection  
20 that Marty did, we call it our safety system design  
21 and performance inspection, we look not only at  
22 design, but we also look at maintenance and operating  
23 procedures and test procedures and that would cover  
24 Criterion X, Criterion XI. All of our inspections  
25 look at Criterion XVI, so that's -- it's an integral

1 part of the fabric of our inspections.

2 MR. WHITCOMB: Okay.

3 MS. LIPA: The -- one of the  
4 items on the checklist is quality audits and  
5 self-assessment programs.

6 MR. WHITCOMB: 3.C, I think, or 2.C.

7 MS. LIPA: 3.C and I don't know  
8 the exact status of this part of our inspection, but  
9 it's one of items that the inspector has on the list  
10 where the licensee is doing a review of this program.  
11 The inspectors plan to review the licensee's review  
12 when they're done and also review what the licensee  
13 plans to do about it, so that is one of the items  
14 that we have in addition to what Jack said how it's  
15 really a part of all the inspections.

16 MR. WHITCOMB: So that's a future  
17 activity, though? That hasn't actually occurred yet?

18 MS. LIPA: Well, the program  
19 inspection has started. A couple of the  
20 inspections -- a couple of the programs have already  
21 been reviewed by the Utility, so the plan is for the  
22 inspector to wait until they are done with their  
23 review and take a look at the program and see what  
24 they found and what they plan to do about it, so the  
25 program inspection has started, but not the detailed



1 look at this as far as I know.

2 MR. WHITCOMB: Okay. The second  
3 question or the second comment I'd like to make  
4 briefly here is in regards to what I would call the  
5 separation of interest between the Nuclear Regulatory  
6 Commission and the licensee and it's impact upon the  
7 public confidence.

8 This afternoon I asked a question regarding  
9 whether Mr. Jack Martin, a member of the Davis-Besse  
10 Company Nuclear Review Board and Restart Overview  
11 Panel was, in fact, the very person as John Martin,  
12 the former Region III, regional administrator. The  
13 answer was yes.

14 In a Toledo Blade article on December 18th,  
15 1993, it was reported that the Davis-Besse nuclear  
16 plant was found to be in violation of at least two  
17 licensing requirements. Mr. John Martin, the  
18 administrator of the U.S. Nuclear Regulatory  
19 Commission's regional office in Lisle, Illinois said  
20 he was disturbed by Toledo Edison Company's  
21 performance there.

22 Quote, reasonable people should be running  
23 these things, unquote, Mr. Martin said referring to  
24 the nuclear plants in general. Quote, my  
25 expectation for you guys, meaning Edison, is to be an

1 industry leader. You're struggling to be above  
2 average, unquote, he said. Again, that was December  
3 18th, 1993.

4 The inclusion of Jack Martin on FirstEnergy's  
5 Restart Overview Panel violates the public's trust.  
6 In light of the problematic history of the safety  
7 issues at Davis-Beese facility, and Mr. Martin's  
8 specific knowledge of those problems, it is  
9 inconceivable how he can now sit independently on a  
10 panel charged with making recommendations relative to  
11 the restart of the Davis-Besse nuclear plant. Last  
12 month, I raised a similar issue regarding Mr. Lou  
13 Storz's participation on this same panel. The value  
14 of Mr. Martin's input regarding restart issues is  
15 equally questionable. The NRC cannot hope to regain  
16 the public's confidence that it exists as an  
17 independent agency when a former senior level manager  
18 is now working for the very same facility he once  
19 criticized as the regional administrator with  
20 oversight responsibilities of the Davis-Besse  
21 facility.

22 The superficial findings of the NRC's Lessons  
23 Learned Task Force last month also indicate that the  
24 NRC will not or cannot conduct a self-critical and  
25 honest evaluation of itself. These actions,

1 collectively, demonstrate that the NRC intends to  
2 confer upon FirstEnergy management disparate and  
3 preferential treatment in comparison to the rest of  
4 the industry.

5 I have previously noted that it is time for  
6 change and that it is time to disband the 0350 Panel  
7 and insert an independent review team as envisioned  
8 and demanded by the 2-206 petition. As a resident of  
9 this community, I hold the public health, safety and  
10 welfare above all else. On October 24th, I asked  
11 Congressman Dennis Kucinich for a congressional  
12 investigation to evaluate the continued and sustained  
13 ability of the NRC to fulfill and execute its  
14 responsibilities in an independent and unbiased  
15 manner, and without alternative motive other than  
16 ensuring the public health, safety and welfare. I  
17 again renew that request as it the clearly time for  
18 change. Thank you.

19 MR. GROBE: Let me just make  
20 a comment about the Restart Oversight Panel, so  
21 everybody's understands what that's all about. The  
22 Restart Oversight Panel is not a requirement by the  
23 NRC. It's an initiative that the company took to  
24 bring together a very broad spectrum of very  
25 experienced people to give them advice to tell them

1 what they think is going right and what's going  
2 wrong. It includes senior executives from a number  
3 of utilities. It includes individuals from the  
4 Institute of Nuclear Power Operations. It includes  
5 former regulators, so it's a broad spectrum  
6 organization that the company invited in to give them  
7 advice to critique what they're doing, and it doesn't  
8 have any regulatory standing. It's not a  
9 requirement on our part. I've personally observed  
10 about half their meetings as have a number of other  
11 staff here observed meetings, and that panel is  
12 giving very critical review of the activities of  
13 FirstEnergy, so it's -- from my perspective, it's  
14 adding value. Sam?

15 MR. COLLINS: I respect your  
16 points, Mr. Whitcomb, because public confidence to us  
17 is important and that public confidence in many cases  
18 is perception. The strong credible regulator plays a  
19 part in regulation as much as technical decisions do.  
20 I think you'd understand this with your legal  
21 background, that there is a statutory prohibition  
22 from a member of senior executive service as any  
23 regional administrator is and was from interfacing  
24 directly with the industry for I think the period is  
25 a year, I may have that wrong, but it's about a year.

1 There is also a lifetime band on participating in  
2 those areas where there was a direct decision making  
3 process involved where the executive was involved in  
4 that regulatory decision, if you will. We have to  
5 fill out forms every year, and it indicates that that  
6 took place and when an individual retires, they are  
7 briefed on those types of things, and they are held  
8 up to those types of obligation, so that is a place  
9 to start, if you will, to understand the basis of  
10 your concern.

11 I think we would both agree and there might  
12 even be a parallel aspect in the judicial system if I  
13 were smart enough to go that way, but we want  
14 knowledgeable people not only running these plants,  
15 but we want knowledgeable people to commend to advice  
16 on issues and to be involved in the industry  
17 generally, whether it's the future of the  
18 operating -- or the decommissioning. Those  
19 knowledgeable individuals are usually a product of  
20 experience. I agree with your point that we need to  
21 in all cases avoid the perception of compromise and  
22 not being objective, particularly as a regulator, so  
23 I'll take that point.

24 The Lessons Learned Task Force, I don't share  
25 your opinion is superficial. I have been reviewing

1 their report for three weeks for about two to three  
2 hours a day on the senior team deciding what to do  
3 with those findings and they are pretty substantial,  
4 in my view, either that, or we are not very efficient  
5 in reviewing them, which could be partly the case.

6 MR. WHITCOMB: Either that or your  
7 level of excellence is different than mine.

8 MR. COLLINS: Well, that could be  
9 true, and I'll take that.

10 The independence issue, I'm the individual  
11 who signed out the response to the 2-206 as you well  
12 know asking for the independent panel. I would like  
13 to review for you what's going on, of course, and at  
14 your behest and others, Representative Kucinich, of  
15 Ohio did call for the field hearing, so we did go to  
16 the field hearing. That's a manner of oversight.  
17 We have an office of investigations which is  
18 completely independent, of course, to the chairman of  
19 the agency. They're conducting a number of  
20 investigations of the conduct of the staff. Me, I'll  
21 tell you, in the decision making process, they're  
22 going to go come to an independent decision of did  
23 the staff follow the rules? Do we have procedures?  
24 Do we have process? Do we have accurate information?  
25 Those reports will be issued, and, if necessary,

1 actions will be taken, and that's how we police  
2 ourselves with an independent party.

3 We have at the behest again of Representative  
4 Kucinich, he's asked for the general accounting  
5 office, the way the auditing and oversight are of the  
6 Congress to do an independent review of the agency's  
7 actions in regard to Davis-Beese. That's scheduled.  
8 We have an exit meeting before the end of the year  
9 that will be conducted. I've lost count, but that's  
10 the third or fourth independent review, and then  
11 there's the prospect of a hearing in front of  
12 Congress which is now being scheduled, and we will go  
13 down in front of the elected officials and explain  
14 our processees, explain the lessons learned report  
15 and be subjected to that scrutiny, so all things  
16 considered, again, we can differ on opinion, but  
17 that's the processees that we're using to say that  
18 there are independent reviews being conducted on our  
19 actions.

20 Meanwhile, we're the best ones to police our  
21 actions given that we have independent people who  
22 weren't involved in our processees, because they  
23 understand the inspection program, and they know what  
24 it's supposed to accomplish. They know our rules  
25 and regulations and procedures and that can be best

1 done and that's what the Lessons Learned Task Force  
2 has done, so, in total, lessons learned being part of  
3 it, but the other four or five independent oversight  
4 activities being the rest of it, I think we have met  
5 the spirit, at least, of independence and scrutiny.

6 MR. WHITCOMB: I would just in  
7 response, and I understand what you're saying, and I  
8 don't disagree necessarily in philosophy, but  
9 understand this, based on the series of events that  
10 have occurred and the lack of forthrightness that  
11 appears to have occurred over the last year in terms  
12 of information to the public -- and that's not  
13 necessarily the NRC's issue, but just generally, the  
14 public is in somewhat a confused state, and they  
15 don't have all the information, and they're making a  
16 lot of comments and concerns noted to the NRC and to  
17 FirstEnergy that, you know, they're concerned about  
18 it. They don't want the plant to start up and  
19 perhaps not for the right reasons.

20 Now, the -- because of all this  
21 misinformation, this misleading information, it is  
22 very difficult for me to accept any of you panel  
23 members to stand up and say, well, if former  
24 Commissioner Martin made a recommendation to restart  
25 Davis-Besse, far be it for me to stand up, put my



1 head on the chopping block and say, no, no, no, I  
2 don't agree. The public's perception of the NRC is  
3 it should be distinct, free from any connections, any  
4 relationships, either present or past, in order to be  
5 truly independent.

6 MR. COLLINS: Uh huh.

7 MR. WHITCOMB: And that's where the  
8 problem is right now is that the public doesn't that  
9 confidence that you are truly functioning as an  
10 independent organization.

11 MR. COLLINS: Yeah, and I'll accept  
12 that. You did promote Jack Martin, though, to a  
13 Commissioner as regional administrator.

14 MR. WHITCOMB: I'm sorry.

15 MR. COLLINS: I'm sure he would  
16 appreciate that. The other is that we do not accept  
17 nor is an individual like Mr. Martin a prior NRC  
18 employee coming to the NRC and advising us on the  
19 restart of Davis-Besse. That would be a prohibited  
20 activity which I mentioned to you before.

21 MR. WHITCOMB: I understand that.

22 MR. COLLINS: They can advise the  
23 licensee, but they can't advise us.

24 MR. WHITCOMB: I understand that.

25 MR. COLLINS: Okay.

1 MR. WHITCOMB: Thanks.

2 MR. GROBE: Other questions?

3 This has been a productive evening for me. I  
4 appreciate all the questions.

5 I have to say this is the first evening we  
6 haven't had to replace that pen. They seem to  
7 disappear every time we put one on the podium.

8 MS. CABRAL: Everything else in  
9 Port Clinton has disappeared, but not your pen.

10 MR. GROBE: Thank you.

11 MS. CABRAL: My concern is really  
12 complacency and how to avoid complacency in the  
13 public and with you people. In Port Clinton when  
14 the sirens go off, we have three options; either the  
15 first of the month when they're testing it, there's a  
16 tornado, or there is something going on with the  
17 power plant, so we always go through these things,  
18 and think, nope, it's the first of the month.  
19 Sunday, it was like, the weather is bad, maybe it's a  
20 tornado. My complacency went out the window when  
21 the tornado hit the property, the garage flew, the  
22 house flew. You're picking yourself up off the  
23 floor and you're thinking where are the neighbors,  
24 where is the house, where is the dog? We've got a  
25 mess downtown. Anybody is who is complacent go down

1 and look, and how are people going to get over being  
2 complacent about the nuke, you know, I mean, it's the  
3 third one on the list is the power plant. Well, if a  
4 tornado can hit and all of this is going on with  
5 problems there. I don't know if we need to have  
6 more public awareness, you know, Congress to get more  
7 money, you know. They've got all these ads. All  
8 these ads of smoking on TV, people are paranoid about  
9 that. How do you really make people aware and  
10 concerned so they keep after all of you, how do we  
11 have all of you get out -- and you don't think a  
12 disaster is real until it's looking you in the face,  
13 you know, and I don't want you all to get hit by a  
14 tornado so you can say, yeah, I know these things  
15 really do happen. What is the down side, you know,  
16 if you hadn't caught this problem when you did and  
17 stopped it, what would have happened? Can you make  
18 commercials out of this and show people, you know?  
19 Where do we go and who do we get to, you know, get  
20 the money into making people aware?

21 MR. GROBE: You've raised some  
22 really excellent points, and let me -- I'm going to  
23 try to touch on a couple of them, and Sam will fill  
24 in the blanks that I don't hit on.

25 I personally gave a presentation at the last

1 meeting that we had on the nuclear society on  
2 Davis-Besse and the specific issues that contributed  
3 to what happened here and --

4 THEREUPON, a baby began crying.

5 MR. GROBE: Another unhappy  
6 citizen.

7 (Laughter).

8 MR. GROBE: But that's one  
9 mechanism that we have to share experiences and  
10 ensure that these kinds of issues don't happen. I  
11 know that there's been a number of industry meetings  
12 that we don't attend that are for the utilities.

13 Just recently, a chief executive officer  
14 meeting through the Institute of Power Operation  
15 where Peter Berg, Chief Executive officer for  
16 FirstEnergy attended and gave a presentation,  
17 received comment. I know that Lew Myers has  
18 attended several industry meetings and his message is  
19 exactly your message; don't think it can't happen to  
20 you because it can if you become complacent, and you  
21 have to fight against that all the time, every day,  
22 day in and day out. It's what we call safety  
23 culture. It's how people think. It's how they  
24 perform every activity that they perform. It's how  
25 they respond to any information that comes before

1       them. It's the independent checks and balances that  
2       go on. Your concern is very valid. Many of those  
3       checks and balances do not work well at Davis-Besse,  
4       and we have to learn from it. We have to make sure  
5       that we don't become complacent. We have to make  
6       sure the utilities don't become complacent, and  
7       that's the whole purpose to the Lessons Learned Task  
8       Force, to find out within the NRC what happened, why  
9       it happened and the group that Sam sits on to  
10       determine what we need to do to make sure this  
11       doesn't happen again, so I think we're -- meaning the  
12       NRC and the Utility, is trying to make sure that we  
13       learn, that we share our information with other  
14       regulatory agencies. We've had a lot of interest  
15       from nuclear regulatory organizations across various  
16       countries and around the world. I know FirstEnergy  
17       has had a lot of interest from other utilities, and  
18       we also have a number of formal mechanisms that we  
19       use to communicate things. We've already issued  
20       three bulletins on this subject, and those are  
21       documents that require licensees to take some action  
22       and respond to questions, whatever it is. We've also  
23       issued a number of information lists to make these  
24       happen very shortly after the incident was identified  
25       to share immediately with all the utilities what we

1 knew happened at Davis-Besse. One of the specific  
2 information notices was a concern -- concerned the  
3 precursor information that we have, boric acid  
4 contamination on containment of air coolers, the  
5 corrosions accumulation on radiation filters and  
6 making sure that that receives an appropriate level  
7 of attention because it could be one of two things.  
8 It could be something rather insignificant, like some  
9 corrosion inside some tubing that radiation detect  
10 for or it could be corrosion in the atmosphere inside  
11 the containment building which is coming from  
12 somewhere else, so always don't look for the easy  
13 answer. Make sure you get the right answer.

14 Sam, did you have any other comments you  
15 wanted to make?

16 MR. COLLINS: I'm sorry, ma'am. I  
17 didn't catch your name.

18 MS. CABRAL: Barb Cabral.

19 MR. COLLINS: You asked an excellent  
20 question, and that is how do you take this  
21 information and move it to a place where you're  
22 better because of it, and you can prevent these types  
23 of things from happening to the extent that you can  
24 control those things. The Lessons Learned Task  
25 Force is coming here to make a presentation for the

1 public and the stakeholders. They're also going to  
2 each of the regional offices, and we have four of  
3 those throughout the nation, and those regional  
4 offices are where our inspectors are housed. Those  
5 are the individuals that come to the plants and do  
6 the inspection and who the resident inspectors report  
7 to and that's where they're housed.

8 We're also taking this and moving the lessons  
9 learned into a specific action plan and that's the  
10 part of the group that I'm a member of, and that will  
11 be published and we'll track those and move those  
12 into our processees and hopefully become a better  
13 performing organization, but that's this issue.

14 We also have to be cautious of the fact that  
15 this is a very demanding technology. It's a very  
16 unforgiving technology, and that warrants the best  
17 and the brightest, and it warrants the questioning  
18 attitude and you have to fight complacency all the  
19 time. We rotate our senior residents every seven  
20 years maximum. Mr. Whitcomb mentioned objectivity,  
21 that's part of the reason. The other is to keep them  
22 fresh and to keep them challenged, so you have to  
23 build these mechanisms into your processees to fight  
24 them all the time and that's a very real issue. We  
25 agree with you.

1 MS. CABRAL: Well, we do love our  
2 electricity, and we hope we have some again someday,  
3 and we do appreciate the energy company. We kind of  
4 think of them as the knight and shining armour coming  
5 down the streets with their 50 trucks to put us back  
6 together, so it's -- keep us safe. Thank you.

7 MR. GROBE: Thank you very much.  
8 Other questions? I saw a lot of hands go up  
9 as first-timers to these meetings, but I haven't seen  
10 a whole lot of you coming forward with questions.  
11 You must have some questions. Give us some feedback  
12 here.

13 MR. COLLINS: I have an answer to  
14 Mr. Whitcomb. He challenged me to take actions on  
15 the meeting, and I have three; one this morning from  
16 Mr. Douglas he asked about a videotape of the head,  
17 and I give him -- I think FirstEnergy committed to  
18 show that to him.

19 Mr. Fowler talked about casks and when were  
20 they last inspected. I think we're going to get that  
21 information to him, and the third was Mr. Whitcomb  
22 saying take actions away from the meeting, and I'm  
23 crossing that one off.

24 (Laughter).

25 MR. GROBE: Who else has a



1 question?

2           Okay. Well, the -- if you're not the kind  
3 of person that likes to come up to a microphone, we  
4 always stick around after the meeting. We'd be glad  
5 to answer any questions personally one-on-one, any of  
6 the NRC staff, so please feel free to come up and ask  
7 any questions you might not have been interested in  
8 bringing up at a microphone in front of everybody, so  
9 thank you very much for coming, and our next meeting  
10 of this nature is December 10th, that will be an  
11 afternoon meeting at the armory -- not the armory,  
12 but at the clubhouse at Camp Perry. I'm not sure I  
13 like that, but we'll be at Camp Perry on the 10th in  
14 the afternoon with the Utility, and then in the  
15 evening for public information.

16           There was some question about access to the  
17 facility, you just need a driver's license. Shortly  
18 after 9-11 there was very restricted access. You  
19 just need to show a driver's license at the gate, and  
20 they'll let you right in, so please come to our next  
21 meeting.

22           Just in summary, if you're interested in the  
23 bottom head issue, there will be phone lines  
24 available for you to plug into that meeting. That  
25 will be in Washington on the 26th, and the Lessons

1        Learned Task Force is next week on the 10 -- excuse  
2        me, the 20th here at the high school. Thank you  
3        again for coming.

4            A reminder, our feedback forms, we are eager  
5        to get your insights on how we can better run these  
6        meetings or any other thoughts you might have, so  
7        take the opportunity to fill out a feedback form and  
8        drop it in the mail. We'd appreciate that. Thank  
9        you very much.

10           THEREUPON, the meeting was adjourned.

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CERTIFICATE

STATE OF OHIO )  
                  ) ss.  
COUNTY OF HURON )

I, Marlene S. Rogers-Lewis, Stenotype Reporter and Notary Public, within and for the State aforesaid, duly commissioned and qualified, do hereby certify that the foregoing, consisting of 90 pages, was taken by me in stenotype and was reduced to writing by me by means of Computer-Aided Transcription; that the foregoing is a true and complete transcript of the proceedings held in that room on the 13th day of November, 2002 before the Nuclear Regulatory Commission.

I also further certify that I was present in the room during all of the proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office at Wakeman, Ohio this       day of       , 2002.

Marlene S. Rogers-Lewis  
Notary Public  
3922 Court Road  
Wakeman, OH 44889

My commission expires 4/29/04