

1 UNITED STATES NUCLEAR REGULATORY COMMISSION
2 OFFICE OF INVESTIGATION

3
4 In the Matter of:)
5 INVESTIGATIVE INTERVIEW:)
6 JAMES E. HUSTON)
7 (CLOSED))

8
9 Tuesday,
10 August 18, 1987

11 Stone & Webster Engineering Corp.
12 245 Summer Street
13 Boston, Massachusetts

14 The above-entitled matter came on for hearing,
15 pursuant to notice, at 2:25 p.m.

16 APPEARANCES:

17 On behalf of the Nuclear Regulatory Commission:

18 DANIEL D. MURPHY
19 LEN WILLIAMSON
20 LARRY L. ROBINSON
21 NRC - Region II
22 101 Marietta Street, N.W., Suite 2900
23 Atlanta, Georgia 30303

24 On behalf of the Interviewee:

25 EARL J. SILBERT, ESQ.
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(Continued on next page.)

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EXHIBIT 24

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APPEARANCES: (Continued)

On behalf of Stone & Webster Engineering Corporation:

WILLIAM G. MESERVE, ESQ.
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WITNESS:

EXAMINATION

James E. Huston

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P R O C E E D I N G S

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MR. MURPHY: On the record. It is now 2:25 p.m., August 18, 1987. This is an interview of Mr. James E. Huston, who is employed by the Stone & Webster Engineering Corporation. The location of this interview is 245 Summer Street, Boston, Massachusetts. Present at this interview are Len Williamson, Larry Robinson, and Dan Murphy. As agreed, this interview is being transcribed by a court report. The subject matter of this interview concerns TVA's March 20, 1986 letter to NRC regarding their compliance with 10 CFR 50, App.B.

Mr. Huston, would you please stand and raise your right hand.

Whereupon,

JAMES E. HUSTON

was called as a witness herein, and after being first duly sworn, was examined and testified as follows:

MR. MURPHY: Is there any comment that counsel would like to make before we get involved in this, maybe a short explanation of who you are representing?

MR. SILBERT: Well, my name is Earl Silbert, and I am an attorney with the law firm of Schwalb, Donnenfeld, Bray & Silbert in Washington, D.C. I am here in the capacity of representing Mr. Huston in his individual capacity.

MR. MESERVE: My name is William G. Meserve of the law firm of Ropes, Gray and Austin. I am counsel to the

1 company, Stone & Webster Engineering Corporation of which Mr.
2 Huston is now an officer. I would also just mention for the
3 record that Mr. Huston, of course, has been interviewed
4 previously in these proceedings, and was interviewed in Cherry
5 Hill, New Jersey approximately five months ago.

6 And so that the issues that may be discussed here are
7 not necessarily fresh in his mind. And as I understand, one of
8 the things that you want to explore is clarification of
9 previous testimony. And I would just like to state for the
10 record that we have asked for an opportunity to have this
11 witness review the transcript of his prior testimony prior to
12 today.

13 And we have been advised that is contrary to NRC
14 policy, and that therefore he was not permitted that
15 opportunity. But that if questions do arise which pertain to
16 his previous testimony that you will afford him a chance to
17 review the transcript.

18 MR. MURPHY: That is correct. And we have a copy of
19 the transcript for his review if there appears to be any type
20 of requirement. And as I previously stated, this is really an
21 attempt to affirm the previous testimony and to make some
22 clarifications about some issues that have arisen since our
23 initial interview of Mr. Huston.

24 And by conducting the second interview, we are not
25 implying in any manner that you have not been truthful with us



1 in the past. We are merely trying to resolve some possible
2 conflicts in testimony that have arisen. A copy of your
3 previous transcript is available to you.

4 And if we ask you any specific questions regarding
5 previous testimony, you will have the opportunity to review
6 that testimony. If in the process of reviewing your testimony,
7 you would like to consult with your attorneys, feel free to do
8 so. If you want a private consultation, we will be more than
9 happy to leave the room.

10 EXAMINATION

11 BY MR. MURPHY:

12 Q During our discussions earlier with Mr. Kelly, we
13 talked about a discussion with Mr. White over the meaning of
14 the word pervasive. That is my understanding.

15 And I guess my question to you, Mr. Huston, is were
16 you ever present when Mr. Kelly had a discussion with Mr. White
17 concerning the meaning of pervasive?

18 A Well, let me state that there have been, you know, as
19 I stated in my deposition five months ago that even then trying
20 to recall back and separate the course of events prior to March
21 20th and subsequent to March 20th is very difficult, because of
22 the number of issues that have arisen out of the March 20th
23 letter and the number of discussions.

24 So as I try to do this, as I stated before, I am
25 trying to separate in my recollection conversations that

1 occurred or may have occurred before March 20th or after. And
2 the word pervasive has had a lot of discussion over time.

3 The first time that I can remember discussing, my
4 best recollection, is that on or about the 20th of February or
5 somewhere just before the 20th of February, I can recall a
6 discussion with Dick Kelly, Mr. White, myself and I believe
7 Dick Gridley, and I am not certain of that. You should ask
8 Dick Gridley, obviously you may, if he was present or not. But
9 the dictionary definition of the word pervasive was discussed
10 in that meeting on or just before the 20th of February.

11 MR. ROBINSON: 1986?

12 THE WITNESS: 1986.

13 BY MR. MURPHY:

14 Q And what definition did you all arrive at?

15 A Well, as I recall the discussion, it was based around
16 the Webster's definition, that Webster's -- I cannot recall
17 which one we used. It may have been the secretary's version.
18 And I previously testified as to my understanding at least at
19 that point in time or in or around that time as to what
20 pervasive was talking about, that it extended into every part
21 or complete, words to that effect.

22 Q Of App.B?

23 MR. SILBERT: I thought you meant just the word
24 pervasive.

25 THE WITNESS: You asked me the word pervasive.

1 MR. MURPHY: But obviously if we are talking about a
2 discussion of pervasive in the sense of a letter that was being
3 prepared, obviously it must have had some other meaning. I
4 mean we must extend that.

5 THE WITNESS: Well, again it is difficult to separate
6 the timing, but that word had been provided in the draft, as I
7 previously testified, on the 13th of February or thereabouts.
8 Dick Kelly and I prepared a draft of the cover letter which we
9 then gave in handwritten form to Dick Gridley.

10 As I also previously testified, it was my
11 understanding that that letter was typed and provided to
12 someone, and that George Edgar or his law firm had gotten
13 involved in the review, and that a new draft was provided which
14 included the term pervasive. In fact, I believe that I
15 supplied to the investigators a copy of not only that draft
16 letter but also a copy of the back-up material that talked
17 about the legal opinion, the opinion of Edgar and his firm as
18 to what it could or could not attest to.

19 MR. ROBINSON: We have that. I do not recall whether
20 you supplied that to us or not.

21 THE WITNESS: I believe I did. I believe that it was
22 in the first set of interviews, not in deposition. Mr.
23 Peranich of I&E had asked the question initially was I review
24 of any legal review. And I had understood his question to be
25 related to the Office of General Counsel. And he came back and



1 clarified that. He said, do you know of any legal review that
2 was done outside of TVA or within. And then in response to
3 that, I provided what I had that I was told was the work
4 product of George Edgar.

5 BY MR. MURPHY:

6 Q Then your discussed stemmed from this draft letter
7 furnished by whoever, Mr. Edgar or someone?

8 A Well, the letter had been drafted by Dick
9 Gridley.

10 Q Okay.

11 A By licensing. Not by Dick Gridley personally, but I
12 assume by licensing. And it was being discussed. And one of
13 the questions as I recall in that discussion got to the word
14 pervasive. And we went and got a dictionary to get the
15 dictionary definition.

16 Q And that basically said extends to all parts?

17 A Well, you would have to go to the exact copy of the
18 dictionary that I pulled. I believe that pervade if a word,
19 and then pervasive is listed as a subpart of that definition.
20 But basically the dictionary definition means extending in
21 every part.

22 Q Do you know if there was any form of agreement
23 between Mr. Kelly and Mr. White that as far as the letter was
24 concerned this was the meaning?

25 A Agreement. You would have to tell me what you mean

1 by agreement.

2 Q Let me go further. Mr. Kelly has concurred with the
3 March 20th letter which contains the response or contains the
4 word pervasive.

5 Do you know whether there was any agreement, keeping
6 in mind that this is considerably later I am sure than this
7 discussion?

8 A What you have handed me is the concurrence sheet for
9 what was the March 20th letter.

10 Q The March 20th letter, yes.

11 A Which is dated March 5, 1986 and signed by Dick Kelly
12 on the 20th, yes.

13 Q The question is do you know if this concurrence was
14 based on the dictionary meaning or the meaning discussed that
15 day as to what the word pervasive in that letter meant?

16 A It is very difficult. Because I believe by the time
17 that this concurrence was had that there had been further
18 discussion about the basis in Callaway, you know, the case law
19 basis for the word pervasive relative to its definition as a
20 regulatory term and having regulatory meaning.

21 I think that in my first interview that you asked me
22 if it had any basis and how could it, or words to that effect.
23 And I believe that I answered that it must have had some
24 meaning, because the ALJ had used it, the Administrative Law
25 Judge had used it in his decision.

1 Almost certainly that must have come up between
2 February 20th and this date. I cannot specifically recall any
3 discussion which expanded beyond the dictionary definition into
4 the Callaway case definition.

5 Q And you were not present during such discussion?

6 A With Mr. White, I cannot recall any such discussion
7 with Mr. White before March 20th. Certainly, I can recall
8 discussions about it after March 20th, because there were a
9 number of them. But I cannot recall any specific discussion.
10 I almost certainly talked with Dick Kelly about it, but I
11 cannot recall discussing it with Mr. White.

12 Q Your discussion you say revolved around the Callaway
13 decision?

14 A No. It started with the dictionary definition.

15 Q Okay.

16 A And then I believe I saw a copy of the Callaway
17 decision, and may have discussed that with Dick Kelly. I just
18 really cannot remember specifically if between February 20th
19 and March 20th we had a specific discussion about it.

20 Q When you initially read the March 20, 1986 letter,
21 after it was signed and forwarded to the NRC, what did the word
22 pervasive mean to you at that time?

23 A Well, I suppose that what it meant at that time was
24 complete and extending ^{INTO EVERY PART} ~~in their report~~. Although that was not
25 obviously in total was we relied on for the conclusions that

1 were made in the March 20th letter. And in fact, although
2 there has been a great deal of discussion surrounding that one
3 word in the letter, the letter contained a lot of other
4 information which I believe is relevant and pertinent to the
5 overall conclusion.

6 So I had in my mind that it has a dictionary
7 definition which we had reviewed. I also had in my mind that
8 it had licensing significance in terms of the regulatory
9 process. I was not the origin of the word in discussion. I
10 was aware that it had come from George Eggar's law firm. And
11 although I did not know George Edgar, I clearly understood that
12 he had experience in this area, in the area of licensing.

13 BY MR. ROBINSON:

14 Q Before March 20th, did you have in your mind that it
15 possibly could have meant 100 percent of every criterion in
16 App.B?

17 A Well, it could be interpreted that way. But you
18 know, for me, and I did not ultimately concur directly in the
19 March 20th letter, but to me the notion that in order to be not
20 in compliance with App.B one would have to find pervasive in
21 the sense of 100 percent being out of compliance with App.B is
22 to me a nonsensical concept.

23 There is a judgment factor. And in fact, as you all
24 know, the regulations are not specific, and they are not
25 definitive. App.B itself is broadly worded. There is a lot of



1 judgment that is required.

2 I guess that the best way that I can characterize
3 what I would consider to be a pervasive breakdown is if I found
4 a problem area, and through the normal process -- and I do not
5 know if I previously described this with you -- but as you go
6 through trying to put boundary conditions around the problem
7 and find that it is so extensive that one cannot bound it and
8 therefore you cannot determine its extent, and therefore you
9 are left unable to conclude that the defense in depth concept
10 of the regulations and all of the systems surrounding the
11 process cannot be achieved, then I would believe that that
12 would be a pervasive breakdown.

13 And the later information leads me to believe that is
14 what the licensing or the regulatory intent of that word is.
15 But to say that I would have to find 100 percent failure in
16 order to conclude that I had lack of compliance in the sense of
17 that word is not correct.

18 Q Well, notwithstanding whether or not it is a
19 nonsensical concept or not, had that possible definition of
20 pervasive been discussed prior to March 20th?

21 A Do you mean as the basis for drawing the conclusion?

22 Q As the basis for using the word pervasive in the
23 letter.

24 A No.

25 Q Okay.

1 A Not to my knowledge.

2 BY MR. MURPHY:

3 Q Could I just interject. At the outset of this
4 question from Larry, you said something like although you ^{DID}~~do~~
5 not ultimately concur with the March 20th letter. You meant,
6 did you not -- you were pointing at the document.

7 A I am sorry.

8 Q You never made a formal concurrence?

9 A I was ^{NOT} a formal signatory to the letter. But I have
10 previously testified and will certainly reaffirm at this point
11 that I was in agreement with the conclusions reached in the
12 March 20th letter.

13 Q I just wanted to clarify that.

14 A I was specifically saying that I was not a signatory
15 to that concurrence. That is what I was indicating.

16 BY MR. ROBINSON:

17 Q When NSRS was asked their bases for the general
18 perceptions that they presented to Commissioner Asselstine in
19 December of 1985, were you the recipient of these bases, did
20 you review what NSRS said were the bases for those perceptions
21 at all?

22 A I believe we covered this in the previous deposition.
23 The process by which the backup and the evaluation was being
24 performed, as I previously stated, was ongoing when we arrived.
25 The procedures and basic approach was already established. And

1 we furnished, TVA furnished the OI with the chronology and the
2 information on that.

3 Basically, as I recall it, any material that they had
4 in support of their conclusions sort of came in. They did not
5 have it. As I understood it, when the TVA line asked the NSRS,
6 and this is second-hand, this is not my direct knowledge
7 because I was not even there, but that when they initially
8 asked for any backup information, it was not there and that it
9 was developed.

10 In effect, they had presented their perceptions or
11 the issues that led to their perceptions, and then after the
12 fact were developing the backup for those conclusions.

13 So that information came out in a series of
14 discussions or meetings I suppose, and it was directed to me
15 specifically. In fact, Bob Mullin, the then when we got there
16 director of QA, had been given the charter to head up the team
17 putting together the response. So he was when we arrived there
18 receiving the material, and he continued to receive that
19 material as time went forward.

20 Q When did you arrive there again?

21 A I arrived at TVA on January 15th, I believe. That
22 was a Wednesday, 1986. That is when I arrived at TVA.

23 Q Do you have any knowledge as to whether this
24 continuing input of information from NSRS was primarily or
25 entirely composed of employee concern references?

1 A You showed me, I believe in my last deposition you
2 showed me a document which I could not recall having previously
3 seen, at least not having seen it contemporaneous with the
4 preparation of the letter, which basically had a number of
5 employee concern references. I seem to recall that it had some
6 text with it, too, but it was mainly a series of references to
7 avoid concerns.

8 And to the best of my recollection, that was mainly
9 the detailed backup that I was aware of being provided were
10 those kinds of references to employee concerns.

11 Q At any point in time, did you come to a conclusion as
12 to whether those references were logical backup to the
13 perceptions?

14 A And I believe that we covered this in my last
15 deposition also. That in the sense that I was not preparing
16 the detailed responses, I was not reviewing them in fact for
17 technical adequacy. That was the responsibility of the line
18 organization. They had been given that charter, and that was
19 their responsibility.

20 Let me answer your question this way. You had asked
21 me in my last deposition what I would have thought or I believe
22 Mark Reinhart asked me what I would have thought as a QA
23 manager of those kinds of findings presented the way they were,
24 and I gave you my opinion that they seemed to be fairly
25 undocumented, and they seemed to be general and sweeping, and

1 they seemed to be nonspecific.

2 I am accustomed to having fairly specific citations
3 when someone presents a finding, and I guess that I had a
4 general feeling in what I saw at the time, although it was not
5 a lot of overview and review, but it was generally my feeling
6 was just a simple list and employee concern number. And even
7 with some generalizations, it is fairly incomplete in defining
8 what the basis for the finding was.

9 But again I want to stress that it was not my
10 responsibility to go develop a technical response, as the line
11 was doing that. The TVA line organization was doing that.

12 Q Was it ever your thought in the preparation of the
13 technical responses or in your observations of the preparation
14 of the technical responses to answer the general responses as
15 opposed to answering the bases of the general responses; do you
16 understand the distinction that I am making there?

17 In other words, I will give you an example. A
18 general response is the as constructed welding program is
19 indeterminate. The basis for that response is a series of
20 employee concern numbers that NSRS provided.

21 A Well, let me answer that. First of all, the question
22 that was being answered was the question which was placed by
23 the NRC. The NRC in Mr. Denton's letter had enclosed a series
24 of viewgraphs or papers that were presented, and the last one
25 was the so-called eleven items.

1 Actually, there were ten major issues I think
2 identified, and one below the line conclusion, and then the
3 bottom line conclusion regarding compliance to App.B. And the
4 NRC, as I recall the letter, asked TVA within six days to
5 indicate whether it was their belief that the requirements for
6 App.B were being meant.

7 And we took that to mean the question based on the
8 eleven or the ten plus one major issues. And then within
9 thirty days, to supply detailed backup for each one of the
10 issues.

11 So we were being asked, TVA, I was not there, but TVA
12 was being asked to respond to those major issues. And as far
13 as I was concerned, that is what we were answering. The NRC
14 did not transmit a whole bunch of employee concerns that were
15 associated with those issues. The NRC did not specifically
16 list those as citations. The NRC asked the question based on
17 the ten major issues plus the one issue below the line.

18 And that is what was really being answered. So as to
19 whether each one of the specific employee concerns needed to be
20 evaluated, if those were valid citations, that was up to the
21 line management to respond. I mean the line organizations were
22 to do the evaluations.

23 Q I guess my question to you is since you were
24 answering those ten items above the line, do you feel that
25 those items were answered; in other words, if the item says the



1 as constructed welding program is indeterminate, is there
2 somewhere in your interpretation in the March 20th response
3 something that says yes, NRC, the as constructed welding
4 program is determined?

5 A What is in the March 20th response is based on our
6 review of the issues raised and an evaluation of the activities
7 underway at TVA to address those issues, our conclusion is that
8 currently the requirements for App.B are being met. And I so
9 testified in my previous deposition, and that is what my
10 understanding was at the time.

11 Q Okay. And when you say issues, as you used it just
12 then, what are you referring to?

13 A I am referring to the ten major issues which are
14 listed in the viewgraph which was presented to Commissioner
15 Asselstine plus the one issue which is below the line on design
16 control. And that is my understanding of what we were
17 referring to in the March 20th letter when it was issued, when
18 it was transmitted.

19 BY MR. MURPHY:

20 Q Just one question.

21 Is there any difference in your view between meeting
22 the requirements of App.B as it pertains to the ten issues and
23 being in overall compliance with App.B?

24 A I guess that I am not sure that I understand what you
25 are asking there.

1 MR. SILBERT: I am sorry, I just do not
2 understand.

3 MR. MURPHY: Okay.

4 BY MR. MURPHY:

5 Q In the January 3rd letter from the NRC, they talk
6 about are you meeting the requirements of App.B.

7 A Right. Are the requirements being met.

8 Q Are the requirements being met.

9 A Yes, sir.

10 Q And in your response to that, you talk about the
11 overall program being in compliance with App.B.

12 Are we talking one and the same thing?

13 A Yes, I think we are. You have got to look at that
14 whole letter. The question was with respect to Watts Bar. The
15 question was not with respect to any of the others, and we
16 discussed this in my first deposition.

17 You know, there were a lot of things which led me to
18 be comfortable at that time with the response. First and
19 foremost was that I think the letter carefully stated that we
20 were conducting a very thorough and intense ongoing review of
21 all activities that we were engaged in and improvements in the
22 program. That obviously we had not been there a long time, but
23 that we had looked to the best of our ability at the time.

24 As you well know, Dick Kelly had commissioned a
25 special team to go out and look at what was being put together

1 to see if there were any things in that which indicated any
2 kind of major problem.

3 We were not answering for the past. In fact, many of
4 the things that were ongoing like the EG&E welding evaluation
5 program and like a number of the programs were evaluating those
6 things that had been alleged or had been raised as concerns in
7 the past. And on top of that from the point of view of the
8 overall program, I was aware that the NRC had been reviewing
9 and had approved TVA's QA program.

10 So I think that we were answering the instant
11 question with respect to those eleven perceptions, but there
12 were also a number of other commitments including ongoing
13 reporting to the NRC in accordance with the regulations which
14 TVA then proceeded to continue doing through the 50.55(a)
15 process and through the other reporting mechanisms.

16 Q Let me try to word this a little differently, because
17 it has been suggested to us. It is almost like we have two
18 different groups that have two different views of this. Some
19 people would say that you are not meeting the requirements of
20 App.B in each of the eighteen criteria, and that this can be
21 covered by a nonconformance report or some other kind of
22 corrective action report, that you are not really meeting the
23 requirements in that specific area, okay. But overall, you can
24 still be in compliance with App.B because App.B does in fact
25 allow for some errors.

1 A Well, first of all, App.B, as you all know,
2 historically App.B was written in acknowledgement of the
3 complexity and problems which are encountered in a very complex
4 process. So the App.B basis was that you could not build a
5 perfect plant 100 percent of the time, so that you would have
6 errors in the process. So App.B was established to recognize
7 that there would be errors, but to put the controls in place to
8 ensure within the test of reasonableness, reasonable assurance
9 that the various problems that were encountered were identified
10 and thereby corrected.

11 Q So let me try the question again.

12 Are we talking about meeting the requirements of
13 App.B and being in overall in compliance with App.B then the
14 same issue?

15 A I guess I have a hard time with the question, Mr.
16 Murphy, I really do. It is a difficult question. I cannot
17 give you a yes or a no answer to that question.

18 Q Okay, that is fine.

19 A I just have difficulty with it. I am sorry.

20 BY MR. ROBINSON:

21 Q I seem to have been asking you a lot of questions
22 that we already covered in your earlier testimony, and I am
23 going to try to ask you in this time that we have --

24 A I have only tried to recall what I have said
25 previously. I can go look and see specifically if I did.

1 Q I am going to show you a copy of the cover letter of
2 the March 20th letter itself.

3 A Okay.

4 Q The first sentence in the second paragraph says, "On
5 the basis of a review of the issues identified in the NSRS
6 perceptions," okay?

7 A Yes, sir.

8 Q Now I am going to ask you on those issues. I am now
9 going to show you the overhead of the NSRS perceptions of the
10 Watts Bar status.

11 Is that what that sentence means to you?

12 A That is what that sentence means to me. The ten
13 issues which are identified in the NSRS staff perceptions of
14 the Watts Bar status document which are listed as major issues,
15 and then the one bottom line issue which is design control.

16 Q Would it surprise you to learn that other people very
17 close to you very carefully specified that the words "issues
18 identified" in the NSRS perceptions refer specifically to the
19 employee concerns that were referred to the management by NSRS
20 management as the basis for those perceptions?

21 A Would it surprise me?

22 Q Yes.

23 A It is not consistent with my understanding of what
24 that word is referring to. When you say those close to me, I
25 do not really know what that means, in TVA?

1 Q Well, Mr. Kelly for one.

2 A It was my understanding that we were talking about in
3 that case addressing the question of the ten issues plus the
4 one below the line. Now the other information and material as
5 reviewed and evaluated by the line organizations in preparing
6 those responses certainly would sum up, my understanding was
7 that they summed up to their conclusions. But those eleven or
8 ten plus one is what I understood we are talking about as far
9 as the issues were concerned.

10 Q If in fact the issues are as Mr. Kelly defined them
11 and not as you perceived them to be, would that diminish in
12 your mind the meaning of saying that you are in compliance with
13 App.B based on those issues?

14 A I do not believe so.

15 Q It would not diminish it in any way?

16 A Well, I do not think so. I do not understand. I
17 mean that is a judgment call. I do not think so. As far as I
18 know, the information at the time available to the line
19 organizations that were preparing the responses was evaluated.
20 As I stated before, I was not managing that effort.

21 MR. MURPHY: Do you want to define how you think Mr.
22 Kelly --

23 MR. ROBINSON: Mr. Kelly defined the issues
24 identified in the NSRS perceptions as the employee concern
25 numbers that were referred to Mr. Mullin by NSRS as the basis

1 for those perceptions.

2 THE WITNESS: Well, let me respond further.

3 MR. ROBINSON: Sure.

4 THE WITNESS: Let me respond further that to the best
5 of my knowledge that information was being evaluated, and it
6 was summing up to the total individual line item by the NSRS.
7 So I can understand that perception that those things were
8 being evaluated on the employee concern number by employee
9 concern number. But that is not my understanding of what the
10 word issue was.

11 MR. SILBERT: Is your question that the whole is
12 greater than the sum of those parts?

13 MR. ROBINSON: No. My question is if I were to read
14 that letter, I would interpret it exactly the way that Mr.
15 Huston interpreted it. And without having the knowledge of
16 what was going on at TVA to respond to what was called those
17 issues, the NRC reader would think that you were answering a
18 question as to whether or not the as constructed welding
19 program was determinate or not, not a series of individual
20 employee concerns that may or may not pertain to the as
21 constructed welding program.

22 MR. SILBERT: But somehow do you not have to get
23 beneath. Your question assumes that are just answering a one
24 line as constructed welding is indeterminate without going
25 behind to see the bases for what the conclusion is or what

1 facts lead to that perception.

2 And it seems to me that is it not obvious that any
3 NRC reader would understand that someone would have had to go
4 back and find what is behind it in order to make a review of
5 the issues identified and an analysis of it. I guess that I am
6 a little lost here.

7 And that is why I asked you if the whole is greater
8 than the sum of the parts. Because if you look for the parts
9 and if you look for the whole.

10 MR. ROBINSON: Yes. In this case, the whole is much
11 greater than the sum of the parts. Because answering the sum
12 of the parts does not answer whether or not the welding program
13 is in fact determinate at Watts Bar on March 20, 1986. And that
14 is what the letter to me gives the appearance of answering.

15 THE WITNESS: Let me not get into a debate on this
16 issue, but let me just answer that specific.

17 MR. ROBINSON: Sure.

18 THE WITNESS: The letter did not speak to the past.
19 EG&G was engaged and EG&G was doing a review and evaluation of
20 were the welding activities being conducted at Watts Bar at the
21 time that we made the answer or during the time period that we
22 had been there or an evaluation being conducted in accordance
23 with the requirements of App.B, and the issue raised was it
24 being adequately addressed, were people concerned about the
25 potential previous issue. Although they might not have reached



1 a conclusion on it yet, were things in place to evaluate that
2 and come to some resolution.

3 I think that is more the case than to try to answer
4 for the instant question and say that the welding program is
5 determinate. That would be a conclusion that for all time and
6 eternity that it had been determined.

7 BY MR. ROBINSON:

8 Q Why, why could you not say as of this time it is our
9 conclusion that the welding program is determinable?

10 A Well, we thought -- I am sorry, I thought that it
11 what the letter said. I thought that is what the letter said.
12 I thought that the letter responded to the question being asked
13 by the NRC as to whether the requirements were being met, and
14 that is what I thought we answered.

15 Q Okay. I do not want to get into a debate either.
16 But it is important when you are determining the meaning of a
17 letter to see what that letter means to various people.

18 A Well, I am trying to give you my best recollection of
19 what it meant at the time.

20 MR. MURPHY: Are you saying, and I do not mean to
21 prolong this either, but where there is a perception that the
22 records are of poor quality, that the obligation of the
23 recipient is to go back and review every single record that is
24 being generated or has been generated to see whether they agree
25 or disagree whether it is of poor quality.

1 Or whether you go back to the person who makes that
2 allegation and say you say that they are of poor quality, can
3 you identify the areas that you are talking about, and they say
4 yes, we have a list of 6000 records that we think are of poor
5 quality. And you go back and review all of those 6000 records
6 and you deal with them and say I do not think or my conclusion
7 is that I do not think that any of those 6000 are of poor
8 quality or some of them are but we are addressing that.

9 MR. ROBINSON: I am not saying what they should do or
10 what they should not do. Obviously, it is a very logical step
11 to go back and ask for a basis for the perceptions. But if you
12 are going to do that and not try to answer the generalized
13 perception, then merely explain that in a letter instead of as
14 including as your attachments to the letter each perception as
15 the heading for the attachment, the generalized perception.
16 Now that leads me to believe that that generalized perception
17 is going to be answered.

18 MR. MURPHY: The generalized perception is based on
19 certain experience, and you say what is the experience on which
20 that is based, and the person says here is the experience on
21 which it is based. And you go back and review that experience
22 and say I agree with you or I disagree with you.

23 Are you saying that if a person makes an allegation
24 based on experience and the universe is two feet wide that they
25 nevertheless go back and explore not only that two feet but



1 some additional ten feet

2 MR. ROBINSON: No, but I am saying that if they
3 determine that the universe is two feet wide that they do not
4 go into an inch wide and explore the inch and make a statement
5 about that two foot wide strip.

6 MR. MURPHY: I am not sure that there was even a
7 suggestion that they were doing that.

8 THE WITNESS: I can tell you that that was not the
9 intent as far as I knew.

10 MR. ROBINSON: Okay.

11 THE WITNESS: The intent as far as I knew was to
12 evaluate the stated issues as completely as possible
13 recognizing that there were a number of ongoing programs in
14 place to complete those evaluations, but to really make a
15 determination as to whether currently things were being done
16 properly.

17 MR. ROBINSON: Okay.

18 THE WITNESS: And that is my sort of kind of an over
19 simple statement of what I thought we were doing.

20 MR. ROBINSON: I appreciate that.

21 THE WITNESS: What I appreciate was being done at
22 that time.

23 MR. ROBINSON: I do not have any further questions.

24 BY MR. WILLIAMSON:

25 Q Let me change the subject. You mentioned that Mr.

1 Kelly was involved or had commissioned or directed a special
2 effort.

3 Was that the ^{CRAIG}~~Greg~~ Lundin effort?

4 A Yes, sir.

5 Q And what was the purpose of that effort?

6 A Well, as we discussed in my previous deposition, he
7 was going out with a team of people who were experienced with
8 current day practices at various job sites around the country,
9 and we specifically chose folks who were at a level where they
10 would be directly involved in the various activities, to go out
11 and take a look at the activities regarding the preparation of
12 the responses, to look at the issues as they were being
13 evaluated, and to give Dick an input as to number one whether
14 they were being adequately looked at, and number two whether
15 the activities in the areas looked to them like they were being
16 accomplished in a normal fashion.

17 In other words, that the activities say in material
18 control in addition to the response from what they could tell
19 in a short period of time that it looked like the activities at
20 Watts Bar site in material control were reasonable from the
21 point of view of the industry standards that were currently in
22 place.

23 Q And this information was reported I believe via memo
24 to Mr. Mason?

25 A I am aware that there was a memo and I saw it at the

1 time that was written to Mr. Mason.

2 Q And not a formal report?

3 A No, sir. It was not an audit. It was an assessment,
4 and it was not a formal audit.

5 Q I would go back. I mentioned to Mr. Kelly that it
6 was a snapshot, and he said that was not his terminology. But
7 someone mentioned that it was a snapshot.

8 A We can go back and look at my previous deposition. I
9 think that in that discussion that we got into cursory. And
10 you asked me if I thought that it was cursory, and I told you
11 that I certainly did not think that it was cursory. I believe
12 that you also asked me if it was a snapshot, and that is my
13 recollection of March. And I believe that I responded that it
14 was a snapshot.

15 But let me tell you that it was a snapshot in that it
16 looked at the activities, you know, sort of in a slice to see
17 what was going on out there. It was not an ongoing monitoring
18 program or anything like that. That is what I meant by
19 snapshot.

20 Q Was the purpose of that Lundin effort to provide some
21 support to the perceptions that had already been reviewed, or
22 were going to be reviewed, or was it to be an independent
23 review?

24 A Well, look. Try to put yourself back in that time
25 frame. I spent a lot of time talking with you all about all

1 the things that were going on. Believe me, there were a lot of
2 things going on. And I think that if you have talked to a
3 number of people that you probably appreciate that.

4 And so we did not disbelieve anybody in TVA, but we
5 certainly recognized that -- we had no basis to disbelieve
6 anybody in TVA. But we wanted to make sure, Dick did, on an
7 issue this important that he had people in whom he had direct
8 experience and confidence go out and take a look and just give
9 him their assessment. So it was in a sense an independent
10 look.

11 Q Okay. Let me ask you, are you familiar with the June
12 5, 1986 response from Mr. White to Mr. Denton, and that is a
13 response I think to a May 16, 1986 letter from Mr. Denton?

14 A You are showing me a letter to Denton from White
15 dated June 5th. Yes, I am familiar with this letter.

16 Q I have a couple of questions that I would like to ask
17 you about that.

18 A Okay.

19 Q Paragraph four, the fourth line, excuse me, the third
20 sentence. It says, "In order to respond to that specific
21 request," which was the January 3rd request, "I assembled a
22 group of outside individuals with significant and extensive
23 nuclear QA experience in the areas in question and directed
24 them to conduct the review of each of the perceptions."

25 Is this the Lundin?

1 A Yes, sir, to the best of my recollection and
2 knowledge, that is the Lundin.

3 Q "In addition," and I am still quoting, "I had a group
4 of highly experienced non-TVA experts review this group's
5 findings."

6 Do you know who the non-TVA experts are?

7 A To the best of my knowledge, that would be the so-called
8 kitchen cabinet.

9 Q And I have been told that that included Mr. Wegner,
10 Mr. Brodsky, Mr. Bass, Mr. Miles, Mr. Sullivan, Mr. Siskin, Mr.
11 Nace, and Mr. Stone.

12 A That is generally one time or other the people who
13 composed that group.

14 Q Mr. Kelly was not sure whether he was a member of
15 that group or not.

16 A Well, he was --

17 MR. SILBERT: Excuse me. I think that Kelly
18 definitely not a member of the kitchen cabinet.

19 MR. WILLIAMSON: Not a member of the kitchen
20 cabinet.

21 THE WITNESS: Absolutely Mr. Kelly was not a member
22 of the kitchen cabinet. In fact, he and I were both, as well
23 as Mr. Drotleff and Kirkebo, loaned managers to TVA. We were
24 not considered part of Mr. White's advisory staff.

25 BY MR. WILLIAMSON:

1 Q The third paragraph says that they also assembled a
2 group of qualified management team I believe. Would you be a
3 member of that? I think that Mr. Kelly indicated that he was a
4 member of that.

5 MR. SILBERT: Well, you would have to ask White.

6 THE WITNESS: By the way, Mr. White -- that is a good
7 point taken. That Mr. White wrote the letter. So I would say
8 that Mr. White would be the one who could tell you exactly what
9 he meant. But with respect to the third paragraph where it
10 said, "The most pressing needs that I found at the time were to
11 make sure that I understood the problems were to assemble a
12 qualified management team and to lay out a plan for correcting
13 the problem," I consider myself to be part of his management
14 team, because I was given a line management assignment.

15 MR. ROBINSON: One question along that line.

16 BY MR. ROBINSON:

17 Q Do you have any knowledge, Mr. Huston, of any kind of
18 systematic or organized review by the kitchen cabinet of
19 Lundin's efforts?

20 A No.

21 BY MR. MURPHY:

22 Q Do you know of any systematic effort to review the
23 cover letter?

24 A Absolutely. You showed me earlier in this interview
25 a concurrence sheet that indicates that systematic review.

1 Yes, that is part of it.

2 Q I do not want to get too involved in this, but do you
3 know of any people on that list that were limited in their
4 concurrence, and let me suggest something to you. Mr. Gridley
5 stating that his concurrence was based on the fact that the
6 letter was prepared administratively correctly, that it had
7 all of the "is" dotted as opposed to his content of the letter.

8 A Well, excuse me, Mr. Murphy, but you need to ask Mr.
9 Gridley what his concurrence meant. I am sorry.

10 Q I am telling you what Mr. Gridley is saying.

11 A All right.

12 Q Or Mr. Kirkebo who is speaking for Mr. Drotleff in
13 engineering says that he concurred with those areas pertaining
14 to the Office of Engineering. And of course, Mr. Whitt, who
15 said that he merely read the letter.

16 A Well, we discussed that in my previous deposition.
17 It was my understanding after the fact that that was not what
18 Mr. Whitt expressed in the meeting. But the notation on there
19 that says words to the effect that he only read the letter were
20 added after the fact.

21 Q I guess that what I am getting at is a systematic
22 review of the contents of the letter from different points of
23 view as opposed to a systematic review of the letter by the
24 senior managers that were assembled by Mr. White.

25 A Again I am having difficulty with it, Dan. Certainly



1 the letter was reviewed in that concurrence meeting. And
2 certainly there were reviews that went on before that in terms
3 of the sign-off that was obtained from each one of the
4 responsible engineers and people responsible for the detailed
5 responses.

6 And that was all summed up, and there was a
7 concurrence attempted first on February 20th. And then because
8 it could not be issued at that point, there was an ongoing
9 review. I consider that systematic.

10 Q Okay.

11 MR. SILBERT: I just have a question.

12 Were you ever present in a meeting with Kelly and a
13 NRC representative by the name of Belisle on or about March
14 20th where a question was asked about compliance?

15 THE WITNESS: Yes, I was, and I think that I so
16 indicated in my first deposition.

17 MR. SILBERT: Do you recall what the conversation
18 was?

19 THE WITNESS: Well, basically Mr. Belisle was in at
20 Mr. Kelly's invitation to review the new organization and to
21 look at the draft, to talk about the plans of drafting the
22 revisions of the QA topical report. And at some point in that
23 discussion, Dick indicated that we were coming to a final
24 conclusion on the App.B response, and were concluding that
25 currently TVA was in compliance with App.B, and asked Mr.

1 Belisle if he had any difficulty with that in terms of any
2 different view.

3 And to the best of my recollection, Mr. Belisle
4 indicated that he did not have any difficulty with that. He
5 did go on to discuss corrective action. Mr. Belisle has been
6 very active in that area with respect to TVA's QA program over
7 the years before we were even there. So it was an issue that
8 was one that he had been very interested in making sure that
9 TVA was sensitive to. And he wanted Dick and I to be aware of
10 his concerns and the things that TVA had already done to
11 respond to those concerns.

12 MR. MURPHY: Mr. Meserve, do you have any questions
13 or any closing remarks?

14 MR. MESERVE: No.

15 MR. MURPHY: Mr. Huston, have I or any of the NRC
16 representatives here threatened you in any manner or offered
17 you any rewards in return for this statement?

18 THE WITNESS: No.

19 MR. MURPHY: Have you given this statement completely
20 voluntarily?

21 THE WITNESS: Yes, sir, to the best of my knowledge.

22 MR. MURPHY: Is there anything further that you would
23 like to add for the record?

24 THE WITNESS: No.

25 MR. MURPHY: This interview is concluded at 3:20 p.m.

1 on August 18, 1987.

2 (Whereupon, at 3:20 p.m., the interview was
3 concluded.)

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James Edward [Signature]
9/28/87

CERTIFICATE

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This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

Name: Investigative Interview: James E. Huston
(Closed)

Docket Number:

Place: Boston, Massachusetts

Date: August 18, 1987

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken stenographically by me and, thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings.

/s/

Margaret Daly

(Signature typed): Margaret Daly

Official Reporter

Heritage Reporting Corporation