

ENCLOSURE 1

1 BEFORE THE UNITED STATES NUCLEAR REGULATORY COMMISSION

2
3 Atlanta, Georgia

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7
8 A meeting between members of TVA management,
9 Quality Technology Company and members of the
10 U. S. Nuclear Regulatory Commission to discuss
11 concerns and issues arising from welding
12 certification procedures at the Watts Bar
13 Nuclear Energy facility.

14
15 The meeting was conducted with the
16 Director, DRPR, Roger Walker and the Regional
17 Administrator, D. Nelson Grace acting as
18 chairpersons, commencing at approximately
19 1:00 p. m. o'clock on the 25th day of
20 September, 1985 at 101 Marietta Tower,
21 Atlanta, Georgia.

22 -oOo-

23 NEWBERRY & COMPANY
24 Certified General Court Reporters
25 Suite 1113 The Healey Building
57 Forsyth Street, NW
Atlanta, Georgia 30303

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1 ATTENDING:

2 R. H. VOLLMER

3 B. J. YOUNGBLOOD

4 E. G. ADENSAM

5 D. M. VERRELLI

6 A. F. GIBSON

7 J. N. GRACE (Chairperson)

8 R. D. WALKER (Chairperson)

9 A. R. HERDT

10 B. D. LIAW

11 G. B. GEORGIEV

12 J. J. BLAKE

13 S. P. WEISE

14 W. SCHUM

15 W. T. COTTLE

16 K. W. WHITT

17 OWEN THERRELL

18 JOE GILDEN *GILLELAND*19 ~~AL IGNASALIS~~ *IGNATONIS*

20 JOHN NELSON

21 STEVE STAGNOLIAN

22 BILL KLEINSORGE *GE*23 JANE AXELRØD *RI*

24 LEO MEDINAS

25 STEVEN VIAS

MILT SHUMLOCK

BOB PETTY

And members of the press from the Atlanta Journal
and Constitution.

P R O C E E D I N G S

1
2 MR. WALKER:

3 Is everybody present? Anybody that
4 isn't here tell us; otherwise why don't we
5 shut the door and get with it?

6 DR. GRACE:

7 Okay. Again we thank you for coming
8 again to meet with us on some concerns. We
9 called this meeting with TVA management to
10 learn what they did to process employee
11 concerns in the welding area prior to their
12 September eleventh meeting or letter to us
13 proposing restart of welding at Watts Bar, and
14 we also asked them to bring their
15 subcontractor, QTC along so that we might hear
16 directly from them what are the concerns that
17 they've uncovered. We have not heard of any
18 of these yet.

19 I think maybe to begin with we should
20 introduce the people around the table. I'm
21 Nelson Grace, Regional Administrator.

22 MR. GIBSON:

23 And I'm Al Gibson, Director of Division
24 of Reactor Safety here in Atlanta and while I
25 have the floor let me mention that the

1 stenographer has asked that before each of us
2 speaks the first time she'd like for us to
3 give our names, to help her associate the
4 names with the voices.

5 MR. VOLLMER:

6 Dick Vollmer, Deputy Director of
7 Inspection Enforcement at Headquarters.

8 MS. ADENSAM:

9 Eleanor Adensam, Licensing Branch Chief,
10 NRR.

11 MR. VERRELLI:

12 Dave Verrelli, Projects Branch Chief,
13 Region two.

14 MR. YOUNGBLOOD:

15 Joe Youngblood, Licensing Branch Chief,
16 NRR.

17 MR. THERRELL:

18 Owen Therrell, Quality Technology
19 Company.

20 MR. WHITT:

21 Kermit Whitt, Director of Nuclear Safety
22 Review Staff, TVA.

23 MR. COTTLE:

24 Bill Cottle, Assistant Manager of Fire
25 and Engineering Nuclear, TVA.

1 MR. SCHUM:

2 Scott Schum, Quality Technology Company.

3 MR. WEISE:

4 Steve Weise, Project Section Chief, NRC,
5 Region two.

6 MR. BLAKE:

7 Jerry Blake. I'm a section chief for
8 Region two.

9 MR. GEORGIEV:

10 George Georgiev, senior engineer, IE
11 Headquarters.

12 MR. LIAW:

13 B. D. Liaw, Chief of Material,
14 Engineering Branch, NRR Headquarters.

15 MR. HERDT:

16 I'm Allen Herdt, Chief of the
17 Engineering Branch in Region two.

18 MR. WALKER:

19 Roger Walker, Director of Division
20 Projects, Region two.

21 DR. GRACE:

22 Let's continue around the back, okay?

23 MR. GILDEN:

24 I'm Joe Gilden. I'm public affairs
25 officer in Region two.

1 MR. IGNASALIS:

2 I'm Al Ignasalis, Project Engineer in
3 Region two.

4 MR. NELSON:

5 John Nelson, House Energy Committee.

6 MR. MEDINAS:

7 Leo Medinas, -- specialist --

8 MR. PETTY:

9 I'm Bob Petty, TVA. I'm assistant to the
10 manager, construction.

11 MR. Stagnolian:

12 I'm Steve Stagnolian, TVA; I'm the welding
13 engineering unit supervisor, Quality Assurance
14 Branch.

15 MR. VIAS:

16 Steven Vias, Inspector, Region two.

17 MR. SHUMLOCK:

18 Milt Shumlock, senior resident, Watts
19 Bar.

20 MR. YORK:

21 John York, senior resident at Bellefont.

22 MR. KLEINSORCH:

23 Bill Kleinsorch, metallurgical engineer,
24 Region two.

25 MR. WALKER:

1 Do we have members of the press here?

2 MR. DEES:

3 Bob Dees, Constitution.

4 MR. CRAWFORD:

5 John Crawford, the Atlanta Journal.

6 DR. GRACE:

7 Well, I think without further ado I'll
8 turn the meeting over the Roger Walker, who'll
9 be our M. C.

10 MR. WALKER:

11 And everyone is aware this is being
12 transcribed, so when you speak, my name is
13 Roger Walker, try to identify yourself.

14 Okay. Let me tell you what I understand
15 is at issue here and what I think happened and
16 then we're going to want some perceptions from
17 you. We did an inspection. I believe John
18 York did that inspection, in which we
19 developed some concerns for the renewal of
20 qualification of welders. The codes that we
21 were looking at, the regulatory requirements
22 were ASME codes and AWS codes. As we
23 understood it our concerns had to do with the
24 renewal of qualifications of certain people
25 without even -- without having proven that

1 they did a good weld during the period prior
2 to the renewal of the certification, or having
3 run a bead under -- I believe it's paragraph C
4 -- is that what I want to say? Of ASME code
5 two W three two two (2W322), which deals with
6 renewal qualifications.

7 UNIDENTIFIED:

8 In section nine.

9 MR. WALKER:

10 Section nine. Now, we reported those con-
11 cerns to you, Bill, and asked you to initiate
12 a stop work order at Watts Bar in the welding
13 area and you agreed to do that and we sent you
14 a confirmatory action letter confirming what
15 we had in mind. Subsequent to that it's our
16 understanding that you went out and tried --
17 went through a renewal of qualification for
18 portions of your welders, significant portions
19 of your welders, anyone that was going to weld
20 for a period of time. We expected that. I
21 believe Mr. Kleinsorch expected it. Felt it
22 met the code. You come back and said that on
23 the basis of these welders having their
24 qualifications renewed you'd like to lift the
25 stop work on welding. We agreed that as long

1 as these people were certified renewals, their
2 qualifications were renewed according to the
3 code and in the program that met that code
4 that we would agree with that and that there
5 were certain aspects of the cowl [SIC] that
6 remained in effect to assure that the
7 integrity of the welding and the welding
8 process that needed to be completed subsequent
9 to renewal of the welder.

10 Later to that, your contractor met with
11 Congress and they asked if they would have
12 renewed the welding, pulled the stop work
13 order and they said 'no', as I understand it;
14 based on the information they had that they
15 had serious concerns for the renewal of
16 qualifications of the welders. Two aspects of
17 that bothered us. One, we don't know -- the
18 biggest one is we don't know what those
19 concerns were. We feel that either fifty
20 fifty-five E or Part twenty-one is applicable,
21 would have caused you to report any such
22 serious defects to us prior to lifting that
23 stop work, and we don't know why they weren't
24 reported to us. We want to know why they
25 weren't reported to us if there were defects

1 and we want to know what those defects were
2 and how they apply to the codes and that's
3 what we're here for today. And with that I'll
4 give it to you.

5 DR. GRACE:

6 I'd like to add that we have not
7 prejudged the situation. TVA may very well
8 say they've looked at all the concerns, all
9 the allegations; they've processed them and
10 found that they've fixed them or found that
11 they were of negligible safety significance or
12 whatever, and if so then you've done your job
13 thoroughly and perhaps there was no need to
14 inform us, but on the other hand if there are
15 some unresolved safety concerns then we have
16 to reconsider.

17 MR. WALKER:

18 With that we'll turn it over to you,
19 Bill.

20 MR. COTTLE:

21 Okay. I'm Bill Cottle. Let me start
22 out by putting, by focusing on the context,
23 Roger, and that's I agree with your summary of
24 events that took place and with the
25 confirmation of action letter, our

1 response, and then an issue raised as to would
2 our contractor have resumed welding. That
3 basically happened as you described. Let me
4 focus on welding from two standpoints: one is
5 employee concerns or allegations that involve
6 the recertification process and the retesting
7 of the welders that we had in progress at that
8 time and that we had committed to in our
9 response to the confirmation of action letter.
10 The second is concerns that are in place and
11 are in various stages of investigation that
12 deal with other welding issues and there are a
13 large number of those. It is my personal
14 understanding and I'll call on both Mr. Whitt
15 and Mr. Schum during the discussion and I'm
16 certainly not trying to put words in either of
17 them's mouth.

18 We were informed by QTC, one of their
19 lead investigators on site prior to -- I
20 believe -- prior to our response coming in
21 that, 'Hey, we have a concern on the
22 recertification process,' and that was
23 relayed, to my understanding, both to our
24 construction organization and our nuclear
25 safety staff and it was brought over in a

1 timely manner. The concern at that time, both
2 QTC took action to make the construction
3 project manager on site at Watts Bar aware of
4 the nature of the concern and as I said, the
5 nuclear safety review staff on site
6 representative at Watts Bar; made him aware of
7 that concern; the nuclear safety staff
8 representative, Mr. Harrison, went over,
9 personally made sure that the construction
10 project manager was aware of that concern.
11 That concern, as generally stated was a welder
12 who had been involved says, "I do not believe
13 that the recertification process is in
14 accordance with the code. It is not an
15 initial certification, bringing in a welder
16 from off the street and running him through
17 the code-required initial testing." That was
18 made known, like I say, to our construction
19 project manager. He relayed that to me. I
20 then took steps to make an -- further in the
21 concern, and this wasn't -- I don't know if
22 this was a part of the concern, or it was
23 certainly a part that QTC was concerned about.
24 If you read your response to the NRC, it's
25 telling them with a very specific set of words

1 that it was -- you have rescinded
2 certification. Rescinded, if you read that in
3 conjunction with the code means you would go
4 back to ground zero and start over with a
5 complete -- your unqualified welder and we're
6 going to run him through the entire test
7 program. That was certainly not our intention
8 by the wording. It wasn't our intention in
9 discussion with your inspectors and I directed
10 our licensing staff to follow that up and make
11 sure that at least on the section chief level
12 in Atlanta that that was understood, you know,
13 that we did not intend to imply we were going
14 back to ground zero with these welders but we
15 were going to do what I would call in layman's
16 terms the periodic certification test.

17 DR. GRACE:

18 I think renewal is the key word. That
19 was -- those are the words used by your Watts
20 Bar people.

21 MR. COTTLE:

22 Right.

23 DR. GRACE:

24 And that's a word that keys into the
25 proper paragraph in the code.

1 MR. COTTLE:

2 We feel comfortable, you know, having
3 that concern identified to us, that we had
4 looked at it and knowing that a regional
5 inspector had been on site; has observed a
6 part of the program and we were very confident
7 that he understood the intent and there was no
8 misunderstanding of the type of test we were
9 doing and then following that up with a
10 discussion and I believe it was between Ralph
11 Shell off my licensing staff and Steve Weise,
12 you know, that there wasn't any
13 misunderstanding between our intent and what
14 Region Two understood as far as our test
15 program goes.

16 MR. WALKER:

17 Can I interrupt just a minute?

18 MR. COTTLE:

19 Concurrent -- and let me --

20 MR. WALKER:

21 Go ahead, Bill.

22 MR. COTTLE:

23 Make one other point. Concurrent with
24 that there was a second concern expressed by
25 -- again, by an employee to QTC and kind of

1 the basis of that concern says, "My
2 recertification was conducted by doing a weld
3 on a flat plate in the following manner; yet,
4 I'm being recertified to do piping weld."
5 That was received, you know; was conveyed to
6 our nuclear safety review staff representative
7 on site. He looked at that and was familiar
8 enough with the codes and felt comfortable
9 enough that that concern was bounded by the
10 initial concern, that it was clearly a
11 question of -- you know -- whether it was the
12 initial qualification of a welding, a welder,
13 or a periodic recertification. Those, at the
14 time, you know, were the only two concerns,
15 you know, which we were aware of that impacted
16 on the validity of our response. When Harold
17 Denton brought the issue up on site last
18 Thursday I met with Mr. Schum's -- two of Mr.
19 Schum's lead investigators and with the
20 resident nuclear safety review staff,
21 supervisor on site. Those were the only two
22 concerns that either organization was aware
23 that would question the validity of our
24 response.

25 Roger?

1 MR. WALKER:

2 I want to ask you a question in a
3 minute, but I want to ask some questions of
4 people from NRC. Is there anybody on our side
5 of the house that felt the issue was anything
6 other than renewal of qualifications under the
7 codes?

8 (No response).

9 MR. WALKER:

10 And we have all parties present. Is
11 there anybody on our side of the house that
12 disagrees with the methodology used for the
13 renewal of qualification as to whether it met
14 the code?

15 (No response).

16 MR. WALKER:

17 Okay.

18 DR. GRACE:

19 Let me add one point.

20 MR. WALKER:

21 Let me -- oh, okay.

22 DR. GRACE:

23 I don't understand why there was
24 confusion at TVA, because here's a memo dated
25 August twenty-eighth from Gunter Waterwitz to

1 the Watts Bar welders, saying that -- after
2 some introductory sentences, 'therefore, TVA
3 has elected to renew all welders'
4 qualifications, and that word 'renews' keys
5 into the proper paragraph of the code, and I
6 guess I'm surprised that this could not have
7 been straightened out a long time ago. The
8 misunderstanding seems to continue and be
9 widely publicized and so forth and so on. Why
10 can't we put it to bed? Why have you not been
11 able to put it to bed with your subcontractor?

12 MR. WALKER:

13 His question is similar to mine and it
14 is did you inform your contractor and your
15 employee with the concern that you had
16 investigated and the program that he did --
17 that there was not a good understanding of
18 what the issue was and that the code
19 requirements were being met?

20 MR. COTTLE:

21 I'm speaking secondhand on discussions
22 that I'm told have taken place and that was
23 that an investigator from QTC was informed;
24 that it was never our intention to do the
25 original certification; the renewal is what

1 we're talking about, and that I believe,
2 Scott, that your man was informed and we're
3 fully aware that Region two understands that
4 and you know, they have had an inspector on
5 site who has -- in fact, walked through the
6 various elements of that you know, from the
7 standpoint of both the type of welding that
8 was being done to I believe even looking at
9 some radiographs, you know, while he was on
10 site and being -- we were very, very
11 comfortable that that was clearly understood.
12 I guess what we misjudged and weren't aware
13 that it was an issue at all until -- until
14 Harold brought it up, you know, on site
15 Thursday; thought it was a misunderstanding by
16 an individual employee and we were going to
17 appropriately address that, you know, similar
18 to the numerous other concerns that we had,
19 but to place it in context, you know, Scott
20 had been to Washington; had not been on site
21 since --

22 MR. SCHUM:

23 Monday.

24 MR. COTTLE:

25 Wednesday?

1 MR. SCHUM:

2 Monday.

3 MR. COTTLE:

4 Monday, of that week. I guess at the
5 time you know, that he left the site, he was aware
6 that a concern, or two concerns existed concerning
7 the recertification process. They had followed
8 through and had kept in touch with the construction
9 project manager and at that point in time on
10 Monday, Hugh Parris, manager of fire and
11 engineering had not agreed that we were going to
12 ask for a resumption of welding. We were still in
13 the process of determining what is -- what is our
14 investigative path; you know, what progress are we
15 making on the investigation to see what elements of
16 the organization and what individuals were
17 resolved. And that was the status at the time they
18 left the site, and checked back with him, I guess,
19 during the week and were told by the construction
20 project manager that that basically hasn't changed;
21 that it would appear that we're going to go ahead
22 and issue, you know, reduction in force notices to
23 the employees because we're not sure Mr. Parris is
24 going to allow us to even ask for a resumption of
25 welding, and I think that kind of sets the context

1 for Mr. Schum's discussion that occurred up in
2 Washington, and I guess I'd like to ask Scott to go
3 over, you know, that specific line of questioning
4 that occurred.

5 MR. WALKER:

6 Understand, Mr. Schum, we don't -- you
7 know, we hold TVA responsible for welding, not
8 you, and so --

9 MR. SCHUM:

10 I understand. I'm Scott Schum. To put
11 it in context I was asked by a congressman, I
12 don't even know who, would QTC based upon the
13 information we had have recommended they
14 restart welding at Watts Bar. My initial
15 response to that, and I'll say it one more
16 time, I've been away from the site for some
17 three days and I don't have current knowledge.
18 The answer to that was, 'that's not the
19 question. The question is would QTC have
20 recommended restarting of welding at Watts
21 Bar?' And I responded that that is not our
22 function. We are not in the position of
23 judging what TVA does or does not do in
24 corrective action. One more time the response
25 was 'That's not the question, Mr. Schum.

1 Would QTC have recommended?' And the response
2 to that was 'probably not.' Our opinion, and
3 when I left the site Monday was then, and this
4 is our opinion, that the words used in the
5 response, 'rescind and revoke qualification'
6 and having I believe the welder qualification
7 cards they carry stamped 'rescinded', implied
8 a total and complete requalification. I will
9 admit to being surprised that they came back,
10 particularly when I was informed by Congress,
11 okay? I didn't tell the Congress that the
12 people came back to work. The Congress told
13 me, so yes, I was surprised.

14 DR. GRACE:

15 What day of the week was that?

16 MR. SCHUM:

17 Tuesday, Wednesday? I don't know.

18 MS. ADENSAM:

19 Could we -- Eleanor Adensam -- could we
20 use dates, because my understanding was TVA's
21 request for lifting the stop work was dated
22 the eleventh of September?

23 MR. SCHUM:

24 I don't know.

25 MS. ADENSAM:

1 No, I'm just -- so instead of saying
2 Monday or Tuesday, can we refer to dates, so I
3 can -- I hear Bill saying that Monday was --
4 Hugh still hadn't made the decision that he
5 was going to sign this letter, which I -- from
6 your conversation would have thought it had
7 already been signed.

8 MR. COTTLE:

9 Okay. I may have have my dates mixed up
10 there, Eleanor.

11 UNIDENTIFIED:

12 Does anybody have a calendar?

13 MR. COTTLE:

14 What I was trying to imply is that the --
15 that Scott left to go to Washington, you know,
16 Gunter Waterwitch [SIC] did not have the word
17 that Hugh, you know, had in fact agreed to ask
18 for a lifting of the stop work order, and if I
19 used the wrong day, I'm sorry.

20 MR. WEISE:

21 Eleanor, Steve Weise, just to help
22 people out on the date aspect, the eleventh
23 was the second Wednesday in September. My
24 understanding of your meeting with Congress
25 was on the eighteenth, --

1 MR. SCHUM:

2 Yes, okay.

3 MR. WEISE:

4 Which was the third Wednesday in
5 September, so that may help put in perspective
6 a little bit the -- what Mondays we're talking
7 about.

8 DR. GRACE:

9 So the letter from TVA came the week
10 before?

11 MR. WEISE:

12 Yes, sir.

13 MR. WALKER:

14 So Mr. Schum was aware of the letter --

15 MR. SCHUM:

16 No.

17 MR. WALKER:

18 You were not aware of the letter?

19 MR. SCHUM:

20 We were not aware of any attempt that I
21 know of by anyone to remove the stop work.
22 It's not in the scope of what we are doing.

23 MR. GIBSON:

24 Al Gibson. Perhaps we need
25 clarification on the date of the letter

1 because NRC received it undated from TVA.

2 MR. WALKER:

3 Al's right. It is undated, but we
4 received it on September eleventh. I'm
5 confident of that. I guess, more germane,
6 Scott, if after understanding what we
7 perceived the issue was --

8 MR. SCHUM:

9 I have no idea what NRC perceived the
10 issue was. I didn't know whether you invoked
11 the stop work or TVA did.

12 MR. WALKER:

13 Can I try again?

14 MR. SCHUM:

15 Sure.

16 MR. WALKER:

17 You just heard what we perceived the
18 issue was. I reiterated it and so did TVA.
19 Do you have anything now that would, in the
20 area of certification of the welders lead you
21 to believe we should bring that order back in
22 place? And have you conveyed that to TVA?

23 MR. SCHUM:

24 We have transmitted to TVA some one
25 hundred and fifty to two hundred separate

1 concerns dealing with the welding issue. They
2 are at the moment to the best of my knowledge
3 unsubstantiated, uninvestigated concerns. I
4 do not know at this moment and correct me if
5 I'm wrong, Owen, of anything that would
6 require them to stop work. We were talking
7 about a response, the words and that is what
8 my answer was based upon. We did not evaluate
9 at that time the adequacy of what they were
10 doing. We were talking solely with the words
11 that they used, and that's what it's based on.

12 MR. WALKER:

13 Thank you.

14 MR. COTTLE:

15 Let me clarify a date, and Eleanor, I
16 appreciate your pointing that out. I believe
17 the eleventh is correct for the day that the
18 letter was signed out. In looking at a
19 calendar, you know, I was made aware on the
20 thirteenth, which is that Friday that there
21 was -- there existed a concern; it had been
22 looked at; and it was you know, related to the
23 code and even -- and that was following the
24 letter going in and then, you know, that's
25 when I directed Mr. Shell to call Mr. Weise

1 and make sure there was no misunderstanding on
2 the part on which type test we were
3 discussing.

4 MS. ADENSAM:

5 So actually the letter had been sent to
6 the agency before you personally --

7 MR. COTTLE:

8 Before I became aware of the concern,
9 that's correct.

10 MS. ADENSAM:

11 Is that -- can you say the same thing,
12 Mr. Whitt? I'm sorry?

13 THE COURT REPORTER:

14 You all need not to talk at the same
15 time because we won't get either side. You
16 can't untangle that, okay?

17 MR. COTTLE:

18 Yes, ma'am.

19 MR. WALKER:

20 And now we know who's in charge of the
21 meeting.

22 MS. ADENSAM:

23 Mr. Whitt, can you say the same thing,
24 that you were not aware until the thirteenth
25 that there was a concern with regard to

1 lifting the stop work order?

2 MR. WHITT:

3 I can say I was not aware on the
4 thirteenth of such a concern. As a matter of
5 fact I was not aware of it until the meeting
6 with Congress. I'm talking Kermit Whitt
7 personally. Not NSRS. People in NSRS were
8 aware of it. I was not aware of it until the
9 day with Congress, the meeting with Congress.

10 MR. VERRELLI:

11 Dave Verrelli. You're talking about the
12 meeting on the seventeenth?

13 MR. WHITT:

14 That's correct.

15 MR. VERRELLI:

16 Or the eighteenth?

17 MR. WHITT:

18 That's correct.

19 MR. SCHUM:

20 To clear up the information -- Scott
21 Schum again, that concern was in fact sent to
22 NSRS I believe on the fifth of September;
23 however, the process time, we got the call I
24 guess the thirteenth.

25 DR. GRACE:

1 Now, this is your concern about the
2 requalification?

3 MR. SCHUM:

4 That's correct.

5 DR. GRACE:

6 Whether it should be from the ground up
7 or just a renewal. Is that the point?

8 MR. SCHUM:

9 The concern as voiced by the employee
10 that he did not feel the recertification
11 program met the code.

12 DR. GRACE:

13 Oh, I see.

14 MR. SCHUM:

15 These are not our concerns.

16 DR. GRACE:

17 That's been cleared up. He is not
18 familiar with the code, apparently, because in
19 the code renewal of qualifications specifies
20 certain things like welding on flat plate is
21 adequate.

22 MR. SCHUM:

23 But the words used were 'revoke' and
24 'rescind,' and all we were doing was pointing
25 out that the words said revoke and rescind and

1 you were invoking renewal. You can't do both.

2 DR. GRACE:

3 True, but --

4 MR. SCHUM:

5 And that's the whole issue.

6 DR. GRACE:

7 The internal memo at Watts Bar addressed
8 to the plant welders says 'renewal' three
9 times.

10 MR. SCHUM:

11 That may be, but the actual letter to
12 you says 'revoked' --

13 DR. GRACE:

14 Yeah, but that --

15 MR. SCHUM:

16 And we just wanted TVA --

17 DR. GRACE:

18 I see.

19 MR. SCHUM:

20 To correct that.

21 DR. GRACE:

22 So it's an unfortunate choice of words
23 but it does not reflect the understanding that
24 we had or the TVA management had.

25 MR. SCHUM:

1 Yeah, I --

2 MR. HERDT:

3 This is Al Herdt. Let me just read a
4 very small portion of the letter that we got
5 from TVA. It's attachment B to enclosure one
6 and in the second paragraph it starts by
7 'renewal qualification test program was
8 initiated on -- initiated by on August the
9 28th, 1985 for all welders whose
10 certifications were revoked', and that's the
11 word you're using, and the next sentence says,
12 'the renewal qualification test program is in
13 accordance with the requirements of the ASME
14 code, Section nine, paragraph Q W three
15 twenty-two, and the AWS code D point one point
16 one, paragraph five point three oh, so --

17 DR. GRACE:

18 So it is in that letter.

19 MR. WALKER:

20 Yeah, it is.

21 DR. GRACE:

22 That's right. It's in the attachment to
23 that letter.

24 MR. WALKER:

25 To us it was clear which portion of the

1 code they were using.

2 MR. SCHUM:

3 Yes, sir, but --

4 UNIDENTIFIED:

5 The employee --

6 MR. SCHUM:

7 I'm sorry.

8 UNIDENTIFIED:

9 I don't want to get in trouble with her.

10 MR. SCHUM:

11 One quick one. Would not, in the
12 future, as has happened in the past, someone
13 possibly look at that letter and come back at
14 TVA and say, "You gentlemen made a false
15 statement," and all we want to do is make sure
16 that the words are exactly what they meant,
17 and nothing more.

18 MR. WALKER:

19 You were protecting your employer from
20 us attacking --

21 MR. SCHUM:

22 We were informing him of what -- well,
23 yeah, if that's the way it has to be,
24 protection is what's required, but that was
25 the intent, and --

1 MR. WALKER:

2 We understand your concerns are -- that
3 is an admirable trait.

4 MR. SCHUM:

5 You've done it before.

6 MR. VOLLMER:

7 This is Dick Vollmer. Let me ask Mr.
8 Whitt if he shares the feelings of Mr. Schum
9 that there is nothing currently that you're
10 aware of -- put aside the word difference now
11 -- that there is nothing currently that you're
12 aware of, given the fairly large number of
13 substantiated allegations that have been sent
14 to you that would put in doubt the wisdom of a
15 restart of the welding?

16 MR. WHITT:

17 There's nothing in my mind that would
18 put in jeopardy the start of the welding and I
19 have talked to my people who are more familiar
20 with the number of concerns and types of
21 concerns than I have and I have got this same
22 type of information from my supervisors.

23 MR. COTTLE:

24 That brings me to, and I said I wanted
25 to mention two points, Roger, and one is and

1 the one is the point that Dick just addressed
2 with his question. There are a number of
3 concerns that run a spectrum, you know, of
4 allegations or concerns for the most part
5 which have neither been substantiated nor
6 investigated to this point in time that apply
7 to the welding program, and we certainly, you
8 know, recognize the seriousness of that, if by
9 nothing else than just the numbers, you know,
10 that I believe to be in existence. I'm not
11 saying, Dick, and I don't think Kermit's
12 answer is saying that we don't think there is
13 not any possible problem with our welding
14 program. Yeah, we are concerned; we intend to
15 pursue, you know, each of those concerns in as
16 orderly a fashion as possible, but -- and with
17 the recognition that any welding, you know,
18 that is currently in progress and that has
19 been in progress for any period of time is
20 certainly subject to having to either be
21 reworked, redone, reinspected. Most of the
22 welding, you know, that is being done now is
23 not of the more difficult types of welding,
24 nor of the more substantial, you know, dollar
25 amounts in terms of an investment that, you

1 know, may be lost. We do, you know, have a
2 number of concerns on the weld program; we are
3 concerned on the weld program and we fully
4 intend to investigate each of those.

5 MR. VOLLMER:

6 So what the -- the bottom line would be
7 then, that those concerns that led to the stop
8 work have been resolved, there may be other
9 concerns out there which have --

10 MR. COTTLE:

11 Yes, sir.

12 MR. VOLLMER:

13 Not been identified on which another
14 action might be taken.

15 MR. COTTLE:

16 And that we do not have a concern which
17 we feel to be substantiated either in my staff
18 or Kermitt's staff or QTC right now that we
19 can point to and say you know, 'We shouldn't
20 be welding because of this,' but we do have a
21 general concern based on numbers of
22 allegations.

23 MR. VERRELLI:

24 No, I didn't hear QTC say that. We
25 talked about answering the congressman; would

1 he have recommended restart of welding. Am I
2 wrong, Scott?

3 MR. WALKER:

4 Identify yourself, Dave.

5 MR. VERRELLI:

6 Dave Verrelli.

7 MR. SCHUM:

8 My response was probably not. Now, the
9 question was would we have recommended it. We
10 have never seen -- well, we probably have by
11 now, someone on the staff, the stop work. I
12 don't know who issued it. We frankly didn't
13 care. We have many welding issues that are
14 still open. Some we may feel are
15 substantiated; some we may feel otherwise
16 about. These issues as we investigate if we
17 are assigned will be given to the NSRS staff.
18 They assess their significance, as does the
19 line organization. We don't do that. Unless
20 there's --

21 MR. LIAW:

22 This is B. D. Liaw. Mr. Schum, let me
23 get this thing clear. You answered a
24 congressional question you would not recommend
25 stop order -- stop work order, or not

1 recommend lifting the stop work order?

2 MR. SCHUM:

3 Not have recommended -- would probably
4 not have recommended lifting it, based upon
5 the information I had.

6 MR. LIAW:

7 Well, why is that? I'd like to hear the
8 basis of it.

9 MR. SCHUM:

10 The basis for that is the words. The
11 words were 'revoked' and 'rescinded.' Those
12 words were -- had not been changed when I left
13 the site. We're not in the habit of trying to
14 let someone we work for either intentionally
15 or unintentionally not do as they say they are
16 doing or to make a false statement to the NRC.

17 DR. GRACE:

18 I think you've been very clear about
19 that. Let me ask the question, that was the
20 only basis for your probably not? There was
21 no other basis?

22 MR. SCHUM:

23 That's the only thing that I know of.
24 Owen may know more. He runs the investigation
25 group.

1 MR. THERRELL:

2 Owen Therrell, QTC. We had a concern
3 about the retesting of the fifteen percent of
4 the welders who had failed the initial test to
5 renew their certification. Those fifteen
6 percent were given training and allowed to
7 perform samples, to do some work up front and
8 then take another test and of that four
9 percent failed. We were concerned about the
10 code being fairly specific about the fact that
11 you should recertify in the process that you
12 were going to be using, -- and not just -- so
13 we had a couple of questions that dealt with
14 the code and we reported those issues in our
15 report and that report is in to NSRS and will
16 have to be answered. We hadn't changed our
17 position with respect to the stop work nor
18 to the corrective action plan. It was very
19 specific and the code is very specific and we
20 beat one against the other and we came up with
21 our evaluation. It's not even an opinion.
22 It's an evaluation of the words and how the
23 effort was being conducted. That report
24 hasn't been answered yet. It's in to TVA and
25 we'll get a response.

1 DR. GRACE:

2 But my question was the basis for Mr.
3 Schum saying probably not, was --

4 MR. SCHUM:

5 Was that information.

6 MR. THERRELL:

7 Yeah. He had all that information at
8 the time when Scott made that statement. He
9 had that information as to the areas of what
10 we felt were differences between the program
11 that TVA were using to their words and also
12 what the code requires, so he based it on, not
13 only the --

14 MR. SCHUM:

15 There were several --

16 MR. THERRELL:

17 The words revoked but also on the
18 retesting effort.

19 DR. GRACE:

20 Okay. That answers the question I
21 raised.

22 MR. SCHUM:

23 Code evaluations, and once again we are
24 not --

25 MR. VERRELLI:

1 More than just the revocation suspension
2 led to your probably not?

3 MR. THERRELL:

4 There was a -- it waterfalled into how
5 do you retest once a welder fails, and we took
6 exception to --

7 MR. SCHUM:

8 I didn't know we had that data by then,
9 did we?

10 MR. THERRELL:

11 Yeah, we talked to Kemp on the phone,
12 yeah.

13 MR. SCHUM:

14 If we did, we did. I don't recall it.

15 MR. COTTLE:

16 I guess one issue that's clearly come
17 out of this and was stated by Harold Denton in
18 his visit on site Friday and I know he
19 discussed it with Kermit Whitt and Hugh Parris
20 last Friday up in Knoxville and that's -- we
21 need to establish a mechanism to get a
22 concern; you know, once it's been identified
23 and been put to paper, even though it's
24 unsubstantiated and no preliminary look has
25 been taken at all and we need a mechanism so

1 that both TVA line management and NRC staff
2 and management, you know, can become aware of
3 those, just the fact that the concern exists;
4 it has this element to it and it's my
5 understanding from talking to Mr. Parris this
6 morning we have basically agreed with that and
7 are working with I guess Harold's staff on
8 setting up the appropriate mechanism for that.

9 MR. WALKER:

10 That speaks somewhat to a question that
11 I had, Bill. The regulations to me are what I
12 go by. They're my bible, if you will. The
13 reporting requirements to me are under fifty
14 fifty-five E and to some extent under part
15 twenty-one and I was wondering at what point
16 in your evaluation process that you determined
17 that it is reportable. And you're telling me
18 you're working with a method, or you have a
19 method, or what is it?

20 MR. COTTLE:

21 Yes. We have an existing method and an
22 existing point in the process in which a
23 reportability determination is made, and I
24 will ask Kermit to address that because he's
25 more familiar with the exact details and steps

1 than I am. What I'm saying is that it was
2 brought out very clearly by Mr. Denton that we
3 need a mechanism to establish up front that a
4 concern or a number of concerns exist in a
5 given area and here is what the concerns are
6 even though no one has, you know, taken any
7 investigation steps; we're not saying that
8 it's a valid or an invalid concern. It's just
9 an identified concern, and our intention is
10 not to, you know, implement fifty fifty-five E
11 or part twenty-one reporting requirements
12 based on a concern that hasn't been looked at
13 at all on the face value.

14 MR. WALKER:

15 You're -- where will you put it at?

16 MR. COTTLE:

17 Well, let me get Kermit to --

18 MR. WALKER:

19 Because that's the requirement. The
20 other one is informal.

21 MR. COTTLE:

22 The other, and that is --

23 MR. WALKER:

24 The other one is to find out what we're
25 doing here.

1 MR. COTTLE:

2 Yeah, I think it will be a formal
3 transmission and identification of it so that
4 everyone is playing on the same level of
5 information and we're not --

6 MR. WALKER:

7 I understand that. Bill, I'm not, you
8 know --

9 MR. COTTLE:

10 Asking either the line of TVA or the
11 NRC to make judgments in an area when neither
12 of us know the concerns exist or how many or
13 what they involve. That is not a regulatory
14 type reporting.

15 MR. WALKER:

16 No. I'd like to know the answer to both
17 of them, however. I would like to know, a,
18 where you start reporting things under fifty
19 fifty-five E or part twenty-one, as
20 applicable, and b, if you're ready to discuss
21 the other thing, I'd like to know how I'm
22 going to keep out of this trap again.

23 MR. COTTLE:

24 Okay. I'll ask Kermit to address the
25 fifty fifty-five.

1 MR. WHITT:

2 When we get employee concerns they all
3 come through QTC, and QTC does the first crack
4 at determining whether or not these concerns
5 are safety related or not safety related; they
6 come then to -- from QTC to NSRS. We go
7 through another process to determine whether
8 they're safety related or not safety related.
9 The ones that are safety related are to be
10 investigated by NSRS. NSRS may ask QTC and in
11 fact does in many cases ask QTC to investigate
12 some of this. When a concern has been
13 investigated, investigated by QTC it comes to
14 NSRS for review and approval before it goes to
15 the line. When we've drawn our conclusions
16 and it helps the line organization and we
17 think there is a need for reportability or
18 possibly could be a need for reportability, we
19 send -- when we send our report we ask the
20 line organization to make a determination of
21 reportability on that issue involved and that
22 concern. That is the point at which
23 reportability is determined.

24 MR. WEISE:

25 Could I get a -- Steve Weise, could I

1 get a clarification here?

2 MR. WHITT:

3 Sure.

4 MR. WEISE:

5 What you're saying then is when you have
6 done your investigation and you pass it on to
7 the line, you make a recommendation with
8 respect to review for reportability to the
9 line?

10 MR. WHITT:

11 More than that, we usually state in our
12 memorandum, cover memorandum to them, we
13 recommend, we suggest that you make a
14 determination of reportability in accordance
15 with your normal procedures for doing this.

16 MR. WEISE:

17 Now, if you didn't put that in your
18 recommendation would the line review it for
19 reportability?

20 MR. WHITT:

21 I don't know.

22 MR. WALKER:

23 You'd better be asking Bill Cottle.

24 MR. COTTLE:

25 It's still the incumbent upon the line

1 to review an issue for reportability, whether
2 the suggestion comes from NSRS to do that or
3 not. The line is responsible for a
4 determination of reportability and it is
5 subject to -- you know, if the decision is
6 made that it is not reportable that's
7 certainly subject to, you know, further
8 questioning by NSRS.

9 DR. GRACE:

10 Let me add a comment for perspective,
11 maybe. TVA management took the initiative to
12 hire QTC to help them ferret out employee
13 concerns. QTC has interviewed several
14 thousand people, I guess. I came up with five
15 thousand; came up with hundreds, maybe
16 thousands of concerns. We don't know how many
17 of these are just misunderstandings like this
18 one was apparently; how many have any safety
19 significance. We can't possibly process all
20 of this stuff ourselves. That's TVA's job.
21 That's why they hired the contractor to look
22 into this for them. We don't want to have all
23 of this dumped on us because you may feel then
24 that we're going to do it for you and we can't
25 allow that to happen. It's your job and we

1 look to you to process all of this. Now, of
2 necessity we're going to audit to some degree
3 what you have done in processing QTC's
4 findings. We can't possibly cover it. I
5 think QTC's contract is three to five million
6 dollars. We don't have that kind of money.
7 We don't have that kind of resource to
8 duplicate or redo or reinvestigate all of
9 these things that you're investigating. Now,
10 we will be auditing to some extent, and what
11 you send to us we'll -- actually NRC
12 Headquarters has the lead on this, but we're
13 participating in reviewing these employee
14 concerns on an auditing kind of basis, but
15 we're not trying to take TVA's job away from
16 you, no way. We don't want your monkey on our
17 back.

18 MR. COTTLE:

19 And we understand that it's our
20 responsibility to investigate and process each
21 one of these. That's no question.

22 DR. GRACE:

23 I guess QTC can't help it when they're
24 invited to Capitol Hill. That's kind of a
25 short circuit in the system and unfortunately

1 that led to a misunderstanding,
2 miscommunication because of the timing. They
3 were on Capitol Hill without this particular
4 issue having been communicated or resolved at
5 TVA, so this -- in the explosive atmosphere
6 we're in I guess this sort of thing may happen
7 but I think we all have to maintain our
8 perspective and keep our cool.

9 MR. COTTLE:

10 And recognize that TVA had a judgment to
11 make at the time that QTC was invited to come
12 before Congress and that judgment is if we say
13 no then QTC appropriately went to Kermit as
14 the contract administrator and said, 'we have
15 received this invitation to come speak to this
16 individual'. You know, 'I'm your employee.
17 Should I go?' You know, and the TVA board
18 decision was yes. 'We do want to be open and
19 honest and in no way want to be seen as
20 gagging our contractor from being open and
21 honest and expressing his opinion.'

22 MR. WALKER:

23 I want to ask one more question -- Roger
24 Walker, sorry. Renewal qualification programs
25 that currently exist at Watts Bar facility, is

1 there anybody on your side of the house who
2 Mr. Schum, Kermit, you feel that it does not
3 meet the current code requirements?

4 MR. SCHUM:

5 I don't know. Owen may.

6 MR. THERRELL:

7 We turned in a report that substantiated
8 the two concerns that were presented to us.
9 We issued that report and we felt that with
10 the wording and the various -- what we felt
11 were discrepancies between the stated intent
12 and how the code reads that there are issues
13 that need to be resolved in a response. When
14 we get that response then we'll close that
15 issue.

16 MS. ADENSAM:

17 Eleanor Adensam again. Mr. Therrell, I
18 would like to kind of reiterate Roger's
19 question a little more specifically. Is there
20 anyone in your organization who feels that the
21 renewal qualification test program utilized by
22 TVA was not in accordance with the
23 requirements of the ASME code and the AWS code
24 as quoted in attachment B to enclosure one of
25 their September eleventh letter?