

ORIGINAL

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

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IN THE MATTER OF:

DOCKET NO:

INVESTIGATIVE INTERVIEW

OF CHARLES T. MASON

LOCATION: Chattanooga, Tennessee  
TVA Office Complex  
6th Floor, Lookout Place

PAGES: 2-63

DATE: February 5, 1987

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EXHIBIT 54

NATIONWIDE COVERAGE

			PG	LN
concerns TVA's	MARCH 20	, 1986 response to	2	11
time, I mean prior to	MARCH 20	, 1986, what	35	15
you believe that the	MARCH 20	letter responded to	37	5
And he signed it on	MARCH 20TH	. I think there	16	11
earlier drafts of the	MARCH 20TH	letter to the	30	18
actual letter, the	MARCH 20TH	letter containing	34	22
it today based on the	MARCH 20TH	letter. You know,	40	16
know, if you read the	MARCH 20TH	letter, it says	40	19
was to say that as of	MARCH 20TH	, our program is	40	22
were attached to the	MARCH 20TH	letter, the	43	3
attachments to the	MARCH 20TH	letter.	43	6
cover letter to that	MARCH 20TH	submission? A	44	19
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you believe that the	MARCH 20TH	letter says that	53	16
to concur in your	MARCH 20TH	response? A	54	17
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to concur with the	MARCH 20TH	letter as it was	56	23
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and what's a	PERVASIVE	breakdown. Q	57	6

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MR. MURPHY: For the record, it is now 12:36 p.m., February 5th, 1987. This is an interview of Charles T. Mason, who's employed by the Tennessee Valley Authority. The location interview is Chattanooga, Tennessee.

Present in the interview or John Craig, Leo Norton, Larry Robinson and Daniel Murphy.

As agreed, this is going to be transcribed by a court reporter.

The subject of the interview concerns TVA's March 20, 1986 response to TVA's being in compliance with Appendix B.

CHARLES T. MASON,

being first duly sworn, was examined and testified as follows:

BY MR. MURPHY:

Q We have some specific questions, but before we get into that, we'd like you to do two things. First, give us a bit of background, educational background and work background with some emphasis -- I know it's going to be very difficult to go back over the twenty-some-odd years you've spent with TVA, but at least a general --

A Okay.

Q And with some emphasis again put on the last few years that you've spent with TVA.

1           A           Well, I went to school at the University of  
2 North Carolina. Had a degree in chemistry in 1960. Was  
3 a graduate NROTC program. Went into the Navy in 1960 and  
4 stayed until '67. Four years of that was in surface  
5 ships and three years in the nuclear program and  
6 submarines.

7                       In 1967, I left the Navy and came to TVA.  
8 At that time, we had Browns Ferry under construction.  
9 And I was assigned as, the first real outside, first guy  
10 in TVA, really, that had any operating experience. Was  
11 headquartered here in Chattanooga. It was nuclear  
12 engineering, classified as nuclear engineering.

13                      In 1968, they formed the Browns Ferry plant  
14 staff, and sent the core of those people to Browns Ferry,  
15 and I stayed here in the home office to kind of  
16 coordinate their activities from this end of it, working  
17 on tech specs, fuel, various other nuclear engineering  
18 items.

19                      In November 1969, I was named as the Results  
20 Supervisor or the Technical Superintendent on the  
21 Sequoyah staff, because it had started construction, I  
22 believe in '68.

23                      Moved to the site or -- there was three or  
24 four of us in late '69, early '70, and we moved to the  
25 site, I believe in '71 and started building a Sequoyah

1 plant staff.

2 I assumed responsibility for pre-op test  
3 program at Sequoyah in about '73 or '4, in addition to  
4 being the Technical Supervisor. In 1976, I was  
5 transferred to Watts Bar as Assistant Plant Manager, and  
6 worked at Watts Bar from '76 -- let's see, in 1980, I was  
7 named Plant Manager at Watts Bar. The Plant Manager was  
8 transferred to INPO and I took over as Plant Manager.

9 In September 1981, I was transferred from  
10 Watts Bar back to Sequoyah as Plant Manager. At that  
11 time, Sequoyah had Unit 1 operating. They had just -- it  
12 had just gone commercial, and Unit 2 was about ready to  
13 license.

14 I started up Unit 2, got Unit 1 squared away  
15 and in operation, and in 1984, in a major reorganization,  
16 we created the Site Director position and moved a lot of  
17 engineers and a lot of the support force out of the  
18 corporate office into the field, and I was named as Site  
19 Director at Sequoyah.

20 In August of 1984, I resigned from TVA and  
21 went to Kansas Gas and Electric at the Wolf Creek  
22 project. At Wolf Creek, I was, went out there as  
23 Director of Nuclear Operation. I was given the  
24 additional responsibility a couple of months after I got  
25 there as Site Director over the whole project, including

1 construction, finish up of pre-op test work off of the  
2 construction punch list items, licensing and start-up  
3 testing.

4           Wolf Creek went into commercial operation in  
5 September of '85, and I came back to TVA in October of  
6 '85, October 16th. I came back as, the job they offered  
7 me was Manager of Operations.

8           By the time I got here, they gave me another  
9 hat called Deputy Director of, I believe it was called  
10 Power and Engineering (Nuclear) at that time.

11           So, I had two hats. I think the reason for  
12 the two hats was they wanted to, you know, a philosophy  
13 of an operating organization rather than architect and  
14 engineering, they wanted somebody near the top that could  
15 bring everybody together and support an operating  
16 establishment rather than just architect and engineering.

17           In January of 1986, when Mr. White came, he  
18 did away with the Manager of Operation position and I  
19 retained the job of Deputy Manager (Nuclear Power) and  
20 that's where I am today.

21 Q           Let me start by asking you, again, rather  
22 than going into specific questions, we'd like to kind of  
23 get a feel for what your role was in the Appendix B  
24 issue. I mean, your participation in maybe the technical  
25 reviews, if you had any, your participation in the letter

1 that transmitted these technical reviews to the NRC,  
2 which also, you know, gave the TVA corporate position as  
3 to whether they were or were not in compliance with  
4 Appendix B, and generally, what role you played in this  
5 whole thing.

6 A I'll do the best I can.

7 Q That's all we can ask.

8 A In December, Mr. Asselstine came down for a  
9 visit. It was kind of routine, I guess, for all the  
10 Commissioners to go out to near-term operating plants.  
11 For the last four or five years, I think they tried to  
12 visit every one, and that was that type of visit.

13 When he sent his itinerary down, we had  
14 about a week's notice or less than a week from the time  
15 he sent his itinerary down saying what he wanted to do.

16 He had some specific requests on there. One  
17 was he wanted to meet with Dan DeFord, who was an  
18 engineer that you all are familiar with, I guess.

19 Q Yes.

20 A But, anyway, he wanted to meet with him  
21 privately. He wanted to meet privately with the NSRS and  
22 see what their perceptions were of where we were on Watts  
23 Bar. That was to be in Knoxville, those two meetings.

24 I think he wanted to have dinner, if  
25 possible, with a member of the Board or the General

.1     Manager or something.

2                     And then the next day, he wanted to visit  
3     the site, have a presentation on preparations for  
4     operations and a tour of the facility and a run-down on  
5     where the technical issues were at Watts Bar.     .

6                     So, we arranged for that itinerary, for him  
7     to meet with Mr. DeFord and to meet with NSRS. I drove  
8     to Watts Bar on the 20th, I believe it was, and  
9     participated in discussions where he had the presentation  
10    and the plant tour.

11                    At the end of the plant tour, the resident  
12    said, hey, you need to find out what the NSRS told Mr.  
13    Asselstine yesterday, because it really -- apparently,  
14    the resident was with him, or maybe not the resident, but  
15    one of the guys from Atlanta, the resident's boss.

16                    Anyway, there was somebody in the room with  
17    Asselstine, and what NSRS told him surprised the people  
18    that were with Commissioner Asselstine.

19                    I came back to Chattanooga and called Kermit  
20    Whitt to see if he could tell me anything that  
21    Commissioner Asselstine had heard the day before.

22                    And he gave me a little bit of a rundown,  
23    but very briefly and sketchy, and nothing surprising.  
24    The way he phrased it, just kind of a routine meeting,  
25    they had run through issues and where they felt like we



1 were.

2 At this time -- let's see. That was  
3 December the 19th and 20th. I believe Mr. Hugh Parris,  
4 who was the Manager of Power and Engineering, got word  
5 about December 23rd that he was going to be moved out of  
6 the nuclear program and Admiral White was coming. It was  
7 sometime in that time frame right before Christmas.

8 From that time until the time Mr. White got  
9 here, I was kind of in charge, keep the thing glued  
10 together.

11 On January 3rd, we got the letter from the  
12 staff in Washington saying this is what NSRS presented to  
13 Commissioner Asselstine as their perceptions, what's  
14 TVA's corporate position with regard to whether you're in  
15 compliance with Appendix B, and within thirty days give  
16 us the backup, the detailed information on each of the  
17 issues.

18 And they asked us to do that, I believe, by  
19 January the 10th or something, a seven-day, about a  
20 seven-day turnaround.

21 We had a meeting scheduled with the  
22 Commission, I believe it was on January the 11th is when  
23 that meeting was scheduled, 9th or 11th. Very short  
24 turnaround time on that, responding to that letter.

25 At the time, we were trying to get prepared

1 for the Board of Directors to sit down in front of the  
2 Commission. There was a lot of hectic running around,  
3 you know, trying to get the Board briefed and wondering  
4 what to do with this letter.

5 We went up to brief the Board, I believe it  
6 was on January the 7th to dry run them and ask them some  
7 questions that we felt like they could get from the  
8 Commission to kind of prepare them for the meeting.

9 We -- I'll just characterize it as a dry run  
10 for the Commission meeting, where we were playing the  
11 part of the Commissioners and the Board sitting across  
12 the table from us.

13 As part of that dry run, I felt like it was  
14 important that the Board hear exactly what the  
15 Commissioner had heard on January -- on December the  
16 19th.

17 So, I asked Kermit Whitt to come over and  
18 bring whoever made the presentation and have them run  
19 through the presentation as closely as they could to the  
20 way they presented it to Commissioner Asselstine.

21 So, we had our dry run with the Board of  
22 Directors, and then Kermit Whitt made his introductory  
23 statements, and turned it over to Bob Sauer, who ran  
24 through the perceptions and tried to do it as close as he  
25 could to what, the way he had presented it to Asselstine.

1                   And I guess about this time, the Chairman of  
2 the Board took Mr. White to Washington, introduced him  
3 around to the Commissioners, and said this is Admiral  
4 White, he's going to be our man.

5                   And during that visit, he got an agreement,  
6 I believe from Mr. Stello, to delay the answer to that  
7 January 3rd letter, so that we got a little bit of  
8 relief.

9                   That was a verbal agreement between Chairman  
10 Dean and I think Mr. Stello to delay the response, that  
11 seven days was not adequate time, and particularly in the  
12 transition from one key manager to another key manager.

13                   And we came back to Chattanooga and  
14 Knoxville after that meeting with the, after that visit  
15 between Chairman Dean and the Commissioners, and wrote a  
16 letter back to NRC saying, based on our verbal  
17 concurrence, we understand that you've agreed to delay  
18 the response.

19                   There was no new date established for  
20 responding to it. It's kind of left open-ended, but it  
21 certainly was some degree of importance that we needed to  
22 answer that letter.

23                   And that deferral only applied to whether we  
24 were in compliance with Appendix B or not. It did not  
25 specifically address the 30-day -- the original letter

1 said within 30 days, come back and give us the details of  
2 this, and the deferral did not address the 30-day request  
3 for the detailed information. So, I felt like it was a  
4 lot of urgency in answering that letter.

5 On January the 11th, I believe it was, Mr.  
6 White met with the Commission. No, not Mr. White, the  
7 Board of Directors met with the Commission. We got  
8 through that meeting all right.

9 January 13th, Mr. White reported on board,  
10 took over the nuclear program, and I started trying to  
11 get the answer to the letter.

12 Bob Mullin was the primary man that I looked  
13 to to prepare the answer and get the information  
14 together. We arranged a meeting, I believe it was on the  
15 16th of January, and we had the NSRS representatives,  
16 Kermit and Mike Harrison, and there might have been one  
17 or two others.

18 And we had the QA manager, Bob Mullin and  
19 some of the line people there who were responsible for  
20 the various technical areas, construction manager, lot of  
21 allegations against Construction, so we had the  
22 construction managers.

23 We talked about the eleven perceptions, and  
24 whether we were in compliance or how were we going to  
25 address this, you know.

1           The managers had one perception, the line  
2 had another perception of whether we were in compliance  
3 or not, and we wanted to discuss each of those eleven  
4 items, and hopefully come to agreement, we either were or  
5 were not in compliance.

6           Let's see. We had a couple of -- Mr.  
7 White's staff, you know, his key advisors sat in on that  
8 meeting, I believe Mr. Wegner and Mr. Bass.

9           When we got through with that meeting, I  
10 felt like we were in pretty good agreement, and Kermit  
11 Whitt had kind of indicated, well, you know, we can see  
12 your point on that particular issue, because you've  
13 identified it and you got a card and you're tracking it  
14 and you're investigating it and closing it out except for  
15 two issues.

16           One of them was on records and the design  
17 control system. Those were two areas that were still in  
18 pretty broad disagreement.

19           I asked both sides to go out, you know,  
20 NSRS, go prepare your position paper and tell me why you  
21 think we're not in compliance, and Bob Mullin, you take  
22 all these line people and you go off and prepare your  
23 position on why you think we are in compliance, bring  
24 both of them back, and management can sit down and look  
25 at both of them and read the arguments here, read the

1 arguments there, and make a rational decision, rather  
2 than sitting in a room arguing back and forth.

3 I didn't think that would take very long,  
4 because both groups had been looking at this issue for a  
5 while. NSRS had raised the question and made the  
6 statement, our perceptions are this.

7 And I thought that they had -- they would  
8 have some backup information from which to conclude, from  
9 which to reach that perception. You know, it would be  
10 readily available, wouldn't take very long to issue it,  
11 so I asked them to work until they got it finished.

12 Turned out they worked all night, because  
13 they didn't have it. The next day they didn't have it.  
14 By quitting time on, I think that was a Friday we had the  
15 meeting, and by quitting time on -- that was a Thursday  
16 where we had the meeting.

17 By quitting time on Friday, they still  
18 didn't have a good, concise story, neither the line group  
19 or the NSRS group had a good concise report that they  
20 were ready to bring and present their case.

21 So, we dogged off of working on it. That  
22 was -- I was more directly involved up to that point than  
23 after that point as far as my personal involvement.

24 Up to that point, I had been the pusher in  
25 trying to get the answer to the question and doing it in

1 a timely manner.

2           It was obvious that Appendix B was not one  
3 of the hotter issues as far as Mr. White and his staff in  
4 answering that letter, was not one of the hottest issues  
5 on their plate.

6           You know, they were more interested in  
7 looking at the overall problems and getting their arms  
8 around the overall problems and trying to find out where  
9 the strong managers were and who they needed to bring in  
10 and that sort of thing, and the Appendix B question got  
11 kind of lowered in priority.

12           And Bob Mullin, again, was still pushing it  
13 at that time. And they'd go off and prepare some  
14 position papers and come back and have meetings, and I  
15 wasn't involved in all those technical meetings. There  
16 was a period of two or three weeks there where I really  
17 wasn't involved.

18           They finally got a draft letter ready to go  
19 to the NRC, and they took it in to Mr. White, with some  
20 backup information, you know, based on their, to support  
21 their conclusion.

22           And we got a report from QTC on the ERCW  
23 pipe trench. They said the pipe trench is going to fall  
24 down or it's not going to do its job or it's inadequately  
25 built. It was a big, thick report that got a lot of

1 press attention, and it was sent to NRC and I believe to  
2 Congressman Dingell's staff.

3 So, that raised the question, hey, you might  
4 be in compliance with Appendix B and everything else, but  
5 this might be a significant problem, so we don't need to  
6 answer that letter until we investigate the ERCW pipe  
7 trench, so that delayed the submission of the Appendix B  
8 letter.

9 We went out and investigated, had  
10 Engineering and some outside people look at the ERCW pipe  
11 trench until everybody was satisfied that the pipe trench  
12 was okay. It does what it is supposed to do.

13 So, they got another draft of the letter  
14 ready to go. Then we got another QTC investigation  
15 report on concrete at Watts Bar. That again raised the  
16 question, you know, everything else might be okay, or  
17 everything you've looked at might be okay, but now you  
18 got the concrete issue.

19 The same scenario. The report was sent to  
20 the NRC, and we got a lot of press coverage on it, faulty  
21 concrete at Watts Bar.

22 So, we stopped the preparation of the  
23 letter, went out and investigated the concrete issue  
24 until everybody was satisfied that we didn't have a major  
25 problem in concrete.



1                   Then we came back, went through the scenario  
2 again, another draft of the letter, another package of  
3 supporting information.

4                   And I don't -- I'm not familiar with the  
5 details of, you know, who did what on the letter at that  
6 point. It was getting pretty close to March the 20th at  
7 that time.

8                   I know the draft went into and out of Mr.  
9 White's office several times, was revised several times  
10 after the concrete issue was pretty well resolved.

11                   And he signed it on March 20th. I think  
12 there was a correction to one of the attachments made  
13 sometime in April. We sent in a correction to one of the  
14 attachments. I believe it was on an electrical issue.  
15 June the 5th, we sent in another letter on Appendix B.

16                   And I believe it was March the 19th, I was  
17 appointed to go to Sequoyah and head up the Sequoyah task  
18 force. I don't know if you all are familiar with what  
19 the task force does out there, but I was really moved out  
20 of the office full time. I'd come down here maybe one  
21 day a week or something from March 19th up until October  
22 17th.

23                   MR. MURPHY: Okay.

24 BY MR. NOBTON:

25 Q                   Mr. Mason, when did you first discuss the

1 necessity of responding to the NRC letter with Mr. White  
2 or his staff?

3 A He got here on the 13th. It was probably on  
4 the 13th or the 14th, because it was a high item on my  
5 plate. Mr. White was, of course, aware that we had  
6 gotten the letter from the NRC on January the 3rd because  
7 he had accompanied Chairman Dean in the visit to the  
8 Commission where he got it postponed, our response  
9 postponed.

10 He was aware of the existence of the letter,  
11 and I'm sure I talked to him on the 13th or 14th. So, it  
12 was about the number one item on my agenda.

13 Q All right. You mentioned earlier that it  
14 wasn't, didn't have the priority to them that it did to  
15 you. Why was that?

16 A Well, I can't, I can't answer that, other  
17 than just to speculate. I know that they were very  
18 interested in really finding out what TVA was all about,  
19 where we made the problem in TVA, what kind of manager  
20 support am I going to have to bring in to address these  
21 problems and that sort of thing.

22 It was a broader -- you know, when they  
23 first came in to an organization as big and complex and  
24 with as many problems as we've got, I would speculate  
25 that the Appendix B question is one problem over here, I

1 got fifty problems, which one is the worse, I want to  
2 look at all of them.

3 Q When you first discussed the letter with Mr.  
4 White and his staff, was there any type of discussion as  
5 to what sort of posture or what sort of answer TYA was  
6 going to give or should give?

7 A No. No. It didn't go like that. We were  
8 interested in getting both sides of the argument, or I  
9 was interested in getting both sides of the argument so I  
10 could look at both sides of the argument to make a  
11 rational decision.

12 If I needed some help, I'd go out and get an  
13 independent third party to come in and give me a  
14 recommendation. That was my emphasis, is to not have a  
15 pre-set idea how to answer it, but go out and get the  
16 facts, look at the facts.

17 And if I didn't -- based on my experience  
18 and ability, if I couldn't make a call or didn't feel  
19 comfortable making a call, I would have gotten some  
20 outside assistance, yes.

21 But we didn't talk about preconceived ways  
22 of answering it or a posture in answering it at that  
23 point. It was, early on, it was just let's get the facts  
24 and get them all up on the table.

25 Q Going back in time a little bit, was there

1 any activity from, when you first learned about the  
2 presentation to Commissioner Asselstine, from that point  
3 in time up until the Board of Directors' meeting on  
4 January the 7th?

5 A Was there any activity?

6 Q Yes, on this issue, on the --

7 A Well, as I said, I don't remember. I  
8 believe it was one of the residents had indicated to me  
9 that, hey, you really need to find out what was said to  
10 Commissioner Asselstine in the meeting with NSRS, because  
11 it surprised the heck out of me, or my boss, I can't  
12 remember which one it was.

13 And, yeah, I talked to Kermit Whitt to find  
14 out, you know, really what was said in there. Hugh  
15 Parris and myself talked to him.

16 Q You mentioned that Kermit Whitt indicated to  
17 you that, really, he didn't find anything surprising?

18 A Well, the way he conveyed it to me, it  
19 wasn't earth-shattering, but the fact their perception  
20 was that we were not in compliance with Appendix B, it  
21 didn't come across with the significance that it later  
22 developed to have.

23 Kermit was also apologetic in the fact that  
24 none of the management chain above Sauer had really been  
25 involved in the preparation of that presentation, because

1 Kermit had been on leave the preceding week. I think, as  
2 a matter of fact, he came in off of leave to participate  
3 in the Asselstine visit.

4 And when he came in, he didn't have much,  
5 much time to review what they had put together. I think  
6 Bob Sauer stopped him on the way into the office that  
7 morning, said, hey, I've got, this is my presentation.  
8 Kermit said, fine, I've got to go write my comments, you  
9 know, my opening comments.

10 He didn't really look at it in any degree of  
11 detail. It had no management review, let me put it that  
12 way.

13 Q Well, when you talked to Mr. Whitt during  
14 this December phone call, did he indicate to you that he  
15 disagreed with Sauer's conclusions?

16 A No, not directly. As just said, you know, I  
17 hadn't reviewed it, it's not necessarily NSRS's  
18 management position.

19 Q Not necessarily NSRS's management position?

20 A Yes. It's the opinion of Mr. Sauer, and I  
21 was under the impression that he had gotten some help  
22 from some of the people that we had at the various sites  
23 that participated in looking at some of these areas, and  
24 that they had worked late the night before in putting  
25 this presentation together.

1 Q Was it your decision that the Board should  
2 hear this presentation?

3 A Yes.

4 Q Okay. It was your initiative?

5 A Right.

6 Q Not from the Board down?

7 A My initiative.

8 Q Who was present at that Board discussion  
9 with Mr. Sauer?

10 A The dry run?

11 Q Yes, the dry run.

12 A Well, all three members of the Board. That  
13 was Freeman, Richard Freeman, "Chili" Dean and John  
14 Waters. Bill Willis, the General Manager was there,  
15 myself, Bill Cottle, Willie Brown I believe was there,  
16 Jim Huffam was the Licensing Manager. There might have  
17 been another licensing manager or a licensing man there  
18 to help us with the dry run.

19 I believe Bob Cantrell, who was the  
20 engineering manager, those were the key people. There  
21 might have been some other people.

22 Q Once Mr. Sauer made his presentation, were  
23 there any disagreeing opinions, you know, objections?

24 A No, there was no, there was no disagreements  
25 or arguments back and forth across the table at that

1 meeting.

2 Q Did you --

3 A By the time we got there, it was pretty late  
4 in the day, because we had done the dry run on this,  
5 getting them prepared for the Commission meeting.

6 Q Did the Board give any direction as to what  
7 should be done about --

8 A No.

9 Q -- this issue?

10 A (Nodding head negatively.) I guess there  
11 was a lot of lament that management had not reviewed that  
12 before we made the presentation, before NSRS made the  
13 presentation to Commissioner Asselstine.

14 Q Was it decided that the issue would be held  
15 over until Mr. White's -- for Mr. White to handle?

16 A I can't remember when we did the -- when we  
17 did the dry run in relation to Chairman Dean's visit to  
18 the Commission. At the time we had the dry run, I don't  
19 believe that he had had that visit to Washington. I  
20 don't remember which one occurred first.

21 Q Right.

22 A But if we had had to meet the original seven  
23 days on the letter, we could not have waited until  
24 Admiral White got here.

25 Q Right. Right.

1 A . Because it was due, I believe, on the 10th,  
2 and Admiral White didn't get here until the 13th.

3 Q I guess really what I'm asking, Mr. Mason,  
4 is whose decision was it to ask for an extension?

5 A I would assume that it was Mr. White and Mr.  
6 Dean, because they are the ones that went up -- I don't  
7 know which one of those two, but they are the ones that  
8 went to make the visit.

9 Q All right. I think you mentioned earlier  
10 that you directed Mr. Mullin to kind of head up the  
11 response effort. Is that a fair way of --

12 A Right.

13 Q Did he remain responsible for that effort?

14 A Pretty much. I don't remember when he was  
15 replaced as Manager of QA. You know, he was the Manager  
16 of Quality Assurance. That's who I would look to to  
17 answer the question, are you in compliance with Appendix  
18 B.

19 I don't know whether it was late February or  
20 early March, late February, probably, he was replaced as  
21 Manager of QA by Mr. Kelley. And Mr. Mullin stayed in QA  
22 until later in the year, until the September time frame.  
23 I believe he was moved out of QA and into Fuels.

24 He was active in the response to the  
25 Appendix B letter, but I don't know what time, what point



1 he gave up the key responsibility for preparing the  
2 answer.

3 Q Was there any problem that he was replaced  
4 as leading that effort?

5 A There's no specific individual problem. It  
6 was the same problem that we had with a lot of our  
7 managers not having adequate experience in the  
8 environment. We were in with five units shut down and  
9 four units under construction with some significant  
10 problems.

11 Mr. Mullin did not have a QA background.  
12 His background was in nuclear engineering and fuels, but  
13 he had been put into the QA job a couple years earlier  
14 because of his supposed management ability.

15 He was not a real strong QA manager, both  
16 from having a technical QA background and from a  
17 management standpoint. He didn't delegate well, and I  
18 think one of the -- there was some key positions I  
19 identified that we needed to make some personnel changes  
20 in. That was one of them. Licensing was another. There  
21 were some, that type.

22 Q When you had an opportunity to hear Mr.  
23 Sauer's presentation and you heard his bottom line, at  
24 least, or NSRS's bottom line that there was a failure in  
25 overall compliance with Appendix B, were you surprised by

1 it when you had an opportunity to --

2 A Yes.

3 Q Did you have an initial reaction as to  
4 whether you agreed or disagreed with that position?

5 A No, not really. I guess I was surprised  
6 that it came up that way. I was disappointed that if we  
7 had people that felt that way, that they hadn't brought  
8 it up through management, say, hey, we got a major  
9 problem here, we're not in compliance with Appendix B and  
10 our QA program is broken down. You expect them to come  
11 to management before they go out and tell the world that  
12 and when we do we go out and tell the word, we have all  
13 the facts, at least an agreement that we've got problems  
14 or we don't have problems.

15 Most of their perceptions were based on the  
16 fact that we had a lot of allegations in this area or  
17 this area, this area, not investigated allegations and  
18 confirmed QA problems.

19 Q Were you asked to -- you mentioned earlier,  
20 Mr. Mason, that you reviewed the drafts of the --

21 A I reviewed some of the drafts.

22 Q Some of the drafts?

23 A I'm confident I didn't review all of the  
24 drafts.

25 Q Were you on some type of approval chain with

1 the letter?

2 A No, I didn't sign off of the letter.

3 Q Okay. Were --

4 A I don't think I saw the final letter until  
5 after it had been signed and sent out.

6 Q In what capacity, then, did you see some of  
7 the drafts, some of the earlier drafts of the letter?

8 A I guess the best way to describe that was  
9 the transition phase. When Mr. White came here, I was in  
10 charge and he was taking over and he was trying to get  
11 his feet on the ground with the whole, the whole nine  
12 yards of the TVA nuclear program.

13 I couldn't just back out and go off and sit  
14 in a corner. I stayed active, and he took over as he got  
15 more involved in a lot of the things I was doing, took  
16 them away as he got confident and got his feet on the  
17 ground.

18 Q Did either he or his staff continue to seek  
19 your advice or opinion regarding this issue, the Appendix  
20 B issue?

21 A I guess on some of the drafts, yeah. My  
22 office was right next to Mr. White's. And when they'd  
23 get a draft ready to go in to Mr. White, sometimes they  
24 would stop by and say we got this draft ready or this  
25 letter ready, look it over and tell me what you think.

1                   Next time, Mr. White's office door might be  
2 open and they'd go directly in.

3           Q           Who is doing the drafting, who was the  
4 person that is, you know, saying, here, take a look at  
5 this or --

6           A           I believe Mr. Kelley. Mr. Kelley was in  
7 charge by the time we got, we got to the point where we  
8 actually had a letter put together with the backup  
9 information.

10                   As I said a while ago, I believe that  
11 occurred in February when he took over. Up until that  
12 time, we didn't effectively have a draft.

13           Q           When you received the January 3rd letter  
14 from NRC, what in your mind were you being asked to  
15 answer? What was the question you were being asked?

16           A           The question was, are we, is Watts Bar's QA  
17 program in compliance with Appendix B. And within thirty  
18 days, give us your supporting arguments for your answer,  
19 your justification for your answer in each of these  
20 eleven areas.

21                   Regardless of what your answer is, if you're  
22 not in compliance, tell us why you're not in compliance  
23 in these eleven areas. If you are in compliance, tell us  
24 why you think you are in compliance with these eleven  
25 areas.

1 Q What was the significance of the question to  
2 you? By that I mean, to you, what would it have meant if  
3 you had just sent back a letter and just said no, you're  
4 not in compliance?

5 A Well, hindsight is 20/20. I guess the only  
6 way I can answer that is with the experience of the last  
7 year.

8 I don't think now if we had gone back and  
9 said, hey, we're not in compliance with Appendix B in  
10 this area and this area, and this other area over here we  
11 may or may not be, we haven't investigated it far enough,  
12 I don't think there would have been severe repercussions  
13 from that.

14 I don't think we would have had, it would  
15 have had the impact that a lot of people thought it  
16 would, you know. If we answered one question, you get a  
17 straight question, are you in compliance with Appendix B,  
18 you say no, you got to worry everybody is going to take  
19 that of context or jump to a conclusion. You're going to  
20 be shut down and your license is going to be revoked and  
21 your investment is going to go down the drain.

22 I know for sure now that you can't answer  
23 that in a one-word answer.

24 Q The types of, I don't want to say  
25 considerations, the type of speculation you just referred

1 to; we're going to lose our investment and whatever, were  
2 people back in the January, February and March time  
3 frame, did you hear any discussions of this nature? I  
4 mean, were people concerned, what if we say no and we're  
5 going to have this problem or that problem?

6 A Not of losing the investment.

7 Q Not of losing the investment, that's going  
8 to extreme, yes.

9 A There was concern if you say you're not in  
10 compliance with Appendix B, it's another Zimmer.

11 Q Okay.

12 A I don't know what all Zimmer's problems  
13 were, I never was involved up there, but I know they had  
14 some significant QA problems and they lost their  
15 investment. And they, I guess, withdrew their  
16 application for a construction permit.

17 But, yeah, that was a concern. There was a  
18 lot of concern, too, about what will the press do with it  
19 and what with the Congressional committees do with it and  
20 how will it -- how long will it delay the project if you  
21 say that.

22 Q Among who, you know, were these comments  
23 being exchanged? Who was saying what, in other words?

24 A Well, I don't remember who said what.

25 Q I'm asking you specifically.

1 A But, generally, that was the tone of a lot  
2 of the -- you know, chit-chat in the offices and that  
3 sort of thing.

4 Q But I mean, was this chit-chat among Mr.  
5 White and his staff or the Board or was it chit-chat down  
6 in the coffee shop?

7 A I don't chit-chat with those guys.

8 Q You see what I'm getting at?

9 A I'd say it was the key managers at the next  
10 level down, the Managers of Engineering, QA, Licensing,  
11 not Admiral White and his staff and not the Board of  
12 Directors.

13 Q Okay. Was it with the managers who were  
14 eventually asked to respond to the eleven items?

15 A Some of them, yes, some of them were the  
16 managers who were eventually asked to respond.

17 Q Mr. Mason, did you perceive a difference in  
18 tone from the earlier drafts of the March 20th letter to  
19 the final version?

20 A There was a shift in tone, yes. It narrowed  
21 down, it was more precise, tried to be more definitive as  
22 we went through the various drafts. You know, that's the  
23 type of shift that it was.

24 Q I tried to, this is my characterization --

25 A There was some concern, too, about material

1 false statement, would it, regardless of what turned out  
2 of all the investigation going on, all the employee  
3 concern investigation, that it wouldn't be a material  
4 false statement. So, you know, the legal people looked  
5 at it, and --

6 Q What legal people?

7 A Well, I guess our Office of General Counsel,  
8 and I don't know who Mr. White had look at it. I  
9 couldn't say.

10 Q Who from TVA OGC was involved?

11 A I can't give you a name, but Doug Wilson or  
12 Lou Wallace could probably tell you which one of the  
13 lawyers actually looked at it. Doug Nichols was kind of  
14 the chief coordinator between the Office of Nuclear Power  
15 and the OGC.

16 Before Mr. White came on board and for a  
17 transition period after that when Mr. White got his feet  
18 on the ground, he worked directly with Herb Sanger on  
19 those things, and there wasn't a lot of lower level  
20 exchange until the last three or four months, there's  
21 been quite a bit of it.

22 Q The concern about, you know, or the talk  
23 about possible material false statements, again, what,  
24 you know, level was that talk at?

25 A Well, I'd say that was at my level and



1 above.

2 Q Was Mr. White involved in that?

3 A I can't say for sure whether he was or not,  
4 but, yeah, I would assume that some of these discussions  
5 involved him.

6 Any time you sign a statement to the NRC,  
7 particularly in the last three or four years where you do  
8 it under oath or affirmation, you consider that very,  
9 very carefully before you sign those letters.

10 Any Vice-President or Executive that signed  
11 under oath or affirmation wants to ask that question. If  
12 I sign down here on this line, am I confident there's not  
13 a material false statement in it.

14 Q To your knowledge, then, was there a  
15 conscious effort to make this answer as narrow as  
16 possible?

17 A There was a, an effort to answer the  
18 question and just the question. If that --

19 Q Well, I see what you're saying, but I don't  
20 want debate with you. Let me ask you if you've heard, as  
21 I've heard, have you ever heard of a comment similar to  
22 the effect we're going as close to saying no, we are not  
23 in compliance without actually saying that?

24 A I've heard that comment, not that specific  
25 comment, but I know what you're trying to get at.

1 Q The gist of that, yes.

2 A And I've probably heard something similar to  
3 that associated with this, but I can't say who said it or  
4 anything like that. I know that we did want to be  
5 accurate and we wanted to be true, but we didn't want to  
6 be, you know, get outside the bounds of the question and  
7 get tied up in an accusation about, you know, material  
8 false statement.

9 Q That's right where we are today.

10 A Hindsight is 20/20.

11 Q I agree. I agree. You do seem to recall  
12 some type of discussion or some type of comment, as I  
13 phrased it, about coming as close as possible to saying  
14 no without actually saying it in connection with this  
15 issue?

16 A I would say the tone of the meetings would  
17 lead you to that conclusion, the tone of the discussion  
18 would lead you to that conclusion that you wanted to  
19 answer it as narrowly as possible and say, hey, we think  
20 we're in compliance, but there may be some places where  
21 we're not, or we're not through investigating, or, you  
22 know.

23 Q To shift gears for a second, Mr. Mason, the  
24 eleven items that you were being asked to specifically  
25 respond to, the eleven perceptions of NSRS, what was the

1 attitude among senior TVA management at that time? In  
2 other words, did all eleven perceptions have to be  
3 favorably responded to in order to say yes, we are in  
4 compliance?

5 Suppose you were forced -- suppose the line  
6 had come back and said in two areas, any two areas, and  
7 said, well, NSRS is right, we're not in compliance with  
8 Appendix B, what would the letter have said then?

9 A I think the letter -- and again, it's just  
10 speculation, but based on the tone of the meetings and  
11 the tone of our discussions that we had at that time, we  
12 would have said, no, we're not in compliance with  
13 Appendix B in these two areas, and NSRS was right and  
14 these are violations of Appendix B.

15 And the other nine areas, we would have put  
16 the facts down there and said no evaluated noncompliance  
17 with Appendix B, in Appendix B, there's areas we had not  
18 investigated all of them, or we have investigated all of  
19 them and there's no problem associated with them,  
20 whatever the case was for the individual items.

21 Q Okay. The final letter or the actual  
22 letter, the March 20th letter containing the two terms I  
23 want to ask you about, one is the term "overall  
24 compliance," and second one is the "prevasive breakdown,"  
25 that term. Do you know where those terms came from?

1 A Well, I didn't know at the time, but I  
2 gather that the pervasive breakdown came out of Callaway,  
3 I believe it was the Callaway case study that they did on  
4 the licensing board comments.

5 Q Let me be a little more specific in my  
6 question. You know how those two -- let's stick with one  
7 at a time. Do you know how the term "pervasive  
8 breakdown" came to be included in this letter?

9 A No, I don't.

10 Q How about the term "overall compliance"?

11 A I can't, I don't know how that came to be in  
12 there, either.

13 Q Were you ever part of a discussion or did  
14 anybody explain to you at that point in time, I mean  
15 prior to March 20, 1986, what pervasive breakdown means?

16 A No.

17 Q When you saw that term, pervasive breakdown,  
18 what did it mean to you?

19 A It meant that it was not throughout the  
20 organization or throughout everything that moves on at  
21 Watts Bar, there was no breakdown in welding, breakdown  
22 in this area, breakdown in that area such that every area  
23 had a breakdown, the QA program was ineffective across  
24 the Board. That's what it meant to me.

25 Q Referring back to our earlier discussion,

1 let's say, any two areas of those eleven areas were, the  
2 line had come back and said NSRS is correct, we do have a  
3 QA breakdown, whatever, in this area. Could you then  
4 still reply that we are in overall compliance with  
5 Appendix B?

6 A I could reply with the words you said, but I  
7 couldn't reply to the January 3rd letter. The January  
8 3rd letter says tell us your corporate position as to  
9 whether you're in compliance with Appendix B or not.

10 I can only tell you what I would have  
11 written in the letter if this case had come to me. I  
12 would have said we're not in compliance with Appendix B,  
13 we've evaluated all eleven areas, and then these two  
14 areas we're not in compliance with Appendix B.

15 I'm not much of a legal scholar, I believe  
16 in telling it like it is and using language that  
17 everybody can understand.

18 Q Let me ask you a very straightforward  
19 question, Mr. Mason. Did you have any perception of an  
20 attempt to duck the question that the NRC sent to TVA?

21 A No, not to duck the question, but to be very  
22 careful in answering it, and answer it very narrowly and  
23 strictly what was asked, not to make the kind of  
24 statements that I would have made.

25 Q Maybe we wouldn't be here if you --

1 A I guess we wouldn't be here if Admiral White  
2 had been a week later, I would have answered the damn  
3 letter, and I think people would understand what I meant.

4 BY MR. CRAIG:

5 Q Do you believe that the March 20 letter  
6 responded to the question posed in the NRC letter of  
7 January the 3rd?

8 A Yes.

9 BY MR. NORTON:

10 Q How were the line people chosen to analyze  
11 each of the eleven areas? Who decided who was going to  
12 respond to what, in other words?

13 A Bob Mullin, primarily. He took the eleven  
14 perceptions, went out and identified the people who were  
15 primarily responsible for each of the eleven areas and  
16 worked directly with them.

17 I think most of them were in a meeting we  
18 had on the 16th. Some of them I remember, some of them,  
19 I don't.

20 At that time we had Willie Brown, I know he  
21 was there, he was Manager of Construction, he had a  
22 couple of his key construction people with him. We had a  
23 weld project at that time, and that was a part of the  
24 overall, one of the eleven areas.

25 We had Jim Coan, I think was a project

1 manager of the weld project at that time, he was  
2 involved. Bob Cantrell, Manager of Engineering, several  
3 of them were engineering related, he was there. Of  
4 course, Bob Mullin, the QA manager, several of them were  
5 in his bailiwick.

6 Q What were, to your knowledge, what were  
7 these managers instructed to do with the NSRS  
8 perceptions?

9 A Look at their, look at the perception that  
10 was in their area, make a determination as to whether  
11 they were in compliance with Appendix B in that area or  
12 not, and put together their supporting argument for  
13 whatever their conclusion was.

14 Q Wouldn't it be very difficult for a manager  
15 to admit that he was not in compliance with Appendix B if  
16 he's in charge of that activity?

17 A It certainly was at that time. I don't  
18 think, again, based on the experience we've gained, I  
19 don't think it would be as hard now and people wouldn't  
20 give you a clear-cut yes or no and say we're not in  
21 compliance with Appendix B on this particular area, or  
22 we're in compliance with Appendix B, however, there's  
23 other areas that we haven't looked at and we can't  
24 certify that we've always been in compliance with  
25 Appendix B.

1 BY MR. MORPHY:

2 Q That wasn't the atmosphere at the time?

3 A No.

4 Q Why was that?

5 A Well, it was -- we didn't have the  
6 experience we have today. That's one reason. And we had  
7 not been, we had not been through as many questioning  
8 sessions such as the one we're going through today.

9 And it was a very straight question that we  
10 were asked in the January 3rd letter, are you in -- tell  
11 us the corporate position of whether you're in compliance  
12 with Appendix B.

13 Now, there was some discussion, too, about  
14 does that mean as of today or does that mean that you've  
15 always been in compliance with Appendix B.

16 Q Okay.

17 A And there was a lot of discussion, too,  
18 about, okay, Appendix B allows you to identify problems  
19 and track them and correct them.

20 Q Right.

21 A So, just because you got a problem that  
22 don't meet a commitment or don't meet a standard, there's  
23 questions about whether you're in compliance with  
24 Appendix B if you have identified that, and you've got it  
25 on a tracking system and you're taking corrective action



1 to meet it.

2 If you're in compliance with three of the  
3 criteria, this other criteria over here says you got to  
4 have these commitments and standards clearly indicated in  
5 your design drawings, you might have missed one.'

6 Q Was it clear to everyone working on it, Mr.  
7 Mason, that the NRC question wasn't whether you had a  
8 program that was in compliance with Appendix B, but that  
9 you had an implemented program, you know, not only a  
10 paper program but it was actually implemented to comply  
11 with Appendix B?

12 A There was discussions as to whether the  
13 question really involved the implementation of the  
14 program or just the program itself.

15 Q Yeah. How was that resolved, or was it  
16 resolved?

17 A I can't answer that. I can't answer it  
18 today based on the March 20th letter. You know, if you  
19 read the March 20th letter, it says the overall QA  
20 program is in compliance with Appendix B.

21 I don't know if the intent there was to say  
22 that as of March 20th, our program is now in compliance  
23 and everything we do from this day on is going, the  
24 things we're doing today and from now on is going to be  
25 implemented in accordance with Appendix B without taking

1 into consideration -- I just don't know, because I didn't  
2 put the words down there, and I don't know what the  
3 intent was, and you look back and I can't answer the  
4 question.

5 Q Do you know who could?

6 A I guess Mr. White is the only one that  
7 really could, unless some of his advisors could, who  
8 actually put the words down for him.

9 BY MR. ROBINSON:

10 Q Going back to the January 16th meeting when  
11 Kermit and Mike Harrison came down, I thought I had heard  
12 you say that at the end of that meeting, things were kind  
13 of still undecided, and that the decision was made to  
14 tell Kermit and Mike to go back to Knoxville and write a,  
15 get some documentation as to why they felt there was  
16 noncompliance with Appendix B, and the line people to go  
17 back and to get some documentation as to why they felt  
18 they were in compliance with Appendix B?

19 A Now, let me clarify that a little bit. When  
20 we left the meeting, I thought, based on Kermit's  
21 comments at the end of the meeting, that we were pretty  
22 well in agreement that we were in compliance with  
23 Appendix B in all but two of the eleven areas.

24 Q All right. Okay. I got a question on that.  
25 You indicated that it was something about records and

1 design control?

2 A I believe one of them was the overall design  
3 control system and one of them had to do with  
4 documentation of records.

5 Q You think it might have been material  
6 traceability and corrective action?

7 A It could have been. I'm not, I'm not sure.

8 Q Okay. Was it at that meeting that Mullin  
9 was going to make the decision who the people were going  
10 to be, as far as the line people, to respond to the  
11 eleven perceptions?

12 A It was after that meeting that he was  
13 supposed to get them. We had the key people, the bulk of  
14 the key people were in the meeting.

15 Q Yes.

16 A There was some that might not have been in  
17 the meetings that got assigned one of these areas to  
18 prepare the justification for, but the key people were  
19 there.

20 Q They, NSRS worked on it all night, and I  
21 think you said that even by the end of Friday, they  
22 didn't have their responses back?

23 A They didn't have them in the condition to  
24 which they wanted to bring them to me.

25 Q Okay. Did they ever get to you?

1 A Well, eventually, I believe they did. I  
2 believe, I believe both the line -- well, the line  
3 positions were attached to the March 20th letter, the  
4 summaries of the line positions. There was a whole bunch  
5 of backup documentation that went to making up the  
6 attachments to the March 20th letter.

7 I believe the NSRS positions got there and  
8 it was about a page, in the order of a page on each one,  
9 or maybe less than a page on each one. It was not a  
10 real, what I would consider a very strong argument as to,  
11 for something of the significance that we were talking  
12 about.

13 Q Okay. Did you make an independent decision  
14 on the viability of the various responses or did you have  
15 a meeting where those written responses were discussed  
16 and evaluated and weighed?

17 A No.

18 Q No?

19 A On neither of those, because, like I said,  
20 after, soon after the 16th meeting, my part in this thing  
21 started diminishing and Mr. White's staff started picking  
22 it up.

23 And I might have indicated that these NSRS  
24 perceptions, those arguments got back to them, but they  
25 didn't get back to me in the format they we were talking

1 about on the 16th where you go off and prepare your  
2 argument, you go off and prepare your argument, and give  
3 me the two sets of arguments so I can make a decision.

4 They didn't get back to me like that. It  
5 was accumulated in the records of this whole process. If  
6 you look at all the ten feet or twenty feet of storage  
7 space, it's in there in one of those volumes, but it was  
8 never delivered back to me, says, here mine, here's mine,  
9 sit down and make a determination, it never came back to  
10 me that way.

11 Q Do you have a feel as to why at that point  
12 in time, your role started becoming a little bit less and  
13 Mr. White's staff started becoming a little bit more  
14 active in this question in view of all the other things  
15 that White had to consider in the overall TVA problems?

16 A Well, I think it was just Mr. White  
17 gradually taking over more and more of the operation.

18 Q Do you know who wrote, actually wrote the  
19 various drafts of the cover letter to that March 20th  
20 submission?

21 A No, I don't. I think that Bob Mullin  
22 probably wrote one draft, at least one draft. Kelley  
23 wrote one draft. I know it was modified significantly,  
24 at least by Mr. Wegner, and I think he referred it to an  
25 outside advisor by the name of Edgar, I believe he might

1 have had a legal background, who had done some work.

2 Q Did you yourself ever make any corrections  
3 or additions or deletions to any of those drafts?

4 A I can't remember.

5 Q I think you've already answered this  
6 question. When the final letter was prepared, you were  
7 not on any type of a concurrence list for that cover  
8 letter. Had you been on a concurrence list at that time  
9 before it was issued, would you have concurred with it?

10 A Well, I saw the letter after, you know, I  
11 read it after it was signed. I didn't have any big  
12 problems with the letter, and I sure I would have  
13 concurred with it.

14 MR. ROBINSON: I'm at a point where I need  
15 to think a little bit more. Anybody got anything else?

16 BY MR. CRAIG:

17 Q I got a couple of questions I need to ask.  
18 You mentioned before that there was some discussions of  
19 or consideration for material false statement when  
20 preparing the response, and that there was some ambiguity  
21 or at least some discussions as to the meaning of the  
22 questions contained in the NRC's January 3rd letter.

23 What did, what was the NRC requesting? Was  
24 the NRC requesting a status of a program or its  
25 implementation, etcetera?

1                   Was any discussions or are you aware of any  
2 discussions where somebody said, why don't we just ask  
3 them what they want to know, what's the question, to get  
4 some clarification?

5           A           I don't remember anybody ever making that  
6 type of statement.

7           Q           Okay. Did it occur to you to call  
8 Washington and ask Harold Denton or Harold Eisenhutt for  
9 a little more clarification on the question contained in  
10 the January 3rd letter?

11          A           No.

12          Q           Okay. I'd like to go back to the first  
13 meeting, I think it was the first meeting that you  
14 indicated was held on January the 7th, the dry run for  
15 the Board.

16                    You made the decision to have Sauer and  
17 Whitt in attendance and for Sauer to give the Board a  
18 repeat of the presentation he gave to Commissioner  
19 Asselstine.

20                    Was there any discussion of the specific  
21 basis for the NSRS perceptions?

22          A           It was very limited. If it was in the  
23 nature you're talking about, it was mostly based on the  
24 allegation of the fact we had lot of allegations in  
25 welding, we had a lot of allegations in some of the other

1 areas, design control and that sort of thing.

2 Q Okay. Do you know who prepared the January  
3 9th letter from Mr. Dean to Harold Denton that discusses  
4 an extension for the response?

5 A No, I don't know who did that.

6 Q Have you read that letter?

7 A Yeah. It confirmed the verbal discussion of  
8 a delay in response.

9 Q And the letter indicates in the first  
10 paragraph that Hugh Parris and Mr. Dean had a, I believe  
11 a discussion with Mr. Stello and Mr. Denton on January  
12 the 7th?

13 A (Nodding head affirmatively.)

14 Q Do you know when that discussion took place?  
15 Was it in the morning or the afternoon?

16 A No.

17 Q You indicated that the briefing of the Board  
18 lasted late into the afternoon?

19 A Well, let me go back now. I said I wasn't  
20 sure on those dates. The visit, if the letter says they  
21 went to Washington on the 7th, I assume they went to  
22 Washington on the 7th.

23 Our dry run was a day, a day before the  
24 Board had to sit down with the Commission. That was  
25 probably the -- let's see. Let me back up.



1                   The 13th was on a Monday. That's when  
2 Admiral White came. So, Friday would have been the 10th.  
3 The meeting with the Commission I believe was on the, on  
4 the 9th. So, our dry run was on the 8th, but some of us  
5 flew to Washington from Knoxville after we got through  
6 briefing the Board. Some of us stayed over in Knoxville  
7 and flew out the next morning.

8                   So, Chairman Dean's visit was on the 7th,  
9 our dry run was on the 8th, the meeting between the Board  
10 and the Commission was on the 9th, and Mr. White reported  
11 on Monday following.

12 Q               So, I guess, then, Mr. Parris and Mr. Dean  
13 discussed the January 3rd letter with Mr. Denton and Mr.  
14 Stello on the 7th?

15 A               I don't think it was Mr. Parris. It might  
16 have been Mr. White. Does the letter say Parris?

17 Q               It does, yes. The letter says, "This refers  
18 to your letter of January 3rd, 1986 to Hugh Parris which  
19 we discussed with you and Mr. Stello on January the 7th  
20 at NRC headquarters"?

21 A               The "we" he's talking about is Mr. White and  
22 Chairman Dean. The letter was to Mr. Parris, but I know  
23 that Mr. Parris didn't go on the 7th, because he was  
24 removed from all the nuclear duties January 3rd when they  
25 signed the contract with Mr. White.

1 Q Do you know the substance of the discussions  
2 that they held?

3 A Between --

4 Q With Mr. --

5 A With Stello and Denton? No, I don't.

6 I do know that the two of them, I think they met with all  
7 five Commissioners or four of the five Commissioners and  
8 Stello and Denton as a hello, get acquainted type of  
9 thing for Mr. White.

10 Q Based upon the dry run that was given to the  
11 Board and any information that was given to the Board,  
12 just that, was there any discussion of differing  
13 professional opinions within TVA as a basis for the NSRS  
14 perceptions?

15 A Not at that time, I don't remember.

16 Q Do you remember when that was discussed?

17 A The basis for differing professional  
18 opinions?

19 Q A differing professional opinion being the  
20 reason that you're having NSRS perceptions, that is to  
21 say, that the NSRS perception was a result of differing  
22 professional opinions?

23 A No, I don't.

24 Q As opposed to real hardware problems?

25 A I don't remember that. I know, I believe it

1 was in a meeting in December where we went up to the  
2 first floor of Bethesda in an open meeting, and we were  
3 giving Mr. Denton and his staff an update on the TVA  
4 situation, Mr. Parris and myself and the licensing people  
5 were.

6 The question of a differing professional  
7 opinions procedure came up, and Mr. Denton recommended  
8 that we look at that, because NRC had been through a  
9 similar situation with differing professional opinions  
10 some years before.

11 They had come up with this procedure by  
12 which everybody could state their position and have it  
13 escalated up the level of management where a decision  
14 would be made and it would be all laid out and open to  
15 scrutiny and you could see the basis on the decision.

16 We discussed the procedure for differing  
17 professional opinions, and we drafted, our legal  
18 department got a copy of the NRC differing professional  
19 opinions procedure.

20 We prepared a draft, sent it back and forth  
21 between our office and the general counsel's office and  
22 ultimately it was decided not to have such a procedure.

23 I don't, I don't remember specifically any  
24 discussion on this particular, on the eleven perceptions  
25 with regard to a differing professional opinion. We were

1 concerned with the six thousand concerns that we had at  
2 Watts Bar.

3 BY MR. ROBINSON:

4 Q Going back again to the drafts of the cover  
5 letter on March 20th, I know you said you didn't make any  
6 corrections or deletions or additions?

7 A I don't remember making any.

8 Q Do you remember making any comments to  
9 either Mr. White or anyone like, no, this isn't going to  
10 fly, or that sounds good to me, or --

11 A Not specifically, I don't remember any  
12 specific thing like that.

13 Q Okay.

14 A I probably wouldn't have made them to Mr.  
15 White, if I made them. I would have made them to the  
16 licensing people who put the letter together and brought  
17 it up in the package.

18 Q The other question I had was, in my mind, if  
19 you're being careful about material false statement,  
20 there's two reasons why you're sensitive to that.

21 One, you either feel like you're on the  
22 verge or on the borderline of possibly making a false  
23 statement, or, two, the NRC is being unreasonable and  
24 totally, you know, is just giving an unrealistic  
25 interpretation to what a material false statement is.

1                   Which of those two, if it's those two, was  
2 yours or White's or the staff's consideration in the  
3 preparation of that letter?

4           A           I can't answer that, Larry. You know, I  
5 said that based on my experience in the industry, and the  
6 experience of other people with material false  
7 statements, if you're going to swear or affirm in your  
8 response under oath, then you need to be sure that what  
9 you're saying there is factual and it can't be  
10 misconstrued or misinterpreted by the NRC as something  
11 that you really didn't intend for it to be. It would  
12 have had severe consequences.

13 BY MR. NOBTOU:

14           Q           Well, let me ask you this question, which  
15 you may have already answered. If that's the case, then,  
16 why not respond the way you indicated you would have  
17 responded?

18                   In other words, that we're in compliance in  
19 some areas, but we definitely have problems in these  
20 areas?

21           A           Well, we, at the time we answered the  
22 letter, we had not confirmed that we were not in  
23 compliance. The welding, for example, we hadn't gone out  
24 and looked at the welding.

25                   And we had no, no reason to say that we were

1 not in compliance other than accusations or allegations.

2 Q But to be argumentative, Mr. Mason, if you  
3 are being very careful because of concerns about a  
4 material false statement, how can you say that we are in  
5 compliance if, as you stated, we hadn't gone out and  
6 looked at the welding?

7 A Well, you'd have to be, you'd have to put  
8 some supporting statements in there, I'm in compliance,  
9 however, I'm not -- I have not thoroughly investigated  
10 all of the allegations. It will take me a year and a  
11 half to look at all of those. I'm not going to know for  
12 sure until I look at the last weld unless I find one  
13 earlier than that.

14 MR. NORTON: Okay.

15 BY US. CRAIG:

16 Q Do you believe that the March 20th letter  
17 says that TVA is in compliance with Appendix B?

18 A It says we're in overall compliance with  
19 Appendix B. Now, again, I didn't put those words down, I  
20 don't know what the intent was.

21 But if you look, if you look at the Appendix  
22 B and the introduction to Appendix B, and all the  
23 eighteen criteria, some of which says you got to have all  
24 these commitments in there, and the next one says you can  
25 be in noncompliance if you've identified the problem and

1 you put it on corrective action.

2 You could be, you could say you're in  
3 overall compliance with Appendix B if your program and  
4 your implementation of your program has those in it and  
5 you're doing it effectively, you know.

6 If you have one little violation of a tech  
7 spec, for example, every violation we get from NRC is a  
8 noncompliance to Appendix B. But you don't say, hey, I'm  
9 in overall noncompliance. You say overall, I'm in  
10 compliance, but I got incidents there where we missed  
11 one.

12 BY\_MB.\_NOBTON:

13 Q Mr. Mason, are you familiar with the June  
14 5th letter from Mr. White to Mr. Denton further  
15 clarifying -- the NRC responded by a letter in May '86,  
16 saying we don't have enough evidence to concur in your  
17 March 20th response?

18 A We received your letter, however, we're not  
19 in a position at this time to concur or disagree?

20 Q Yes, sir. Then Mr. White wrote back to Mr.  
21 Denton adding additional details to his March 20th  
22 letter. Are you familiar with that?

23 A I read that letter. I read the June 5th  
24 letter, but I was not involved in the preparation of it  
25 or why or anything else at that time. I was at Sequoyah,

1 totally out of this chain. I did not see any of the  
2 drafts of that letter or make any comments on it.

3 Q The reason I asked is because it does leave  
4 out the phrase in -- that letter goes on to state that,  
5 Mr. White talking, "I found there's been no pervasive  
6 breakdown," but leaves out the language about "we are in  
7 overall compliance with Appendix B" and I wonder why.

8 A I don't have any idea.

9 Q On the difference, you mentioned earlier  
10 about a gentleman by the name of Edgar who may or may not  
11 have a legal background?

12 A (Nodding head affirmatively.)

13 Q Being asked to review, review the March 20th  
14 letter. How do you know that?

15 A Well, I heard -- I heard one of the staff  
16 members say, you need to send this out to Edgar.

17 The question came up, you can't send it out  
18 to Edgar, he's a lawyer, you got to go through the  
19 general counsel's office to get legal advice. And the  
20 answer was, I'm not getting legal advice, I'm just having  
21 him review what I got here.

22 Q Who was talking now?

23 A Mr. Wegner.

24 Q So, it was Mr. Wegner's decision to refer it  
25 to Mr. Edgar?



1 A I can't say that. I don't know whether it  
2 was Mr. Wegner's decision or not, but he was the one that  
3 made the comments, so I assume it was Mr. White's  
4 decision, yes, let's get Edgar involved.

5 Q Who was the person that was objecting,  
6 saying you can't do that, you got to go to OGC?

7 A I don't remember who that was. I can't  
8 remember.

9 Q Another staff person here?

10 A Yeah, I assume it was another staff person.

11 Q Mr. Mason, were you involved in the letter  
12 which rescinded the certification for a fuel load at Watts  
13 Bar?

14 A I've read that letter, yes, but again, I  
15 wasn't involved in the preparation of it, didn't review  
16 the drafts.

17 Q Were you consulted about it in any manner?

18 A No.

19 MR. NORTON: Dan?

20 MR. MURPHY: I don't have anything else.

21 BY MR. ROBINSON:

22 Q I know you said that if you were asked to  
23 concur with the March 20th letter as it was worded, that  
24 you'd concur with it. Is it your opinion that that  
25 letter is misleading?

1 A It's not my opinion that it's misleading. I  
2 think it's a good letter, and I guess based on the  
3 experience we've gained in the last year, before I  
4 concurred in it, I would certainly want to know what the  
5 intent was when you say you're in overall compliance and  
6 what's a pervasive breakdown.

7 Q Do you know why you were not included on the  
8 concurrence of that letter?

9 A No.

10 Q Do you feel that possibly you may have  
11 either directly or indirectly indicated that maybe you  
12 disagreed with Mr. White and his people in the way they  
13 were going about this letter and they kind of excluded  
14 you from it, do you have any sense of that?

15 A No.

16 Q You have any idea of the process that went  
17 on by Mr. White and his staff in evaluating all the final  
18 NSRS and technical positions with respect to, do you have  
19 any direct knowledge or the feeling that the NSRS  
20 positions were given equal consideration to the line  
21 positions and an objective decision was made?

22 A You want to restate the last part of that?

23 Q Do you feel that an objective decision was  
24 made in weighing the NSRS positions against the line and  
25 QA positions with respect to Appendix B by Mr. White and

1 his staff?

2 A I think he -- I don't know all of the  
3 methods that he used in deciding whether to send the  
4 letter or not.

5 I do know that he did have some outside  
6 people look at the position, both the NSRS and the line  
7 positions, quite a bit of detail experienced people,  
8 seven or eight people on one team, and I think there were  
9 two or three other people on another team that looked at  
10 it, and made recommendations to him, but whether it was  
11 totally objective or not, I don't really know.

12 Q And you weren't in on those discussions or  
13 decisions?

14 A No. No, not, I was not in on the decisions.  
15 Now, one of -- Craig Lundin headed up one of the teams, I  
16 think he had about seven people in his group, QA people,  
17 not necessarily Ph.D.'s in QA, but that worked in the QC  
18 fields and might have been QC supervisors, not -- some of  
19 them were non-degreed people, experienced, of course.

20 He headed up a team, and when he got his  
21 report together, he sent the report to me, because up  
22 until some point in there, I had been pushing on this  
23 thing, you know, for them to do that. I was a Deputy  
24 Manager of Power and he sent it to me, addressed it to  
25 me.

1 Q And what was your judgment on it when you  
2 read it, that it was a thorough evaluation, that --

3 A It looked like they had looked at the  
4 positions objectively to me, and I put it in the hopper  
5 of the mill, and it went through with the rest of the  
6 supporting data on the back of it for the March 20th  
7 letter.

8 BY MR. MORPHY:

9 Q You say that he headed up one team, Craig  
10 Lundin, and someone else had a two-man team or three-man  
11 team?

12 A I believe there was a two or three-man team.  
13 I don't remember who was on it, but there was another  
14 group that looked at the questions and the responses.

15 I don't remember ever seeing any kind of a  
16 report like the one Craig did from that group. They  
17 might have made their recommendation or comments directly  
18 to Mr. White and his staff.

19 Q You know anybody that was on that team, can  
20 you recall?

21 A I don't remember specifically. I'd be  
22 guessing if I did. I can find out who was on it very  
23 easily.

24 Q Certainly. Do you know that if anyone ever  
25 went back to the NSRS people and said, look, this is our

1 final conclusion based on the evaluation of the line  
2 responses, the independent study by Lundin's group and  
3 whoever else, and said what do you think about this?

4 A I don't have any direct knowledge that we  
5 ever went back to the individuals concerned. I know  
6 Kermit Whitt as the manager of that group did review, he  
7 was down in Mr. White's office several times looking at  
8 drafts on the thing, and I think he was down here the day  
9 they signed the last, the last version.

10 Q Do you know --

11 A I don't know if he was on the concurrence  
12 sheet for it or not.

13 Q Do you know if he agreed with it? Did he  
14 ever voice any disagreement?

15 A He didn't, never did voice any disagreement  
16 with me, and he gave me the impression that he was  
17 satisfied with the response.

18 MR. MURPHY: Okay.

19 BY MR. ROBINSON:

20 Q One other question. Chuck, has anyone in  
21 the past week or two weeks talked to you about what you  
22 might say to the NRC investigators when they come up and  
23 ask you about Appendix B?

24 A No, nobody at all.

25 Q Has any -- have you just, have you

1 discussed, have you discussed your potential testimony to  
2 us with anyone else?

3 A No.

4 MR. ROBINSON: Okay.

5 BY MR. NOBTON:

6 Q Has anyone talked to you about what they  
7 said to us?

8 A No. Cottle -- you made a comment a while  
9 ago that Cottle left the room bleeding, and I know he  
10 came in during lunch, I said, they told me you left the  
11 room bleeding. He said, no, that's not true, very nice  
12 group of people, very pleasant discussion.

13 MR. MURPHY: I made that comment in jest, I  
14 guess.

15 A Other than that, I haven't talked to anybody  
16 about what they said to you. I don't know that you've  
17 talked to anybody else.

18 I guess when Larry called me the other day  
19 in arranging the schedule and setting the time, he did  
20 indicate you were going to talk to Cottle, and I asked  
21 Cottle last night, I believe, what time he was on the  
22 agenda, because I didn't have my schedule with me when he  
23 called me.

24 Other than that, I really hadn't commented  
25 to anybody about the fact that you guys were going to

1 talk to me, other than I did tell Mr. White that you were  
2 coming up, and it looked like this was the beginning of  
3 the investigation on the March 20th letter, but nobody  
4 has asked me or suggested anything to me.

5 BY MR. MURPHY:

6 Q I do have one final series of questions, Mr.  
7 Murphy. Have I or any other NRC representative here  
8 threatened you in any manner or offered you any reward in  
9 return for this statement?

10 A Not at all.

11 Q Have you given this statement freely and  
12 voluntarily?

13 A Yes, I have.

14 Q Is there any additional information you'd  
15 like to add for the record?

16 A No, but I'll go back and get the names of  
17 those, that two-man or three-man team if you're  
18 interested.

19 Q I'd appreciate that. We'd like at this time  
20 to thank you for taking time out of your busy schedule to  
21 talk with us, we appreciate the fact you're being very  
22 candid and up front with us, and we would like to keep  
23 the door open for any possible future questions we might  
24 have.

25 A Be glad to do it any time, because I want to

1 get it behind us.

2 MR. MURPHY: Okay. Thanks again. This  
3 interview is concluded at 2:05, February 5th, 1987.

4 END OF INTERVIEW  
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CERTIFICATE OF OFFICIAL REPORTER

This is to certify that the attached proceedings before the UNITED STATES NUCLEAR REGULATORY COMMISSION in the matter of:

NAME OF PROCEEDING:

AN INVESTIGATIVE INTERVIEW OF: CHARLES T. MASON

DOCKET NO.:

PLACE: CHATTANOOGA, TENNESSEE  
TVA OFFICE COMPLEX  
6th FLOOR, LOOKOUT PLACE

DATE: February 5, 1987

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission.

(~~sig~~) Christine B. Smith  
(TYPED) Christine B. Smith

Official Reporter

Reporter's Affiliation