

ORIGINAL

**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

IN THE MATTER OF:

DOCKET NO:

INVESTIGATIVE INTERVIEW

10 CFR 50, Appendix B

Interview of Robert C. Sauer

**LOCATION: Lookout Place
Chattanooga, Tennessee**

PAGES: 2-102

DATE: February 27, 1987

ACE-FEDERAL REPORTERS, INC.

8901060081 BB0314
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Official Reporters
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Washington, D.C. 20001
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EXHIBIT 75

NATIONWIDE COVERAGE

1 MR. MURPHY: For the record, it is now
2 8:15 a.m., February 27, 1987. This is an interview
3 of Robert C. Sauer, who is employed by Tennessee Valley
4 Authority. The location of this interview is Chattanooga,
5 Tennessee. Present at this interview are Len Williamson,
6 Larry Robinson, Leo Norton, John Craig and Dan Murphy.

7 As agreed, this is being transcribed
8 by a Court Reporter. The subject matter of this interview
9 concerns TVA's March 20th, 1986, letter to the NRC
10 regarding their compliance with 10 CFR 50, Appendix B.

11 Mr. Sauer, would you please stand and
12 raise your right hand. Do you swear or affirm the
13 information you are about to give is the truth, the
14 whole truth and nothing but the truth so help you God?

15 THE WITNESS: I do.

16 EXAMINATION

17 BY MR. MURPHY:

18 Q Mr. Sauer, would you please relate to
19 us your educational background and job experience,
20 especially in the nuclear industry?

21 A Okay. I received a Bachelor of Arts
22 Degree from Edinboro State University in 1970 in
23 the areas of math and physics. Received a Masters and
24 Science Degree in nuclear physics from Virginia Polytechnic
25 Institute in the State University in 1971.

1 Next in my professional career, in 1972,
 2 went to Westinghouse Electric Corporation. While at
 3 Westinghouse I was core designer for advanced submarine
 4 projects in the Naval Reserve Program. I was also a
 5 bettis rafter (phonetically). That was part of the
 6 Westinghouse laboratory.

7 I was a contractor at Port Smith Naval
 8 Shipyards and did source investigation in Maryland Naval
 9 Shipyards in Charleston.

10 Left Westinghouse, went to NRC in
 11 December of 1978. While with NRC I was a Reactor
 12 Inspector and Project Principal Inspector, and I was
 13 also the designated Senior Resident Inspector for Ford
 14 Robinson before I left in July, 1980, before I came
 15 to TVA.

16 Came to TVA's Nuclear Safety Review
 17 Staff, Safety Engineer. I was with them until December
 18 of 1982. I went over to the Office of Quality Assurance
 19 where I was a Quality Assurance Analyst.

20 I left there in March of 1984. I went
 21 to Watts Bar Nuclear Plant, Compliance Supervisor. Left
 22 there in September of '85 to come back to the Nuclear
 23 Safety Review Staff, and then more recently I'm now
 24 working for the Division of Nuclear Engineering and
 25 Operation Engineering Services Branch, which I beg

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1 that job in August of 1986.

2 Q Thank you. You gave a presentation
3 to Commissioner Asselstine on December 19, 1986, is
4 that correct?

5 MR. ROBINSON: 1985.

6 THE WITNESS: '85.

7 BY MR. MURPHY:

8 Q Excuse me. Would you kind of tell us
9 how you got involved in that and the circumstances leading
10 up to the presentation and what transpired after the
11 presentation?

12 A Okay. Just before the Asselstine
13 presentation that week, I usually spent two days a week
14 at Sequoyah Nuclear Plant, because I had all my
15 investigators there. I was the chief investigator for
16 all employee concern investigations and all at the TVA
17 facilities other than Watts Bar. Had nothing to do
18 with Watts Bar.

19 So I usually spent two days a week to
20 go down and see my people. That's NSR people and QTC
21 people. Monday and Tuesday of that week I was at Sequoyah.

22 Wednesday, I came into the office and about
23 one o'clock, Bruce Siefken came in to see me who was
24 on the NSR staff. Bruce handed me a single sheet of
25 paper that had an agenda on it. It looked like it was

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1 a Telecopy. Besides, there were initials by each
2 piece on that page for who was to give presentations.
3 There was a section on Watts Bar Employee Concern Program,
4 and he had the initials on there, BFS, which were his
5 initials.

6 He came in to tell me, this is about
7 one o'clock. He came in to tell me he was not feeling
8 well, that he was sick, and that he was going home and
9 that he wanted me to prepare for this presentation for
10 Mr. Asselstine on Thursday. Must have been the 19th
11 then.

12 He told me that the presentation was
13 an informal one. He said that it was, some people were
14 going to sit around the table and just talk. It was a
15 friendly conversation with Mr. Asselstine and whoever
16 he brings with him. He says or it can be formal if
17 you want to make it formal, and he says his intention
18 was to just sit there and talk with Mr. Asselstine.

19 With the material that he was to talk
20 about, there were several, oh, there's six or seven
21 issues. He went down the list with me as to what he
22 was going to say. I had no problem basically with what
23 he was going to say. He didn't know the processes that
24 QTC does or what we do, but I can fill all that in,
25 but one particular last one was perceptions of Watts

1 Bar status.

2 On that one there Bruce told me that
3 he was going to say that it basically, the construction
4 process controls at Watts Bar were sloppy. I didn't
5 think that was adequate, but at any rate, Bruce left.

6 I went down and talked to Dick Smith
7 who was acting for Kermit Whitt who was in Washington
8 for some presentation, and I asked Dick Smith if
9 Bruce Siefken was taking sick leave and I am being assigned
10 this particular responsibility, and Dick Smith said
11 that I was.

12 So that, he again reiterated with Bruce
13 and said about this is being informal. He said that
14 he planned on just sitting there and talking to
15 Commissioner Asselstine. He said he thought Bruce was
16 going to talk to Mr. Asselstine and Kermit Whitt was
17 going to make it more formal. He was just going to
18 have slides, overheads. Not that he was going to do
19 something unusual. They were, it was still an informal
20 presentation, but what information he had, it would
21 be easier with an overhead projection type thing. I
22 decided to go that way, too.

23 So at any rate, I came back to the office
24 then, it was about, oh, I'd say pretty close to a quarter
25 to four, and I called Watts Bar and talked to Jerry Smith

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1 and told him I had to give this presentation. I don't
2 know what the Watts Bar status is because I don't know
3 what was being issued from Watts Bar, and asked him
4 for his perception.

5 He gave me a couple of perceptions and
6 I went and talked to the other fellows. As soon as
7 I finished with him, I was going to call up Phil Washer
8 and Doug Stevens.

9 He said, "We've just got a new little
10 conference room down here. We could put you on the
11 squawk box and we can all talk to you at the same time."

12 I said, fine, so everybody got on the
13 phone. There was Doug Stevens, Phil Washer and
14 Jerry Smith.

15 Jerry reiterated the things he and I
16 talked about. Phil gave me some more information. At
17 one point Phil brought in a guy, Allen Gentry, who relayed
18 some information onto QA independence.

19 After our conversation was over, I asked
20 Doug Stevens if he had anything to add, and he said
21 he had nothing else to add, and that was it.

22 So with that information, I went home
23 and prepared the presentation that night at my house,
24 and I worked on it until about midnight.

25 What I did is, I took the information

1 those fellows gave me and I condensed it to "bullets"
2 rather than just discussion items, and the next morning
3 I called them all back up again. It was about eight o'clock.

4 I had Jerry Smith and Phil Washer on
5 the phone. Doug was out that day, sick leave or something,
6 and Jerry and Phil didn't agree with some of the "bullets"
7 as I captured.

8 One "bullet", if I can remember right
9 now, was the one on QA records. I had QA records were
10 of poor quality. Just a "bullet" I used, and Phil and
11 Jerry were, they wanted it stronger, saying that QA
12 records were missing, were lost, and they had quite
13 a bit of evidence, like EDS calculations were no longer
14 with TVA. They just didn't have the records.

15 IEB 7914, and they went on down the
16 list. I said, "Well, there's still a lot of good records
17 at Watts Bar. Not everything is bad."

18 So they finally agreed with that particular
19 item.

20 We left it the way it was, but we did
21 discuss each of the nine "bullets" I had at that time.

22 Upon completion of our conversation,
23 I called QTC up, because I had heard Commissioner
24 Asselstine was going to QTC. I said since they are
25 our contractor, we should at least talk to them so they

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1 didn't say something different, they were going to say,
2 make sure the two of us were talking.

3 So I called Owen Thoreau up and I went
4 down my list with Owen and he agreed with everything
5 I had. He may, was planning on saying something
6 different, but ~~and despite~~, the intent or the material
7 I had, he agreed with.

8 I had two more things that I did not
9 have on the list that he relayed to me.

10 One of them was non-conformance and
11 reporting was not being aggressively responded to by
12 the TVA and for corrective action purposes.

13 I remember that Jerry, Phil and I, and
14 Doug, had basically discussed that, but it was on my
15 sheet, but I just forgot to put it down. So I said
16 okay. I had it down on this "bullet" ten.

17 The other one he told me about involved
18 the inadequacy of NRC inspection activities at Watts
19 Bar. We never looked at any NRC inspection, allegations
20 or anything. It was all on IA or OI or them. So I
21 wasn't planning on saying anything in that area because
22 Jerry and Phil had not given me any information on that.
23 So that was the extent of the conversation with him.

24 I then sat down, looked at the ten "bullets".
25 I was getting ready to have them typed up. This was

1 probably about 8:30. Commissioner Asselstine was due
2 in at 9:30. As I was sitting there looking at the ten
3 "bullets" I said, what if he asks me what does all this
4 mean? I mean we probably could have had some more.
5 We did have a lot more areas and we knew at that time
6 about some problems with diesel generator loading, which
7 wasn't on my sheet.

8 We know some problems involving concrete
9 and several other areas, but you know, only had so much
10 room on a page, so I thought if Mr. Asselstine asked
11 me what does this mean, I ought to be able to tell him
12 something.

13 So I sat looking at it, and I came up
14 on my own with two additional conclusions at the bottom
15 of the page.

16 Basically those conclusions were that
17 if the ten things above are true, and I had full assurance
18 from the fellows that talked to me that these were true,
19 and they had the information to back it up, that design
20 was not giving enough input to the construction forces
21 to do their job, and construction, in turn, was not
22 telling design what they were doing with fuel loading
23 activities and other work that they were doing.

24 So therefore, the design margins that
25 design had set up initially for these various activities at the

1 plant, they didn't know if you had 50 percent extra
2 margin in there and construction forces are filling,
3 say, cable trays up with more and more cable and design
4 doesn't know it, then that margin is being eaten away,
5 and it would be an indeterminate state.

6 And I said if that's the case, then
7 Appendix B requirements are not being met. Not that
8 I had any specific violations of Appendix B, but basically
9 Appendix B is a management control system that NRC
10 mandated back in 1970, that said if you want to do a
11 good job to insure the safety and quality of your work,
12 you set up a certain management control system, and
13 they spell it out. They don't come out and say, you
14 do welding. They just say you have special processes
15 you do things kind of controls, but the premise of the
16 whole thing is based on the CSC list, which is a
17 Critical System structure that you define you're going
18 to assure these controls for.

19 So that's basically what I related,
20 and also during the presentation with Mr. Asselstine,
21 he came in about 9:15. My presentation began about
22 10:20, 10:30. I talked until almost 11:30. It was
23 only supposed to be ten minutes.

24 And during my presentation they, there
25 really wasn't much question until we got to this last

1 slide. I better back up again to, you want everything,
2 so I might as well tell you all.

3 After I finished putting on these two
4 conclusions, I went over and started having the slides
5 typed up. I went down to Mr., I saw Mr. Whitt in the
6 hallway, and I went down to see him, and I had a copy
7 of the information with me, and I asked him if he would
8 like to look at this material. I said some of it looks
9 pretty sensitive. I thought he might be interested
10 in looking at it.

11 And he says, "I have to get ready for
12 my own presentation. I don't have time to look at it."
13 So I went back to the office, didn't feel good about
14 that, because I felt he should see it.

15 So he and Mike Harrison came.
16 Mike Harrison was in the office that day, and he had
17 taken annual leave for the week, and that's why
18 Bruce Siefken was to give the presentation, because
19 Mike was, well, Mike was there, so I went to Mike's
20 office and asked him if he wanted to look at the material,
21 and he didn't want to see it.

22 I asked him if he wanted to sit in on
23 the presentation and he didn't want to sit in the
24 presentation, and the reason why is, he was getting
25 ready to interview people for candidates for promotion.

1 So he was to be interviewing people all day, and I don't
2 know when it was to begin, so I guess it was probably
3 about the same time that we were going to give the
4 presentations, probably why he didn't want to sit in
5 there.

6 And he also knew I prepared the information,
7 so he probably had confidence it was okay, just like
8 Kermit.

9 Well, later on Kermit and Mike came
10 in to see me to find out what time I could come in for
11 the interview that day. I told him when I thought I
12 might be ready, but I asked Kermit again, with Mike
13 present, if Kermit would look at the information put
14 together, because I thought it was important that he
15 look at this, and again he said no.

16 And shortly thereafter, maybe within
17 five, ten minutes, Mr. Asselstine and Company came in.
18 It was about 9:10, and Kermit began his presentation. My
19 material still hadn't been typed up yet, and I went
20 into the presentation a little bit late. I had a phone
21 call from Sidney Rector from Sequoyah.

22 Kermit gave his presentation. Mine
23 began about 10:20, and mine went pretty smooth until
24 we got to the last slide. When I got to the last, just
25 before I gave that last slide, I mentioned to

1 Commissioner Asselstine, and I hadn't laid it down yet,
2 that my management has not seen this next piece of
3 information. This slide I had in my hand. I turned
4 over to Kermit and asked him again if he wanted to look
5 at this before I laid it down.

6 He said, "This is an informal meeting.
7 Go ahead." So I laid it down and commenced to go down
8 the slide, and it became apparent to me that Kermit
9 was, he was having some kind of a problem behind me.
10 So I asked him if he was having a problem. He said
11 no, no, but he has a tendency where he looks like he
12 has something in his mouth and he's trying to get rid
13 of it. You know, make some kind of spitting noise or
14 whatever, and he was doing this, more apparent to me,
15 and I thought maybe he's upset about something.

16 But at any rate, I went down the page,
17 and when I finished Kermit was very, came back and said
18 that he wanted to make sure Mr. Asselstine understood
19 this was unofficial and that some of the information
20 on that slide that I gave was, he had really seen before
21 and that it was informal.

22 I told Commissioner Asselstine that
23 the information on that slide was not my information.
24 The perceptions of the three of the NSRS supervisory
25 staff at Watts Bar, those, then, things were not mine.

1 And he seemed to be writing all this
2 down, and I asked him if he wanted a copy of it, and
3 he said he did.

4 So we broke up. I went down, made some
5 copies and gave one to him and all the other NRC people
6 who were in the room, and as we left the meeting,
7 Commissioner Asselstine, Company left. As I was walking
8 down the hall, Mr. Whitt and Mr. Dick Smith were walking
9 one on each side of me, and Kermit said that, he says,
10 "Are you sure you can substantiate what you said?"

11 I said, "Oh, I'm pretty sure we can.
12 I'll just get the guys. We can get that information
13 if you want it."

14 And he didn't want anything at that
15 time.

16 So we went in the office, and Dick Smith,
17 who later on said he never remembered saying this, but
18 I remember distinctly him saying it, because it visually
19 upset me, but he said, "You have single-handed shut
20 down Sequoyah and Watts Bar."

21 And I told him, I said, "If you think
22 that, then we need to sit down and talk a little bit."

23 And he didn't say anymore about it,
24 but apparently he, being in that room, he thought something
25 didn't look right. So he wouldn't have said what he said.

1 and Kermit saying about the substantiation thing. I
2 asked him if he wanted anymore material.

3 He said, "If I need anything, I'll know
4 where to go to get it." So he left.

5 And the next day, then, that was it
6 for that day.

7 I had to leave for, I guess I went down
8 to Chattanooga that very next day, but at any rate,
9 that weekend I didn't know anything else. Nobody ever
10 said anything else to me, but that following Monday
11 I went back to Kermit or he called me into his office,
12 excuse me, and he asked me, says, "NRC is requesting
13 if that information on those individuals was correct."

14 Excuse me. Wasn't NRC. It was
15 Bill Willis wanted a copy of the slides, and he wanted
16 to make sure the information was correct.

17 Kermit says, "Is there anything on here
18 that you want to change?"

19 I said, "Well, there's only one thing
20 on there that I really wasn't sure about. I sort of
21 did it from memory and from Bruce Siefken, was the contract
22 monies and so forth, we had set up with QTC."

23 So Kermit went, he said he would check
24 that out, because I had to go somewhere or do something.
25 He went to the files and he had a, changed some of the

1 numbers, and he fixed that up, and because he changed
2 that he then made copies of the information and sent
3 it to Roger Walker, and he also told me he needs to
4 make these corrections and get it up to Asselstine.

5 That was the last I heard anything until,
1/B 6 I might be off on my dates here. I think January 2nd
7 was the next time I heard something. It was a Thursday,
8 whatever that is, but at any rate, Kermit came into
9 my office and never asked me, up until this point, but
10 he came in and he said, "I need you to substantiate
11 the information that you gave to Commissioner Asselstine."

12 I said, "What for?"

13 He said, "There's a letter coming in
14 from Harold Denton that's going to want us to substantiate
15 what you said."

16 Okay. I said, "Well, since I don't
17 have anything," I reiterated I'm just a parrot to the
18 other fellows. "You need to talk to Phil Washer. He's
19 in today. He's down the hall. Why don't you go see
20 Phil and he'll give you whatever he has." And I left.

21 I had to go to Watts Bar, Sequoyah,
22 and also Chattanooga. That was the last I heard of
23 that. Friday went by, had a meeting in Chattanooga
24 again, and that Sunday, I guess that was the 5th of
25 January, he came in and there was a note laying on my

1 desk saying, "See me ASAP."

2 And it was Mike Harrison, and he had
3 some things there and I thought something seemed a little
4 bit funny about why I got this note when I saw
5 Mike Harrison on Thursday. He didn't say nothing to
6 me. I left about eleven o'clock Thursday.

7 So anyway, I called Kermit up to find out
8 if something was coming down. Mike had just moved.
9 He didn't have his phone number. Bell Telephone didn't
10 have his new phone number. So Kermit told me, said,
11 "Well, we're just trying to find out what you're doing
12 and get control of any situations that are going on."

13 I said, nobody's ever said this before,
14 but it seemed that was the start of some problems, had
15 started affecting me, because of the Asselstine
16 presentation, and that's a separate issue, but at any
17 rate, he went on to tell me that he got information
18 from Phil Washer and Jerry Smith and Allen Gentry on
19 Friday, and that he had it all typed up, all sitting
20 on his desk and he wanted me to go down, review it and
21 see if it was correct and have a discussion with him
22 Monday morning on it.

23 I said, "I can't tell you anything,
24 because I don't know what their basis was for their
25 perceptions."

1 He asked me to read it anyway, so I
2 went down and read it. Didn't mean anything to me,
3 so I called Phil up and asked him if we could have a
4 conference call Monday morning and I want all principals
5 in the office at Watts Bar, including all investigators
6 that may have given you any information. Everybody.

7 And so the next morning I went down
8 to Kermit's office. We set the conference call for
9 about 3:30. I was down there. Kermit was in that room.
10 Mike Harrison and Gerald Brantley, plus myself.

11 On the other end of the phone was
12 Jerry Smith, Phil Washer, Doug Stevens, Allen Gentry,
13 I think there's a couple of more, but I don't remember
14 what their names were. I think Ray Newby might have
15 been in there, and I can't think of anybody else.

16 And we, Kermit wanted to know are we
17 violating Appendix B. Are we violating it? And he
18 had a hang-up where he felt that's what I meant. And I
19 kept telling him that it's not what I meant, but he
20 felt that I meant past violations. These are things
21 that have happened in the past, and I told him, no.
22 I said, "We are finding Appendix B violations every single
23 day and they're still violations as long as we're
24 violating."

25 Just because you make an NCR on it

1 doesn't mean it went away. It's still there.

2 He said he had a hang-up where he felt
3 we were violating Appendix B based on my presentation,
4 willful, wantonly, every single day.

5 I said, "No, I never said that. We
6 weren't doing it willfully. It's just our measure of
7 control systems have broken down, and we don't have
8 the control of the situation, and that's why we're getting
9 these problems," and at that point we never did say
10 we violated Appendix B. We just said requirements.

11 So what happened then at that point,
12 Jerry and Phil and these other fellows went down the
13 list criterion one through criterion eighteen, showing
14 how we were violating in almost every aspect. And also,
15 areas we're violating today.

16 In the area of material traceability,
17 impediments, embedded loads, and a couple of other areas
18 I can't remember right now, but Kermit seemed to be,
19 he seemed to understand at that point, because he just
20 hadn't seen some of these items before.

21 He then told me that he had written
22 a letter and talked about past Appendix B violations,
23 that's what I meant was the past. He said, "Take this
24 letter and make it right and give it to me tomorrow,
25 because I've got some people coming in to talk about this

1 Appendix B issue, what you meant, because Harold Denton
2 wanted a corporate response.

3 He said, "These managers are coming
4 in and we're going to sit down and talk about it."

5 I said, "Do you need me in the
6 presentation, because I've got some people coming in
7 to see me?"

8 He said, no.

9 So I went back to the office. I wrote
10 up what I felt was the appropriate corporate response
11 for what I said. I believe I Telecopied it to Watts
12 Bar or at least I read it to the people at the other
13 end, and they all agreed with what I said. And I gave
14 it to Kermit.

15 Well, at the same time Kermit asked
16 Mike Harrison to write what he felt I meant. Mike wasn't
17 even in the presentation, but Mike wrote a letter, too,
18 and the next day nine managers came in, or nine total
19 people in this conference room, and I was asked to come
20 in and participate.

21 I said, "Well, I have people coming
22 in to see me, investigators I brought in from Sequoyah.
23 You told me I didn't have to be in there."

24 He said, "No, you're the prime person.
25 You've got to be there."

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1 So I went, this is, oh, I guess it was
2 the 7th. So that was on Tuesday. So at any rate, in
3 that room, if I can remember all the names, but to my
4 right going around to my left, my right was
5 Bob Cantrell. He was the manager of Engineering at
6 that time, I believe. Next to him was Willie Brown.
7 He was the Watts Bar Construction Project Manager. Next
8 to him was Kermit and Mike Harrison, then Bill Cottle
9 was next to him, and he was the Site Director at Watts
10 Bar.

11 Next to him was Jim Domer who was a
12 licensing person. Lew Wallace, who was Deputy to the
13 Office of General Counsel. Let's see who else was there.

14 MR. ROBINSON: Was Mullin in that meeting?

15 THE WITNESS: Bob Mullin was there.

16 He was the Quality Assurance Manager, and Keith Warren,
17 who was working for Willie Brown at Watts Bar Construction.

18 I believe there's somebody else, but
19 at any rate, and myself.

20 And so they want to start off the letter,
21 and I said, "Well, here's the letter Kermit told me
22 to write."

23 He said, "We don't want to use that
24 letter. We're going to start with Mike Harrison's letter."
25 and mine pretty well lays out what was told us. What

1 we were supposed to do. I thought it was a pretty good
 2 letter, but it was never brought up. Nobody even looked
 3 at it, and Mike Harrison said it was passed out to
 4 everybody, which was an extension of what Kermit said, so
 5 I didn't, I believe within an hour or two I decided
 6 to take a different attack and fight the whole letter,
 7 that I would start paragraph by paragraph, and I told
 8 him this paragraph is wrong, and I went down through
 9 various things and everybody seemed to agree and they
 10 raced down, they had it typed up again, brought it back,
 11 and they thought that was it.

12 I said no, well, let's go to paragraph
 13 two, and we made some more changes and they got down
 14 to the "bullets", and they started going down those
 15 "bullets".

16 I told him, I said, "I can't tell you
 17 what these "bullets" mean, because I don't know what
 18 the background information was. If you want to know
 19 the specifics on these ten items, then we have to bring
 20 in the people who gave me the information, who were
 21 Phil Washer, Doug Stevens and Jerry Smith."

22 They said no way. Can't bring them
 23 in.

24 I said, "Well, in that case, since QTC
 25 is involved, I'd like to have QTC here, because they

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1 said the same thing." They didn't say the same thing,
2 but they had the same kind of material.

3 So they agreed to allow somebody from
4 QTC to come in, so by ten o'clock, eleven o'clock,
5 Scott Shrum and Carey Wilson came in, and they weren't
6 there long. They saw who was in the room, and I'd say
7 probably within 30, 40 minutes, Scott, they left. Never
8 came back.

9 And that afternoon we started up again.
10 Willie Brown was not present. He decided his mind was
11 made up. We were meeting Appendix B. He went, after
12 he heard from the morning session, he got a gist of
13 something, he went over and had his own letter written.
14 I didn't know this until the next day. But Keith Warren
15 was still there.

16 Anyway, this iteration went on and on
17 and on until about three o'clock when we all thought
18 we had a pretty good letter.

19 This is, probably by this time we probably
20 retyped this thing at least six times. So I thought
21 it was okay. So I can't agree with this. Sounds good
22 to me, but I'm going to call up the people at Watts
23 Bar and read it to them.

24 So I called them up and there was a
25 word in there or two that Jerry and Phil did not agree

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1 with. And the reason why is because they said as of
2 today TVA knows that they're violating the criterion
3 on material traceability, and they're still down there
4 and installing hangars and still installing supports
5 and still doing this that is not correct, and they've
6 already written their investigation report and told
7 the line they were doing this wrong.

8 This involved HBAC. Cable trace, piping,
9 all kinds of support materials for those systems. So
10 we went back down again and went back at it again.

11 One person, Bill Cottle, mentioned that
12 if we have to go out and trace all of this material
13 we stuck in the plant, he says, "Hangars in general,
14 there's about one-third of the cost of the plant, it
15 will be an enormous economic thing, and they just don't
16 do that. They just don't trace this material."

17 And we were saying you still have to
18 trace them.

19 So at any rate, it appeared that within
20 the next hour he understood where we were coming from.
21 It really wasn't a significant problem, but he seemed
22 to understand where the three of us were coming from.

23 I now had a final iteration of the letter,
24 and I read it to Phil and Jerry and they agreed with
25 them. All the people in the room appeared to agree

1 with it, and by 5:30 it was typed final, and we broke
2 about six, and Kermit and I, I know Kermit did, we both
3 felt we finally had a letter that could go off to the
4 NRC that the line and NSRS all understood and everybody
5 knows what was meant by what I was trying to say to
6 Commissioner Asselstine.

7 And the next day the Board was having
8 a series of briefings because they were supposed to
9 meet with the NRC commissioners on the 9th. This was
10 the 8th.

11 And the next morning my understanding
12 was Bob Mullin came in and gave to the Board, General
13 Manager, said, "Here is the NSRS position document,"
14 and Kermit told me this, I believe, later on. He said
15 he was surprised because he thought it was a corporate
16 position document, and here it is NSRS.

17 The reason he said that, because Willie Brown
18 had his own version at that time to be passed out, and
19 he said, "This is what we think the letter ought to
20 say," so they had two letters and they aren't going
21 to say it's corporate when you've got a planner saying
22 that is what it really is. So the presentations went
23 on all day long.

24 So Kermit called me about two o'clock
25 and said, "There's a likelihood you may have to give

1 your presentation all over again to the Board."

2 And I said fine. And by a quarter to
3 four he called me up and said, "Get your materials and
4 come on up here and give your presentation."

5 I said okay.

6 So I gathered up all my stuff and went
7 upstairs, went in the conference room, and I'm going
8 to guess there was between 30 and 40 managers in that
9 room. The room was just filled.

10 So Kermit was first, and it's funny,
11 the reason I'm laughing, Kermit looked around like he
12 was scared to death, and he stood up and he basically
13 talked a little bit about what he told Commissioner
14 Asselstine, and I don't know who it was, might have
15 been Richard Freeman, he said, "Who's the one that talked
16 about Appendix B stuff?"

17 He said, "Well, of course, that wasn't
18 me. That was Bob Sauer," and he said, "We don't want
19 to hear you."

20 I think it was Chairman Dean or somebody
21 came back and said, "We still want to hear what
22 Commissioner Asselstine asked you and what did you say?"

23 No, we'll get into, because you're
24 interested in Appendix B, but there's a couple of
25 interesting things in that one. Sometime you might want

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1 to hear it.

2 So then it was my turn, and I went up
3 and went down the presentation, and as I finished a
4 slide, I told him everything, I said, "Here's what I
5 gave."

6 They didn't want to hear it except for
7 the last thing. I told everybody in the room, I says,
8 "Well, a lot of you think you know what the employee
9 concern program is." I said, "I think it's time you
10 all understand what it is. I'm going to give the whole
11 presentation." So I gave the whole presentation.

12 As I finished each slide, I went through
13 everything that QTC does. You could tell they were
14 bored, but they were going to learn, and as I finished
15 each slide, I told them what question I recalled
16 Commissioner Asselstine, or one of the NRC people asked
17 and how I responded.

18 Then finally we got to the last slide,
19 and that's what they were all really waiting for anyway.
20 Took me about 30 minutes to get to that last slide,
21 and then I went down that list.

22 And as soon as I finished it up, somebody
23 asked some questions, you know, like, "Who in here doesn't
24 agree," might have been myself, "Who doesn't agree with
25 anything I have on this slide?"

1 And Chuck Mason mentioned that he didn't
2 agree with the one on records, and we, he said his piece,
3 then I said my piece.

4 Bob Cantrell said he didn't agree with
5 the one on cables, and he said his piece.

6 I'll give you an example of what he
7 said. He said, "We have a computer program that tells
8 us what all our cables are in the plant, so we have
9 an idea what's on those trays."

10 And I came back and said, "Yeah, I'm
11 fully aware of that computer program. However, it has
12 never been QA tested or QA approved. It's just a program,"
13 and some of the problems they had with that program,
14 they know what cables were in that tray, but they only
15 had nominal diameters of the conductor and some of those
16 were not nominal. Some of them were larger and
17 insulation was different in some cases. Some may
18 have an insulated or shield on it. Some didn't have
19 shields. They had them removed, so they really didn't know
20 what they had out there in the plant.

21 Later on they verified they did have
22 a problem loading those cables on trays because of larger
23 cable than they expected. So, and then somebody else
24 may have said something, but we've had three or four
25 people that professed some of the things I said, and

1 I came back, and Mr. Freeman, this is Richard Freeman,
2 said, "You don't have to defend yourself. We just want
3 to hear what you had to say," and they appreciated what
4 I did.

5 And I think they understood, because
6 some people as they left, I remember one fellow, I don't
7 know who he was, he'd come up and said, "I didn't really
8 understand before what was said, but I sure understand
9 now."

10 So I got the impression everybody
11 understood that we had management control problems out
12 there, and that's the reason we were having the problems
13 we were having in TVA. So that was it.

14 Never heard another thing after that.
15 I didn't hear another peep until, I'm going to guess
16 January, this was the 8th. The 9th I understand they
17 went up to Washington and they told the NRC commissioners
18 they weren't going to make a statement on Appendix B
19 at this time because they were bringing in Admiral White.

20 Maybe they didn't say that about
21 Admiral White, but they just deferred it at this time.
22 They just weren't ready to say, and then White came
23 on board the 13th, and around the 15th, I think, is
24 the next time --

25 BY MR. NORTON:

1 Q Let me interrupt you with just one
2 question.

3 A Sure.

4 . The meeting on the 7th, when you went
5 through six or seven iterations of the letter that finally
6 everybody agreed on in the afternoon, when the letter
7 was agreed upon in the afternoon, who was still present
8 in the meeting?

9 A Everybody except Willie Brown.

10 Q Could you name them again?

11 A Sure. It was Bob Cantrell, Bill Cottle,
12 Jim Domer, Bob Mullin, Keith Warren, Kermit Whitt,
13 Mike Harrison, myself and Lew Wallace.

14 Q Does a copy of that letter still exist?

15 A I believe so. I could probably find
16 it.

17 Q If you can, could you provide it to
18 one of us?

19 A Sure.

20 Q Thank you. Sorry to interrupt.

21 BY MR. CRAIG:

22 Q Before you start, since we have
23 interrupted, would you pause briefly and go back and
24 give us a brief summary of the issues that you indicated
25 we might have some interest in concerning Mr. Whitt's

1 presentation?

2 A Oh. Well, I'll just give you an example.
3 During Kermit's presentation he mentioned that they
4 would find problems out there at the plant, for instance,
5 and they would write up a report and issue the report,
6 and the line then would respond, and I think Roger Walker
7 at the time came back and he said, "Well, what if the
8 line doesn't agree with you and you still think it's
9 a safety issue? What do you do?"

10 And Kermit basically said, "Well, they're
11 the line. That's it."

12 You know if they say they're not going
13 to do it, we feel that strong about it. That's it.

14 So I jumped in and I took over at that
15 point. I told Kermit, I said, "We do more than that.
16 We usually go down and try to work with the Site Director
17 and work with one on one," but what I was leading up
18 to in this particular issue, when Kermit gave that very
19 same thing in front of the Board, Richard Freeman went
20 wild and said, "If the line doesn't agree with you and
21 it's a safety issue, then you need to bring that to
22 the Board's attention to make the line resolve that
23 issue."

24 And Kermit said, "You're right." But
25 see, that wasn't going on in the --

1 Q (Interposing) Was there ever an instance
2 where the NSRS took a matter to the Board for --

3 A (Interposing) There was one when I
4 was involved in, it was towards December, also, and
5 that was the one involved A&I, Hartford. There may
2/A 6 be other issues. That one I'm fully aware. I never
7 heard nothing.

8 Q Thank you.

9 A That's all I was leading up to.

10 MR. CRAIG: Thanks.

11 THE WITNESS: Want me to start at 15th?

12 BY MR. NORTON:

13 Q 15th.

14 A Okay. Up to this point I still hadn't
15 heard anything. At least, nobody ever said anything
16 to me, and I thought it was a dead issue. The Board
17 gave their presentation, and this morning, the 15th,
18 early in the morning, I guess it was about eleven o'clock,
19 I got a phone call from Mike Harrison, who said that
20 we had to provide all the substantiating information
21 associated with those "bullets" to Mr., to be on
22 Mr. Whitt's desk by close of business Friday after the
23 16th.

24 If I'm off on my dates, it was Thursday,
25 and Friday was when he wanted it.

1 So I said, well, instead of you telling
2 me, Phil Washer or Jerry Smith, get a conference. I
3 reiterated it again to Jerry and Phil, and we all sat
4 there telling Mike we think we can get it done. I told
5 Mike we can get it done, because a week before I felt
6 that after I gave that presentation I wasn't hearing
7 anything, I sensed somebody's going to come along some
8 day and they're going to come after me to find out where
9 the Appendix B violations are and the problem that why
10 NSR never recognized this problem with Appendix B, all
11 reports we were doing for Sequoyah we tried to tie problems
12 to Appendix B. We're trying to do that. QTC did it
13 everytime. We mandated QTC to do that.

14 So everytime they found something out
15 there in the plant, say it involved welding, and they
16 weren't using procedures and they would tie it to
17 Criterion 5, inadequate procedures, or they weren't
18 following procedures or whatever.

19 So QTC was writing all their information
20 toward Appendix B violations.

21 We at Sequoyah were trying to do it,
22 too, but all the fellows at Watts Bar weren't. All
23 NSRS investigations that went out the door that NSRS
24 did. If they find a technical problem, hangars weren't
25 installed properly, all they said was, fix the problem.

1 This hangar wasn't installed right. Concrete you poured
2 was of improper mix, improper sump, did not meet
3 specifications. That's all it said. It did not tie
4 anything to Appendix B violations.

5 So what happened was, is that I told,
6 as I said, I was a little worried something's going
7 to come along and come after me, and I had all the
8 information I needed for Sequoyah, Browns Ferry, Bellefonte,
9 but as far as Watts Bar, all I had was QTC and NSRS
10 didn't do it, so I went down to visit QTC, I'm going
11 to guess, I think the date was the 12th. I think it
12 was Monday morning of that week.

13 And I saw Scott Shrum and Owen Thoreau
14 and I asked them if they could go through all their
15 reports, every single report, NSRS, as well as QTC had
16 done and had been issued and correlate all the findings
17 to Appendix B violations.

18 And Scott said, no, it was Owen, he
19 said, "I'm a step ahead of you. I've put a guy on it
20 on Saturday." So he sensed the same problem.

21 And I said, "I'm expecting someone to
22 come after me in two weeks." And I said, "Do you think
23 you can have it done by a week from Friday?"

24 He said yeah.

25 So at any rate, when Harrison told me

1 on the 15th to have this done, they came a little bit
2 earlier than I expected, but I was expecting it, and
3 I told him on the phone, I said this won't be a real
4 problem, because we have QTC working on it already.

5 I hung up, called up Owen, and he said
6 they were about a third to a halfway through, and he
7 only had one person on it. He's going to put two more
8 on it. He said they should have it ready for us the
9 next morning by eight o'clock. That was plenty enough
10 time, as far as I was concerned, to do it, so I wasn't
11 planning on doing nothing, you know, because it's
12 impossible to go through 300 reports reading all of
13 them in one day.

14 So Jerry and I and Phil, and there was
15 another fellow in there from QTC, we were working on
16 another project. We all sat there and just talked in
17 general about what this letter should look like or this
18 substantiation, how we should put it together, what
19 it should look like, so forth.

20 Then we started thinking about how we
21 might want to start doing some preliminary work, at
22 least up front, and Kermit came in about 3:30, and he
23 was in this meeting that he, and Mike Harrison were.
24 This is still Thursday, and he told us that basically
25 what the line had said was, this is the line's viewpoint.

1 that no matter what problem we come up with, no matter,
2 whatever it is, that we have said or come up with, they
3 can either write a stop-work order, they can write a
4 non-conformance on it, and it's no longer a violation
5 of Appendix B.

6 And they said because Appendix B allows
7 you to violate Appendix B, and I wasn't going to go
8 along with that, but at any rate, I explained even NRC
9 says in their inspection reports, and I used to write
10 inspection reports when I was with NRC, tell us the
11 date when you will be in full compliance as a, they're
12 already saying you're not in compliance with Appendix B,
13 and here's the line saying they're in compliance
14 automatically by writing an NCR.

15 We said what if we told you today, nobody
16 knew it at that time until later on, if we told you
17 today the concrete for containment at Watts Bar was
18 improper quality in strength, and that there never will
19 be of the proper strength as designed. They says they
20 would put an NCR on the containment and therefore it's
21 no longer a violation of Appendix B.

22 Said what if we told you that the Q list
23 right now and the CSC list are not right, so therefore you
24 have items on one list that isn't on another list and
25 therefore all the safety, all the Appendix B criteria

1 you're supposed to be using for safety systems cannot
2 be applied appropriately? Because if somebody's using
3 that list there might be some things on that list that
4 aren't from, they aren't applying Appendix B on it.

5 He said we'll recognize a problem, we'll
6 put a stop order on it, and we're in compliance with
7 Appendix B.

8 This went on for half an hour. Everytime
9 we said something Kermit said we'll put an NCR or stop
10 order and we'll do this.

11 Finally I said, "You can't put a stop
12 on this and you can't put an NCR on the following two
13 things." We finally came up with two things they could
14 not put an NCR or stop orders. One was corrective action.

15 The fact is I don't care if you write
16 as many NCR's, you can't correct it. It's been proven
17 TVA cannot correct a problem. Proof would be like the
18 instrument line slope problem. That's been going on since
19 '78. They've been writing NCR's on NCR's over the years,
20 same thing. They can never correct the problem.

21 So therefore, put an NCR on your corrective
22 action problem, because you can't correct it.

23 And I agree with Kermit, I says, "If
24 we could fix corrective action, if we could fix that
25 one problem, we'll fix all the other problems, all problems

1 would go away."

2 Phil came back again with the material
3 traceability. He says today they're still putting hardware
4 in, and if you will put a stop work on it, you know,
5 we're talking about taking half the plant down if they
6 have to replace all that in there. He said they'll
7 never put a stop work on it. We'll never put an MCR
8 on it, because they don't agree with that philosophy.
9 Their philosophy is once it comes into a warehouse,
10 and it's good material, they can use it anywhere in
11 the plant, but they've got to realize when it gets to
12 the fab shop, its traceability is lost. So we knew
13 they wouldn't do that.

14 So Kermit said, "Okay. Why don't you
15 write that up?"

16 I said, "What about the ten 'bullets'?"
17 We were told to have that by tomorrow."

18 He said, "Forget that. Write these
19 two things up."

20 He went down and he talked to his, whoever
21 he's talking to on the phone, and he wanted that
22 information by eight o'clock the next morning. So I
23 said, "Well, that may not be a problem." I said,
24 "Because QTC's working on it and they're supposed to
25 have it for me by eight o'clock."

1 Well, just tell them to work through
2 the night and we'll have it done. He said he didn't
3 want QTC involved at all.

4 I said, "Well, there's no way we can
5 do it. It's impossible. We don't know what was issued.
6 We don't know, they have all the records down there.
7 We gave them copies of everything and we gave them copies,
8 too, but nobody was tracking anything." We didn't know
9 whether it was associated with material traceability.
10 We didn't know what was associated with welds. So if
11 he wanted to find another weld, we couldn't tell you.

12 I complained about that in the past,
13 because nobody was tracking this information. So after
14 twisting his arm a few times, he finally agreed that
15 there was, you know, since we had no way of doing it
16 without that information from QTC, he said, "Just take
17 the information they give you, but do not talk to them.
18 Don't talk to them for conclusions. Just get the
19 information and go." So we said okay.

20 So, called up QTC, QTC says they could
21 have the information to us by, they can finish, put
22 a couple of more guys on it, this is 3:30, four o'clock,
23 they says, "We can have the information done by 7:30,
24 and we'll have a runner bring it to you by 8:30."

25 I told Kermit that. Kermit went down,

1 he was talking to someone on the phone everytime he
2 had his door shut. He came out, said, "The people I
3 talked to want that information by eight p.m." GTC
4 won't have it there until eight p.m.

5 I said, "I'm going home." I said, "It
6 can't be done." I said, "It's 5:30." I said, "You
7 yelled at us before because the last time we put this
8 information for the 6th or 7th, it was all again perceptions.
9 We did the second, the first time for Asselstine was
10 just strictly perceptions from memory. The second time
11 for the 6th or 7th of January, we brought in the
12 investigators and asked them their perceptions, and
13 we took their perceptions, got down to Saturday, the
14 overall perception, and you said it wasn't good enough,
15 and now you want these two things by eight o'clock tonight."

16 I said, "If you want it done right,
17 we've got to have that material."

18 So he went back down and talked to the
19 guys, and they said how about midnight?

20 So I said we'll try.

21 So we went to work on it. We went to
22 GTC and we got the information, because what's the reason
23 of them bringing it to us. We didn't know what it means.
24 We got the information, we found out it was worthless
25 because they went through the reports and they said,

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1 here's one that involved welding, and it was Criterion 5,
2 8, 9 and 17 violation. Just "X's" across the page.

3 Well, what was wrong with Criterion 5? Did they have
4 a procedure or didn't they have a procedure? Were they
5 following a procedure or weren't they following a
6 procedure?

7 There's a level aspects associated with
8 each of the criterion. Especially Criterion 1. There's
9 a lot just in that one, and they just had an "X" there,
10 so we don't know what it means.

11 So we had to go back and reread the
12 reports. So we went down the page and 6, we said Criterion 3,
13 material traceability, was a problem. We took everything
14 on the chart that they gave us were material violation
15 problems.

16 I pulled all the reports. I read them
17 all. For me on corrective action, I looked at 15, and
18 16, but found that we wasn't that well, we had some
19 printouts and I went through the printouts to see how
20 far back these items were, like instrument line slope,
21 NCR's in there, so I wrote the section on, one formal
22 report, corrective action, and Phil and Jerry wrote
23 up the section on material traceability.

24 We finished that report about three
25 o'clock in the morning. We were about three hours late.

1 and we Telecopied, or I Telecopied it down to, well,
2 I can tell how it was done.

3 Kermit told me earlier, he said there
4 were seven managers down there waiting for this
5 information in Chattanooga. He told me some of the
6 names there were down there.

7 Do you want to hear that or not?

8 You do?

9 MR. NORTON: Yeah.

10 THE WITNESS: He said Bob Mullin,
11 Jim Mullin, Lawrence Martin. I don't want to miss,
12 I don't remember.

13 MR. ROBINSON: Mason?

14 THE WITNESS: Mason, I think, was there.

15 Did I give you guys a copy of my DOL
16 testimony, because I've got all the names, or I have
17 a chronology. Did I give you a copy of the chronology
18 that I put together?

19 I've got all the names, and I can't
20 remember them all right now, but Mullin, go ahead, Lec.

21 MR. NORTON: No. go ahead.

22 THE WITNESS: Mullin was the guy that
23 they delegated to stay there. Everybody else went home,
24 who all was there, and they all went home and left Mullin
25 there, and he was waiting for this thing.

1 Now, when we went to Watts Bar to see
2 QTC, we also went over the office complex that NSR's
3 in down there. We wanted to get some other information
4 that we had left behind, and on the way over I ran into
5 a few people.

6 In particular I ran into, let's see,
7 who was that? Think it was Tom Howard. Tom told me
8 that they were burning the midnight oil doing the same
9 two things from the line viewpoint. So apparently whatever
10 we told them we were going to work on, the line was
11 now doing the same thing on their side, and also, they
12 were working on the ten "bullets".

13 So they basically relayed to us, he
14 told me, he said they were working up all these different
15 things, and I wished him luck, and that was it.

16 So we went back up and we said we know
17 the line is doing something, and we're doing something
18 and we're supposed to return this to the line, and we
19 questioned Kermit when the line completes theirs we'd
20 like to see their version, too, and maybe we can, could
21 work with the line and come up with a common version.

22 "You'll never see the line's version.
23 You're going to get yours and they'll refute you."

24 He didn't make it that way, but that's
25 the impression I got. They're going to get yours, and

1 they're going to refute you. So that didn't seem very
2 fair.

3 But anyway, we put together, and Kermit
4 was told to stay there with us the whole time, and we're
5 in there writing, and he's sitting there watching. He
6 went down to his office at one point. I just felt sorry
7 for the guy, and there's no need to be there until
8 three o'clock in the morning because as soon as I finished
9 I could Telecopy.

10 Kermit stayed there. I got home about
11 four a.m. Kermit called in some girls, some secretaries,
12 they typed it up, and he Telecopied it again, plus he
13 hand carried it to Chattanooga and sat outside somebody's
14 office, because it had to be there at eight o'clock,
15 so he drove down, make sure they had the typed version,
16 and I didn't come in till about ten, and I think Phil
17 and Jerry came in about eleven. No, Phil is diabetic,
18 and Phil should not have been up until three o'clock
19 in the morning, because any kind of shock like that,
20 he can go into insulin shock. I didn't know he was
21 diabetic until Kermit asked him how he felt. Kept asking
22 him, "How do you feel? How do you feel?"

23 He said, "I feel okay," but how's he
24 going to know what's going to happen the next day or
25 any other day?

1 So I came in and I was talking to
2 Mike Harrison. He commenced to tell me what happened
3 the day before, and he told me, he said a room full
4 of people were chewing on him and Kermit Whitt something
5 fierce, and the main leader in the pack was Phil Wegner,
6 who worked for Admiral White.

7 He said, he put his fingers up about
8 an inch apart, he said, "I came that close to quitting
9 TVA on the spot." He said they just raked them over
10 the coals and they kept trying to get them to understand
11 why they were meeting Appendix B and how we were wrong,
12 and Mike Harrison not once ever refuted the Appendix B
13 thing from the very beginning when he first, after he
14 got a copy of the presentation when I gave it to
15 Asselstine, he says, "That is a real good presentation,"
16 and he agreed with the Appendix B conclusion.

17 He said, "I can't believe we missed
18 that at Watts Bar," because he said, "They were only
19 interested in safety."

20 I said, "Well, safety and quality are
21 the same thing. I don't see how you can miss them."

22 But he told me I'd probably get a real
23 good service review because that is a real hole in their
24 program.

25 So I knew Mike was in full agreement

1 with the Appendix B thing, because that's, he was so
2 upset with the line, because they were really putting
3 pressure on him to change his mind, and he could not
4 agree with what they stood for.

5 I'm not sure what all happened in that
6 room, but sounded real bad, and I said, Phil and Jerry
7 said, "You've got to hear this." And brought them in,
8 and Mike went on, elaborated some things that happened,
9 and I can't recall what happened, but Phil and Jerry
10 were rather surprised, too.

11 At that point we went back to start
12 working on Appendix B, and we were told no big hurry
13 on that. So we went back, just reading one report,
14 three of us.

15 The following week, NCR came to visit.
16 They were coming down to look at, we were doing
17 investigations at Sequoyah. I can't remember who came
18 to see us. Somebody I know real well. Wasn't sure
19 it was Cottle. I forget.

20 But at any rate a team came in to look.
21 Might have been Steve White, as far as I know. But
22 they came in to look at how the investigations were
23 going at Sequoyah.

24 So that whole next week I couldn't do
25 any reviews of anything on Appendix B or anything. I

1 had to work with the NRC inspectors who came in, and
2 there's a bunch of NRC, NRR already at Sequoyah.

3 I think Monday was a holiday. Tuesday
4 and Wednesday they were with us in Knoxville to see
5 how NSRS did this, and then Thursday and Friday, I went
6 with them down to Sequoyah.

7 While I was down there doing other things
8 for the investigations, Phil Washer and Jerry Smith
9 were still reading reports one after the other, seeing
10 where it fit in on Appendix B. Jerry's qualified to
11 review the stuff, because he also worked for NRC, and
12 Phil is qualified because he worked on the breeder reactor.

13 We also went over Appendix B to make
14 sure everybody knew what it was, and everytime they read
15 it, there's other things we were doing, everytime we
16 read a report. We finished it, we would then give a
17 synopsis, read out loud to everybody, give everybody,
18 Phil and Jerry and myself read it out loud and say that's
19 a synopsis of the report.

20 We'd briefly go over each violation
21 that we read in the report, and we followed them where
22 it fit in the Appendix B criteria, so everybody would
23 agree, three of them. And during that week, two of
24 them would agree on which block, we didn't say, hey,
25 it fits in five Appendix B criteria. We'd say it's

1 more related to a procedure problem.

2 We made a Criterion 9, but the procedure
3 was deficient. That's the reason we didn't have records,
4 so we just made five.

5 So on the 27th, Phil, not Phil, excuse
6 me, Mike Harrison and Kermit Whitt were in another meeting
7 in Chattanooga, and they were talking about this
8 Appendix B thing again.

3/A

9 At this time the original request on
10 the 3rd of January said that they wanted a response
11 by the 9th, I believe, and they got a delay until the
12 following month, and everybody thought it was the 3rd,
13 for some reason. So everybody thought February the 3rd,
14 there was to be a new response to the NRC.

15 And later they said it was really the
16 9th, because it was due the 9th and they asked for a
17 30-day extension. So we thought we had plenty of time
18 to do this Appendix B thing, and we were to write a
19 response and give it to the line and say, "Here's what
20 you should say if you want all the, anything else defined."

21 The 27th, Mike Harrison and Kermit was
22 in another meeting with, I don't know who all with,
23 and Mike says, oh, they're still working on the
24 Appendix B thing up there. So Kermit said, "I want
25 all that information Telecopied down."

1 They Telecopied it down to
2 Mike Harrison and Kermit. They put together a letter
3 about the same time Kermit and Mike did, they wrote
4 a letter on what the problem was with Appendix B, brand
5 new letter, and they called Phil and Jerry up and called
6 me, but they called Phil and Jerry up and read the letter
7 to them, and I'm just telling you hearsay. I shouldn't
8 even be telling you. I'm just relating what Jerry and
9 Phil told me.

10 They both disagreed with the letter,
11 and after one or two more iterations, Mike finally hit
12 the nail on the head. He was just miscommunicating,
13 I believe. He wrote a real good letter. I saw the
14 letter. I thought it represented exactly what the problem
15 was. It was pretty good.

16 BY MR. ROBINSON:

17 Q This letter you're talking about now
18 is a position paper?

19 A NSR.

20 Q Not a corporate position?

21 A No. Strictly NSR position on Appendix B.

22 I thought he did a pretty good job on it. I saw it
23 the next week, but Jerry and Phil told me about it.

24 I saw them on Saturday or Sunday, whatever it was, but
25 they told me it was gruelling on Friday. And the following

1 week, then, never heard another peep.

2 We continued on with the Appendix B
3 thing. Nobody stopped us. We kept on going. Kermit
4 didn't know we were doing this, so we continued on the
5 next week and the following Friday on the 31st of
6 January, Bob Mullin, Craig Lundin, came into the office
7 to talk to Kermit about material traceability. That's
8 one of the big issues.

9 And Craig is a Stone & Webster employee,
10 and they came back. Kermit said, "If you want to talk
11 about that you've got to talk to the girls in the back,"
12 so he brought them back to see, and Craig commenced
13 to tell us what the industry position was on Appendix B.

14 He told them the industry position is
15 wrong in your industry because we had checked with all
16 four regions. Regions 1, 2, 3, 4 and 5 for NRC and
17 asked them what TVA does on the quality level program
18 for what we do in inspections of materials and tracing,
19 and the Region told us that no, none of the utilities
20 uses quality level system. If you say this is CSC,
21 then you've got to trace the end of the subject.

22 TVA says that our hangars or our supports
23 that hold up piping is supposed to be CSC, but they
24 call it the Quality Level 2, not Quality Level 1.

25 That's what our problem, when they trace

1 it to the warehouse, Quality Level 2. We thought it
2 should be Quality Level 1 if you're going to go to two
3 quality levels, and so we told them, and he didn't agree,
4 and he just changed the subject and started talking,
5 he and Mike Harrison got into a conversation about old
6 times. They knew each other from the times before,
7 for the next hour and-a-half.

8 Lundin and Harrison sat there talking
9 about parties they went to and everything while Kermit
10 and Bob Mullin and the two of us just sat there looking
11 at each other like, you know, what's going on here?

12 We were waiting for Lundin to come back
13 to us, and he says, "Well, thanks," and he got up and
14 shook hands with Harrison and Whitt, and he came over
15 and he wouldn't even look at us.

16 And I says, "I've got a question for
17 you."

18 And he says, "What's that?"

19 And I says, "What's your position on
20 Appendix B?"

21 And he said, "Well, everybody has a
22 position on Appendix B." He didn't want to get into
23 it. He said, "I've got problems with the way this whole
24 thing has been handled." He said, "In fact, I've got
25 problems with the way it was presented, too."

1 And I took that as being, he's a corporate
2 officer, I took that as a slap against me, but he didn't
3 say anything, and he went trucking on down the hall
4 with Kermit and Mike and Mullin, and then I went down,
5 I was told I was being relieved of my responsibilities
6 that Monday, so Doug Stevens came in and he was taking
7 over for me, and I went down to do relief with
8 Doug Stevens on everything I was doing, and Mike, excuse
9 me, Jerry Smith and Phil Washer came down where I was
10 giving the debriefing, and he says, "Hey, come on back.
11 You won't believe what we've just been told to do."

12 I went back, said, "What's going on?"

13 They said, Lundin has told Kermit that
14 Mike, that he wants our final position on Appendix B,
15 total final position, all the work we were doing,
16 all this reading, what does all this stuff mean, tonight
17 by eight o'clock.

18 And this was probably four o'clock,
19 and I says, "Well, I'm going home," because there's
20 no way we could do it by eight o'clock at night."

21 So I told Harrison we couldn't do it.
22 We're not going to go and rush something out then be
23 discredited because we don't do a thorough enough job,
24 so he left.

25 We don't know where he went, but he

1 came back about a half hour later.

2 He said, "I'm going to have two secretaries
3 here to be able to type for you guys full time the whole
4 weekend as long as you want. You're to have it on Kermit's
5 desk at eight o'clock Monday morning, the final position,
6 Appendix B."

7 So we stayed on. Well, the girls started
8 typing up these things we had, and we started putting
9 together "bullets". We worked until 10:30, eleven o'clock
10 Friday night.

11 I came in Saturday morning about 9 a.m.
12 I had the girls come in at eight. I came in about nine.

13 I worked on it till maybe six that
14 afternoon. I think Jerry might have come in for a little
15 bit. Phil and Jerry had to go down to Watts Bar, I
16 believe, but those two guys came on Sunday morning about
17 eight o'clock, and we worked on this thing all day Sunday
18 until about 1 a.m. in the morning, we finished it.

19 And Phil, again diabetic, and all, here
20 he is up until 1 a.m. in the morning, so we got the
21 whole thing.

22 Now, it's about sixty-seven pages long,
23 and put it on Kermit's desk like we were told. I didn't
24 know this till later on, and Kermit came in on Monday
25 morning and said, "What on earth is this?" He didn't

1 even know we were told to do this.

2 So the problem we were running into
3 here, people down below are directing things through
4 Harrison or directing them through Kermit and nobody
5 was telling us nothing, but I didn't know that till
6 later on.

7 Monday, then, I was removed from my
8 responsibilities and after I went over in the corner
9 someplace to vegetate.

10 BY MR. ROBINSON:

11 Q Is this the package you're talking about?

12 A Yes. That's right.

13 Q Is it about that thick?

14 A Yeah. I thought it was thicker than
15 that.

16 Q Let it reflect that the top of the package
17 I'm speaking of is a letter dated February 3rd, 1986
18 from Smith, Sauer, and Washer to Mr. Whitt.

19 A This is the whole thing. I could have
20 sworn it was bigger than this.

21 How many pages are here?

22 Q I haven't checked them.

23 A Okay. But in this package what we did
24 was, we told them, in fact, I'll just go over a few
25 highlights in here.

1 MR. MURPHY: Before, why don't we take
2 a short break?

3 THE WITNESS: All right.

4 MR. MURPHY: Is that okay with you?

5 We're going off the record at 9:27.

6 Take about ten minutes.

7 (Thereupon, there was a recess.)

8 MR. MURPHY: It's now 9:38 a.m. We're
9 back on the record.

10 BY MR. NORTON:

11 Q During the break, Mr. Sauer, I asked
12 you to explain how you came to be of the opinion that
13 Mr. Lundin had requested the justification for the NSRS
14 position.

15 A When I was debriefing with Doug Stevens,
16 Jerry Smith came back and said that Mike Harrison had
17 come back and told him that we were to do this job and
18 have it done by eight o'clock, and I believe he said
19 that Lundin, it was at Lundin's request, because they
20 had all left together and they knew we were back there
21 working on this Appendix B, and I think, I'm adding
22 in my own information now, but I believe because of the
23 week before on the 27th, we worked on Appendix B, and
24 we had to Telecopy all this information to Chattanooga.

25 I think Harrison was probably telling

1 them this and we're still working on it for February 3
2 type of letter, I think he probably mentioned that Lundin,
3 now, going back again when Smith had told me that, it was
4 my understanding, maybe I'm off, but my understanding
5 was from Smith, that Lundin had given that order, because
6 they had to have it Monday morning.

7 Craig had never said a word about it.

8 Like I say, the three of them walked down the hall and
9 next thing I knew we were being told to write this thing.

10 Q All right. Pick up on that Monday
11 morning.

12 A Well, not yet. Well, I guess so. Can
13 I see that again?

14 On that Monday morning we turned this
15 exhibit, you call that Exhibit 1?

16 MR. MURPHY: That's fine.

17 THE WITNESS: Whatever it is, the letter
18 Jerry, Phil and myself wrote.

19 On the front of this page we indicated
20 for Kermit's understanding that we looked at 175 reports,
21 and I'm not sure how many reports that was, but at any
22 rate, they represented 380 concerns, I guess.

23 It says we had 208 more concerns to
24 do, and we said we think we can finish this thing by
25 February 13, to be complete.

1 BY MR. CRAIG:

2 Q Excuse me just a second.

3 These are what kind of reports are you
4 referring?

5 A These are NSRS issue reports. Let me
6 just read it out loud. It will be easier for the record,
7 and also it says in here, let me just, says:

8 "As you requested through Mike Harrison
9 on January 31," now, the reason why we said that is
10 because Mike Harrison said it had to be on Kermit's
11 desk by eight o'clock, "As you requested through
12 Mike Harrison, we are providing you with the NSR position
13 paper on Watts Bar Appendix B compliance. Information
14 provided was compiled through a collective analysis
15 of 175 investigated Watts Bar safety related employee
16 concerns out of a total of 383 concerns."

17 Q These are employee concerns that were
18 investigated by QTC?

19 A Or NSR. Anything that was issued.

20 Now, those 175 concerns may have been
21 80 reports. Could have been 90 reports. Then we have
22 here a final review analysis of the remaining 208, 208
23 plus 175, which gives you 383, the findings reached.
24 Remaining 308 will be completed by February 13.

25 And at that time we officially designated

1 15 issues. I told Commissioner Asselstine, this report
2 has 15, we actually have more than that, but what we
3 are doing was, that since they asked for this thing,
4 we said we'll just torture them a little bit. Here's
5 five more, and if they make us do it again, and five
6 more and five more, and just keep it up.

7 At any rate, the next page right behind,
8 right behind this letter that we wrote to Kermit, we
9 wrote a letter for Kermit to give to Mr. Gridley, manager
10 of Licensing, on the basis of background and so forth,
11 and why the employce concerns was a good vehicle to
12 determine whether we had Appendix B compliance rather
13 than going through one formal report and corrective
14 action reports and other mechanisms.

15 That we identified things, and Kermit
16 looked at this and he says, I talked to him, I was sick
17 Monday after we turned this in, but I talked to him
18 on Tuesday, and he says, "There's no way he could go
19 along with this letter." Said, "There wasn't an ounce
20 of truth in it."

21 So what he did was on the second page
22 of this letter, we have a summary of all the attachments.
23 What he did was he had these attachments lifted out
24 of this letter, typed on a single page of paper, attached
25 to the rest of this material, and he gave that to White.

1 Now, anybody else in Chattanooga.

2 Now, the letter was not given to
3 Mr. White, so he did not know how we got to these
4 conclusions. See, before it was a perception and it
5 says in here, I have here from the recorded results
6 of this investigation we have compiled support dated
7 to back it at that time perceptual.

8 This is no longer perception, but NSR's
9 conclusion, so I was pushed into the box. We were all
10 pushed into the box to substantiate it was no longer
11 perception. It was no longer an opinion.

12 We're now saying, since we had to
13 substantiate, if we find out it really wasn't a problem
14 in Appendix B, and we would have come back and said,
15 "Hey, it was a perception. We were wrong. We don't
16 have an Appendix B problem."

17 BY MR. ROBINSON:

18 Q Did Kermit tell you why there was no
19 way he could go along with that letter?

20 A Well, he told me, he says, and this
21 is his opinion, I think he was told this, too, from
22 the other people, says if they said that there was an
23 Appendix B problem at Watts Bar, TVA, in general with
24 TVA, that more than likely NRC would lift all their
25 licenses so they would have their operating license

1 removed, construction permits removed, and it would be
2 dead in the water.

3 Q You got the indication that this was
4 his independent worry, that that had been expressed
5 to him by others?

6 A That was the opinion I was getting,
7 because I know Kermit agreed with this Appendix B thing,
8 and I know he went through a lot of battles in Chattanooga,
9 which I wasn't privileged to. So it was my impression,
10 knowing Kermit and knowing, and I told him, I says,
11 "NRC would not lift those licenses. NRC would say it's
12 about time you admit you've got a problem and go fix
13 it.

14 "Have they lifted the license at Sequoyah
15 or Brown Ferry? We shut our plants down. Essentially,
16 they have. You still have to have a restart license
17 to come back up again. What's the difference?

18 "We have Appendix B compliance problem
19 in TVA, and now that you've forced me to admit, myself
20 and Jerry and Phil, to go back and relook at all this
21 stuff and come up with a substantiation, we're now no
22 longer perception. It's now a conclusion, and this
23 document supports that conclusion."

24 Now, one of the problems TVA, everytime
25 you talk to these people at TVA, they don't seem to

1 understand it.

2 On my own volition I decided to write
3 a section to help them understand how TVA got in the
4 mess it did, and the attachment I wrote myself on the
5 Appendix B historical background and degree of TVA-Mattis
6 Bar compliance.

7 Basically, I tried to explain how the
8 Appendix B came back through atomic energy, ANSI. How
9 we got into this thing in '69. How it was approved
10 by NSRS, how TVA grew toward Appendix B instead of actually
11 developing it, and how they didn't really have a program
12 until 1976, and how we kept going and how we got into
13 this problem.

14 And that's what this attachment was
15 for, to help the new TVA management understand. TVA
16 doesn't, to this day, know really what Appendix B is
17 all about.

18 And as I said, Mr. White was never given
19 this letter that I understand from Kermit.

20 Now, when we knew what he did on this
21 Attachment A, that's all he took out, and that's all
22 that was sent, Phil Washer gave this letter to some
23 people that would get to Mr. White, and I forget who
24 he gave it to, but anytime we felt information wasn't
25 getting where it should go, we found ways of getting it

1 there, and anytime we felt there was information they
2 had that we didn't have, we'd find ways of getting it.

3 Q You think you gave a copy of that letter
4 to Tom Burdette?

5 A That's who he gave it to.

6 So Phil did give it to Tom Burdette,
7 and he was working on this, and Tom would have given
8 it to his manager and it should have surfaced somewhere
9 in the system.

10 And in turn, anything that they do we
11 tried to find ways to find out where they were coming
12 from.

13 So this thing we gave on the 3rd, and
14 effective on the 3rd, Jerry, Phil and I were all removed
15 from our responsibilities, and that's the last I ever
16 heard of anything on Appendix B until Mr. White's letter
17 went out, and when that letter went out on March 20th,
18 I believe is the date it went out, I read it, Jerry
19 read it and Phil read it, and I know we all had copies
20 of it, let's put it that way, and we all put it, from
21 the various viewpoints we all came from, and none of
22 us agreed with the letter.

23 In June I had, I was subpoenaed to give
24 testimony to Congressman Dingle, and in that testimony
25 he asked me if I'd seen Mr. White's letter, and I

1 basically told him I did. And he asked me if I agree
2 with it, and I told him I didn't, and basically told
3 him what Mr. White has in there is probably accurate
4 and truthful as far as he knew. As far as he explained
5 quality levels, and I was surprised that he would say
6 that, because you know, it's not defined anywhere that
7 we have this quality level system, but he also admitted
8 they weren't pleading Appendix B, as far as I was concerned.

9 I think he asked me a question, "Do
10 you believe there's pervasive breakdown?"

11 I came back and I said, "That's a
12 semantic type word. Pervasive is all over TVA or all
13 over Watts Bar, and that's not what we are saying in
14 our NRC Regulatory term is significant anyway. So
15 pervasive is a term that could be used for anything.
16 That was probably not the appropriate word."

17 And let's see. The next thing that
18 happened on Appendix B, well, I wasn't involved in anymore
19 correspondence. I recently, this past week Mr. White
20 called me up. It was on Monday of this week, the 23rd,
21 and asked me about why I felt that we had an Appendix B
22 problem when he'd brought in all these outside
23 contractors and none of them said, basically NRC seems to
24 be agreeing with me, too, and I basically told him those
25 people don't understand what Appendix B is. Neither

1 does TVA.

2 And I went into basically this thing,
3 as I mentioned to you earlier about the management controls.

4 I says, "All Appendix B is is a good
5 practice for how you manage your programs. If you're
6 going to have a concrete program, then here's how you
7 would put your program together to insure you've done
8 it right, and so the same thing for welding and the
9 same thing for design and the same thing for operators,
10 and no matter what aspect you can think of, you may
11 have hundreds of programs in TVA.

12 Not all the programs maybe are deficient,
13 but a good number of them, based on my presentation,
14 showed major weaknesses in it, which showed we were
15 having some management control problems."

16 And I also mentioned to him that we
17 have too many QA people here at TVA, because we're trying
18 to put the emphasis on Quality Assurance on a group
19 of people called Quality Assurance. And Quality Assurance
20 is everybody's responsibility. It's the welder out
21 there who's doing the job, it's the QC man who periodically
22 inspects the key attributes of the weld, and it's quality
23 assessor who comes out and sees the program effectively
24 fits as designed by management, as designed by TVA.
25 They're really quality assessors, not Quality Assurance.

3/B

1 You take the assessors, controllers
2 and performers, and that makes up your overall Quality
3 Assurance program, and by calling these people Quality
4 Assurance and building our staff to the large number
5 that we have, we're now, we're putting out our emphasis
6 on this one group.

7 Quality Assurance right here, and that's
8 basically what the letter of March 20th says, too. We're
9 fixing up our Quality Assurance management problems
10 and by the way we're working on other problems, other
11 management problems we do, we have other problems.

12 So at any rate, I told him, I said it's,
13 some utilities, large utilities like ours have no more
14 than 80 to a hundred QA people. And I said TVA has
15 far in excess of 400. We have over 200 people at Sequoyah.
16 That's ridiculous, because the QA is directing our work
17 activities. That's really the extent of our conversation.
18 That was the extent on Appendix B.

19 BY MR. CRAIG:

20 Q Did you ask Mr. White if he had reviewed
21 the material that you prepared on February the 3rd,
22 the attachments?

23 A I told him he probably never received
24 this letter. I did talk about this. I said most of
25 the information he should have looked at was this package

1 I gave back, and I asked him if he ever saw the letter,
2 and I think he said he didn't.

3 I said, "Well, you should have seen
4 the letter."

5 Q Did you ask him specifically if he looked
6 at the various attachments, one of which was the NSRS
7 position statement at Watts Bar, Appendix B compliance?

8 A No, I didn't.

9 Q Did he indicate he had or had not reviewed
10 the material?

11 A No. He knew the documents, but we didn't
12 get into it, if he looked at it or he didn't look at
13 it.

14 Q He knew it existed?

15 A Yeah.

16 MR. CRAIG: Okay.

17 BY MR. NORTON:

18 Q When he mentioned he'd had outside groups
19 in who did not agree with your position, did he say
20 what he was referring to?

21 A No. I didn't know. I believe it was
22 the group of people that came in, or one point Phil Washer
23 and Jerry Smith were asked to come down to Watts Bar
24 because there was a lot of people down there reviewing
25 all these reports just like we did. And they wanted

1 Jerry and Phil to pull out these documents that we referred
2 to in his package.

3 Like, for instance, we may have an issue
4 in here on IN-85845002. And they would pull it out
5 and hand it to him, and they just sat there, read it,
6 and did they agree or didn't agree? I don't know what
7 they did with it, but they handed it back to Jerry or
8 Phil and put it back in the drawer. And they had this
9 document, and they were going through this document.

10 So I'm guessing that the people that
11 were brought in were these 15 or 18 people that came
12 with TVA.

13 Q You know who headed that effort?

14 A No. No, I know there were several efforts.
15 I know who headed some efforts, but not on this 18 people
16 that came in.

17 Now, also, a series of people who looked
18 at the overall ten "bullets" that was put together,
19 and there was, Mr. White had various people sign off
20 for each of the ten "bullets". And I do know Craig Lundin
21 headed that effort. So, because his name was in the
22 letter, and so that's in it.

23 So there were two groups. One group
24 of people was going through all this information, and
25 finally there was the March 20th letter that had ten or

1 11 signatures, and I saw the package that had all the
2 names in it, and one name that struck me was Kermit's
3 name, because he wrote down on there when he signed
4 it, I think he was signing it only because he read the
5 document, not that he concurred with it.

6 He told me later on he had done it then,
7 and not until I got a copy, that's what he did. But
8 he did not agree with the letter itself. He told me
9 that's why he wrote on there, signature refers to reading
10 it only.

11 BY MR. ROBINSON:

12 Q Did Kermit or anyone else at anytime
13 tell you that they were coming as close to saying they
14 were not in compliance with Appendix B?

15 A Yeah. Kermit mentioned that, too. He
16 said, "When they issue the letter, the final letter,
17 whatever it is, it will come as close to saying they're
18 not meeting Appendix B without actually saying it."

19 Q Kermit said that to you?

20 BY MR. CRAIG:

21 Q Was that his opinion of what they were
22 doing?

23 A This was his opinion. No, he expects
24 them when the letter goes out to come as close to saying
25 they're not meeting Appendix B without saying they're

1 not meeting Appendix B. He expects that.

2 Q He didn't say that was their intent
3 or their approach?

4 A (Witness moves head from side to side.)
5 He expects it. I assume he's in a meeting, and I don't
6 know what's going on, but this was early. This was,
7 we're talking early February, and this report didn't
8 go out till March, so I mean there's many discussions
9 going on.

10 This was due the 9th, at that time,
11 and I asked for another extension.

12 BY MR. NORTON:

13 Q Did he say why such an approach would
14 be taken?

15 A Well, as I said earlier, that if they
16 admit to Appendix B all their licenses, construction
17 permits will be removed. I kept insisting that NRC
18 would never do that.

19 Q Did he say who told him that?

20 A No. That's the extent that I know about
21 Appendix B.

22 Q Backing up a minute, Mr. Sauer, to these
23 other review efforts. Did you have any knowledge or,
24 of an outside group from Stone & Webster headed by
25 Mr. Kirkebo that was reviewing all the various reports

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1 done on TVA?

2 A I know about that. That was another
3 review effort, and they called that, it was, I can't
4 remember the title, but it was Stone & Webster systematic
5 analysis of TVA issues, whatever.

6 Q Did you have any interaction with that
7 group?

8 A No. I may have. I don't know, because
9 they would just call you up. I'd get phone calls from
10 people and they'd ask things. I didn't know who they
11 were working for or what group.

12 But I did have interaction with that
13 group when I went to Watts Bar when I was in the employee
14 concern task group. I was assigned to resolve all those
15 Stone & Webster issues.

16 There were over 800 of those issues
17 we had to look into.

18 BY MR. MURPHY:

19 Q What time frame was that?

20 A They did that, they started that in
21 January, and February, I believe, is when they finished
22 up their report. They had, I'm going to guess, I think
23 about 20 people working on that effort, and they looked
24 at something like 1300 documents. And what we'd seen,
25 I'll give you an example, that one really stands out

1 in my mind.

2 They might have read the NRC resident
3 inspector's monthly report at Browns Ferry and the sentence,
4 will be a sentence there that says, for the last three
5 years TVA management at Browns Ferry had done an improper
6 review of reactor trip reports. That's the first sentence.

7 Second sentence says, that during this
8 last 30-day period, went and looked at the reactor trip
9 reports and find management has now done a much more
10 thorough job and it appears that management is moving
11 along and really dealing with this problem, so it was
12 positive.

13 It was just saying something in the
14 first sentence that hadn't been going good, but now
15 it's going good. That first sentence I told you about
16 would be lifted out of that report and was made a
17 Stone & Webster issue.

18 So then I had to go out and resolve
19 it. The very next sentence resolved it, but we had
20 to go down there and look at reactor trip reports and
21 try to figure out how this thing came about.

22 What they were doing was going through
23 these reports looking where there might be management
24 weakness, management control weakness, so they came
25 up with 800 of these things, in a lot of cases insignificant;

1 lot of cases there were violations. Inspector, faulty
2 items. Inspector may want to resolve it or may not.

3 In some cases they became escalated. They
4 may go as high as a violation, but that's what the
5 Stone & Webster thing was all about.

6 I worked on that from May, and they're
7 still working on it. They finally finished up with
8 all the ones on Sequoyah just recently, so they're still
9 working on all the other Stone & Webster, Watts Bar,
10 Browns Ferry, corporate offices, you name it, but it's
11 taken them at least four months just to do Sequoyah's.

12 BY MR. ROBINSON:

13 Q I've got a couple of questions.

14 As you went through the chronology,
15 back when you were talking to Bruce Siefken about what
16 he had, and you looked at the Telecopy that had come
17 down probably from, as an instance of, or from NRC as
18 to what the basic agenda was.

19 A Uh-huh.

20 Q Do you remember if the request for NSRS
21 perceptions was on Asselstine's agenda or was it just
22 on Siefken's outline?

23 A No. It was on Asselstine's agenda.

24 I thought, just elaborate a little bit more on that.

25 When I saw that I assumed it must have

1 come in Tuesday. I just assumed it was Telecopied in
 2 Tuesday, because the way they were talking it sounded
 3 like they had no time to prepare, either. Later on when
 4 I was working on the Watts Bar effort I went over to
 5 see something over in the reading file from the Director's
 6 office, and I saw the actual letter over there, and
 7 it came in a week before. So TVA actually had it for
 8 a week.

9 So it was no last minute thing, and
 10 I'm sure that QTC was aware of it for over a week, and
 11 I'm sure everybody at Watts Bar, NSRS staff knew about
 12 it and knew what people might be going to say.

13 So that's all I wanted to put in there,
 14 that TVA had it for at least a week. It was no one day
 15 previous thing.

16 Q Now, I may have misunderstood while
 17 you were going through the chronology. I just want
 18 to clarify in my mind, and this is a clarification of
 19 maybe some wording, okay?

20 Is there a difference in your mind between
 21 violating Appendix B and violating Appendix B requirements?

22 A Yeah.

23 Q Explain that as briefly as you can.

24 A To me requirements, if I come along
 25 and say you are required not to go above 55, and someone

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1 you forget and you look, you say, "Oh, I'm now at 65."
2 It just happens.

3 Okay. If I had good controls on my
4 machine it would give me an alarm or it would stop me
5 from going above 55. That would be your Appendix B
6 requirement or Quality Assurance controls to assure
7 you wouldn't go above 55.

8 But, if you don't have any controls,
9 you're now sitting there, getting up 65, 75. Better
10 get down.

11 Now, when a violation comes in is when
12 a cop pulls you over. He has it down in black and white.
13 There it is. You're at 65 miles an hour.

14 That's why you're writing a non-conformance
15 report. You're going above this limit, and if it keeps
16 on going and it's significant and you keep getting tickets,
17 you're going to lose your operator's license. That's
18 the reason I use that analysis of a cop.

19 It is a violation, but you're exceeding
20 it, but nobody caught you.

21 Q So violating the requirements is going
22 up above without any controls and not being caught?

23 A Well, you've been caught once you get
24 the violation.

25 Q No. I'm --

1 A (Interposing) Maybe I'm not making
2 that clear.

3 Q I thought you were analogizing the arrest
4 by the officer as the violation of Appendix B.

5 A Right.

6 Q And you're going up above 55, and then
7 all of a sudden realizing and pulling it back down,
8 you'd be violating a requirement?

9 A Right.

10 Q Is that the analogy?

11 A You can put that down like that, because
12 when the NRC inspector writes it up, he's going to write
13 it against Appendix B and you yourself, you're not going
14 to write it as any Appendix B. You're just going to
15 say, "I'm out of control and I'll write an NCR, and here's
16 what, I'm going to fix it so I won't get it down," but
17 you don't say, "I violated Criterion A or Criterion 15,"
18 or you don't say that in the non-conformance report,
19 but NRC, they'd say you violated Criterion 5 or what."

20 Where I was coming from, if you had
21 good controls, you shouldn't be violating. So you've
22 got various cars. This car's called welding; this car's
23 called instrumentation; this one's called concrete;
24 and this one's called various, in most cases our
25 perception was the requirement is 55, all these cars

1 are roaring down the road at 65 miles an hour. Now,
2 that's the perception.

3 Somebody comes along and says to you
4 specifically, what are they violating? Then we'd go
5 back in again to find out what they were doing wrong
6 in the area of the welding, why they were out of control.
7 Was it training; was it records? Specific violations
8 for those requirements. But not every car was going over
9 55.

10 Q If you have serious management control
11 problems as a general heading, is that, and we'll say
12 in the area of Quality Assurance, does that equate in
13 your mind to a violation of Appendix B?

14 A Yeah. In fact, the number of problems
15 that we had back in the area of welding, it would be
16 a breakdown in your Appendix B program for those particular
17 areas.

18 Q All right. If, and you use this example,
19 concrete containment is bad, if you suddenly discovered
20 that the concrete in the containment is bad, is that
21 non-compliance with Appendix B?

22 A Uh-huh.

23 Q Okay.

24 A And so you should write a non-conformance
25 report, which is what TVA would do. If NRC finds that

1 very same problem, they would have wrote them up as
2 a violation.

3 Q Is something that requires a 5055E report
4 a violation of Appendix B?

5 A It could be.

6 Q Not all of them are, necessarily?

7 A Some of them could be. There's various
8 aspects of 5055E, but in a lot of cases when you read
9 the wording, it says it has the potential effect, if
10 not fixed it could present a problem while it was operating,
11 so when they actually get into it and they report and
12 they have a certain time frame when they get into it,
13 they find out it's not really a problem and they come
14 in, CRC, and tell it's not a problem.

15 NRC will come in, inspect that, and
16 they may or may not agree with that. And if they find
17 there's a problem with it, they may write a violation
18 on it. Not all 5055E reports, it's not acually a violation.

19 They probably are, but nobody's going
20 to write them up. They've identified it.

21 Q When Kermit Whitt and Mike Harrison
22 went down to the meeting in Chattanooga before the night
23 that you and Phil Washer and Jerry Smith stayed up till
24 three o'clock in the morning, do you know if material
25 traceability and corrective action were two key points

1 in their mind when they went down there that they were
2 going to explain or did that, did those two points come
3 up in your fellows' mind after they came back from
4 Chattanooga?

5 A We didn't even know they were there.
6 We didn't know what was going on. They came back, those
7 two key points that came up on the 15th was our, you
8 know, trying to go with their scenario.

9 If you write a non-conformance report
10 that you can violate Appendix B, and that's, Appendix B
11 allows you to violate Appendix B, and we came along,
12 and those two things we came up with, we said, no way
13 will TVA go along with this thing on the supports, material
14 traceability. They'll never write an NCR on that.

15 We know you can't write an NCR on
16 corrective action.

17 So those two are the only two that we
18 could come up with that they could not flag and say
19 Appendix B now allows us to do this.

20 But, you know, we had a ton of other
21 issues, but everytime we brought an issue, oh, we can
22 write an NCR or we can write a stop order. So that's
23 why these two became cornerstones to resolving the NSRS
24 problem, perhaps.

25 Q So we'd have to talk to them, but probably:

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1 when they went down there they were just going to discuss
2 all the "bullets"?

3 A Right.

4 Q And your perception is that the line
5 and QA people were saying as long as you have it in
6 the corrective action system, it's okay?

7 A (Witness moves head up and down.)

8 Q Okay. One more question.

9 The conversation with Lundin, when he
10 came to the NSRS areas, you indicated that the greater
11 percentage of that conversation was Lundin talking over
12 old times with Harrison at VEPCO. Approximately how
13 long did Lundin spend either talking about Appendix B
14 issues or the "bullets" to you and Smith and Washer?

15 A I'd say tops a half an hour. The rest
16 of the time, maybe an hour, hour and fifteen minutes
17 on old times.

18 Q Did you give him any kind of paperwork
19 or documentation at that time, right at that meeting?

20 A No.

21 Q Okay. It was afterwards?

22 A Right.

23 BY MR. NORTON:

24 Q Monday of this week when Mr. White called
25 you, what was the occasion of him calling you?

1 A He called me about the perception. He
2 wanted to call about the Asselstine presentation, basically.

3 I said, "Well, I was kind of expecting
4 you, I guess, to call me right back in January, you
5 know, not --" I said, "Nobody from your staff has ever
6 talked to me about what I told Mr. Asselstine, what
7 was in my mind when I was talking to Commissioner
8 Asselstine or anything else."

9 He says, "Well, just brief me on
10 basically what happened." He wanted to know about the
11 Siefken thing.

12 He said, "I heard something about somebody
13 being sick."

14 And I explained to him about the Siefken
15 thing and told him I had the things that I gave, I even
16 told him, I told Commissioner Asselstine that the ten
17 things I gave were not my own, they were from three
18 other people, and I says, "I just put and capsulated
19 what they told me. In fact, I was surprised on some
20 of them, too, until after he explained it to me and
21 I understood it."

22 And I told him afterwards about the
23 Lundin episode. Told him about, that he was wanting
24 to know, you know, various, how come we kept doing various
25 things.

1 I said, "Well, your staff or somebody
2 from your staff was asking a lot of questions and we
3 had to keep generating that paper."

4 And he asked about these 18 people he
5 brought in and why they thought this and we didn't,
6 and then we got onto the specific, what is Appendix B
7 and so forth.

8 Q Why, after all this time, does he call
9 you on Monday?

10 A I don't know.

11 Q Did he explain that?

12 A He just wanted to understand the situation
13 at that time.

14 Q Did he mention anything about this matter
15 currently being investigated by the NRC?

16 A Huh-uh. And I don't know, he went up
17 and met with the NRC on Wednesday. I was watching TV
18 Wednesday night. Guess it was Wednesday.

19 He went up there, maybe it was Tuesday,
20 but I was watching TV and he said that Mr. White was
21 up there meeting with the NRC today, and he mentioned
22 about these 18 people he brought in.

23 And I said, oh, I said I guess that's
24 why he called me up. So I assumed he called me up to
25 just have an idea where I stood for the NRC meeting

1 on Wednesday. He didn't say.

2 Q Did he indicate that he understood your
3 position now or agree with it or anything of that nature?

4 A No. He just wanted to hear my story.
5 He did mention to me about, when I told him my position
6 on it, he asked me if I'd ever talked to John Houston,
7 who was his QA manager, a couple of months ago.

8 I told him no. He asked me why I didn't.

9 I said, "Well, because he doesn't understand
10 Appendix B, so I didn't want to waste my time."

11 Because I knew he was here way back
12 here. Nobody even asked me or questioned me, so why
13 should I go out of my way to talk to somebody who doesn't
14 want to talk to me? I was rather surprised. I told
15 him that, too.

16 I said, "I was really surprised that
17 nobody from your staff had ever called me up."

18 He said, "I have a lot of other issues
19 I have to worry about, too, not just this."

20 I said I understand.

21 Q Did Mr. White say he'd o

22 A He calls me periodically

23 Not too long ago he called me

4/a 24 remember now, but he'll call me

25 things that happen, get my opinion,

1 anything. I appreciate him calling, because I like
2 to give him my opinion.

3 He's also asked me to call him if I
4 know of anything that he should be made aware of.

5 BY MR. ROBINSON:

6 Q Was the phone call with you and White
7 in anyway confrontive?

8 A No. Just, his request to gain more
9 understanding of what happened back then.

10 Q He did not try to justify to you --

11 A (Interposing) Not the --

12 Q (Interposing and continuing) -- the
13 corporate position?

14 A No.

15 Q You indicated Mr. White periodically
16 called you. That's been over some period of months?

17 A Well, I'd say he's called, he'll either
18 call me or I'll go up and see him.

19 Q So you felt comfortable talking with
20 him?

21 A Oh, yeah.

22 Q Why didn't you talk to him earlier about
23 this issue?

24 A He came to see, and probably a week
25 or two, I'm going to guess, I think it was probably

1 'sometime February. I'm going to guess.

2 Q Of '85?

3 A Of '37 or '86, excuse me.

4 He came up to NSRS and he came through
5 the office spaces and he came to my office and he shut
6 the door and he said he didn't know who I was. He knew
7 my name was Bob Sauer, but he came and shut the door,
8 and he said, "I want to ask you a question." This was
9 either February or March, somewhere in '86.

10 He said, "How come you never came to
11 me? How come you never called me up? Maybe we could
12 have resolved this issue."

13 I told him --

14 MR. NORTON: (Interposing) What issue
15 was he speaking of?

16 THE WITNESS: I would assume my DOL
17 complaint is what he was really asking about, because
18 I filed a complaint against TVA.

19 I said, "Well, back in January there's
20 a lot of funny things going on. I was being asked to
21 write all these reports. I was being asked to write
22 all these reports, never being told why, and it appeared
23 to me as if somebody was trying to get me to back down."

24 I said, "If I had the information to
25 back down, but everytime I looked at it, it kept getting

1 worse and worse, and then all of a sudden I was relieved
2 of my responsibilities." I said, "I don't like to go
3 over my manager's head. I went to Kermit Whitt and
4 asked him why this was happening to me, and he said,
5 'This is what we decided,' and his boss was you,
6 Steve White, and before that it was Joe Manzer (phonetically)
7 and I figured how high can I go?"

8 And I said, "I don't think you really
9 would have talked to me," because he was surrounded
10 by a series of advisors and all that, and I really don't
11 think he would talk to me.

12 So I said, "I thought I had no place
13 to go. I saw what happened to other people like
14 Mansour Guity."

15 We were trying to push on the INI, and
16 they were stonewalling it, and I thought I was finished.
17 And since then when I resolved my complaint in August,
18 I saw him periodically, but when I removed my complaint
19 in August, he said, "If you ever have a problem, come
20 see me."

21 And I went to see him, well, he called
22 me right after he came back to TVA to see how I was
23 being treated. This was back in December.

24 I said, "I'm having a problem right
25 now with NLRB. They gave me a bad service review, and

1 I thought it might be in retaliation for what happened
2 to Appendix B and Asselstine. So anyway, it still stayed
3 bad, and I went to see him and told him there's more
4 information they didn't want to use, and he had that
5 resolved, and I went to see him about that, and he called
6 me about a few other things, and we seem to have a
7 rapport about things, and just, that's about it.

8 When he called me about this thing here,
9 I just felt that he needed information for something,
10 and I felt it was this Appendix B thing.

11 I also volunteered to him the next time
12 he had to write a letter on Appendix B that involves
13 what I might have said, come see me. I don't mind looking
14 at it.

15 BY MR. CRAIG:

16 Q Do you believe with respect to the ten
17 "bullets" that were presented in the NSRS perception
18 and briefing you gave to Commissioner Asselstine, do
19 you believe the necessary documentation and necessary
20 references for each one of those "bullets" have been
21 addressed or were addressed in the material that you
22 prepared approximately February 3rd or 4th, 1986?

23 A There's sufficient information to draw
24 the conclusions that I drew, and the folks that were
25 involved drew.

1 I'd like to put more in there, because
2 we didn't quite finish the overall analysis.

3 Q Is there a large volume of information
4 that would yet go into some of these issues that would
5 not be addressed?

6 A There might be more to accentuate what
7 that says, but just want to point out to you that all
8 of these reports were going to the NRC since September
9 of '85, and all I did was just, as they go out we have
10 Appendix B violations and all that, so NRC or other
11 people can draw the same conclusion, and when I did
12 this, if you're asking if we had more, yeah, we can,
13 right now we have 15 in this letter here.

14 There's ten there that we backed up,
15 substantiated. We have five more, and I could probably
16 give you ten more on top of that.

17 Q Ten more "bullets"? Ten more?

18 A These.

19 Q These "bullets" are pretty broad?

20 A Right.

21 Q Some point you have to conclude, I think,
22 there are no more general areas?

23 A Oh, there's more. Like, for instance,
24 there's five more in that one. In that document there,
25 and that involves, I believe, some of them should be first

1 protection.

2 We had an area involving fire protection.
3 One thing we don't have in there that we struggled with
4 at the time, but we really didn't want to make a big
5 issue, all the drawings we have out there a major problem
6 with. But it's not in any of these two documents, but
7 if they were coming after us again for another document
8 that was on the "hit parade" for the next time.

9 Q I don't understand the concept, you
10 made the comment when you were discussing this issue
11 before, if they'd come back you would have given them
12 five more and if they'd come back again, you'd given
13 them five more. I don't understand why you wouldn't
14 identify all the issues you felt needed to be resolved.

15 A Well, because, see, this is in January
16 when, the time came when we were doing, putting this
17 package together. I guess it maybe was February.

18 Kermit said about these 15 we gave him,
19 he said, "I didn't ask for anything more than just these
20 ten."

21 And we says, "We have a lot more to
22 give you."

23 "All we want is the ten. We don't want
24 anymore issues than what's here."

25 I said, "Well, we gave you the five more.

1 We've got a lot more we can give you," and what's the
2 use of giving you everything, because you give him
3 everything, and then they come after you and they say
4 this is it. We could go on and give them the whole
5 works and say, this is everything at this point, but
6 anybody can read these reports and see them. They
7 stand out like a sore thumb.

8 I'm not sure if I'm answering your question,
9 but all I'm saying to you is we gave him the ten. It
10 came back and we said this, and they tried to refute
11 us. We never got to see the response, but we did find
12 out from people what they were saying, so we said, "Okay.
13 If you're going to play these games," we're not playing
14 a game, "But we do have more areas or problems."

15 That's why I came to the conclusion
16 with the Appendix B requirements, I don't care what
17 area I decide to pick, just pick one. Let's pick
18 preventive maintenance.

19 Maintenance isn't on that list because
20 we have management and control problems, I bet I can
21 walk through there and find holes all through that program

22 So like I told Commissioner Asselstine,
23 I said, "We probably could go more than just these ten.
24 We might go to fifteen. We might go to twenty. We
25 might go to thirty. Might come to fifty, but the bottom

1 'line is what does all these ten mean?

2 It means we have Appendix B management
3 control problems and no matter what area you want to
4 pick, you're going to find something."

5 Q Today at Watts Bar, it means a lot more
6 than that? Raises a lot of questions about what's built?

7 A Right.

8 Q Which leads me to another question.

9 Basically, when you wrote your two
10 conclusions, even though you hadn't been associated
11 with the Watts Bar employee concern program --

12 A (Interposing) Yeah, but I did work
13 on Watts Bar.

14 Q You had obviously an appreciation of
15 the major issues to draw the conclusion about Appendix B?

16 A Oh, yeah.

17 Q Did you feel uncomfortable at all telling
18 NRC, Commissioner Asselstine that there was a significant
19 breakdown in the Quality Assurance program at Watts
20 Bar?

21 A I didn't say anything about breakdowns.
22 In fact, let me tell you something.

23 When I gave that presentation I talked
24 to Chuck Mason at Sequoyah, Site Director, that Saturday
25 on, that was a Thursday. Mr. Mason asked me, said,

1 "Did you tell Commissioner Asselstine that we had a
2 significant breakdown in the Quality Assurance program?"

3 I beat around the bush not to answer
4 that question. I never said those words. On the way
5 home that afternoon, as I was riding back, I said I
6 guess I did.

7 So I called back down and left a message
8 for Mr. Mason through Mr. Abercrombie, Site Director,
9 in essence I did say we had a Quality Assurance breakdown
10 at TVA, but it was not my intent when I gave that.

11 I said you've got to have a management
12 control system based on these ten. It's obvious we
13 don't have a very good control system out there.

14 Q Whether you tell an inspector or
15 commissioner, I don't think it makes a great deal of
16 difference, the welding program is, the welding program
17 is indeterminate, you don't know whether the welds' safe
18 related components are any good?

19 A That's right.

20 Q So in other words, to get that you have
21 a significant breakdown?

22 A Oh, definitely. TVA's admitted to that
23 in the area of welding.

24 Q I recognize that.

25 A What I'm saying, when I say indeterminate,

1 in any case, that's the whole, entire program. We're
2 talking all 18 criteria associated with welding and,
3 but I did not come out and say we had breakdowns. I
4 just said we don't know what kind of welding we have.
5 We've got instrument lines. What is the significance?

6 Okay. An instrument line slope problem,
7 they didn't feel it was a significant problem. They
8 still haven't admitted to it. They only started at
9 200,000 to fix the job. It's around three to six million
10 dollars. So it's getting to be significant.

11 Somewhere in here it's going to be
12 significant, but nobody's admitted it to this date.

13 Q I want to go back to some of the all-night
14 sessions where you were asked to document, you and other
15 members of NSRS staff were asked to document or justify
16 each one of the "bullets", and you said the line position
17 was we'll write an NCR on it and it will be okay.

18 Were they actually, you were saying
19 here's an Item X, and they write an NCR to cover
20 Item X and they say that would be done?

21 A They're saying there was no longer a
22 violation.

23 Q Were they actually writing NCR's?

24 A In some of these cases there were no
25 NCR's, but yeah, you're right.

1 Q There's no NCR?

2 A But if we write one --

3 Q (Interposing) You tell me, I'm the
4 line manager and I say, "Okay. Here's an NCR. We've
5 got that taken care of."

6 Is that what was happening?

7 A Yeah. They were sitting there telling
8 us that, so we were going down this list, so they said
9 okay. You're right. We'll put a stop order on that
10 right now, today that problem's gone. Now the violation
11 is gone.

12 BY MR. NORTON:

13 Q They weren't actually in the room at
14 that very moment writing NCR's?

15 A No. Kermit's purpose in sitting there
16 with us was, "You tell us right now and I will convey
17 it and we'll write -- "

18 Q (Interposing) And an NCR would be written?

19 A Right. And some, they were, in the
20 case of CSC list and Q list, they did write one on there.

21 Q Immediately after they brought the problem
22 to your attention?

23 A I believe so, or shortly thereafter.

24 A letter came out, said we wrote, not longer, they're
25 going to use one list. That's how they resolved that.

1 They said we will no longer use the one or the two.
2 I don't know what.

3 So yeah, use the CSC and destroy the
4 Q list. More than likely they, probably the Q list,
5 but it was not too long after that.

6 BY MR. CRAIG:

7 Q I don't have anymore questions right
8 now.

9 A Can I come back at you now?

10 I'm really interested in this one, questions
11 about the five more and five more. I want to make sure
12 that's completely cleared up.

13 My intent, we were not out to play games
14 here. We were out to say we have ten. As you see,
15 that fills the whole page up.

16 Instead of me showing slide after slide
17 after slide after slide of problem areas, we had indications,
18 perceptions of other problems. Concrete, generator
19 load problems, and we can just keep going on down the
20 line. The intent was I told Mr. Asselstine was not
21 to lay on him, just flood him with problems.

22 The idea was to tell him, because of
23 all these problems we have some kind of management control
24 problem in TVA, and that's what I was trying to convey
25 to him about Appendix B.

1 And we tried to get that across to the
2 line, that there are more problems. When we wrote that
3 report, we said here's five more, by the way, and if
4 they come back, here's five. If you want them all,
5 you tell us, but they never asked us for everything
6 we knew.

7 Q When you talked to Kermit briefly a
8 couple of times before the briefing, did you say to
9 Kermit, "I'm going to tell Commissioner Asselstine we've
10 got management problems and we're in violation of
11 Appendix B"?

12 A No. I told him I wanted him, in particular
13 I wanted him to look at this presentation material,
14 and I'd done that in the past with other supervisors,
15 and I gave the presentation to Bill Cottle at Watts
16 Bar, and they always reviewed the material.

17 Q Did you tell Kermit or indicate in anyway --

18 A (Interposing) No.

19 Q (Continuing) -- that the items on this
20 page were going to identify significant issues?

21 A I told him, I says, "The last page of
22 this, it's very important for you to look at it."

23 I even said it in the presentation,
24 but I never came out, I assumed he knew all this. See,
25 I mean if three supervisors at Watts Bar are telling me

1 this, and most of this stuff was in the newspaper.

2 I assumed he knew these ten things.
3 There's nothing new there. In fact, when I went to
4 Sequoyah or even Watts Bar, people said, "Why is everybody
5 getting upset about what you said? Everybody knows
6 these issues exist. They're down in black and white."

7 Kermit, I don't know where he was. I
8 told him flat to his face, I said, "Either somebody
9 wasn't telling you the information or you just don't
10 recognize what you saw."

11 And he never questioned the Appendix B
12 thing. He told me later on if those ten are true, he
13 agrees we have got an Appendix B problem.

14 Q Did you consider this a classic case
15 of not being able to see the forest for the trees?

16 A Yeah. I told you Mike Harrison mentioned
17 that to me. He said they never, never thought about
18 Appendix B.

19 MR. MURPHY: Any other questions?

20 BY MR. ROBINSON:

21 Q Just one more, Bob.

22 At the time of your presentation to
23 Commissioner Asselstine, was the terminology management
24 control problems in your mind or has that kind of since
25 come into your mind?

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1 A That's what it was at the time. I told --

2 Q (Interposing) Do you think -- go ahead.

3 A I also told him that each one of these,
4 I did say this. I don't think I ever told anybody this.
5 Just flashed in my mind since you said that, was that
6 I did say to Commissioner Asselstine, "Each one of these
7 items by themselves represents violations of Appendix B,"
8 but I did not tell violation of criterion something,
9 but like for instance, I did come back, and there's
10 one on here that's not here, procurement type problems.

11 I told him, I said, "We've had serious
12 procurement," even the five I gave doesn't have that
13 in there.

14 And I says, "We have procurement problems,"
15 and I said, "No matter what aspect of Appendix B, I'm
16 telling him this, we have problems," and I said, "But
17 these are typical that lead you to believe that you
18 have an Appendix B management breakdown."

19 Not breakdown, management control problems
20 in TVA, and I did tell him a couple of areas, but I
21 never recalled it until just, you said that, because
22 I was trying to focus in on management control.

23 Nowhere in there does it say we're
24 violating Appendix B willfully in the past, in the future.
25 It just says, that's all I was coming across with,

1 Appendix B. I brought my Appendix B book with me, too.

2 Q So my next question was going to be
3 it wouldn't have sufficed for the last "bullet" to say
4 we have serious management control problems at Watts
5 Bar as opposed to saying Appendix B requirements are
6 not being met at Watts Bar?

7 A I probably could have said that. In
8 fact, if I had it to do over again, I probably would
9 have done that. But as far as I was concerned, I was
10 thinking of Appendix B when I put that in there thinking,
11 you know, with my NRC hat on, that if I said management
12 control problems, he'd say, "What do you mean? What's
13 that mean?"

14 Well, that's Appendix B.

15 Q But you can have Appendix B non-compliance
16 without having management control problems?

17 A That's true.

18 Q Okay.

19 A I mean you can have a specific entity
20 out there. All aspects of welding may be covered. You
21 might be buying good stuff and receive inspection, but
22 one aspect. Maybe you're not training your inspectors
23 right.

24 Okay. Well, that would be Criterion 1
25 and that would be, but your overall management controls

1 for that program are satisfactory. It's just that an
2 aspect is not right.

3 In this case, we're talking whole programs,
4 so that's management controls.

5 MR. ROBINSON: I don't have anything
6 else.

7 BY MR. MURPHY:

8 Q You know, you never had a chance to
9 review all this material. Did you ever ask anyone,
10 directly tell them, "I would like to review the line
11 organization's response to our -- "

12 A (Interposing) No. Other than Kermit.

13 Q Did you ask Kermit?

14 A We told him several times we wanted
15 to see the line's version so that we can, if they're
16 rebutting us we ought to at least know what their rebuttals
17 are so we could at least come back and say, "Well, your
18 rebuttal is wrong."

19 Kermit said, "You'll probably never
20 see that."

21 Q But you don't know that he ever made
22 this request to anybody?

23 A No.

24 Q We spoke off the record about some of
25 the documents you had, and you said you gave chronology

1 and things to the IG, right?

2 A Uh-huh.

3 Q What we'd like to do on the record is
4 ask you for all the copies of all the drafts and notes
5 and stuff that you maintained in your area that you
6 have in your possession that were not given to IG.

7 A I can give you that.

8 Q But you say the IG does have, the TVA IG
9 does have --

10 A (Interposing) Yeah. I gave them everything
11 that involved my complaint or may help them. See, they
12 were investigating Phil Washer's problem, and I gave
13 them, and also gave them a written statement, and so,
14 but they never gave me a copy. They just can't do
15 that in IG, so, --

16 Q (Interposing) Okay.

17 A I can give you a copy of anything you
18 want.

19 MR. MURPHY: Appreciate that.

20 Any other questions?

21 Just have a finish on it.

22 Mr. Sauer, have I or any other NRC
23 representative here threatened you in any manner or
24 offered you any reward in return for this statement?

25 THE WITNESS: No.

4/B

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MR. MURPHY: Have you given this statement freely and voluntarily?

THE WITNESS: Yes.

MR. MURPHY: Is there any additional information that you'd like to add to the record?

THE WITNESS: Other than something you might want to refresh me on, but I think I've given everything I can think of.

MR. MURPHY: That's fine.

This interview is concluded at 10:38 on February 27th, 1987.

Thank you, appreciate it.

(Thereupon, the interview was concluded.)

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:

10 CFR 50, Appendix B

AN INVESTIGATIVE INTERVIEW OF:

Robert C. Sauer

DOCKET NO:

PLACE: Lookout Place
Chattanooga, Tennessee

DATE: February 27, 1987

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

(Sign) *Dorothy D. Banks*
(Typed) Dorothy D. Banks

Official Reporter

Reporter's Affiliation

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