

NOTE

TO: L. E. Martin - Quality Assurance, ONP  
 FROM: R. P. Denise - Assistant to Manager of Nuclear Power  
 DATE: January 17, 1987  
 SUBJECT: REVIEW OF CONGRESSINAL SUBCOMMITTEE REPORT ON TVA COMPLIANCE WITH  
 10CFR50, APPENDIX B

In accordance with your request, I have reviewed the Staff Report to Congressman John D. Dingell and Congressman Morris Udall dated December 17, 1986 regarding TVA's compliance with 10CFR50, Appendix B at the Watts Bar nuclear plant. Per our discussion, I focused my review on an entry on page 2 of the report regarding a telephone conversation between Jim Lieberman (NRC) and me on January 17, 1986. Since the report entry itself is not stated to be the full content of the Note to Files dated January 20, 1986 by Jim Lieberman, I can only address that part which is set forth in the Congressional Staff Report. I have not made any attempt to obtain the full content of the Note to Files by Lieberman.

On January 16, 1986 I attended a meeting among TVA and contractor personnel to discuss the "Appendix B issue". That meeting included discussion of the NSRS presentation to NRC Commissioner Asselstine, and subsequently developed information. During this meeting, a major point of discussion dealt with the contribution of corrective action programs to the fulfillment of Appendix B obligations. There was a proposition set forth that having a system which identified deficiencies, and led to their correction, provided (in itself) demonstration that there was compliance with Appendix B. The thrust of this idea was that the existence of a working program to identify and correct deficiencies meant that these deficiencies were not violations of Appendix B. Having had some understanding and experience with Appendix B, I made it clear that I did not agree with this way of thinking. The discussion then led into consideration of whether the system for identifying and correcting deficiencies was actually working. If the system did not work, this would be a violation of failure to take appropriate corrective action. The Employee Concerns seemed to say that the corrective action system was not working. In addition, a large volume and steady stream of deficiencies would seem to indicate that there is not compliance with some of the "preventive" parts of the program, nor was there compliance with the effective corrective action part of the program. The meeting did not result in any resolution of these matters.

Since I anticipated additional discussion of this issue, and hoped to contribute to the development of a correct TVA position, I placed a telephone call to Joe Scinto (NRC) on January 17, 1986 with the aim of discussing Appendix B in general. Mr. Scinto was not available, so I placed a call to Jim Lieberman.

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The discussion with Mr. Lieberman covered the application of Appendix B (and thus, its meaning) under different circumstances. In one circumstance with a licensed plant in operation, the requirements for identifying and correcting deficiencies are dealt with in the Technical Specifications for the unit. In the case of a plant under construction, which was the main area of discussion, Mr. Lieberman made statements of the nature recorded in the Congressional Committee Staff Report, and I agreed with these statements and the understanding that they conveyed. We also discussed the Callaway Appeal Board decision (18NRC-343) as providing some guidance and insight in the application and meaning and intent of Appendix B. Mr. Lieberman stated that a violation of Appendix B did not "go away" with corrective action, but the deficiency was resolved with corrective action. It was clear that Mr. Lieberman did not support a position that the existence of a corrective action component of the program meant that deficiencies were not violations. This was consistent with the position I had taken at the January 16, 1986 meeting.

I have provided the background of what prompted me to have a discussion with Mr. Lieberman in order to help ensure a better understanding of the statements attributed to Mr. Lieberman. As noted above, I agree that Mr. Lieberman made statements of the nature attributed to him, and that I agreed with the understanding of Appendix B which he expressed.

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Richard P. Denise