

1 means.

2 MR. MURPHY: You have brought up at least a  
3 couple of areas like the welding. As I have been told, and  
4 we interviewed Mr. Ken Hastings. Ken Hastings was a welding  
5 engineer at Watts Bar for some time, and he was being asked  
6 to respond to this perception that there was a problem in  
7 his welding program.

8 Do you think that is a valid way of doing it as  
9 opposed to having some independent QA body folks look at the  
10 perceptions?

11 MR. MULLIN: Well, I think, and I don't recall  
12 the exact response in the welding area. We had a major  
13 welding effort underway at Watts Bar that other people were  
14 managing, and I believe a part of our response was that that  
15 area, that program was going to be addressed and that  
16 whatever was discovered in that program was going to be  
17 fixed.

18 I think that was a part of the response, whether  
19 it was Hastings or whoever submitted it. There was a major  
20 program, and people other than Hastings were managing that  
21 program. So I had a feeling that any problems that did exist  
22 would be identified or had been identified and would be  
23 fixed in the process.

24 In my mind there was kind of a balance there. We  
25 were describing areas that were new and we were describing

*Rm*

1 areas that had already been identified as problem areas in  
2 which actions were already being taken to fix.

3 We were saying that based on what we knew at  
4 that time, you know, what had come out of that Battelle work  
5 on the welding program at Browns Ferry, what had come out at  
6 that time, there was no indication of an overall problem.  
7 But that was kind of the balance I was looking for in terms  
8 of independence.

9 MR. MURPHY: Then you don't think the criticism  
10 of NSRS, and it has been voiced on several occasions, that  
11 the same people who created the problem should <sup>not</sup> be asked to  
12 address them, is a valid assertion? <sub>^</sub>

13 MR. MULLIN: In some cases that may be true, but  
14 I don't think that is true overall. I think we need to go  
15 down the list of concerns and the list of people that were  
16 pulling together answers and major points of contact and ask  
17 that question individually. I don't think that is true in  
18 all cases by any means.

19 MR. MURPHY: Did you ever hear formally or  
20 informally the suggestion that we are going to write this  
21 letter and come as close to saying we are not in compliance  
22 without doing so?

23 MR. MULLIN: We're going to write the letter and  
24 come as close as possible to saying we are ----

25 MR. MURPHY: To saying we are not in compliance.

*RJM*

1 MR. MULLIN: No, I never heard that.

2 MR. MURPHY: That was never informally or  
3 formally suggested to you?

4 MR. MULLIN: Not to me, no.

5 MR. MURPHY: Were the consequences of not being  
6 in compliance discussed? What I'm saying is were the  
7 consequences of TVA saying we are not in compliance with  
8 Appendix B discussed with you at any meetings informally,  
9 formally, in hallway discussions or whatever?

10 MR. MULLIN: I can't remember specifically. I can  
11 remember obviously thinking and I may have ever<sup>N</sup> talked about  
12 what would happen, would we have to stop work on  
13 safety-related systems and come to the realization that  
14 there wasn't a lot of work on safety related systems going  
15 on.

16 I think generally, yes, there was an awareness  
17 that there would probably<sup>be</sup> some impact or consequences, but  
18 at least in my mind I don't ever remember having a specific  
19 discussion or even a hallway discussion. It's quite  
20 possible, and it seems to me that it would be logical that  
21 there would be such a discussion of, you know, if you are  
22 not in compliance what is the impact.

23 MR. MURPHY: Would you consider, based on your  
24 time at TVA in your quality assurance role that it would  
25 have an adverse impact on TVA for you to admit at that time

*[Signature]*

1 that you are not in compliance with Appendix B at Watts Bar?

2 MR. MULLIN: Yes, I think it would be an adverse  
3 impact.

4 MR. MURPHY: When they were generating these  
5 various letters and discussions of what would be placed in  
6 the cover letter for your technical reviews, was the  
7 possibility of a material false statement ever addressed?

8 MR. MULLIN: Well, like I said earlier, I think  
9 that is why we did all the checks. People were very  
10 concerned about saying something that was false. ~~If~~ <sup>I</sup> it was  
11 something that we knew had to be accurate and it had to be  
12 right, and since it was a sworn statement, we were concerned  
13 about that.

14 MR. MURPHY: I mean was it ever openly discussed  
15 that, you know, for us to say anything that is not true in  
16 this letter would be viewed by the NRC as a material false  
17 statement?

18 MR. MULLIN: It was just kind of a common  
19 understanding. I can't ever remember a specific occasion or  
20 meeting when that was expressed or discussed specifically,  
21 but it was just something that obviously I knew and I think  
22 most folks did know. It was a common feeling or common  
23 knowledge.

24 MR. MURPHY: Did you ever have any direct  
25 conversations with Mr. White in which you expressed your

*RAC*

1 feelings about whether you were in compliance or not with  
2 Appendix B?

3 MR. MULLIN: No, I did not.

4 MR. MURPHY: With Mr. <sup>E</sup>Wagner?

5 MR. MULLIN: No.

6 MR. MURPHY: And obviously you talked with Mr.  
7 Kelly?

8 MR. MULLIN: Yes.

9 MR. MURPHY: Do you know what role Mr. Cottle and  
10 Mr. Mason played in the preparation of the cover letter, the  
11 March 20th letter?

12 MR. MULLIN: I don't know.

13 MR. MURPHY: You talked about this independent  
14 review group. Was that the group headed by Mr. Lundin?

15 MR. MULLIN: Yes. The Stone and Webster group?

16 MR. MURPHY: Yes.

17 MR. MULLIN: Yes.

18 MR. MURPHY: You also said that you accompanied a  
19 Stone and Webster representative to NSRS?

20 MR. MULLIN: Mr. Lundin.

21 MR. MURPHY: Also Mr. Lundin?

22 MR. MULLIN: Yes.

23 MR. MURPHY: I just wanted to clarify that. Do  
24 you know of any other independent studies done by Stone and  
25 Webster or any outside consultants that was actually an

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*[Handwritten initials]*

1 MR. MURPHY: Well, you said that some of the  
2 relationship you had with Mr. Whitt that you ---

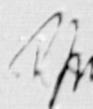
3 MR. MULLIN: Oh, I said there were some early  
4 drafts developed that he had written, that they had taken  
5 the first shot at writing a draft at that very first  
6 meeting. I had had a copy of that at that time. Now whether  
7 that is in the material that Burdette and Newby have or  
8 whether I may still have a copy of that, I don't know. I  
9 could look.

10 MR. MURPHY: How many drafts of this cover letter  
11 have you seen, give or take a few, an estimate, please?

12 MR. MULLIN: At the time we were trying to reach  
13 a consensus there were probably three or four.

14 MR. MURPHY: Overall.

15 MR. MULLIN: Golly, I don't know, and probably at  
16 least three or four more in the final stages I think as  
17 people commented on it, the QA people, the licensing people,  
18 you know. I'm guessing that there might have been three or  
19 four more. The things that I was more or less involved in  
20 were the point-by-point responses as opposed to the cover  
21 letter. You know, you have 11 itemized responses, and that  
22 is probably what I'm thinking when I say there were probably  
23 about three versions, you know, three different drafts of  
24 those. But I really don't know, to be honest. I was not  
25 involved in iterating on the drafts of the March 20th



1 letter.

2 MR. MURPHY: Mr. Robinson asked you earlier if you  
3 thought the March 20th letter, which you said you read, was  
4 deceiving in any manner, or you felt was deceiving to the  
5 NRC.

6 MR. MULLIN: Yes.

7 MR. MURPHY: Is that response very clear to you?

8 MR. MULLIN: I'm not sure I understand what you  
9 mean.

10 MR. MURPHY: What does the March 20th letter  
11 really say to you?

12 MR. MULLIN: The March 20th letter, again, I  
13 don't think was deceiving or meant to be deceiving. To me it  
14 said that we have got some specific problems in some  
15 specific areas and we are taking corrective action and we  
16 are going to continue to look for other specific problems,  
17 but there is no, and I think the word he used was  
18 "pervasive" which is kind of no common breakdowns or a  
19 common breakdown that is getting into many, many areas, you  
20 know many areas of the program.

21 I guess the way I read that is we have a program  
22 that is implemented and we have a commitment that is  
23 implemented and there are some problems, yes. We have  
24 recognized probably all of those or most all of them, we are  
25 taking action and we are also looking for other problems.

*Rim*

1 To me that is how the system was supposed to  
2 work, and I didn't consider the letter misleading or, and I  
3 forget the term you used ---

4 MR. MURPHY: Deceiving.

5 MR. MULLIN: Deceiving. I do not consider it  
6 deceiving.

7 MR. MURPHY: Why don't you try that word  
8 "pervasive again." We have had a few different people give  
9 that

10 MR. MULLIN: I will, but I would prefer not to  
11 get into word games. Pervasive means I guess to me that  
12 there would be really a major -- pervasive means something  
13 that is kind of throughout the program I guess. Pervading  
14 means in many areas of the program and serious.

15 MR. MURPHY: Would it mean to you that you had  
16 had a breakdown in each of the 18 criteria before you had a  
17 pervasive breakdown?

18 MR. MULLIN: I think you could have a breakdown  
19 in specific areas in 18 criteria without having a pervasive  
20 breakdown. You could have a fairly minor deviation or  
21 discrepancy in a criteria without having a breakdown, a  
22 pervasive breakdown.

23 MR. MURPHY: Let me try to reword that question.  
24 Would a necessity be to have a pervasive breakdown that you  
25 have a breakdown in all of the 18 criteria?

RJH

1 MR. MULLIN: I don't think so, no. I think if you  
2 had a serious breakdown in many of the criterion, you know,  
3 I think ---

4 MR. MURPHY: It wouldn't take all 18 in your  
5 estimation then?

6 MR. MULLIN: I don't think so, no, but again,  
7 that is my judgment.

8 MR. MURPHY: Well, that is what we are asking  
9 for, your professional opinion.

10 MR. MULLIN: Well, my judgment is no, not in all  
11 18.

12 MR. MURPHY: If you had a very serious breakdown  
13 in one of the 18 criteria, such as a very serious welding  
14 problem, could you say that TVA at that point would not be  
15 in compliance with Appendix B?

16 MR. MULLIN: In that particular area they would  
17 not be in compliance with Appendix B. In terms of overall, I  
18 would say they still would be in compliance with Appendix B.

19 I don't know that you can answer that question.  
20 It's similar to the question the NRC asked.

21 MR. MURPHY: Were there any major changes in the  
22 drafts that you've seen?

23 MR. MULLIN: In the March 20th?

24 MR. MURPHY: That resulted in the March 20th.

25 MR. MULLIN: Not to my knowledge, no.

Rf

1 MR. MURPHY: I mean from the first draft to the  
2 last draft they were basically ---

3 MR. MULLIN: Do you mean the draft we were  
4 working on as a consensus draft?

5 MR. MURPHY: No. Maybe I'm wrong, but I thought  
6 you told me that you had seen three or four drafts of the  
7 March 20th letter.

8 MR. MULLIN: No. I said I was thinking more of  
9 the item-by-item responses.

10 MR. MURPHY: Oh, okay.

11 MR. MULLIN: I don't know that I saw that many  
12 drafts of the March 20th letter. I did see a draft or two of  
13 that letter though.

14 MR. MURPHY: Were there any major changes in the  
15 drafts that you saw, between the drafts and the final  
16 edition that you can recall?

17 MR. MULLIN: I don't recall. I think not, but I  
18 don't recall specifically. There was nothing that sticks out  
19 in my mind of major significance.

20 MR. MURPHY: I asked you very early on, but I  
21 want to go over it one more time. No written instructions  
22 were given to you telling you exactly what ---

23 MR. MULLIN: No, sir, I'm pretty sure of that, no  
24 written instructions.

25 MR. MURPHY: And you gave no written instructions

1 to the line managers responsible for responding to the  
2 technical reviews?

3 MR. MULLIN: No, that is not exactly what I said.  
4 I said that ---

5 MR. MURPHY: I know you've clarified it, but  
6 initially?

7 MR. MULLIN: I don't believe so. I don't recall  
8 giving them any specific instructions. I think we sent out  
9 the concerns and we asked verbally for their judgments and  
10 their responses. I don't remember anything specifically in  
11 writing.

12 MR. MURPHY: That's what you said initially.  
13 And these were responses to the specific  
14 concerns as opposed to an overall response to whether they  
15 were in compliance with Appendix B?

16 MR. MULLIN: Yes, sir.

17 MR. MURPHY: These managers were addressing the  
18 bullets as they were called or the perceptions of NSRS as  
19 opposed to the overall picture ---

20 MR. MULLIN: I don't remember them being asked  
21 the overall question. My recollection of the process was  
22 that that information was going to be gathered and then you  
23 would look at what came in~~X~~.

24 MR. MURPHY: Mark, do you have any questions.

25 MR. REINHART: Yes. Let me talk about the program

*RJM*

1 a little bit, Bob, the QA program.

2 MR. MULLIN: Yes.

3 MR. REINHART: We have talked about being in  
4 compliance with Appendix B and we have talked about overall  
5 being in compliance with Appendix B.

6 MR. MULLIN: Yes.

7 MR. REINHART: Could you explain in just your  
8 words that's the difference between (a) being in compliance  
9 and (b) being in overall compliance? You've used both terms  
10 as we have gone along here and I am trying to sort that out.

11 MR. MULLIN: I'm not sure I really understand  
12 your question.

13 MR. REINHART: Is there a difference between the  
14 statement that TVA is in compliance with Appendix B and the  
15 statement that TVA is in overall compliance with Appendix B,  
16 that modifier "overall" being the difference in the two  
17 statements?

18 MR. MULLIN: I don't quite <sup>know</sup> how to answer that. I  
19 would think there is very little difference in those, if  
20 there is a difference. It may be to the individual who is  
21 saying it or listening to it. No one is in compliance with  
22 all aspects and all requirements of Appendix B at all times,  
23 I guess. You are in and out of compliance at various times  
24 and you are in and out of compliance in various areas.

25 The criterion allow and provide for that, you

*[Handwritten signature]*

1 know, for the corrective action identification and so forth  
2 of non-compliances. I think it becomes a judgment matter and  
3 it can vary between the regulator and the implementer, if  
4 you will. Just basically in terms of the program and the way  
5 you implement it and the commitment you have to it, you are  
6 going to have some problems, but basically is that program  
7 in line with the intent as to why there is an Appendix B.  
8 Have you made a commitment and are you taking the actions  
9 and are you doing the things that you need to do to be in  
10 compliance with the intent and the spirit of that. And, yes,  
11 we were.

12 We had a program and we had implemented it for  
13 several years. We had some problem areas. That's mine. I  
14 didn't see any areas and I didn't see any sense of where we  
15 had major breakdowns in the sense that it would say that TVA  
16 does not have a commitment and TVA has not carried out what  
17 they were required to do under the regulation.

18 I'm not saying we did it perfectly. We did have  
19 problems, but the intent to do it was there and the  
20 corrective action when problems ~~that~~ were found <sup>was</sup> there.  
21 There were deviations obviously.

22 MR. REINHART: So if I can rephrase what I think  
23 you said, you said if you are in overall compliance that  
24 generally you are meeting the intent and anything that goes  
25 wrong you'll fix it as quick as possible.

Dm

1 MR. MULLIN: Or you'll take action like stopping  
2 work or whatever you need to do to get in compliance.

3 MR. REINHART: Where "in compliance" would be an  
4 absolute type of a statement?

5 MR. MULLIN: I am saying they are about the same  
6 because there is no absolute. I don't think there is anybody  
7 that is in compliance all the time. It's a judgment matter I  
8 think and there probably is a time when you could say, hey,  
9 you've had so many or it's so pervasive that you are not in  
10 compliance, but you are always out of compliance in specific  
11 instances. It's kind of a judgment I guess.

12 MR. REINHART: Okay. I just wanted to know what  
13 you had in mind.

14 Could you tell us how the part of your program  
15 that describes corrective action in non-conformances just in  
16 a nutshell is set up and how it works?

17 MR. MULLIN: Well, they are usually identified by  
18 an internal audit, internal surveillance, internal  
19 inspection, by an NRC audit, by some of them [INPO] if they  
20 are safety related and NSRS. They are documented and they  
21 are tracked.

22 MR. REINHART: On what?

23 MR. MULLIN: On what?

24 MR. REINHART: What do you use to document and  
25 track?

*Notes: Page 65 is missing!*

*RAC*

1 MR. MULLIN: No, everything is not -- there may  
2 be some things that are discovered in the process that are  
3 not a nonconformance. If it's discovered in the process of  
4 doing it as opposed to when it is complete and it's supposed  
5 to be right, you know, or if something needs repair, that  
6 goes on a maintenance request as opposed to being a  
7 nonconformance. Not everything is a nonconformance, but  
8 nonconformances do have to have, you know, things that are  
9 nonconformances have to have corrective action.

10 MR. REINHART: Okay.

11 MR. MULLIN: I think the difference comes in, if  
12 I'm understanding you, is in what you call a nonconformance.  
13 There are some things that are not nonconformances.

14 MR. REINHART: But are something else that needs  
15 fixing?

16 MR. MULLIN: Right. If a seal starts leaking,  
17 that would be fixed on a maintenance request. That is not a  
18 nonconformance. If in the process of doing something before  
19 it is presented for inspection, ~~is~~ the foreman or a peer  
20 says, hey, that needs to be redone, that is work in process  
21 that is corrected as opposed to saying, hey, this is ready  
22 and it's good and an inspector comes along and finds that it  
23 isn't good. That has to be written up and tracked and fixed.

24 MR. REINHART: So you take all of these things  
25 that are not correct, whatever they are, nonconformance,

*RJC*

1 whatever. Do they then flow into some system that assures  
2 corrective action?

3 MR. MULLIN: There are ways of tracking those and  
4 following up on them and then verifying, closing them out  
5 and verifying the corrective action has been taken and  
6 closing them out. That is what is supposed to happen.

7 MR. REINHART: Okay. That portion of the program  
8 would you call effective?

9 MR. MULLIN: No, I don't think it has been  
10 effective in all cases, TVA's corrective action program. I  
11 think it is pretty obvious that it hasn't been effective and  
12 timely in all cases.

13 MR. REINHART: Could you kind of amplify on why  
14 not? What do you mean by not effective and the reason it is  
15 not effective?

16 MR. MULLIN: Well, I think there have been  
17 instances where we haven't closed things out as rapidly as  
18 we should have and I think there have been instances where  
19 we haven't transferred the knowledge we gained on one  
20 nonconformance in one area to another area. I think there  
21 have been instances where perhaps we have had too many  
22 different ways of documenting a nonconformance somewhat  
23 because, as I mentioned earlier, of the responsibilities. We  
24 are not centralized. Those are a few that I can think of  
25 that needed correction and are being corrected.

*Rmc*

1 MR. REINHART: If you were going to point to your  
2 program, would you say that was the weakest part of the  
3 program or the mediocre part of the program if you could  
4 categorize problems with the quality assurance program?

5 MR. MULLIN: That was an area that needed a lot  
6 of emphasis and is getting some emphasis.

7 MR. REINHART: I guess what I am asking is is  
8 that the major area that needed emphasis or were there other  
9 areas that needed emphasis?

10 MR. MULLIN: I don't know if it is the major  
11 area. Again, that is a matter of judgment. I think it is a  
12 major area, and if I thought about it a while I might well  
13 say it is the major area.

14 MR. REINHART: One of the things that confuses  
15 me, and maybe you can help me here is I've heard that from  
16 you and from other people and from reading reports, from NRC  
17 reports, and historically the corrective action part of the  
18 program is really weak.

19 In Mr. White's March 20th letter he makes a few  
20 points and he says well, there is no pervasive breakdown. We  
21 are identifying and correcting problems and therefore we are  
22 in overall compliance.

23 I'm wondering with that point have these  
24 problems been identified but yet the program to fix the  
25 problems is ineffective along with Mr. White's comment or

*Rme*

1 perception when he arrived that QA was a major area to the  
2 point where he is reorganizing the whole company along that  
3 line, and to then come back ---

4 MR. MULLIN: He is not reorganizing the whole  
5 company along that line.

6 MR. REINHART: Well, whatever ---

7 MR. MULLIN: That is an area that needs attention  
8 and he's giving it some attention.

9 MR. REINHART: Right, to the point where he is  
10 shifting people around and bringing other people in.

11 I'm having a problem understanding how you come  
12 to the conclusion when you have problems and you don't have  
13 an effective corrective action program, we need to do a lot  
14 of work in QA and therefore we are in overall compliance. I  
15 don't follow that.

16 MR. MULLIN: Okay. Well, let me try and help you.

17 MR. REINHART: Okay.

18 MR. MULLIN: Our program has identified a lot of  
19 problems either through the employee concern program or  
20 through INPO audits or through INPO reviews, in-house audits  
21 or NSRS evaluations. We have identified a lot of problems.  
22 We look very, very hard for problems, and we have corrected  
23 very many, many problems. The program has corrected very  
24 many problems, but it hasn't corrected all the problems and  
25 it needs to do a better job of correcting problems.

*Rmc*

1 I guess my judgment on it is that the program  
2 has looked intensely and tried very hard and very  
3 stringently to expose as many problems as possible. I think  
4 sometimes we have a tendency to focus, in my personal  
5 opinion, on what has yet to be fixed as opposed to all the  
6 things, you know, the deviations that have been corrected,  
7 and they are numerous.

8 I think we probably have a very low threshold  
9 for documenting nonconformances. I have never done any  
10 statistical studies, but I would like if you could somehow  
11 come up with a figure of merit for how hard TVA has looked  
12 for problems and difficulties, I think it would be much,  
13 much harder than perhaps others have. That is a feeling I  
14 have.

15 MR. REINHART: Why do you mean by a low threshold  
16 for documenting problems?

17 MR. MULLIN: I think we may document things and  
18 call them nonconformances that perhaps others don't, and  
19 this is just a feeling on my part. So I think the corrective  
20 action program definitely needed improvement but, on the  
21 other hand, it did serve and a lot of things were corrected.  
22 It was somewhat fragmented and I've mentioned the things  
23 that did need fixing and that are being fixed, and it was a  
24 weakness, no doubt about it. But to say it was a fatal flaw,  
25 I would stop short of that. It needed upgrading and there is

R. H. Mullin

1 now a lot of emphasis put on that.

2 That is how I would respond.

3 MR. REINHART: I'm just asking for how you think  
4 on that.

5 In your nonconformance portion where you  
6 identify a material nonconformance, whatever that is, you  
7 write an NCR; is that correct?

8 MR. MULLIN: A nonconformance report.

9 MR. REINHART: Right. Do you have a material  
10 review process or material review board that that goes  
11 through to disposition, accept, reject, repair?

12 MR. MULLIN: That is usually done by the plant QA  
13 staffs.

14 MR. REINHART: Just like that one QA person does  
15 that at the plant?

16 MR. MULLIN: Well, I don't think any one person  
17 does that. I think those things are usually reviewed by a  
18 supervisor. I don't think the inspector, as I recall, he has  
19 some very specific guidelines as to what he can accept. Now  
20 it's got to meet the specifications, and if it doesn't then *he*  
21 has to kick it up to get an "accept as is" decision, and I  
22 think he basically rejects. So it does go another level or  
23 two in most cases.

24 MR. REINHART: What would be those other levels?

25 MR. MULLIN: Usually if it is a QC inspector,

*Line*

1 there is a QC shift supervisor or another manager that is  
2 over all the shifts and then there is a QA Manager that is  
3 over him.

4 MR. REINHART: I see.

5 MR. MULLIN: So it would go at least partially  
6 through that hierarchy.

7 MR. REINHART: Okay. In looking through the  
8 documentation that was prepared to back up the II areas, I  
9 looked for QA audits or something along that line and the  
10 ones I found had across the top of the page written  
11 "informal memo."

12 MR. MULLIN: QA audits that had informal memos?

13 MR. REINHART: The closest thing I could find to  
14 a QA audit was some type of a finding out of QA where on top  
15 of the page it said informal memo. The question is why you  
16 used that ---

17 MR. MULLIN: The QA audits are very, very formal.  
18 They QA documents are controlled. Any of the audits we do  
19 are very rigidly controlled and documented in terms of  
20 response time. I'm not sure what you are referring to. It's  
21 not an audit or deviation if it has "informal" written at  
22 the top. There may be some kind of a local surveillance or  
23 something they are doing at their own initiative, but even  
24 those are written up in surveillance reports. I'm not sure I  
25 understand what you mean.

1 MR. REINHART: Well, in looking through the  
2 documentation there were pieces of paper from QA that I  
3 believe you signed and they related some things to other  
4 organizations regarding problems that needed to be  
5 corrected.

6 MR. MULLIN: They were signed by me and they were  
7 informal?

8 MR. REINHART: Well, across the top it said  
9 informal memo, and I am questioning why that format was  
10 used.

11 MR. MULLIN: Do you have a copy of one of them?

12 MR. REINHART: Not with me. They are in the  
13 documentation that TVA sent us.

14 MR. MULLIN: There are not a lot of those I don't  
15 imagine. In fact, I can't think of what you might be  
16 referring to, but I would be happy to respond if you can  
17 show me the document.

18 MR. REINHART: A while ago you responded that  
19 your initial call from looking at those 11 perceptions was  
20 that TVA was in compliance with Appendix B, and I believe  
21 you said that went to Mr. Kelly and Mr. <sup>E</sup>Wagner and they also  
22 made an initial conclusion that TVA was in compliance with  
23 Appendix B.

24 MR. MULLIN: Mr. Kelly and Mr. Sullivan. I met  
25 with those two folks.

*R. M.*

1 MR. REINHART: Sullivan, okay.

2 MR. MULLIN: That is what they told me was their  
3 impression from the data and the information we had  
4 gathered. They may have had some discussions, too, with  
5 other folks.

6 MR. REINHART: What I am getting at then is since  
7 nobody was really told to address Appendix B in preparing  
8 those responses and the responses came back, how can a valid  
9 call be made on Appendix B from information given to people  
10 that weren't thinking about addressing Appendix B?

11 MR. MULLIN: Run that by me again, please.

12 MR. REINHART: Okay. The people that prepared the  
13 11 TVA corporate positions or the 11 NSRS perceptions were  
14 not given instructions to respond to compliance with  
15 Appendix B.

16 MR. MULLIN: What I said was they were not asked  
17 to answer the overall question of is TVA in overall  
18 compliance, or whatever terminology they were using at the  
19 NRC. They weren't asked to answer that question. They were  
20 asked to describe in their area basically, the expectation  
21 was is this anything new, has this been identified before  
22 and, if it has, what action is in progress and that type of  
23 thing. They weren't asked to answer the overall question of  
24 is TVA in compliance overall. That was what I meant to say.

25 MR. REINHART: Okay. Well, since they weren't

*R/M*

1 asked to, is it reasonable to assume they didn't?

2 MR. MULLIN: I don't know what they did. They  
3 would respond in that area. As I recall, none of the people  
4 that were responding in those areas were asked or answered  
5 the question as to whether TVA was in overall compliance.

6 MR. REINHART: So my question is with that  
7 background, how can that material be used then to make the  
8 call?

9 MR. MULLIN: I think someone has to look at all  
10 the material, in other words, all the responses that come in  
11 relative to a given NSRS perception, what we are doing in  
12 the area, what we have done in the area in the past and what  
13 our program provides for, what procedures have been followed  
14 in a given area, whether we agree or disagree that material  
15 traceability for supports is a requirement, whether it is a  
16 business decision or a regulatory requirement. All those  
17 things are factored in and are put together and given ~~that~~  
18 <sup>information</sup> ~~and~~ you look at all 11 of the responses and try and answer  
19 the overall question.

20 But I don't think that any one person that is  
21 just looking at a narrow area could reasonably be expected  
22 to answer the overall question that the NRC was asking.

23 MR. REINHART: I understand what you are saying.  
24 I am wondering how you can take the pieces to come up with  
25 the overall when the people providing the pieces aren't even

R. H. H.

1 tuned into the overall question that their pieces are being  
2 used to answer.

3 MR. MULLIN: Oh, they were aware of the overall  
4 question, I'm sure, all of them because we discussed it at  
5 that meeting we had at Watts Bar. We discussed the NRC's  
6 letter and the responses we had received.

7 MR. REINHART: You had a meeting with all these  
8 people?

9 MR. MULLIN: Yes. I said earlier that we had a  
10 meeting at Watts Bar where we went over the initial letter  
11 than came in and Mr. Dean's letter <sup>requesting</sup> ~~confirming~~ an extension,  
12 the information we had gathered <sup>thus</sup> ~~that far~~ and ~~just asked~~  
13 ~~people to~~ put things up on slides, and ask <sup>ed</sup> people, is this  
14 correct, you know, and shoot at us if it isn't.

15 So people were aware of what the overall  
16 question was, and I think people are aware of whether or not  
17 the concern expressed by NSRS is valid in their areas or not  
18 valid in their areas and whether they are in compliance or  
19 not in that area with Appendix B. But I think someone has  
20 got to look at the overall responses and make that judgment,  
21 and I don't know that you make it just on the basis of those  
22 responses.

23 I guess I really haven't thought if you were out  
24 of compliance with 9 of those 11 or 11 of the 11 if you  
25 would be. <sup>t</sup> If depends on, you know, if you would be in

R/M

1 compliance overall or not.

2 To me it seemed logical that folks could look at  
3 their given area, respond in their area and someone else use  
4 that information to see if there were major, you know,  
5 overall, if it added up to a pervasive breakdown or overall  
6 breakdown or whatever. Now that doesn't seem to me to be  
7 inconsistent I guess. I don't see where we miss a link by a  
8 person looking at compliance in a given area and responding  
9 in that area.

10 Try again. I'm missing the connection.

11 MR. REINHART: You have answered the question.

12 I believe that you said it was Doug Nichols that  
13 handed you that letter initially from your OGC?

14 MR. MULLIN: And Doug probably handed out several  
15 copies. He came in during a break.

16 MR. REINHART: What was his involvement  
17 throughout?

18 MR. MULLIN: Doug was the member of the Office of  
19 General Counsel that was kind of assigned on a day-to-day  
20 basis to be our legal counsel for licensing no matter  
21 whatever area. It wasn't just this area. Doug was spending a  
22 lot of time then and is now in Chattanooga. In fact, now he  
23 is officially designated as the nuclear counsel, but he  
24 would <sup>attend</sup> when we had major staff meetings, just like we would  
25 have a Ms. Taylor from the Personnel Department and we would

*RJM*

1 have someone from the Licensing Department and someone from  
2 General Counsel. He was just a member of the team so to  
3 speak.

4 MR. REINHART: Was he involved then in the  
5 preparation of that, particularly the cover letter, to your  
6 knowledge?

7 MR. MULLIN: I don't know really what law's  
8 involvement in the March 20th cover letter preparation was.  
9 He was certainly involved in the early stages. His boss was  
10 involved in the initial meeting I had with NSRS and Lew  
11 Wallace and Doug were certainly involved in the early  
12 ongoings.

13 Now I kind of got separated a little bit from it  
14 at the end, and I'm not sure exactly what OGC's interaction  
15 was in those final stages. I just don't know. I did <sup>not</sup> have  
16 occasion to be interacting with Doug in the last, you know,  
17 since mid-February really when Mr. Kelly took over. So if  
18 there was any interaction, it was probably between Mr. Kelly  
19 and -- and I'm sure there was some.

20 MR. REINHART: When we talked about the  
21 implementation of the program you mentioned a Stone and  
22 Webster effort. I believe you said that Craig Lundin was in  
23 charge of that effort?

24 MR. MULLIN: Yes.

25 MR. REINHART: Did you look at his report on

R/mc

1 that?

2 MR. MULLIN: Let's see. He wrote a letter to Mr.  
3 Mason and he also provided comments on what the people in  
4 the field had written and basically indicated where he  
5 thought their perhaps was a weakness and perhaps where he  
6 agreed with the position and the actions we had been taking.  
7 I saw the letter he wrote to Mr. Mason and he sent me  
8 comments on the results of his field efforts.

9 MR. REINHART: Are those comments on record  
10 somewhere?

11 MR. MULLIN: they may be in this file of material  
12 that we have in Chattanooga. Have you see that? Have you  
13 looked through those notebooks and things? I haven't in some  
14 time.

15 MR. REINHART: The backup documentation?

16 MR. MULLIN: Well, I don't mean the documentation  
17 that is at the site, but just what we have in Chattanooga.

18 MR. REINHART: For the 11 perceptions?

19 MR. MULLIN: Yes.

20 MR. REINHART: Yes. Now in that is a  
21 six-paragraph memo from Craig Lundin.

22 MR. MULLIN: To Mason?

23 MR. REINHART: Yes.

24 MR. MULLIN: Okay. I remember that, but I think  
25 there were also verbal discussions and informal comments,

*R. J. [unclear]*

1 handwritten comments and so forth on documentation. He  
2 probably has some documentation from his people. As I  
3 recall, the documentation that came in from his people in  
4 the field was sent to the people that were preparing  
5 responses and so forth.

6 MR. REINHART: That's interesting, that other  
7 stuff, if you will, and I am wondering if you would know  
8 where we could get ahold of that. I'm hearing you say there  
9 is more than that letter to Mr. Mason.

10 MR. MULLIN: Well, I'm sure there are. You know,  
11 he had five or six people out there for six or seven days,  
12 and I'm sure they had some write-ups in their areas, and  
13 it's my recollection that that information was made  
14 available to the people as constructive criticism or  
15 whatever to the programs that were going on in those areas  
16 if warranted.

17 I don't know that I can put my finger on it at  
18 this stage, but I believe there were products, you know,  
19 obviously products other than that six-paragraph letter to  
20 Mr. Mason. It's probably not a formal report. It's probably  
21 those people were out there for six days and they were  
22 interacting with the people that were doing the work as well  
23 as the people that were developing responses and so forth.

24 MR. REINHART: I see. Now what we have in the  
25 files, I'm not sure. It may be comments or it may be

*Out of place*

*R. J. H.*

1 write-ups, individual write-ups in individual areas. He had  
2 his team divided up to look at certain areas, or Craig may  
3 have that information.

4  
5 MR. REINHART: Could you describe for us just  
6 from your perception the relationship between quality  
7 assurance organization and NSRS?

8 MR. MULLIN: There were no organizational lines.  
9 NSRS would audit the quality assurance program or do an  
10 evaluation of the quality assurance program either at their  
11 own initiative or if asked by the General Manager. We always  
12 invited them to be present at NRC exit interviews when NRC  
13 had evaluated our quality assurance program.

14 I guess I valued their reports in terms of they  
15 were another source of information to me about quality  
16 assurance. There were certain areas that we responded to.  
17 Like they came up with one report on purchasing that our  
18 people had a big role in preparing responses to,  
19 coordinating responses to.

20 There was no, what you might call, a hard-line  
21 link between the two organizations, but <sup>(NSRS)</sup> people were  
22 functioning in a similar role to us, but more independent.  
23 We were very regimented on the things that we had to do, and  
24 there were some extra things we could do, too, obviously, in  
25 terms of surveillance, but there were certain requirements  
that we had to meet to meet our license requirements,

RJH

1 certain audits in certain areas in a certain time frame.  
2 They didn't have a portion of their time that was weighed  
3 out like that.

4 Those are some of the aspects of our  
5 relationship I guess.

6 MR. REINHART: It seems like the NERS, from what  
7 you've said, really did some QA functions.

8 MR. MULLIN: Well, we didn't call it QA. They  
9 really called it safety review, you know, evaluation type  
10 things. They didn't call it QA. It was an independent group.  
11 Some of the techniques they used in their evaluations were  
12 probably very similar to auditing techniques. I wouldn't say  
13 they did QA functions really. I wouldn't say that.

14 MR. REINHART: Why was there a separate  
15 organization there doing that rather than having QA get more  
16 involved in those areas?

17 MR. MULLIN: I'm not really sure of the history.  
18 They <sup>if</sup> actions did not preclude us from getting involved in  
19 any area, you know, as we could do voluntary things or  
20 assessments on our own in any area we <sup>choose</sup> ~~close~~ or some we had  
21 to do. I am not sure of the history of why they were set up  
22 by the Board or General Manager some years prior. I think  
23 they may have wanted an independent overview of the  
24 situation and started the safety review staff and continued  
25 it, but I am not sure of all of the details. They were in

*R. Mullin*

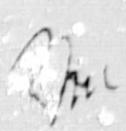
1 existence and they were there when I got involved with QA  
2 and had been for some years, and I interacted with both  
3 Kermit and his predecessor and respected them both.

4 MR. REINHART: If they found something that  
5 needed correction, do they have an input to your corrective  
6 actions system or do they have their own corrective action  
7 system? How do they accomplish?

8 MR. MULLIN: They tracked and they would write a  
9 report and they would usually send you a draft of their  
10 findings if it was in our area and you could respond. They  
11 try to get the report to be very factual and accurate. Then  
12 they would expect responses at a certain date and they would  
13 have probably verified that those actions had been taken,  
14 much the same as the corrective action elements in the  
15 formal QA program. It had the same elements of  
16 documentation, agreement on corrective action schedule and  
17 checking that that schedule would be completed. I think they  
18 were not as regimented in doing that as we were, or had to  
19 be, but it was a very similar system.

20 MR. REINHART: I think that covers the questions  
21 that I had.

22 MR. ROBINSON: Bob, I don't want to beat a dead  
23 horse, but I want to try to get a little bit clearer feel  
24 for your threshold, your personal threshold as to when or  
25 when not a QA program is in compliance with Appendix B.



1 Now, I'm going to do that by giving you an  
2 example and asking you whether you think that particular  
3 program was in compliance with Appendix B? Can we do that?

4 MR. MULLIN: Whether that particular program was  
5 in compliance with Appendix B?

6 MR. ROBINSON: Whose ever program it is.

7 MR. MULLIN: I'll try it and see.

8 MR. ROBINSON: ~~Is~~ there is a major breakdown in  
9 any of the 18 criteria of Appendix B in that QA program, is  
10 that QA program in compliance with Appendix B?

11 MR. MULLIN: What do you mean by a major  
12 breakdown?

13 MR. ROBINSON: It's not doing its job. It's 90  
14 percent inefficient. It's not working.

15 MR. MULLIN: Ninety percent inefficient in one  
16 criteria. I guess I would have to know the criteria, the  
17 impact -- I don't know that I can answer that question  
18 really honestly.

19 MR. ROBINSON: So there is a difference to you as  
20 to which criteria it might be?

21 MR. MULLIN: I think so. I haven't really thought  
22 of it in these terms before. I think part of the issue of  
23 the problem we're having is that it's kind of an abstract  
24 question. Your question is abstract also. The whole question  
25 is abstract, and I am more used to dealing I guess in

*R. M. C.*

1 specifics.

2 As I said earlier, I think it was a bad  
3 question, and I think there have been a lot of word games  
4 played with it. I'm not trying to be evasive. I just don't  
5 know how to answer your question, honestly.

6 MR. ROBINSON: Can you answer that question?

7 MR. MULLIN: It's too general I guess.

8 MR. ROBINSON: Okay. Let me get a little more  
9 concrete.

10 If the audit criteria of Appendix B of your QA  
11 or of any QA program was totally ineffective, 100 percent  
12 ineffective, would that QA program be in violation of  
13 Appendix B?

14 MR. MULLIN: I'm not trying to be argumentative,  
15 but how is an audit program 100 percent ineffective? Is it a  
16 program that never finds a deviation?

17 MR. ROBINSON: It never finds a deviation and it  
18 never looks for a deviation. No one is doing the job.

19 MR. MULLIN: You don't have an audit program  
20 period.

21 MR. ROBINSON: Well, you've got it on paper, but  
22 nobody is doing anything.

23 MR. MULLIN: There is no one conducting an audit?

24 MR. ROBINSON: No audit is being conducted and no  
25 deviation is being found, but every other criteria is ---

*[Handwritten signature]*

1 MR. MULLIN: Then I don't think you are meeting  
2 the intent of all the 18 criteria obviously, or you are not  
3 meeting the criteria if you've got it on paper but the  
4 auditors are sitting there and twiddling their thumbs or no  
5 one is conducting an audit and obviously no one is finding  
6 anything.

7 MR. ROBINSON: Are you in compliance with  
8 Appendix B in that situation?

9 MR. MULLIN: I would think not.

10 MR. ROBINSON: And I am going to ask you from the  
11 other end of the spectrum, which I kind of got the feel that  
12 you were trying to say.

13 Would you say that you are in overall compliance  
14 with Appendix B if you had established a QA program that  
15 addressed all 18 criteria and that you were making a bona  
16 fide effort to accomplish and implement all of those 18  
17 criteria regardless of the efficiency of the implementation?

18 MR. MULLIN: There would have to be an  
19 effectiveness element there which is a matter of judgment.  
20 There has got to be some effectiveness, and it is going to  
21 vary from criteria to criteria I believe.

22 MR. ROBINSON: So at some level effectiveness  
23 would have to be existent for you to be in compliance with  
24 Appendix B at some level?

25 MR. MULLIN: I think you could have

*[Handwritten signature]*

1 ineffectiveness with respect to certain criteria at a given  
2 time and still be in compliance with Appendix B. For  
3 instance, in the audit area if you had auditors that were  
4 not experienced in the area they were auditing and were not  
5 well qualified, and if they were general quality assurance  
6 type generalists, I think you could have an audit program  
7 that was relatively ineffective.

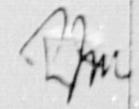
8 If, however, they were conducting audits and  
9 documenting some discrepancies and you were showing  
10 progress, had recognized that deficiency and were showing  
11 progress in bringing in people that were qualified, then I  
12 would say you were in compliance.

13 MR. ROBINSON: Okay. One final question. The two  
14 bases, and Mark went over these before, that Mr. White said  
15 in his letter as reasons for the overall QA program being in  
16 compliance with Appendix B are, one, no pervasive breakdown  
17 in the QA program and, two -- well, I'll quote from it  
18 exactly.

19 "Problems have been identified and TVA has  
20 remedied or will remedy all identified design construction  
21 deficiencies in noncompliance."

22 He's saying that because of those two reasons  
23 the overall QA program is compliance with Appendix B.

24 My question to you is do you need a pervasive  
25 breakdown in your QA program before you are in noncompliance



1 with Appendix B?

2 MR. MULLIN: You're always in noncompliance with  
3 Appendix B.

4 MR. ROBINSON: Yes, I recognize that, yes, you  
5 did say earlier that technically you are ---

6 MR. MULLIN: In many areas and in many instances  
7 you are in noncompliance. We've probably got literally  
8 hundreds of deviations at any point in time that are being  
9 fixed.

10 MR. ROBINSON: Well then how at any point in  
11 time, and I mean even using the proper spirit of the  
12 response and not being nit-picking and technical in your  
13 response, how can at any point in time anyone say that we  
14 are in compliance with Appendix B?

15 MR. MULLIN: I think it's a judgment call. The  
16 instance you said where auditing is one of the criteria and  
17 it's an important criteria. You have it on paper but no one  
18 is auditing and obviously no one is finding anything and you  
19 are not in compliance with Appendix B.

20 MR. ROBINSON: But getting back to the two  
21 reasons that Mr. White said that he was in compliance, he  
22 said "Because I did not have a pervasive breakdown in my QA  
23 program, and because my system has identified some problems,  
24 and those problems that have been identified have either  
25 been corrected or are in the process of being corrected,

RJR

1 therefore, I am in compliance with Appendix B.\*

2 I'm taking the first reason, in your opinion, do  
3 you need a pervasive breakdown in your QA program before you  
4 can be in noncompliance with Appendix B?

5 MR. MULLIN: Yes.

6 MR. ROBINSON: You do?

7 MR. MULLIN: Well, no. Now again in the sense of  
8 how the question was answered, and I've also said that we  
9 are obviously in non-compliance in a lot of areas, if you  
10 don't audit, that is a pervasive breakdown I believe. If you  
11 are not doing any auditing at all, that is an element that  
12 makes the whole thing hang together, corrective action,  
13 nonconformances and everything.

14 If you are obviously not doing something like  
15 that, I think that is a clear case where you are not in  
16 compliance.

17 MR. ROBINSON: Yes, but I want to kind of get  
18 away from that example that I used to you of auditing now.  
19 Just forget I ever said that. Forget the audit example.

20 MR. MULLIN: Okay, but you're being very general,  
21 and I don't know whether I can deal with generalities.

22 MR. ROBINSON: To say that you need a pervasive  
23 breakdown in your QA program to be in noncompliance with  
24 Appendix B, and you've already said that obviously you are  
25 in noncompliance with Appendix B at little points in time

RJC

1 all the time.

2 MR. MULLIN: Correct.

3 MR. ROBINSON: But it's not fair of me to assume  
4 that you would not need a pervasive breakdown in your  
5 overall QA program before you would say you were in  
6 noncompliance with Appendix B?

7 MR. MULLIN: You're losing me on the double  
8 negatives.

9 MR. ROBINSON: You don't think that letter was  
10 misleading?

11 MR. MULLIN: I don't think it was, no. I  
12 understood the letter and I agreed with the letter. I think  
13 we are hamstrung by a question and by the semantics that  
14 people have referred to. I really think that is what we are  
15 wrestling with and I don't know that it is productive and I  
16 don't think Mr. White meant to be misleading at all. I  
17 understood it, but it's a word and it's a question and a  
18 response that is subject to interpretation and judgment. It  
19 certainly is, but I was not uncomfortable and I would have  
20 signed that letter.

21 MR. ROBINSON: My parting question, and it  
22 pertains specifically to corrective action, the second part  
23 of his logic there when he said deficiencies have been  
24 identified and they have either been corrected or they are  
25 in the process. To me that is trying to present the picture

*R. J. [Signature]*

1 that we have got an effective corrective action program. Is  
2 that what that says to you?

3 MR. MULLIN: No, because one of the deficiencies  
4 that had been identified was the corrective action program.  
5 There has been instituted a procedure on corrective action  
6 reporting which combines all the different types of reports  
7 that were prepared by quasi-independent organizations and  
8 has put some time constraints on the initiator to the  
9 first-line manager and so forth, and put some requirements  
10 on for generic review. That is an element, a very important  
11 element of corrective action.

12 MR. ROBINSON: But my question to you is ---

13 MR. MULLIN: That is a very important element of  
14 the things he is correcting.

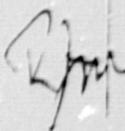
15 MR. ROBINSON: What is going on in the background  
16 behind that statement that the NRC may or may not be privy  
17 to when they get the letter.

18 MR. MULLIN: But I am.

19 MR. ROBINSON: Yes, but when the NRC gets the  
20 letter, the letter says deficiencies have been identified  
21 and having either been corrected or are in the process of  
22 being corrected.

23 Now when you receive that letter not knowing all  
24 the background, what does that statement say to you?

25 MR. MULLIN: I question whether the NRC -- you



1 know, the NRC is not only aware of it, they have insisted  
2 that this area be corrected.

3 MR. ROBINSON: Corrective action.

4 MR. MULLIN: Corrective action area. In fact,  
5 Sequoyah will not start up unless that area is corrected.  
6 The NRC ~~was~~ reviewed informally, <sup>at my request,</sup> corrective action  
7 escalation procedures that I personally wrote. So the person  
8 that got the letter may not be familiar, but in that area  
9 and in many other areas of our program, whether it be  
10 welding, <sup>or</sup> instrument ~~line~~ <sup>line</sup> ~~of~~ slopes, there is someone in NRC  
11 that has gotten a report or is aware of those things.

12 That is probably part of the problem, ~~if~~ someone  
13 can read that letter that is <sup>in</sup> TVA and knows a lot of things  
14 that are going on and has one perspective, and someone that  
15 is just getting the letter, you know, and perhaps has a lot  
16 of reactors all over the country to worry about, may have a  
17 different perception. It may be viewpoint, but certainly  
18 there are people in NRC that are aware of what is going on in  
19 all those areas and in most cases there are reports that  
20 have been written, 50.55(e) reports.

21 And corrective action is an area that we -- the  
22 other perspective that I would like to add on it is that,  
23 and this may sound like it may be some things that have been  
24 said in meetings and things, but TVA has stopped work in  
25 several areas, the welding area and <sup>instrument line</sup> ~~some~~ slope area, and the

Race

1 welding area even before this platform issue came out a few  
2 weeks ago. They have shut down reactors voluntarily and they  
3 have not started them up.

4 To me that is how the system is supposed to work  
5 and the NRC cannot be the policeman. They have to depend on  
6 the utility. TVA has acted responsibly in those areas. To me  
7 you've got to look at the whole picture, and we are kind of  
8 here focusing on a letter that I believe in, but I also  
9 worry about the productivity of this <sup>focus</sup> ~~letter~~ when you look at <sup>need to</sup>  
10 everything and the way everything is <sup>needed</sup> ~~concerned~~.

11 I understand your task.

12 MR. ROBINSON: And I understand your viewpoint,  
13 and that's not to say that we don't have the same viewpoint  
14 as far as the overall picture. But if you have got problems  
15 with your corrective action system, and you know it as TVA  
16 and you know that NRC knows it, why not just say that in the  
17 letter instead of saying our system identifies problems and  
18 all these problems that have been identified are corrected.

19 To me that statement says we have a corrective  
20 action system that is working. We are identifying problems  
21 and they have either been corrected or they are going to be  
22 corrected.

23 MR. MULLIN: I don't think that he meant to say  
24 that we have a net statement that we have a good corrective  
25 action program <sup>or</sup> one that didn't need improvement. I really

*RMC*

1 don't believe that.

2 I can't speak for Mr. White as whether he knew  
3 some of the difficulties with the program that we have  
4 discussed here today. He may not have. Obviously he has a  
5 lot of things to worry about.

6 MR. ROBINSON: I'm through. Go ahead.

7 MR. REINHART: I have one other. If we could go  
8 back to the January through March of 1986 time frame when  
9 the NRC's January 3 letter came in up until the time the  
10 March 20th letter went out.

11 MR. MULLIN: Okay.

12 MR. REINHART: What was the priority given to the  
13 task of answering that letter in relation to everything else  
14 that was going on?

15 MR. MULLIN: Well, it varied from time to time  
16 and depending on where you were sitting. I think there were  
17 stages from my perspective where there was a lot of time  
18 spent on it and it had a very high priority, and at times I  
19 think it had a high priority with Mr. Mason and Mr. White.

20 I think probably Mr. White, and I'm guessing,  
21 but I think he had probably a lot of other things he was  
22 trying to work on at that time and probably it did not have  
23 a high -- I think he knew it was something that was a major  
24 question and a serious response, but I think he had some  
25 other issues that were more important at that time to the

1 recovery effort. He was trying to hire in a lot of people.  
2 He was trying to get around to the sites and meet people and  
3 understand problems.

4 I think it was a major area, but I don't know  
5 that it was always the major area for him. In my area it was  
6 a very important question that had to be answered, a burning  
7 question that had to be answered, but there was also the  
8 day-to-day and week-to-week work that had to go on, too.

9 I really can't speak for his priorities. I know  
10 from the fact that in mid-January when we talked about  
11 schedules with Mr. Mason at that time they were interested  
12 in responding. They considered the initial deadline  
13 important and asked for an extension on that, but there  
14 seemed to be a period where it changed in priority.

15 MR. REINHART: Why was there that very first,  
16 like that 24 to 27-hour push? Different individuals that  
17 worked on these NSRS perceptions, apparently there was a  
18 work session that went something like 24 hours or 27 hours.

19 MR. MULLIN: I think, and I don't know all the  
20 dates, but I think the letter was dated the 3rd and they  
21 wanted an answer by the 9th. Mr. Dean got an extension and  
22 then approximately another week went by. I think people at  
23 that time were feeling, some people at least were feeling  
24 pretty strongly that, hey, we are in compliance. They wanted  
25 to look at the results of the 11 perceptions before they

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1 called that one, and they also felt, I believe, that the  
2 longer you waited, the more doubt the NRC might have as to  
3 how strongly you believe you are in compliance.

4 I think we had that meeting with NSRS in  
5 Chattanooga in mid-January. The folks from NSRS that came  
6 down did not, in all honesty, did not make a strong case for  
7 their position, and I think it further convinced the people  
8 that were in that meeting that what we had been thinking all  
9 along was correct, get on with it and let's get an answer  
10 back so that we don't appear in noncompliance by default.

11 So there was a push made. We had been working on  
12 the responses and gathering a little information, and  
13 someone said, hey, Kermit was going to respond in two more  
14 areas. Pull together what you have and at least have a first  
15 cut at all the information you have by then by the following  
16 24 or 36 hours, whatever it was, again in the mid-January  
17 time frame.

18 There were people that worked all night to meet  
19 that deadline, and that is not unusual in our business,  
20 working all night to meet a deadline. Sometimes things will  
21 go along rather quiet and then there will be a lot of heat  
22 to get something done. That is not unusual.

23 MR. REINHART: Is that conducive to giving a real  
24 quality product, a guy after 27 hours, his products, is that  
25 really what you want?

R. Reinhart

1 MR. MULLIN: I guess optimally, no. You would  
2 like more time. We had had the questions ~~for~~ since we  
3 received the letter from NRC and we hadn't gotten all the  
4 NSRS inputs. I think some of those things if they gave you  
5 40 days to respond, you would be hustling on the 39th day~~X~~.  
6 Sometimes it's just a matter of getting with it.

7 Now that was a deadline and it did require some  
8 hustle. It's obviously better to work at a more deliberate  
9 pace, there had been a lot of work done before that time by  
10 the individuals, and it was just a matter in that period of  
11 people trying to get it all together and coordinated. Pieces  
12 had dribbled in before that and it was a matter of putting  
13 them together.

14 So it wasn't all done in 24 hours, but it was  
15 pulled together, the various pieces and we tried to put it  
16 in a form that was understandable and suitable for briefing.

17 MR. REINHART: I see.

18 MR. MURPHY: Let me ask you a question. When you  
19 left your position as Quality Assurance Manager on February  
20 13th, had all those technical reviews been completed?

21 MR. MULLIN: Again, I'm a little lost in time  
22 frame, but I think that was kind of a ~~N~~going on type of  
23 thing. For instance, the work NSRS came in with, a matrix  
24 of employee concerns, I think that occurred about that time  
25 frame, and I think they sent a team out to Watts Bar to

(NSRS)

R. J. [unclear]

1 review all those employee concerns. I think that was going  
2 on beyond that time frame. So I think it was continuing  
3 through that time.

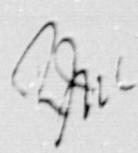
4 MR. MURPHY: Were there any major changes between  
5 the initial technical reviews prepared by the line  
6 organization and the final product?

7 MR. MULLIN: I think there were some changes. I  
8 think there were some additional people that got involved in  
9 looking at things. One of the changes, and the reason for  
10 that is, as I indicated earlier, it was kind of an  
11 owner/operator type concept prior to Mr. White coming in.

12 About this time frame, while this evaluation was  
13 in progress, I believe there was more emphasis placed on  
14 centralized management, if you will, the role of engineering  
15 and construction as program managers became stronger and I  
16 think different people got involved in the response at that  
17 stage, and I think there probably were some -- maybe in the  
18 electrical area, for instance, I know there were some new  
19 people that got involved and there probably were some, I  
20 wouldn't say they were significant, but some changes and  
21 some of them might have been viewed as significant.

22 MR. MURPHY: Any bottom-line changes? Did anyone  
23 go from either saying that they are correct to not correct  
24 or vice versa?

25 MR. MULLIN: Not to my recollection. If I could



1 make one point. I think that did provide at least another  
2 review, or we did get some fresh looks at that stage because  
3 of the renewed emphasis on engineering and construction.  
4

5 You asked me before about independence and so  
6 forth and were the people that built the problem defending  
7 it. I think this added a little more independence to the  
8 process, too, because there was a change in management  
9 philosophy in that time frame.

10 MR. MURPHY: Were you kept abreast of the number  
11 of QTC concerns, employee concerns being generated?

12 MR. MULLIN: Yes. There were period reports that  
13 came out.

14 MR. MURPHY: Were you aware at this time that  
15 there were probably some three or four thousand concerns?

16 MR. MULLIN: I was aware there were hundreds  
17 probably or maybe a thousand or so. The number of three or  
18 four thousand doesn't ring a bell.

19 MR. MURPHY: Were you ever given any idea of the  
20 percentages of these concerns that will be validated as  
21 being true?

22 MR. MULLIN: I think there was information  
23 published. My general recollection though is that the  
24 investigation and the validation of concerns lagged behind  
25 the identification considerably.

The thing that was important to me in this whole

R. J. Roe

1 process was when they came out with relating employee  
2 concerns to their 11 items, and we did send six or eight  
3 people down to actually dig through those files and research  
4 those specific concerns. So that as kind of my major thrust  
5 relative to this issue.

6 As far as the employee concern program being a  
7 help to QA, there was a lot of identification but not much  
8 confirmation or resolution at that stage. It was mainly a  
9 fact-finding or identification type stage.

10 MR. MURPHY: Mr. Mullin, have I or any other NRC  
11 representative here threatened you in any manner or offered  
12 you any reward in return for this statement?

13 MR. MULLIN: No.

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

16 MR. MULLIN: Yes.

17 MR. MURPHY: Is there any additional information  
18 you would like to add for the record?

19 MR. MULLIN: Not at this time.

20 MR. MURPHY: We all would like to thank you for  
21 taking time out of a very, very busy schedule to come and  
22 spend this time with us, and we appreciate your personal  
23 views, and your candidness and honesty in this matter.

24 MR. MULLIN: You're welcome.

25 MR. MURPHY: It's now 12:39 and this interview is

*RAC*

1 concluded.

2 (Whereupon, at 12:39 p.m., the interview of  
3 ROBERT JAMES MULLIN concluded.)

4 \* \* \* \* \*

5  
6 *R. Mullin*  
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8 *9/22/87*  
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