

Waitt

**NUCLEAR REGULATORY COMMISSION  
INVESTIGATIVE INTERVIEW**

Statement taken before Eileen Wickberg,  
Certified Court Reporter and Notary Public,  
at 101 Marietta Tower, 29th Floor, Atlanta,  
Georgia, on the 9th day of February, 1987,  
commencing at the hour of 1:10 p.m.

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EXHIBIT 43

1 APPEARANCES OF COUNSEL:

2 On behalf of the National

3 Regulatory Commission: DANIEL D. MURPHY, Esq.

4 LARRY L. ROBINSON, Esq.

5 P. MARK REINHART, Esq.

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7 STATEMENT OF KERMIT W. WHITT

8 MR. MURPHY: For the record, it is now  
9 1:10 p.m., February 9th, 1987. This is an interview of  
10 Kermit W. Whitt, who is employed by Georgia Power  
11 Company.

12 Location of the interview is Atlanta,  
13 Georgia.

14 Present during the interview are Larry  
15 Robinson, Mark Reinhart, Dan Murphy.

16 As agreed, this is being transcribed by a  
17 court reporter. The subject of this interview is TVA's  
18 March 20 letter -- excuse me, March 20, 1987 letter.

19 MR. ROBINSON: 1986 letter.

20 MR. MURPHY: '86 letter in response to a  
21 question by the NRC as to whether or not TVA's in  
22 compliance with Appendix B.

23 Mr. Whitt, would you please stand up. Raise  
24 your right hand. Do you swear affirmatively the  
25 information you're about to give is the truth, the

1 whole truth so help you God?

2 THE WITNESS: I'll affirm that.

3 EXAMINATION

4 BY MR. MORPHY:

5 Q. In some of the other interviews we have kind  
6 of asked the individual to give his background  
7 basically and we'd like you to do that, and with  
8 particular emphasis to those positions that you  
9 occupied at TVA and in the nuclear experiences you had  
10 prior to going to TVA, is that okay? And these don't  
11 have to be exact dates, just approximate dates.

12 A. It will take a while.

13 Q. That's okay. We've got time.

14 A. Okay. I graduated from University of Arizona  
15 June 1961. Went to work for Phillips Petroleum Company  
16 July 1961. Idaho National Testing Station in Idaho  
17 Falls. Worked there until February of '65. Went to  
18 work for Piqua Nuclear Power Facility, P-I-Q-U-A,  
19 Piqua, Ohio. Then I was operations supervisor. I left  
20 there in May of '66 when the reactor shut down  
21 permanently. Went to work for Meralen Naval Shipyard  
22 in Vallejo, California. I worked there until September  
23 of '70 at which time I went to work for TVA as a  
24 nuclear engineer until February of '73 I believe went  
25 to work for Nuclear Regulatory Commission in Atlanta.

1 And then in April of '76 I went to headquarters here at  
2 NRC until October of '79. I went back to work for TVA  
3 Nuclear Safety Review Staff and stayed there until  
4 August of '86. Took the present job with the Georgia  
5 Power Company.

6 MR. MURPHY: How about your positions  
7 within the Nuclear Safety Review Staff?

8 THE WITNESS: In '79 when I went there,  
9 I went as chief of the operations section of NSRS. And  
10 in '82 I was promoted to assistant director. And then  
11 January '85 I became the director.

12 MR. MURPHY: Thank you, Larry.

13 Q. (By Mr. Robinson) Okay, Kermit, I'm going to  
14 take you back to December of 1985. At that point in  
15 time you were the director of the Nuclear Safety Review  
16 Staff. Commissioner Asselstine was coming to Knoxville  
17 for among other things a presentation by NSRS as to its  
18 activities, et cetera. Approximately how much lead  
19 time do you recall having prior to Asselstine actually  
20 coming to Knoxville?

21 A. I don't know exact time. I guess it was --  
22 I'd say it was at least a week, maybe 10 days.

23 Q. And what was the nature of the NSRS  
24 presentation that was going to be made to him? Who all  
25 was originally scheduled to make the presentation and

1 what were the various headings of topics that you can  
2 recall?

3 A. Well, he wanted to know, and I can't remember  
4 this exactly, but he wanted to know generally what NSRS  
5 was doing, how they went about doing it. He  
6 specifically wanted to know about the employee concern  
7 program and he also wanted three or four or maybe it  
8 was two or three, a number of reviews that we had done  
9 that he wanted us to talk about some of the more  
10 significant reviews that we had done and what we  
11 thought about them.

12 Q. Who were the various NSRS members that were  
13 going to make the presentation?

14 A. I was going to talk to him about how NSRS  
15 worked, the history of NSRS, the type of people we had,  
16 how it's structured and the qualifications of the  
17 people, types of reviews we did and why, and I was  
18 going to give him all of that and there was two things  
19 that other people were to cover. Bruce Siefken was to  
20 cover employee concerns and Dick Smith was to cover  
21 some of these significant reviews that we had done.

22 Q. The day or couple days before December 19th  
23 which is the day that Asselstine came to Knoxville you  
24 weren't in the office, were you?

25 A. That's correct. I don't remember. I think

1 it was the day before he came I was at Watts Bar in  
 2 Sequoia. I had been sent there by Willis personally to  
 3 explain to the people at NSRS some of the evolutions  
 4 that might be taking place within NSRS specifically as  
 5 they addressed the employee concern program and I was  
 6 directed personally to go do that and it took all day.

7 Q. And when you got back to Knoxville on the  
 8 19th kind of in your own words describe what transpired  
 9 from the beginning of the day until on through the  
 10 presentation?

11 A. I believe it was the 18th that I went to  
 12 Watts Bar in Sequoia and I went back to the office I'd  
 13 guess, I don't remember exactly, it was around 6:00,  
 14 6:30 and when I got there OIA was waiting for me for an  
 15 interview. So I had an interview with OIA and it  
 16 probably lasted an hour, between hour and two hours,  
 17 something like that and after that I don't know whether  
 18 I worked anymore or whether I went home after that, but  
 19 anyway, shortly after that I went home. The next  
 20 morning I came in and was told that Bruce Siefken was  
 21 sick, he was sick yesterday and the job of explaining  
 22 the employee concern program to Asselstine was going to  
 23 be done by Bob Sauer.

24 Q. Who told you that?

25 A. I can't remember. It probably was Dick

1 Smith.

2 Q. What was Smith's position at the time?

3 A. While I was gone the day before I believe  
4 that I had appointed him to act for me while I was  
5 away. That didn't particularly bother me. I could  
6 have given the presentation on employee concern myself,  
7 but Bruce Siefken had been doing the administrative  
8 stuff. He had been keeping up with all the  
9 investigations, had the computer program starting with  
10 the tracking and training program and was in the best  
11 position to talk about the employee concern program.

12 Now Bob was in charge of the program at  
13 Sequoia. He was suppose to be doing the investigation  
14 at Sequoia, but he had gotten himself involved with all  
15 the employee concerns to some extent and Bob usually  
16 did a pretty good job and like I say, it didn't  
17 particularly bother me that Bob was going to do it  
18 because I figured if he has problems I can help him  
19 out. The only problem I had with me doing it myself, I  
20 was not familiar with all the latest investigations  
21 that had been done and I just couldn't keep up with  
22 them and everything else all the time, and there were  
23 some that I wasn't familiar with that Bruce would have  
24 been. He could give a little better assessment of how  
25 they stood at the time, but anyway, that same day we

1 were making selections or interviewing for selections  
2 for people to be supervisors for doing employee  
3 concerns at Sequoia, Bell Ponte and Browns Ferry. We  
4 had personnel people in the offices. They were asking  
5 me questions and just too many things going on that  
6 morning to determine exactly what was happening and  
7 like I say, I was not particularly worried about the  
8 session for Asselstine anyway. I thought it would  
9 probably go well with Bob there.

10 Q. Did you have any indication before the  
11 presentation itself that Sauer was going to say  
12 anything different than what Siefken was going to say?

13 A. No, I didn't and I'm not blaming Bob for  
14 that. If it was anybody's fault it was mine. Like I  
15 say, I just had too much going that morning to get it  
16 done. Besides, I think Asselstine came in a little  
17 early for his presentation, but I did walk by Bob's  
18 office and Bob says, you want to see what I'm going to  
19 tell Asselstine. And I said, well, I would like to see  
20 it, Bob, but I don't have time right now. I'm just  
21 going to have to trust your judgment and that's the way  
22 we went in.

23 Q. Had you gone over Siefken's presentation with  
24 him? Did you know what Siefken was going to say?

25 A. I knew what Siefken was going to say because

1 I told him what I wanted him to go over and I told him  
 2 I want you -- every Monday morning I took to the Board  
 3 of Directors a little flow diagram showing the number  
 4 of interviews we had, the number of concerns that had  
 5 been raised, the numbers of investigations that we had  
 6 done, the numbers that QTC had done and a split between  
 7 the safety related and nonsafety related, and Siefken  
 8 put that together for me because he had that data and I  
 9 told him I want you to go over that and I want you to  
 10 go over the organization chart for employee concern and  
 11 that's all he handled, nothing else. That's the things  
 12 I had asked him to look at.

13 Q. Sauer tried to stop you on that one instance  
 14 in his office. Did he ever try to stop you again that  
 15 morning?

16 A. I do not recall him ever stopping me again.  
 17 Now Bob has told me he spoke to me twice. I don't  
 18 recall. I recall once. If he had talked to me twice  
 19 it wouldn't have made any difference anyway.

20 MR. ROBINSON: Question?

21 EXAMINATION

22 BY MR. REINHART:

23 Q. Do you know what Bob Sauer was told? Was he  
 24 told to take the other person's presentation or was he  
 25 Bruce's presentation or was he told to start from

1 scratch?

2 A. I don't really know that and I've talked to  
3 Dick Smith and I talked to Bob. Bob says that he was  
4 given the agenda and told you talk about the employee  
5 concerns. Now on the agenda it had a place there for  
6 NSRS perceptions and that's what got Bob to his  
7 perceptions point of view as Bob states it. I don't  
8 know what Bob was really told.

9 Q. The perceptions were for somebody else to  
10 cover originally?

11 A. I was going to cover the perceptions.

12 Q. I see.

13 A. I had planned to.

14 Q. And he was just suppose to cover the one part  
15 that talked about employee concerns?

16 A. Yes.

17 Q. And looked at the agenda and says oh, we need  
18 to talk about this and just throw in his --

19 A. Well, on the agenda under employee concerns,  
20 if I remember right, it said NSRS perceptions.

21 Q. Oh, under the employee concerns?

22 A. Yes, I believe he had a legitimate mechanism  
23 for getting that.

24 Q. I see.

25

EXAMINATION

1 BY MR. ROBINSON:

2 Q. And when Bob made the perceptions  
3 presentation to Commissioner Asselstine, were these  
4 perceptions new to you; by that meaning this was the  
5 first time you saw what perceptions were going to be  
6 presented?

7 A. Yes, but I had not seen -- as I told you a  
8 little while ago, I was not aware of some of the  
9 investigation that had gone on. Bob got his  
10 perceptions, and I got to be careful, but if I  
11 understand it right, some of his perceptions came from  
12 talking to people at the site based on investigations  
13 that they had done but had not had HRS approval or had  
14 not been issued; therefore, the only people that knew  
15 about them was the people that had done the  
16 investigations and Bob.

17 Q. They had neither been approved by you to do  
18 or reports had not been issued, is that what you're  
19 saying?

20 A. That's correct. Now some reports had and  
21 some of these things I was well familiar with, some of  
22 them I was not familiar with.

23 Q. Okay. In your own words describe what went  
24 on in the presentation starting with when Bob got up to  
25 make his portion of the presentation?

1           A.    Bob gave a very thorough presentation and a  
2 very long presentation. He went over a lot. He went  
3 over the organization. He went over the very detailed  
4 path, the flow path for how concerns were received,  
5 brought to NSRS, how they're investigated and what  
6 happens to the reports. He went over the whole thing  
7 with hand drawn sketches that he had and after doing  
8 all that he went to his perceptions and he put up if I  
9 remember there was about 10 I'll call them trouble  
10 areas. I don't really know -- I don't remember what he  
11 called them, but they were areas that he saw as being  
12 real problem areas, and then at the bottom of that  
13 there was the perceptions. He had two of them and I  
14 can't remember what one of them was. One of them was  
15 that Watts Bar is not meeting the requirements of  
16 Appendix B.

17           Q.    You were originally suppose to give the  
18 perceptions. Did you have the perceptions that you  
19 were going to give in your mind when you were sitting  
20 in the presentation?

21           A.    Sure, and I went first and I could have done  
22 this, but I was waiting for the sum of it to give the  
23 perceptions. Yes, the perceptions I had the employee  
24 concern program. Is the sure numbers of employees  
25 concerns are you asking me to tell you?

1 Q. Sure. Yes, I'm asking you to tell me what  
2 your perceptions presentation would have been.

3 A. Yes, and what I would have said is the sure  
4 number of employee concerns that we are getting simply  
5 overwhelms anything else, and as everybody knew at the  
6 time, we've done less than 20 percent and probably not  
7 much more than 10 percent of the investigations. And  
8 what these investigations are really telling us, I'm  
9 not ready to say right now, but we have a tremendous  
10 number of them and there's an awful lot of the ones  
11 that we have investigated are being substantiated.  
12 There are definite problems at Watts Bar, but to get  
13 into the specific area, that is an absolute problem.  
14 At that point in time we knew welding was a problem.  
15 We know there was a problem in electrical and other  
16 than that I wasn't sure just where the problems were.  
17 And where we thought there was problems, are they  
18 really problems or is there a real -- is there a  
19 justification or an answer to these problems. A lot of  
20 the stuff that we've sent out we didn't have a response  
21 back. We hadn't heard the other side. Of course  
22 that's one of the things that I have been criticized  
23 for. Of course being willing to hear the other side.  
24 I still think there's two sides.

25 Q. So then Bob made his presentation of the

1 perceptions and I want you to give me both Commissioner  
2 Asselstine's reaction and your reaction?

3 A. Well as I remember, Commissioner Asselstine  
4 had the reaction that I remember best was when I was  
5 going over the reports, the types of reviews that we  
6 did and some of the ones that we had done, not  
7 necessarily the ones that we considered to be bad, but  
8 the big ones that we had done, he wanted to know of me  
9 don't you think that -- and I'm paraphrasing because I  
10 don't know exactly what his words were, but don't you  
11 think that from reading these reports -- and he want  
12 wanted to know, you know, how many items we found and  
13 don't you think that the line organization should have  
14 figured out that there was some real problems out  
15 there. Could they have figured that out from these  
16 reports? Yes, I think they probably could have had  
17 they been studying these reports and was really  
18 interested in the reports, yes, they --

19 Q. Is that how you answered him?

20 A. Yes, they probably could have. I don't  
21 remember whether I went on to tell him that I had not  
22 figured it out either nor no one else in the group, I  
23 don't know if I told him that or not, but that's a  
24 fact.

25 Q. The perception that Sauer presented that

1 Appendix B requirements are not being met at Watts Bar,  
2 how did you react to that?

3 A. I didn't have any reaction to that particular  
4 statement at that time. I did react to some of his 10  
5 bullets. There was one of them there that indicated  
6 that the QAQC program at Watts Bar was totally  
7 inadequate. I had never heard that before and when he  
8 came up with that one, I told him I said, Bob, are you  
9 sure that you can support that. And I told Asselstine  
10 that some of these things I have not heard before. Now  
11 that one particularly bothered me because, I don't  
12 know, sometime before, maybe 18 months earlier we had  
13 done, NSRC had done a review at Watts Bar and that  
14 concluded the QAQC program was adequate so that rung a  
15 bell.

16 MR. REINHART: Did you mean inadequate or  
17 independent?

18 THE WITNESS: No verbal response.

19 Q. (By Mr. Robinson) Here. I'll show you a  
20 copy of the overhead and it may refresh your memory I  
21 think. This is the overhead that Bob presented on the  
22 perceptions.

23 A. Yes, it probably is independence. We had --  
24 as a matter of fact, they did a reorganization because  
25 of us down there so that we said, okay. Now you're all

1 right. Your independence is satisfactory to us and now  
2 when that came up that bothered me.

3 Q. Just for the record the document that Mr.  
4 Whitt just reviewed is entitled, "NSRC Perceptions of  
5 Watts Bar Status." The main headings are "Major  
6 Issues" and "Bottom Line" and the last line of the  
7 Bottom Line reads 10-CFR-90, Appendix B requirements  
8 are not being met. Did you make any comment to  
9 Commissioner Asselstine about Sauer's presentation?

10 A. Yes. I told him that I'd like for him not to  
11 consider that as official information at this time  
12 because some of it I just personally was not familiar  
13 with.

14 Q. And what did he say to that?

15 A. I don't recall what he said.

16 Q. Did he make any comment at all?

17 A. He may have, probably did, but I can't  
18 remember what he said.

19 Q. Was there any conversation between you and  
20 Bob Sauer after the meeting was over, immediately after  
21 the meeting?

22 A. I'm sure there was. I'm not sure. I believe  
23 there probably was, but I can't remember what the  
24 conversation was at this time.

25 Q. Did you ask him how he came to the conclusion

1 about the QAGC independent?

2 A. If I recall, I don't know whether it was  
3 immediately after, the next day or when. I did ask him  
4 at some point in time to get some background  
5 justification for his 10 bullets.

6 Q. And did he start putting that together for  
7 you?

8 A. Yes. He asked Phil Washer to put together  
9 some of that and I got it fairly soon, probably within  
10 a couple of days. I still needed more because where it  
11 says that we're not in conformance with Appendix B, the  
12 stuff that I got some of it showed it wasn't in  
13 conformance with Appendix B. A lot of it though just  
14 showed it was not good and it didn't document how it  
15 varied from Appendix B and I asked for more information  
16 to show the deviations from Appendix B.

17 Q. And did you ever get -- did he ever supply  
18 you with enough that you could make a logical  
19 conclusion?

20 A. They gave me a considerable amount of  
21 material. As a matter of fact, a number of times they  
22 gave me material sometimes when I asked for it,  
23 sometimes when I didn't, but in most cases they  
24 documented to my satisfaction, and I say most simply  
25 because I can't remember, possibly in all those cases

1 that there were situations where Appendix B was being  
2 violated at Watts Bar probably in all those areas.

3 Q. Between the presentation to Asselstine and  
4 when TVA received the letter from Mr. Denton on January  
5 the 3rd, did you have any communications with line  
6 management regarding Sauer's presentation to  
7 Asselstine?

8 A. Yes. I had two conversations. The first one  
9 was the day that the presentation was made. Willis  
10 called me to his office and present with Willis was  
11 Hugh Parris. Willis wanted to know how the  
12 presentation went. I told him it went fine and I  
13 didn't tell him that there was a big problem with  
14 Appendix B because I certainly at that point did not  
15 recognize that there was a problem, that what Sauer had  
16 said was going to be a problem. I didn't really  
17 understand what Sauer had said at that time, and it  
18 wasn't until I think sometime later, probably a few  
19 days that I understood. So I told Willis that as far  
20 as I could determine the presentation went all right.  
21 That we had done basically what Asselstine had asked  
22 and the documents that we had given him and that was  
23 about it.

24 The second conversation was with Chuck Mason  
25 who called me on the phone and said — I don't remember

1 whether he said he had or he was going to receive a  
2 letter from Denton requiring them to justify whether or  
3 not they were in compliance with Appendix B, and he  
4 said I want to see that presentation that was made. If  
5 I'm going to have to answer these questions, I want to  
6 know what was said. I told him, fine. We will be glad  
7 to get you a copy of that presentation. He also said  
8 you're going to have to make that presentation to the  
9 Board of Directors and I want to be present when it's  
10 made.

11 Q. And when was that presentation made if it was  
12 made? Was it before or after when TVA got the letter  
13 from Denton?

14 A. It was after.

15 Q. Was that presentation made to the Board?

16 A. Yes.

17 Q. Who all was there, to the best of your  
18 recollection?

19 A. There was a lot of people there. Of course  
20 there was the Board and there was Willis, there was  
21 Parris, Mason, Cottle, Willie Brown, myself and Bauer  
22 and Dick Denise, Lou Wallace and Herb Albercrombie was  
23 there and probably others. It's just hard to remember  
24 all of them.

25 Q. Where was the presentation?

1           A.    In the board room of the TVA Towers in  
2           Knoxville.

3           Q.    Was it concentrated primarily on just Sauer's  
4           overhead with the NSRS perceptions or did you go  
5           through the whole presentation that you made?

6           A.    It was concentrating on Bob's. They asked  
7           for the presentation and I started making mine and they  
8           said well we know all that. We have been over that.  
9           Let's get to Bob Sauer's part. I don't know whether he  
10          said Bob Sauers. Let's get to the part on employee  
11          concerns.

12          Q.    And what was the reaction of the Board and/or  
13          the line people that were there to the presentation?

14          A.    The line people asked questions. I don't  
15          know what many questions asked other than Chuck Mason.  
16          There was some part of the presentation where Bob was  
17          pointing out some of the problems that NSRS had with  
18          the line organization, and I believe one of the things  
19          he was talking about was the difficulty in getting  
20          responses back. And Mason pointed out, why are you  
21          blaming the line for all of this when you people have  
22          got hundreds and maybe thousands of investigations to  
23          do that you haven't done. And Freeman, Dick Freeman  
24          spoke up and says, Bob, you don't have to defend your  
25          presentation and there was one or maybe two more

1 questions asked and Freeman again said, you do not have  
2 to defend your presentation. So then the questions  
3 stopped.

4 Q. I guess can I assume that the questions were  
5 a little bit aggressive or accusatory since Freeman had  
6 to say that Sauers didn't have to defend his  
7 presentation?

8 A. Yes.

9 Q. Were those questions pertaining more directly  
10 to the bullets than to response time, et cetera?

11 A. No, as a matter of fact, if I remember right  
12 the questions were more to this area of where NSRS was  
13 having trouble with the line organization than to the  
14 bullets.

15 Q. At the end of the meeting what, if anything,  
16 was suppose to take place, what was suppose to happen?

17 A. As far as the presentation?

18 Q. As far as a response to the letter from the  
19 NRC or --

20 A. Well, I believe they were going to make a  
21 presentation -- or a response back to the NRC, but I  
22 can't remember whether he had gotten an extension at  
23 that time or whether that came later, but I believe at  
24 that point in time they had already gotten the  
25 extension.

1 Q. Were you as the director of NSRS required to  
2 make any input to the preparation of the response?

3 A. At this time I can't recall being asked to  
4 make a presentation -- or an input, but before the  
5 letter went out, yes, I was asked for an input.

6 Q. After that meeting with the Board, when was  
7 the next meeting or assembly regarding the response to  
8 the NRC letter?

9 A. The next meeting I can recall right now is  
10 the one down in Chattanooga? I don't know exactly when  
11 it was, somewhere around January 18th seems to stick in  
12 my mind. We were asked to come to Chattanooga and I  
13 was asked to come to Chattanooga and talk to what I  
14 thought was going to be Mason and probably one or two  
15 other people just to discuss this and give our side of  
16 the picture.

17 Q. With respect to the bullets?

18 A. Yes. And by this time it was well  
19 established that there was a position in NSRS that, you  
20 know, it's not just a situation where Appendix B has  
21 been violated in these areas, but Appendix B is  
22 continuously being violated and that's the significance  
23 of the word are when I talked to Bob about it a few  
24 days later and said, Bob, you didn't really mean that  
25 they are being violated; you mean that there has been

1 violations, that we have identified in these cases and  
2 he said, no, I'm saying that there are continuous  
3 violations down there and that that are was put in  
4 there purposely to signify that Appendix B is just  
5 plain being violated all the time. And at this time in  
6 January that was an established position with NSRS and  
7 we were being asked to tell them why we felt that way.

8 Q. Did you agree with Sauer with respect to that  
9 that they are being violated?

10 A. No, I didn't. At the time I didn't and I'm  
11 really not sure that I do today. At the time that I  
12 left TVA I don't think I did at least. No, when we  
13 went down there on January 18th, whenever it was, I  
14 took one individual with me and I wanted Bob Sauers to  
15 go with me because Bob couldn't make it. He had some  
16 very important assignment he said at Sequoia, he had to  
17 get down there and I was not going to go down there by  
18 myself and try to discuss these things when I had not  
19 been as intimately involved as some of the rest of them  
20 at Watts Bar. So I took Mike Harrison who was in  
21 charge of the employee concern program at Watts Bar and  
22 took him with me and we took an NSRS position and that  
23 position had two points; number one, was in the area of  
24 hangers at Watts Bar. Each time you put in a hanger  
25 you're in violation of Appendix B because you don't

1 have a program for maintaining traceability of those  
2 parts and that material. So if you put in parts, MSRS  
3 believes that you're violating Appendix B.

4 Secondly, your corrective action program is  
5 in such poor condition that you cannot say that we have  
6 recognized this as a problem and put it into our  
7 corrective actions system and, therefore, we're not in  
8 violation of Appendix B because you don't have a  
9 corrective action program sufficient to make that  
10 claim. Now those were the two points that we made on  
11 that day.

12 Q. Who all was in that meeting?

13 A. I'll name the ones that I can remember.

14 Q. All right.

15 A. Chuck Mason who pretty well chaired me,  
16 myself, Harrison, Dick Denise, I believe Dick Parker --  
17 I'm not sure -- Bill Wegner, Lou Culver, QA manager at  
18 the time --

19 Q. Mullin?

20 A. -- Bob Mullin was there and there were  
21 probably others because -- oh, Willie Brown was there  
22 and Lawrence Martin was there.

23 Q. Just in your own words describe what went on  
24 in the meeting?

A. Well, we were asked by Wegner -- well, Mason

1 started the meeting off. He got it going and we're  
2 here to talk about Appendix B and Wegner kept saying  
3 what is the problem. Don't we have a program and of  
4 course Millie Brown was saying, yes, we do have a  
5 problem and we know we're meeting this and then  
6 Harrison and I were saying well, maybe you've got a  
7 program, but it's not adequate. And what Wegner was  
8 getting at was where is the breakdown in the program?  
9 Do we have an adequate topical report? If we have an  
10 adequate topical report, do we have adequate procedures  
11 that implement that topic report? If we have these, do  
12 we have procedures at the plant that implement our  
13 corporate procedures? In other words, he was making  
14 the little tier and trying to find out where is the  
15 breakdown and he was very emphatic about it. If we got  
16 a problem, tell me where it is. Well, I wasn't about  
17 to say that the topic was inadequate and I didn't know  
18 where the breakdown was personally other than we had  
19 done enough research at that time to be satisfied that  
20 their corrective actions program, whether it be in the  
21 corporate procedures or at the plant procedures, we  
22 didn't think it was adequate.

23 Q. And also material traceability?

24 A. And we had satisfied ourselves that material  
25 traceability is a real problem, and I went over with

1 this Wegner at this meeting. We had had a materials  
2 traceability problem in the area of welding at Watts  
3 Bar a couple years, maybe three years earlier and we  
4 had gone through a situation where we determined at  
5 NBSRS that it was permitted to have a graded QA system.  
6 That all equipment did not require the same QA, and if  
7 we had a program that described how we maintained  
8 traceability and we maintained traceability of that  
9 equipment in that way, then that was satisfactory. And  
10 we brought it down here to this very office and run it  
11 by NRC and thought we were on firm grounds and closed  
12 that out. That thing raised back off of us and I went  
13 through this thing with Wegner because they sat there,  
14 particularly Lawrence Martin, went through this same  
15 same type of reasoning and I told Wegner I am not going  
16 to be a party to that again. We have gone through that  
17 once. We have fought that battle and I can't see that  
18 we won it. I'm not sure we totally lost it, but we  
19 certainly haven't won it because it's reopened again.  
20 And why do you want to get on that same horse again?  
21 They were still arguing at that time that traceability  
22 is acceptable because you don't have to have the same  
23 type of QA on all parts and our program specifies what  
24 parts have to have QA on them. And if had gotten down  
25 to whether it was what we were calling a QA category

1 one or QA category two. We insisted it was I guess it  
2 was the one, the one that had to have the controls and  
3 they were insisting that it was the two, but whether it  
4 was the one or the two they were still saying we have  
5 an acceptable program. I was used to that kind of  
6 meeting and I took it pretty much as a standard TVA  
7 confrontation between a regulatory type and a line  
8 type. Harrison was much more upset with it.

9 Q. With just those two points were you convinced  
10 in your mind that TVA was in violation of at least  
11 those two aspects of Appendix B?

12 A. Yes.

13 Q. And what was the -- how did that meeting end?  
14 What were the instructions?

15 A. That meeting ended by Chuck Mason saying,  
16 okay, we want an NSRS position on this and we don't  
17 want any individual's position on this and we don't  
18 want you to say so and so believes this. We want an  
19 NSRS position and we want it at the close of business  
20 tomorrow.

21 Q. And these positions were prepared?

22 A. Yes, a position was prepared essentially, I  
23 don't remember exactly what it was, but essentially  
24 substantiating those two points.

25 Q. And presented to Mason?

1           A. They were sent to Mullin who telecopied them  
2 to Mason who was at Browns Ferry that day.

3           Q. Did anyone from nuc power management contact  
4 you for any further information after that, after you  
5 gave them your written positions?

6           A. No.

7           Q. Did you ever contact Mason or Mullin and ask  
8 them what was the final decision with respect to  
9 whether or not they were in violation?

10          A. Yes, we discussed this a lot. Now you stated  
11 did anybody ask me and I said, no. To the best of my  
12 memory the answer is no. We gave them more information  
13 though.

14          Q. Okay. Go ahead. Elaborate a little bit.

15          A. We, Harrison and I again attended a meeting  
16 in Chattanooga. It was called monthly major management  
17 meeting I believe and I believe they have the top  
18 managers every month, and this particular month -- I  
19 had not been going to it because I was not part of the  
20 line management, but after we got put into the line,  
21 then I was asked to come and tell them how NSRS, you  
22 know, gave them status on NSRS business. And while we  
23 were down at that meeting Harrison -- I took Harrison  
24 with me again because again Bob Fauers couldn't make  
25 it, and while we were down there Harrison says, Washer

1 and Smith and some of the people brought some more  
2 stuff together supporting those bullets.

3 Q. Is Harrison just talking to you?

4 A. Yes, just talking to me. I says, what do you  
5 mean. He says, well, they put more stuff together. I  
6 said, if they've got stuff that needs to be considered,  
7 we need to have that stuff because this thing is due  
8 here in a couple of days.

9 Q. Now when was that meeting, that major  
10 management meeting?

11 A. It was in January and it was just a couple of  
12 days before the thing was due and of course these due  
13 dates changed. The extension that TVA got evidently  
14 didn't have a deadline on it. The TVA kept setting  
15 deadlines for when they were going to get this thing  
16 out and they kept slipping.

17 Q. When you say this thing, you mean the  
18 response to the January 3rd letter?

19 A. Yes. But anyway I told Harrison if they've  
20 got stuff, get it down here and let's give it to these  
21 people today so they can consider it in their response.  
22 So he telephoned I believe it was Washer and they sent  
23 the information down and I gave it to Mullin.

24 Q. What was the nature of this information?

25 A. It was just more information showing where

1 these bullets could be substantiated.

2 Q. So it wasn't restricted to the two points  
3 that you and Harrison had presented before?

4 A. No.

5 Q. It was information pertaining to all or most  
6 of the bullets?

7 A. That's right.

8 Q. Did you review it before you gave it to  
9 Mullin?

10 A. I looked at it to the point where I thought I  
11 could understand it and then I gave it to Mullin and I  
12 says, Bob, here is some more stuff that probably needs  
13 to be considered before that letter goes back to NRC.

14 Q. Were there any conclusions attached to that  
15 information?

16 A. I don't believe there was, Larry. I believe  
17 at that point in time it was just tabulating things  
18 that had been found and categorizing it under one of  
19 these headings.

20 Q. Would this have been additional information  
21 after that January 18th meeting or would it have just  
22 have been information that they needed more time to  
23 compile?

24 A. That's the case, they needed more time to  
25 compile and to show that what they were saying was

1 right.

2 Q. And what, if anything, did you ever hear from  
3 Mullin as a result of providing him this information?

4 A. Well, Mason told me sometime after that he  
5 says, you got anymore information that you're going to  
6 lay on us? If you got anymore I want it now, I don't  
7 want it later, but he got it later.

8 Q. So there was more information provided?

9 A. Sure was.

10 Q. Was it a series of these fellows just staying  
11 on that and trying to continuously develop more  
12 information?

13 A. Yes. And don't get the impression that I'm  
14 blaming these people for doing it. At the time it was  
15 extremely frustrating to me because I came in one  
16 morning, and I don't know exactly when it was, but I  
17 believe it was March, April time frame. It must have  
18 been early March. Laying on my desk was a package of  
19 stuff about that thick and a memo --

20 Q. Let the record reflect he's indicating  
21 approximately four or five inches thick.

22 A. And there was a memo to me signed by Smith,  
23 Bauer, Washer -- who was the other one? I don't know.  
24 Maybe Guity signed that too, I'm not sure, but anyway  
25 it was a detailed listing of all the things that

1 supported the 10 bullets and the memo to me saying they  
2 had completed their work, and then they had a little  
3 memorandum from me to White transmitting this and  
4 stating that these were perceptions before but now it's  
5 fact.

6 Q. And what did you do with that material?

7 A. I had all the material except the memorandum  
8 hand delivered to Bob Mullin and the memorandum I never  
9 did anything with it. I didn't sign it.

10 Q. Did you have a chance to review that  
11 material?

12 A. I looked at the material, yes. It was good  
13 material. It supported it very well, but why was it  
14 laying on my desk then? I had not asked for it. Why  
15 was this memorandum so strongly worded? I knew the  
16 information had to get to White. They needed that  
17 information in getting their response together, but I  
18 didn't know what I was being set up for, so I didn't  
19 send the memorandum.

20 Q. Did you put any kind of your own wording  
21 cover on that information or did you just give the  
22 information? Who did you give it to Mason or Mullin?

23 A. Mullin. See, Mullin was the nuc powers  
24 representative coordinator of all this material and I  
25 had it hand carried along with the memorandum they sent

1 to me so that they would know very well what it was,  
2 and also the man that carried for me was Eric Schlager  
3 who is in charge of the employee concerns program and I  
4 explained it to him. Told him they need to have this  
5 information to consider because it is substantially  
6 more than we've given them before.

7 Q. Did you ever get any feedback from Mullin on  
8 that information?

9 A. No. I know Mullin gave it to the people that  
10 was working on it, but I got no feedback.

11 Q. Do you have any idea whether or not your  
12 information was objectively considered with the line  
13 information?

14 A. I have information that indicates that it  
15 was.

16 Q. How do you feel that?

17 A. As it was explained to me which I to the  
18 totally accepted was okay. I am Admiral White and I am  
19 in charge of the TVA nuclear program. I have working  
20 for me at the line organization and on one side and on  
21 the other side of the the NSRS. I'm having the line  
22 organization evaluate this situation thoroughly for me,  
23 and I'm taking the information given to me by NSRS and  
24 I'm studying both sides. I will come up with the  
25 decision based on all that information.

1 Q. White said this directly to you?

2 A. Yes.

3 Q. Just one on one or were there other people  
4 present?

5 A. Well, I think there were other people  
6 present.

7 Q. At what point in time -- was this just prior  
8 to the submission of the March 20th letter or well  
9 before that?

10 A. Oh, I believe this was in February.

11 Q. Who was present? Who else was present at  
12 that time?

13 A. I don't know. We had several meetings and  
14 where White was trying to get his memorandum ready to  
15 send out, and it was during this type of atmosphere and  
16 the people who was present were all his top managers,  
17 the QA managers whose name was Kelly. I'm not sure if  
18 Mullin was there, but one of these. It could have been  
19 some of the earlier ones. Mason, Bill Wegner, Dick  
20 Gridley, that type of people.

21 Q. Is it safe to say that these individuals were  
22 present when that statement was made, at least some of  
23 them?

24 A. Very possible. Well, I'm sure these people  
25 were present. I'm not telling you that White got up

1 and wounded on the floor and said I want to make a  
2 speech. I mean as to conversations that White said,  
3 I'm considering both sides of this situation.

4 Q. And he's going to make the decision?

5 A. That's right.

6 Q. Did you ever take a close look at the line's  
7 responses to the bullets and make an independent  
8 judgment on your own as to whether they appeared to  
9 have a rational point?

10 A. Yes. Like I say, we had a number of meetings  
11 where the letter was brought to White by the line  
12 organization and said here it is. We think it's ready  
13 to go and White said all right. Let's get together and  
14 discuss it. And the first time I was not present and  
15 White said the next time you come I want Whitt present.  
16 From that point on I guess it was at least two, maybe  
17 three sessions after that I was present and they bring  
18 this thing together, bring us all up there and say  
19 okay, here it is. Let's read it and sit around in  
20 White's office and read it.

21 Q. Are you talking about the cover letter now or  
22 are you talking about both the cover letter and the  
23 appendix?

24 A. Both.

25 Q. Both. Okay. Go ahead.

1           A.    And, yes, I read the responses and I had my  
2 say about it.

3           Q.    Did you basically agree with them or disagree  
4 or did you have the basis to make a disagreement on  
5 them?

6           A.    That's really questionable whether I really  
7 had the full knowledge to do that, but I thought in  
8 most cases that they were making a reasonable attempt  
9 to answer the question honestly and I thought in most  
10 cases they had presented pretty good cases, and I say  
11 that based on what NSRS would normally get from the  
12 line organization. Had NSRS gotten this kind of  
13 response from the line organization, I would have said  
14 you people are doing a pretty good job and you're  
15 trying to get at these problems with the exception of  
16 one.

17          Q.    And that was?

18          A.    Electrical, cables at Watts Bar.

19          Q.    Did they have any type of responses with  
20 respect to material traceability and corrective action?

21          A.    I think corrective action they had responses  
22 to those 10 bullets is what they had.

23          Q.    And were you satisfied with their response to  
24 the bullet that said quote nonconformance reporting  
25 does not address corrective action aspects

1 appropriately?

2 A. It's hard to remember just how I felt, but I  
3 remember that I did not make an issue out of that one,  
4 and I stated if you people are doing everything that  
5 you say you're doing here, I think you've made a pretty  
6 good case in all these with the exception of the  
7 cables. Now you understand that was personal opinion  
8 that I was giving them. I also gave them an NSRS which  
9 was not the same as my personal opinion.

10 Q. And what was the NSRS opinion?

11 A. I told them that NSRS -- that most people or  
12 some people in NSRS would not agree with any one of  
13 them and that they should expect descending opinions.

14 Q. Did Smith and Washer and Sauer have a chance  
15 to themselves to look at the line responses before the  
16 letter went out?

17 A. No, I don't believe they did.

18 Q. Why?

19 A. I don't know why. Now if you're saying why  
20 didn't you give them your copies, I looked at this in  
21 Watt's office. I didn't carry them back to NSRS with  
22 me, and why didn't White bring them down and discuss  
23 them with me, I can't answer that.

24 Q. You didn't ask White if you could let your  
25 people take a look at those?

1           A.    No, I told White -- White said I want your  
2 opinion, then you can give me the opinion of what  
3 people in the NSRS think, but I want your personal  
4 opinion on what you think of this response. And I gave  
5 that to him and I told him that that does not reflect  
6 the position of those people that are concerned with  
7 this at the NSRS.

8           Q.    So which was quote the official NSRS  
9 position?

10          A.    The official NSRS position was and remained  
11 until the time I left you are violating Appendix B on a  
12 traceability and you don't have an adequate corrective  
13 action program to say you're not violating Appendix B  
14 on traceability when you put it in corrective action  
15 program. That was the position we gave them and that  
16 was the NSRS official position never changed.

17          Q.    Looking specifically at the cover letter on  
18 the March 26th submission, were you asked for your  
19 comments or changes on that cover letter, on the March  
20 26th letter?

21          A.    I was asked to read it and by the way, that's  
22 all I was asked to do. I was not asked to concur in it  
23 I was asked to read it and sign a paper that I had read  
24 it.

25          Q.    Who asked you that?

1           A.   White.  Everybody else everybody on the line  
2           organisation had to sign concurrence, and the first  
3           time it came up I was told you have need to concur and  
4           I says I can't concur.  I have to represent NSRS.  
5           There are people in NSRS that don't agree.  They says  
6           you're right.  You just sign that you've read it.

7           Q.   So the reason that you weren't given  
8           concurrence was not so much because as an independent  
9           safety review staff you might shouldn't have been put  
10          in a position of concurrence, but rather because you  
11          knew that your staff would not concur with it?

12          A.   That's right.

13          Q.   You told White this?

14          A.   I didn't tell White this.  The man that  
15          brought it to me was Gridley.  I told him this.  I  
16          believe he went back to Wegner came, back and says  
17          you're absolutely right.

18          Q.   And so at least Gridley knew, but it was  
19          White that instructed you that you were just to sign it  
20          that you had read it, right?

21          A.   No, that was what Gridley told me that that's  
22          all I had to do.

23          Q.   Gridley told you that.  So Gridley knew that  
24          the rest of the NSRS members would not concur with it?

25          A.   Yes, I told him.

1 Q. But originally he was coming to you for the  
2 concurrence?

3 A. The first time, the first time he came to me  
4 and said you're going to have to sign this and I says,  
5 no, I can't do that. I have to -- officially I have to  
6 represent the people in this staff. If I sign that I  
7 can no longer go manage that group of people.

8 Q. Did you write the notation on there that I  
9 have -- this initials means that I have read this, did  
10 you write that notation?

11 A. The next time it came up that was on there.  
12 It was typed up.

13 Q. It was already typed on there?

14 A. Yes. Now the final time which was maybe two  
15 or three iterations down it wasn't on there. Dick  
16 Gridley wrote it on there.

17 Q. Were you seeing each of the iterations of  
18 this letter?

19 A. Yes, and that's why I felt pretty good at the  
20 end. They had improved it significantly over what it  
21 started as.

22 MR. REINHART: If I heard you right I guess  
23 there was a concurrence sheet around that had a  
24 concurrence and people concurred or didn't concur?

25 THE WITNESS: Right. Sometimes they

1 signed it and White says, no, we have to go back and  
2 work on it and it never got to that point.

3 MR. REINHART: And it was then the final  
4 concurrence. So when you said the first one, you meant  
5 the first time you sought to concur there was no note.  
6 Then after the discussion the note was typed in and it  
7 remained there until for some reason the last time it  
8 was off and they wrote it in?

9 THE WITNESS: Yes.

10 Q. (By Mr. Robinson) Did they write it in or  
11 did you write it in?

12 A. Gridley wrote it in.

13 MR. ROBINSON: Go ahead.

14 MR. REINHART: Could I interject  
15 something here?

16 MR. ROBINSON: Certainly.

17 EXAMINATION

18 BY MR. REINHART:

19 Q. Just a concept I need to understand and  
20 we've talked around it. It seemed that as you've  
21 described how people looked at Appendix B and how the  
22 documentation is, they looked at it programatically.  
23 Here is the topical, here are corporate procedures,  
24 here are planned procedures. I see little to no  
25 discussion about implementation by field workers, i.e.,

1 here is the final procedure that the guy is going to  
2 use, now is he doing it. Does he execute the program.  
3 Was that ever looked at? Did anybody ever look at  
4 audits that went out and said, yes, people are signing  
5 these documents within the right time or, yes, the  
6 corrective action reports are being analyzed by  
7 functional area, by criteria, was any of that ever  
8 done?

9 A. Sure, in part of our conversation in employee  
10 concerns that was done and in our reviews that was  
11 done. Yes, it was not just a program problem, it was  
12 an implementation program.

13 Q. Did the data show that there was varied  
14 implementation in some of these cases, did it show  
15 that?

16 A. Sure, failure to follow procedures, sure.

17 Q. Would you say that that fell into all of the  
18 bullets or some of the bullets?

19 A. I don't know. When I was talking about  
20 Wegner getting at it, he was trying to say do we have a  
21 program out there. If we don't have a program, where  
22 is it broke down. You people ought to be able to tell  
23 me that if you say we don't have a program. That's the  
24 reason for that. We just didn't get into the  
25 implementation. There was problems in both places.

1 Q. So in other words, you're saying there was  
2 problems in the actual structuring of the written  
3 program as well as problems in field implementation of  
4 the program?

5 A. Sure, I can say that definitely. I cannot  
6 say that in my opinion it was to the place where you  
7 could make the categorical statement that Appendix B is  
8 being presently and continuously violated. I have  
9 never said that. I just don't have the information to  
10 make that statement.

11 Q. Did anybody really message if I can use that  
12 word the data MCR's, CAR's, audit reports to try to say  
13 to what extent it was or wasn't being followed?

14 A. We did that to some extent with exception of  
15 audits. I'm not sure that we ever went and looked at  
16 the QA audits enough to make that determination, but we  
17 thought we were on pretty firm ground without the QA  
18 audits. Yes, we looked at the data. We looked at  
19 procedures, and, yes, the procedures in some cases were  
20 not being followed. The job was not being done as the  
21 program said it should be done.

22 MR. REINHART: Okay.

23 DIRECT EXAMINATION

24 BY MR. MURPHY:

25 Q. How much importance did you place on going

1       over some of the material here? How much importance  
2       did you place on Commissioner Asselstine's visit? I  
3       mean is that a significant event in the operation of  
4       NSRS?

5             A.     The fact that any commissioner comes to NSRS  
6       I guess it is significant. I did not get worried about  
7       Commissioner Asselstine coming. It wasn't something  
8       that I said, boy, we've got a spit and polish military  
9       type of thing we're getting ready for. Okay, he's  
10      coming. I think I know enough about NSRS, I think I  
11      can tell him anything he wants to know and I'm going to  
12      get a little help in the area of employee concerns  
13      because I have not been as involved in that as some of  
14      the other people that run that program for me. And  
15      Dick Smith has been in charge of reviews for some  
16      period of time and he knows what these significant  
17      reviews are and he can talk about that and when  
18      Asselstine comes I will tell him whatever he wants to  
19      know. I will hold back nothing and hide nothing and,  
20      therefore, I was not at all nervous about his coming.

21             Q.     Did you think that Commissioner Asselstine  
22      held any particular interests in TVA, I mean at this  
23      point?

24             A.     No, I didn't. I had no idea that he was  
25      particularly interested in TVA. He was just a

1 commissioner. He was coming for a visit and I was one  
2 of the places he was coming.

3 Q. In the December time frame, December 19 I  
4 guess '85 time frame, how many concerns do you think  
5 QTC had generated at that time?

6 A. Altogether somewhere in the neighborhood of  
7 5,000 to 6,000.

8 Q. And how many of them were possibly safety  
9 related?

10 A. I'd guess 1500, 1600.

11 Q. Do you think that the Commissioner had any  
12 idea that there was this large number of concerns being  
13 generated, just the sheer volume of concerns?

14 A. Yes, I believe he did at this point in time  
15 because I believe that QTC had by this time had been up  
16 in Washington and talked to him.

17 Q. But that didn't create any particular problem  
18 in your mind or the fact that he would have any  
19 particular interest?

20 A. No, everybody had interest in employee  
21 concerns. If there's anything unusual is going to the  
22 Board of Directors and making a presentation every  
23 Monday morning. That is kind of nerve racking, yes.  
24 If you can imagine going to the Commission and making a  
25 presentation every Monday morning it's equivalent.