

ORIGINAL

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

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IN THE MATTER OF:

DOCKET NO:

INVESTIGATIVE INTERVIEW CRAIG D. LUNDIN

LOCATION: CHATTANOOGA, TENNESSEE  
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EXHIBIT 53

NATIONWIDE COVERAGE

## EXAMINATION

1  
2 BY MR. MURPHY:

3 Q For the record, it is now 1:04 p.m. February  
4 26, 1987. This is an interview of Craig D. Lundin who is  
5 employed by Stone Webster Engineering Corporation. The  
6 location of this interview is Chattanooga, Tennessee.  
7 Present at this interview are: Lynn Williamson, Larry  
8 Robinson, Leo Norton, John Craig and Dan Murphy.

9 As agreed, this is being transcribed by a  
10 court reporter. The subject matter of this interview  
11 concerns TVA's March 20th, 1986 response to the NRC  
12 regarding their compliance with 10 CFR 50 Appendix B.

13 Mr. Lundin, would you please stand and raise  
14 your right hand?

15 (Witness complies.)

16 Do you swear or affirm the information you  
17 are about to give is the truth, the whole truth and  
18 nothing but the truth so help you God?

19 A I do.

20 Q Mr. Lundin, would you be kind enough to  
21 furnish this group with a little bit of background  
22 information about yourself as far as education and job  
23 experience is concerned?

24 A Certainly. I graduated from Lowell  
25 Technological Institute in 1968 with a degree in

1 mechanical engineering. At that time, I was employed as  
2 a non-destructive test technician at Avco in the  
3 aerospace field.

4 I, then, went into the Portsmouth Naval  
5 Shipyard in the Quality Assurance Department. And during  
6 that period of time -- I was there for five years,  
7 progressively, in more responsible positions in the  
8 Quality Assurance and inspection field. When I left in  
9 1973, I was the head of the nuclear inspection.

10 With Stone Webster I was, initially,  
11 employed in our Boston office with the Field Quality  
12 Control Division performing special tasks, which included  
13 audits of our commercial nuclear power plant job sites.

14 Subsequently, I was assigned as the  
15 assistant superintendent of Quality Control at the Beaver  
16 Valley Power Station. I was transferred in that same  
17 position to Shorum Nuclear Power Station. I became the  
18 superintendent of Quality Control on the job site at  
19 North Anna. And subsequently, I was the Quality  
20 Assurance manager for our River Bend project.

21 In 1982, I was promoted to the chief  
22 engineer of the Quality Systems Division in the  
23 corporation in Boston.

24 Since then, I have, as well as running that  
25 division, performed several special projects. Most

1 notably, the re-inspection, construction re-inspection at  
2 **Diablo Canyon**, the diesel inspection of the -- I have  
3 **done tasks at Clinton** and participated in the Vogle  
4 **readiness review as a technical expert.**

5 And subsequently, I have been involved with  
6 **TVA nearly full-time since January of '86.**

7 Q Would you describe for us your role in three  
8 **separate items. First, the technical reviews performed**  
9 **by the line organization regarding the MSR perceptions,**  
10 **your part in the March 20th, 1986 letter, and the work**  
11 **that we're told that a small group of individuals under**  
12 **your supervision performed, what has been described as an**  
13 **independent review at Watts Bar for TVA. If you would,**  
14 **the order in which you became involved in each one of**  
15 **these particular items.**

16 A During our initial involvement in January of  
17 '86, I was a member of a team which was doing a review of  
18 **the negative correspondence that TVA had received to**  
19 **determine some areas where a new management staff would**  
20 **look to find their problems.**

21 Q Is this what, ultimately, people referred to  
22 **as the Nace report?**

23 A I think so, because Larry was acting as  
24 **project manager.**

25 Q Fine.

1 A We elected John Kirkebo the leader of that  
2 group. During that participation, I was asked separately  
3 by the staff, the nuclear manager staff, to review the  
4 responses that were being prepared to the NSRS's  
5 perceptions that had been sent over.

6 It was my understanding at that time that  
7 they somehow had been issued to the Office of Nuclear  
8 Power and required a response. So, a response was being  
9 prepared. I was asked to review the responses.

10 Upon review of the responses, I had sporadic  
11 involvement over the next few weeks in attempts to  
12 resolve my comments. I had several concerns as to the  
13 adequacies of the responses. I couldn't comfortably, as  
14 an outsider, understand the total responses that were  
15 being given. That continued on a part-time basis while  
16 those responses were prepared through February.

17 It was considered at that time, and I can't  
18 tell you now whether Dick Kelley suggested it to me or I  
19 suggested it to Dick, that we somehow have to have some  
20 facts for me to be able to concur or somehow believe the  
21 answers that are being given, one way or the other.

22 And it was recommended that we do a  
23 short-term evaluation of the specific concerns to get  
24 some input for me to be able to have confidence, one way  
25 or the other, that we had problems, didn't have problems

1 and to what extent were those problems.

2 I felt that I could sufficiently act on  
3 indicators. And I felt that we could get the indicators  
4 by just having the right kind of people, asking the right  
5 kinds of questions and looking at the right kind of  
6 documents. That's, essentially, what we did in parallel  
7 with my involvement in the letter.

8 Q Okay.

9 A I assembled the 10 or 11 people. I believe  
10 you have the list. These people were all senior level  
11 site people. They all had near term operating plant  
12 experience from their current assignments. They had  
13 regulatory interface experience, and I felt they could  
14 give me some ideas as to whether the conclusions were  
15 appropriate.

16 The chronology I'm not sure of. But at the  
17 same time, I did draft an initial letter based in a  
18 response for TVA, which I felt was how it needed to be  
19 answered at that time. That was not the letter that went  
20 out, but that was based on the answers they had and based  
21 on what I considered to be the issues at the time.

22 I am flip flopping back and forth between  
23 the three things you wanted me to talk about because they  
24 are intertwined.

25 Q That's fine.

1           A           So, I did draft a letter during that period  
2 of time. At the end of about 10 days, although, I was  
3 out at the job site talking with the people, two out of  
4 three days during that period of time, having daily  
5 discussions as to what had transpired on the various  
6 issues.

7                       I had an afternoon meeting where I discussed  
8 and rediscussed all of our daily meetings and what we  
9 really felt about the issues that had been brought up by  
10 the NSRS and what evidence they could find to support the  
11 them as issues and to support the conclusion that 10 CFR  
12 50 was not being followed at Watts Bar.

13                      As a result of that, I formulated a personal  
14 opinion as to the issues as well as to the conclusion.  
15 And I gave that conclusion in a brief memorandum, but I  
16 also gave it verbally and used that as my basis when I  
17 reviewed some drafts of the letter, some later drafts  
18 before it went out.

19                      I do not know whether I saw the last draft  
20 of that letter before it went out. I do know I saw and  
21 commented on some drafts of that letter. It was a period  
22 of time that the letter was being prepared. In fact, I'm  
23 fairly sure that I did not see the final letter, but I  
24 had seen earlier drafts prior to its issuance.

25                      That was my whole involvement in the March

1 20th letter.

2 Do you need any more information on that  
3 group?

4 Q The 10 or 11 people you had assembled?

5 A Yes.

6 Q I have not seen the list of names myself,  
7 and I don't --

8 A It was an inspection --

9 Q I was here when --

10 A We did gather the names. Now, I don't know  
11 who they got given to at that time.

12 Q Okay.

13 MR. WILLIAMSON: I think I saw those.

14 BY MR. WILLIAMSON:

15 Q Can I go back with you just a little bit?

16 A Sure.

17 Q For lack of a better term, the Nace report  
18 which is a systematic analysis of identified issues?

19 A I like that name.

20 Q You participated in that?

21 A Oh, yes.

22 Q What was your role in responding to these  
23 concerns that had been generated? As I understand, they  
24 were complaints.

25 A We weren't generating concerns. The



1 intention of this was we walked in and Steve White had  
2 just gotten here, a whole new management group, if you  
3 will, and without -- except for I realized that there was  
4 a study done in the Fall that there was really needed  
5 some information as to where the real problems were, the  
6 root cause, if you will, or something like that.

7           We were a team of people to try to -- if you  
8 don't mind the analogy, what rocks do you turn over?

9           Do you spend a lot of your effort in an area  
10 that might be a small problem where you might have some  
11 big problems?

12           So we sat down, a few of us that first  
13 arrived and said, "How do we go about this?"

14           And we determined that we would look at all  
15 negative correspondence, come up with some method of  
16 coding it that we could trend it and say, what does  
17 everybody say bad about TVA more often, and that will  
18 have some, you know, that may be an indicator.

19           We ended up assembling an order of magnitude  
20 of maybe 20 people doing this reading and coding, and  
21 every document was read and circled.

22           In fact, part of my job was to identify what  
23 documents we should review, go through the printouts of  
24 companies and organizations and individuals that  
25 corresponded with TVA, and select the ones that we wanted

1 to see their correspondence list just in case there might  
2 have been an evaluation.

3 If we saw an AE, we said -- we automatically  
4 pulled it because there could have very well been an  
5 evaluation done. Any congressional correspondence was  
6 automatically pulled because it could have been a  
7 complaint by an employee or an organization in the  
8 valley.

9 And our intent -- and I participated in the  
10 development of the program and in the conclusions of the  
11 program. I didn't do as much coding as some of the  
12 people did because of the other things I was asked to do.

13 And the intention, and I believe we met it.  
14 In fact, I believe that more today than I did then, was  
15 to come up with a top 10, if you will, of things. Here's  
16 the issues that you probably ought to be looking at to  
17 see what they are.

18 I can't name them in order off the top of my  
19 head, but we did it in three different ways. But by  
20 coding it, we went into the issues and we tested our  
21 coding method and felt it would probably do the job, and  
22 we feed it into the computer.

23 Secondly, we did it as individuals.  
24 Because, now, by this time, all these people had read a  
25 lot of this correspondence.

1           So, the other method we used to look for a  
2 correlation was we split up into three groups. And each  
3 of the three groups came up with their -- strictly by  
4 vote, their top 10 from all their different readings.

5           And then, we got together as a group, and we  
6 found all three groups had an almost identical top 10.  
7 And then, we punched the computer, and the computer had,  
8 essentially, the same top 10.

9           So, we felt comfortable that we had  
10 identified the issues that really needed to be dealt  
11 with. And that was lines of authority, you know, basic  
12 management things, for the most part, independence  
13 issues. Because the things that people had problems with  
14 were only manifestations of the those things, really.

15 Q           Were you not brought in because your  
16 expertise in QA/QC?

17 A           I expected so.

18 Q           The document says Quality Assurance and  
19 Quality Control management. I guess, this is listing the  
20 specialties of all of the team members?

21 A           Yes. As I said earlier, I have had a lot of  
22 different positions over the years in QA. So, I just put  
23 general QA.

24 Q           That's your area of expertise?

25 A           That is my area of expertise, inspection and

1 quality assurance.

2 Q You indicated that you also had some input  
3 into the top 10, as it were conclusions, that were  
4 reached in the Nace report.

5 A Those conclusions were pointers. The  
6 intention was to tell management, "This is where I think  
7 you need to look. These are the issues that need to be  
8 addressed immediately here."

9 Q Who is management?

10 A Steve White.

11 Q This went to Mr. Nace, who was a special  
12 assistant, I guess, at that time?

13 A Yes, he was on the team of advisors that was  
14 being used.

15 Q So that the purpose of this was to inform  
16 Mr. White of the --

17 A TVA management.

18 Q TVA management of the areas -- I believe  
19 they call them issues or concerns within TVA that you  
20 folks had identified, and you felt that some  
21 resolution --

22 A That someone else had identified and that we  
23 felt those were the types of things that seemed to run as  
24 a common denominator of all of the things where people  
25 had --

1 Q Did you discuss the results with Mr. Nace?

2 A I don't know whether I, personally, was  
3 involved with the discussion. I can't remember.

4 Q Was Mr. White or TVA management?

5 A Certainly not -- I did not talk to Steve  
6 White about it at all, no. At this point in time, I was  
7 a member of that team.

8 My contact -- I had no contact with that  
9 management group as it pertained to this. My contacts  
10 were mostly as a result of other things I was doing, and  
11 this was not discussed.

12 Q Based on the information -- was that your  
13 your first experience in working with TVA?

14 A Yes, the very first.

15 Q Based on the results of the conclusions that  
16 you folks drew as the top 10, as you say, you mentioned  
17 lack of management, control direction, lack of quality  
18 assurance overview and basic program weaknesses, quality  
19 assurance program weaknesses, inadequacy of problems,  
20 evaluation and corrective action, you mentioned this as  
21 being a high degree of consensus among the team members  
22 that these were problem areas.

23 Were any of these surprises to you based on  
24 having just come into TVA and the magnitude of these  
25 problems?

1 A . . . . . Probably. I say that because, you know, I  
2 had no experience with TVA. And I didn't, other than  
3 reading the newspapers in recent months before that, you  
4 know, I never knew them in -- never had enough  
5 information to know whether they were good, bad or  
6 indifferent in any of these.

7 Q . . . . . But you had been with River Bend and Vogle  
8 and Clinton and so many other places that had been  
9 extensively involved in QA programs, you had something to  
10 compare this program to?

11 A . . . . . Right. At the time -- oh, certainly,  
12 that's -- like I say, that is my expertise, I like to  
13 think.

14 Q . . . . . I guess what I am asking is, what was your  
15 initial reaction when you concluded your review?

16 A . . . . . Well, this review was not of the program but  
17 of all, you know, NRC violations and things and to try to  
18 see if there was something that would have tripped it  
19 off.

20 . . . . . If I see a certain type of problem re-arise,  
21 you know, from my experience I have an idea of what might  
22 cause that, and that's how it was coded.

23 . . . . . So, my initial thought was that the controls  
24 built into some of the programs in some of the layers  
25 were not all working as they should. Now, that usually

1 points to two kinds of problems.

2 One is that there are weaknesses in the  
3 program or failures in the program or the implementation  
4 of that program isn't being controlled enough that it  
5 does its job.

6 I was surprised that, I guess, TVA, a  
7 utility with this many nuclear power plants, had these  
8 kinds of problems. That was my surprise. You know, you  
9 normally expected them to be, you know, one of the  
10 leading utilities.

11 Q When you say "Problems," is that in the  
12 program, the implementation or the process?

13 A I would say in the process. All the  
14 problems I saw were process problems. As you know, I  
15 later got to be involved in some of the procedures. And  
16 I have, yet, to find an inadequate procedure.

17 But the implementation of those procedures,  
18 and maybe some of the control programs -- I believe when  
19 you read the QA oversight where the oversight programs  
20 were not as strong as they should have been, in my  
21 opinion, to make sure the things happened. The programs  
22 were implemented.

23 As we are seeing, now, they generally  
24 worked. But because of some of those things you see, you  
25 ended up with some breakdowns. We have found some

1 specific areas.

2 Now, we did determine that the issues were  
3 real issues.

4 Q Which issues?

5 A The issues -- I am flip flopping, now. Like  
6 the NSRS's issues. The NSRS's issues were real issues.  
7 They all were real issues. Some more significant than  
8 others, but those issues make you draw that conclusion.

9 And my answer was, no, they did not have  
10 enough information to draw that conclusion at that time.  
11 And I didn't --

12 Q "They did not have enough information," was  
13 this the NSRS's people --

14 A Right.

15 Q -- or the TVA line people who were making  
16 the technical reviews of these perceptions?

17 A The conclusion was made by NSRS, and I am  
18 referring to, they did not show enough backing to those  
19 items to draw their conclusion.

20 Initially, they gave some backup to that.  
21 That information was very spotty, very incomplete. And  
22 then after several weeks of work, they came up with  
23 another document which was purported to be backup for  
24 those conclusions. That information, as well, was not  
25 supportive of the conclusion, and in some cases didn't



1 even support the issue.

2 The issues were issues. Some of them had  
3 been closed. Some of them were old issues. There was a  
4 time factor in there that wasn't mentioned. The types of  
5 problems that TVA is experiencing, I think, I have  
6 experienced just about all of them before, but not all at  
7 the same time.

8 BY\_MB.\_CBAIG:

9 Q What about to the same extent?

10 A I am trying to think of a specific, but I  
11 would imagine I have some that have been just as bad. I  
12 am referring to things like where we have had the 10 CFR  
13 5055E reports, I have had them that bad, yes. Things did  
14 not get caught when you wanted to catch them. You caught  
15 them later on.

16 MR. WILLIAMSON: Without being disjointed  
17 here, are there other questions about this Nace report  
18 that we are going to address, because I was going to  
19 chronologically move on to the next one, your independent  
20 review.

21 BY\_MB.\_NORTON:

22 Q Mr. Lundin, you were, I guess, regarding  
23 this whole matter in a very unique position in the three  
24 different areas you addressed.

25 When you went over to review the technical

1 responses, and then later on conducting your team  
2 evaluation, was there any cross fertilization, you know,  
3 in that effort with what you had seen in the systematic  
4 assessment?

5 A It supported some of it, yes. The one  
6 example I can think of is the inadequacy of the  
7 responses, in my opinion.

8 Q To the corrective action?

9 A No, to the NSRS's concerns.

10 Q Okay.

11 A The NSRS's concerns at this time had no  
12 backing. All I could read was a one line concern. The  
13 answers to those concerns prepared, in my opinion, were  
14 as inadequate as the backup given to explain the concern,  
15 and it supported what we had found in reviewing some of  
16 the documents. And one of the criticisms had always been  
17 that TVA is not responsive to a concern, be it a  
18 regulatory concern.

19 And reviewing the TVA responses to  
20 regulatory concerns, they tended to be incomplete and  
21 spotty and not stand-alone type documents. Those  
22 responses to the NSRS's concerns that were prepared were  
23 more examples of that as a problem.

24 What I found, and I have found many times  
25 since, is that, generally, all the information is

1 available. It was a matter of communication, a serious  
2 communication problem, as far as literally telling all  
3 you know about a subject.

4 My experience in the regulatory arena is,  
5 just tell them what I know about the facts and tell them  
6 all of the facts and everything I know and every  
7 conclusion I have drawn. Then, we have got the issue on  
8 the table.

9 What I found there was, once again, as I  
10 said earlier, spotty, appearing to be incomplete answered  
11 responses. We have seen quite a bit of that since.

12 Most of my frustration in reviewing the  
13 responses in the past year have been to get the  
14 information out of the person who answered it always  
15 seems to be there.

16 Q The systematic assessment, that was  
17 addressed as the whole TVA Nuclear Program?

18 A Yes. We went through all TVA  
19 correspondence, if my memory serves me right, literally  
20 dumped right out of their computer all correspondence  
21 since 1978, and then sorted on that.

22 Q My partner here just showed me an attachment  
23 to the report. Maybe that will help you to answer the  
24 next question I am going to ask you.

25 The concerns that you reviewed as part of

1 the systematic assessment, were quite a number of them  
2 related to Watts Bar?

3 A It's very difficult, as you know, of all the  
4 documents reviewed, I reviewed such a small percentage of  
5 all of the documents. I reviewed -- the largest and most  
6 significant was a Sauer report. I did those, one for  
7 each site, I think I did.

8 Q What I am leading up to is that, in your  
9 opinion, was the systematic assessment effort relevant to  
10 the issue of Watts Bar?

11 A I didn't see any connection as far as that  
12 issue. Like I say, the only connection I saw was the  
13 manifestation of some of the things I saw in the  
14 systematic analysis. I saw that while reviewing the  
15 other thing. I saw it both on the NSRS's side and on the  
16 line organization response side.

17 Q That's why in a sense, not in a sense, but  
18 your response mystifies me a bit. Because I think in  
19 your top 10, in the systematic assessment top 10, many of  
20 them seem to almost be taken to a great extent or in  
21 NSRS's perceptions, they seem to tally quite closely  
22 problems such as inadequacy of problem evaluation and  
23 corrective action and lack of timeliness in response to  
24 identify the problem?

25 A That kind of correlation, I would anticipate

1 that sort of a correlation. Like I say, every time I go  
2 around a corner, I run into that. Every week, it seems,  
3 I tackle another problem. And I can go right back to  
4 that and say, "It fits right into that."

5           You know, we did the right thing. We  
6 identified a year ago that the stuff -- if we had not  
7 done that and not targeted -- because, see, the point is,  
8 you can go and find all of your problems, and then decide  
9 what the root causes are, and then go fix them. Or you  
10 can attack those, make the changes you feel need to be  
11 made.

12           And everything I am doing right now, every  
13 problem when we determine the root cause, we found out  
14 that we had already fixed it.

15           Would it happen, again?

16           No, because the root cause ends up right  
17 back in there, and we fixed it a year ago when we started  
18 making the changes.

19           So, the idea was to do not a series function  
20 in repairing whatever the problem might be, but to do it  
21 in a parallel function. That was why that effort --  
22 that's why I am proud of that effort, to be very frank  
23 with you.

24           Because, now, here I am a year later and I  
25 am in a different position, I have the weld project, you

1 know, and I am finding that, you know, the reasons for  
2 having the problems, I have go back to the things that we  
3 felt were probably the problems that ought to be looked  
4 at and fixed.

5 Q Agreed.

6 Do you feel today that the NSRS's  
7 perceptions, which you stated earlier did identify real  
8 problems, were part of what you identified in the  
9 systematic analysis report, the root causes of them?

10 A Most certainly. That and many other things,  
11 yes, issues that have been around.

12 Q That's why I have a little bit of trouble of  
13 not understanding why there wasn't -- and I realize  
14 hindsight is 20/20, why when you were doing the  
15 evaluation of the technical responses, at least, you  
16 didn't have this in mind to some degree, the systematic  
17 analysis effort?

18 A Because of the systematic analysis, I  
19 expected what there was in the NSRS. Remember one of our  
20 problems was organization.

21 Q Right.

22 A If you had showed me the organizational  
23 chart, I would have told you that a document like that  
24 existed somewhere. The organization was built to make  
25 that happen. The polarization was there.

1 All you have to do is interview some people,  
2 look at the organizational chart. The NSRS was an  
3 organization which was -- or should I say a group, which  
4 was an organizational disaster to have a group like that.

5 That was, "Build another organization  
6 because your other one doesn't seem to be working the way  
7 you want it to." So, you tack on.

8 As I have been saying, and I even said this  
9 this morning on another issue, that the TVA policy is if  
10 the damn leaks, you build another damn downstream. You  
11 don't fix the damn. I like to fix the damn.

12 That was the case where something wasn't  
13 happening and everybody wasn't comfortable with the way  
14 it was meshing. So, another organization gets built to  
15 oversee, now, that is more remote, more communication  
16 problems, don't report in the same chain of command,  
17 guaranteed to have that result. Guaranteed. And they  
18 got that result.

19 Q Guaranteed to have the results that you have  
20 an organization that would criticize Watts Bar or  
21 guaranteed to identify the issues that they --

22 A It's guaranteed that you would have an  
23 organization which would have a less than firm grasp on  
24 real issues and not articulate them well, and that would  
25 result in a communication gap that appears to never be

1 repaired because they don't report to the same boss. The  
2 independence factor becomes a personal thing with the  
3 individuals.

4 I have experienced it at a very small level  
5 in my own organization. I took three guys and decided  
6 that I was going to have an audit group of my own before  
7 the auditors came in from my corporation and looked at  
8 me.

9 They were out of control in about a week.  
10 You know, I say "Out of control" because I had to get it  
11 back in line and understand they worked for me. They did  
12 my bidding. The information was for me, and I would  
13 decide what the right answer to what their questions are.

14 And they did not have that organizational  
15 pyramid in TVA. It was parallel. There was no  
16 organizational pyramid where eventually it got on  
17 somebody's desk and he said, "This is the way it is."

18 And then, you get the personality problem  
19 which you always create in a group that large with that  
20 kind of a charter of independence. There's a question  
21 whether they will accept the answer from their boss.

22 So, it had degenerated at that point in time  
23 where I discussed -- when I discussed those issues with  
24 people, there was no acceptable answer. The auditor who  
25 won't accept any answer to his audit finding, that's



1 where we were. There was no acceptable answer to any of  
2 those. They had been given several answers, but none  
3 were acceptable.

4 It wasn't enough to fix the problem. There  
5 appeared to be some other blood letting that had to be  
6 done that nobody could characterize what had to be done  
7 to satisfy.

8 So, consequently it becomes an issue,  
9 itself. So, that was an organizational -- I considered  
10 it an organizational problem.

11 Q But the problems identified were real by  
12 them?

13 A They either were or had been real. To the  
14 best of my knowledge, we found evidence, maybe not as  
15 severe as what they said, but certainly -- you know, one  
16 of the issues was instrumentation. And it was clear to  
17 us when we walked on site that instrumentation was a  
18 problem. There was a massive instrumentation project to  
19 fix instrumentation. It was easy for me to see. Whether  
20 it got recognized because of them or in spite of them,  
21 you know, I don't know.

22 Q Well, when was it that you recognized the  
23 massive instrumentation problem? You said when you  
24 walked on site.

25 A They sold me. They said, "Hey, we have got

1 a big instrumentation project because we found problems  
2 in instrumentation."

3 Q When was that?

4 A When?

5 Q Yes.

6 A I don't know. It had to be about the same  
7 time, February, something like that. You know, that came  
8 when asked about the -- you know, in talking to people  
9 about instrumentation, it just came up that there was an  
10 instrumentation project.

11 I asked for an explanation because I didn't  
12 understand the term "Instrumentation project." Their  
13 organization is such where a project is formed, you know,  
14 my idea of a project is, Watts Bar is a project.

15 So, once I got the communication squared  
16 away, I understood what the instrumentation project was.  
17 So, that's how I found about it just in reviewing the  
18 answers to the concerns, it just came up.

19 It had to be somewhere in February, roughly,  
20 that there either was or was going to be an  
21 instrumentation project to handle, and that still exists  
22 today to handle that problem.

23 So, we looked into those problems to some  
24 degree and the fact they were being looked at, and left  
25 it at that. So, that is an example of an issue that was

1 clearly an issue.

2 We didn't have any idea of the magnitude at  
3 the time. We knew that somebody had enough knowledge,  
4 you know, there was enough reason to go look. But, you  
5 know, the magnitude at that time was unknown. How bad,  
6 you know, do we have a lot of it?

7 Well, we -- the committment had been made to  
8 go find out. That was the important thing to me at that  
9 point in time.

10 BY MR. ROBINSON:

11 Q During the course of your review of the  
12 support for the NSRS's perceptions and the adequacy of  
13 the responses of the line, was there ever any point in  
14 time in your review that you felt that NSRS had, in fact,  
15 supported their perceptions?

16 A Well, it was never a time as far as the  
17 overall conclusion, no. But, as far as giving background  
18 so that you could chase a specific perception, yes.  
19 There was some that we got enough information to know  
20 where they were coming from, mostly in the second time  
21 around.

22 Q And, I guess, I have the same question. The  
23 initial shot of inadequate and non-responsive responses  
24 from the line, did there ever come a point in time where,  
25 in your opinion, they were responsive, they addressed the

1 issue and they --

2 A I believe the last round I felt that, you  
3 know, immediately there was a lot of people commenting,  
4 so there's little changes. But, as a whole, I felt they  
5 were responsive. They had identified what the real issue  
6 was, and either were attacking or had attacked the root  
7 causes, if you will, of the problem.

8 Q Okay.

9 A Or had, at least, made a commitment to find  
10 them, to find the root causes and attack them. Some of  
11 them, you know, some of these programs was pretty  
12 embryonic at the time.

13 Q But even if that situation had eventually  
14 evolved because of the -- and when I say "That  
15 situation," I mean a reasonably adequate backing for the  
16 NSRS's responses and a reasonably adequate responsiveness  
17 to the perceptions, there was still going to be a problem  
18 just because of the organizational situation that it  
19 would never be resolved?

20 A Right.

21 Q Do you think in view of that situation, that  
22 the representation of that situation might have been a  
23 little bit more clearly explained in the letter that was  
24 eventually sent to NRC?

25 A I never considered that. Those problems are

1 difficult to explain, in my opinion. They revolve so  
2 much around personality. I am afraid that an explanation  
3 or an attempted explanation of that situation would only  
4 cause 500 more questions.

5 Q In your opinion, was the letter misleading  
6 about being in compliance with the Appendix B?

7 A No, it wasn't to me.

8 Q It wasn't?

9 A No. You know, I understood where we were.  
10 I understood, you know, what the letter meant. I  
11 understood that, you know, I felt from my experience that  
12 I was probably more adamant about the Appendix B issue,  
13 as far as the compliance with Appendix B, because that is  
14 not a line. It's a strike. So, I was more adamant about  
15 it, but I understood it.

16 I will tell you, there was enough issues in  
17 there that it was worth continued digging. Because, you  
18 know, if you have weaknesses, you have to look where it  
19 broke. And that was the important thing. If we have  
20 programs that are adequate but we feel they have  
21 weaknesses, you have to say, "Well, maybe it broke a few  
22 times."

23 So, it's important that we turn over every  
24 rock and make sure that if it broke, we will find it.

25 Q How soon after you came on board did you

1 prepare your first draft cover letter for White? Was it  
2 within a week or a couple weeks or --

3 A No, it wasn't that soon. It had to be a  
4 month. It's very difficult for me to remember, please  
5 understand. It had to be three weeks or a month or  
6 possibly even more. It may have been after I had the  
7 people out there, but I doubt it. Because I felt my  
8 first draft addressed it as I, personally, felt it needed  
9 to be addressed at that time. And that was in terms of  
10 it almost being a mute point. This was something --

11 Q Compliance?

12 A Not compliance.

13 Q What being a mute point?

14 A As an issue. The NSRS's perceptions and the  
15 result and conclusion happened in December. While all of  
16 this was happening, TVA made a massive commitment and  
17 turned the whole organization upside down in the nuclear  
18 business and brought in new people.

19 And on my experience in the regulatory  
20 process, you know, these things are running in parallel,  
21 and all of a sudden, I made a massive commitment, a  
22 commitment that I'm not comfortable that everybody  
23 inside TVA appreciates what a commitment and change that  
24 was. And it was kind of like, well, this letter came out  
25 just before that happened and it was kind of like I

1 looked at that letter and I said, "Well, gee, yeah, that  
2 was under the old regime."

3           What you're telling me is they are saying,  
4 "Hey, I am going to look. I understand that I may have  
5 that kind of a problem. And, now, we're going to tear  
6 this place apart and find out where all the problems  
7 are."

8           So, to me, it becomes a mute point. I mean,  
9 if we did not comply with 10 CFR 50, we are going to find  
10 out where we did not and fix it. And if we find out we  
11 did, we still have to look for where our problems areas  
12 were because we have reasons to believe they are  
13 weaknesses. And where you have weaknesses, you have  
14 breaks. You have to find those breaks.

15           So, in either case, the end result is the  
16 same. So, as a QA guy, I considered it a mute point when  
17 I saw that letter when I first got here with all the  
18 activity that was going on.

19 Q           You wouldn't have necessarily even addressed  
20 whether you were in compliance at that point in time or  
21 not, you're just saying --

22 A           Yes. I thought in the regulatory process,  
23 I, very frankly, was not attuned to all the pressures  
24 that were on all sides of the issue. I felt in my  
25 naivety that the easy answer to this would be, "Well,

1 obviously, you don't want an answer to this, now, because  
2 I am doing all of this other stuff."

3 I didn't understand that it was not a  
4 technical issue, but a political one, in my opinion. The  
5 technical issue was, "Hey, we're going to let, you know,  
6 you're going to be watching us. We're going to tear this  
7 place apart. We're going to find everything that's under  
8 every rock, and we're going to fix what needs to be  
9 fixed. And then, we're going to move forward and you're  
10 going to agree, or I'm not moving forward."

11 That's where we were coming from last  
12 January. So, I felt that the issue should have been  
13 diffused so that we could go to work.

14 Q Did you remember ever expressing that  
15 philosophy to any of the members of NSRS when you were  
16 talking to them that you should have gone back with an  
17 answer right now, real quick, if I had done it, that sort  
18 of thing?

19 A I probably expressed that it was probably a  
20 mute point because of all of the activities. I did when  
21 I talked to the guys in NSRS try to convey what I, as an  
22 outsider, was seeing happening in TVA as far as massive  
23 changes and committment. I was impressed, and I felt it  
24 needed to be passed on. I felt that they needed to  
25 understand that they were part of the reason why things



1 were changing.

2                   Whether I agreed technically with them or  
3 not, you know, they were one of the people who were  
4 raising their voice to say, you know, to say that there's  
5 problems. They didn't articulate them very well, and  
6 that's unfortunate. And there was the communication gap  
7 because of the organization, and that's unfortunate.  
8 But, they still had issues, and at least, they were  
9 making noise.

10                   And I feel it is important to tell those  
11 people, even though I disagreed with them on so many  
12 things, you know, in their approach to so many things,  
13 that it was important, however, they are one of the  
14 reasons, I am sure, all of these changes were being made.

15                   They had to have been part of the reason,  
16 and they have to appreciate that. That's why I felt that  
17 it was a mute point, this issue, because they maybe  
18 helped make it happen, for all I know.

19 Q                   Did you sense a communication problem  
20 between you and the NSRS people when you were doing your  
21 review?

22 A                   Not while I was talking to them, no.  
23 Obviously, later on, I found out.

24 Q                   Can you elaborate on that a little bit?  
25 "Later on," what makes you say that there was a

1 communication problem later on?

2 A I was interviewed by the Department of Labor  
3 because I, supposedly, threatened or veiled threat to  
4 individuals.

5 So, obviously, there was a communication  
6 gap. I walked out of there and I thought we had a nice  
7 talk, and found out later I was being hauled down here to  
8 talk to DOL. So, that's what I was alluding to.

9 Q Okay.

10 BY MR. MURPHY:

11 Q Would you characterize what we called the  
12 "Nace report," as an independent review of, at least, the  
13 negative reports or the external reports related to  
14 problems within TVA?

15 A It certainly was independent. I see it more  
16 of a compilation than a report. But, certainly, how we  
17 titled it was independent. It was intended to be a  
18 compilation and a steering document as to where the  
19 problems may lie.

20 And as far as to try to compile being every  
21 negative, we took comments out of these letters, some of  
22 them may not have been negative comments, and we coded  
23 them because we felt there might be something in there.

24 So, since we did do some extrapolation of  
25 the information, I don't like to say that it was just the

1 negative data that we --

2 Q Please let me correct that. I thought you  
3 told us early on this was all negative correspondence  
4 that you were reviewing?

5 A It was all correspondence. What we were  
6 doing was trying to pick out the negative things that  
7 were in the correspondence.

8 Q And I'm not characterizing it. Were the  
9 people who did that study highly qualified, in your  
10 estimate?

11 A In my estimation, yes, they were, because I  
12 was involved in the selection and recommendation of who  
13 we might use. And we used only people that I felt  
14 completely comfortable reviewing the documents that they  
15 were reviewing, that they had done it before, they had  
16 been either in the engineering or QA licensing process or  
17 QA process or the management process in near term nuclear  
18 power plants right now today. I would have made a lot of  
19 noise if I felt uncomfortable about any of those guys  
20 doing it.

21 Q They all had good credentials?

22 A They all had good credentials, in my  
23 opinion, for what they were assigned to do.

24 Q Would you, also, characterize that as a  
25 fairly in-depth study? I think someone said you reviewed

1 some 800 documents?

2 A I considered it extensive, without question.  
3 I don't mind saying that I was proud of the amount of  
4 work we did in a few weeks. I don't mind saying the  
5 numbers impressed ourselves when we found out how many,  
6 you know, gee, we did a lot of work. It was a lot of  
7 work.

8 Therefore, it was extensive. We believed we  
9 looked at, you know, most -- I'm not saying we couldn't  
10 have missed a document, but we believed we looked at most  
11 of the correspondence of an evaluation nature during the  
12 period '78 through '85. I consider that extensive.

13 Q When I look at your top 10, there's a high  
14 percentage of what one must have to qualify as quality  
15 assurance type problems.

16 Is that a fair characterization?

17 A See, I saw most of these as management  
18 problems. We used the term "QA." But being a QA guy, I  
19 find that Quality Assurance, 90 percent of it is just a  
20 good management system. And so I see them more as  
21 management problems. Even the QA problems were QA  
22 management problems, for the most part.

23 BY MR. CRAIG:

24 Q Let me ask you a question.

25 Is that because you thought that the program

1 and the procedures that TVA had -- you said a minute ago  
2 that you hadn't seen any inadequate procedure, that the  
3 paper, effectively, was there, it was a failure or a  
4 problem to adequately implement or failure to manage the  
5 implementation of a program that was in place?

6 A In general, that characterized the way I  
7 felt. It was a matter of the managing of the  
8 implementation -- I take management right down to the  
9 supervision of individuals in that area.

10 You do understand that my view is now, of  
11 course, solidified after having been involved as a line  
12 manager for the last three months in the welding project.  
13 And I am seeing the manifestation of what we talked about  
14 in that I am finding that I didn't have a bad inspector,  
15 I had an inspector that may not have been properly  
16 directed and supervised. An example of the that might be  
17 NSRS's perception of the independence of inspectors.

18 I couldn't find any problems of independence  
19 of inspectors in, at least, recent years. There had been  
20 a problem. And we interviewed people just to ask them,  
21 just very casual walking down the road kind interviews or  
22 whoever is helping you get some documents, talk to them  
23 about the independence issue.

24 And it appears, though, the independence  
25 issue is one of an individual thing. It's not

1 organizational, but an understanding of the individual.  
2 That, to me, is a management problem.

3 I have to somehow get my people to implement  
4 my policies. And if I am saying my program is  
5 independent but the guy at the bottom doesn't think he's  
6 independent, that's a management problem, not an  
7 inspection problem or a QA problem, if you will.

8 Q Can I go over these top 10 for you because I  
9 understand -- I mean, the top of the heat is lack of  
10 management, direction control, involvement and program  
11 monitoring.

12 Obviously, at this time point in time, you  
13 have identified one area of concern; management, right?

14 A (Nodding head affirmatively.)

15 Q Let me try a couple of these others  
16 because -- lack of quality assurance overview and basic  
17 program weaknesses," I mean, can we -- I mean, it's safe  
18 to say that without good management or if we had good  
19 management maybe these problems wouldn't have existed.

20 Aren't we identifying a program, a situation  
21 or a process as opposed to who is heading this thing?

22 I mean, maybe I don't read that correctly.

23 A Well, that coding would have come out of  
24 reading a lot of NRC violations or even open items that  
25 seem to be repetitive in the area where some, you know,

1 what we felt a strong program would have prevented that  
2 from happening on a regular basis.

3 Now, that doesn't mean that it didn't catch  
4 it 999 out of a 1,000 times, but it seemed to not catch  
5 it on a regular basis. That, to me, would have been  
6 coded as a program weakness.

7 It doesn't mean I have a lousy program.  
8 But, certainly, I have to look for a weakness in there,  
9 and it seems to manifest itself by something I saw in  
10 those documents.

11 Q Sure. But, isn't it, in fact, this is kind  
12 of -- not necessarily a consensus, but at least a  
13 majority of opinions of 11 individuals who viewed these  
14 programs that this is the order in which we feel we're  
15 concerned about, these other concerns we have?

16 I mean, isn't this a group of people from  
17 different varied backgrounds saying that, "We view this  
18 as a" --

19 A Every one of those individuals would have to  
20 couch that by saying "That's assuming all of the stuff we  
21 read is true."

22 Okay?

23 Q Sure, I understand that.

24 A This is totally -- I don't know if these  
25 things are accurate. I don't know if somebody writes up

1 something, that it's accurate. I am only going by an  
2 impression, myself. I am going with the impression  
3 that's derived from a reading document that I have no  
4 knowledge whether it's true.

5 Q I understand that.

6 BY MR. NORTON:

7 Q But you know there is an awful lot of smoke  
8 in this area?

9 A There's smoke. And what we're saying is  
10 "There's the smoke and there's where you need to go look  
11 for some fire."

12 The terminology of that item is a  
13 committee's words of characterizing what we meant. So,  
14 when you say "Program weaknesses" or you know, it's a  
15 term somebody put on what we're saying.

16 I say "Program weakness," that immediately  
17 would say to me a weakness from a power standpoint. I  
18 always expect in QA that, at least, I have the ultimate,  
19 you know, stop work authority, if nothing else. You are  
20 going to satisfy me or you're going to make me understand  
21 why the problem is not a problem, or I feel it's my  
22 responsibility to shut you down until you do.

23 That's what I say, maybe, program weakness  
24 might mean to me, do they have enough power or are they  
25 yielding that power. There's the smoke. You go in and



1 you find out they had the power, but didn't use it or  
2 maybe they didn't have the power. That's the type of  
3 things I would be looking for.

4 Q That's a quality assurance related concern,  
5 though, right?

6 A But, it comes down to a quality assurance  
7 related concern, but what would cause those to be  
8 problems?

9 What would cause the person not to have the  
10 power would be a management problem. What would cause  
11 them to not yield the power he has is a management  
12 problem. It's the guy. It's the position that he's not  
13 using the authority he has properly. So, it's really a  
14 management problem.

15 See what I mean?

16 Q I understand that we're directing all these  
17 weaknesses at poor management. But, because we have poor  
18 managers doesn't exclude, what I wouldn't think, from  
19 saying that we have a program problem?

20 A That gives you a potential for not having  
21 your program implemented the way it ought to be. That's  
22 how it manifest itself, yes. It manifest itself in welds  
23 that are not the configuration that they're supposed to  
24 be.

25 Q We go down here and we have "Inadequacy of

1 problem evaluation corrective action."

2                   Certainly, that must be a quality assurance  
3 type problem or concern?

4 A                   Well, yes.

5 Q                   I mean, corrective action isn't a quality  
6 assurance concern?

7 A                   That comes straight from the fact that if  
8 you get three guys in a row and they all write up the  
9 same thing, they have got an acceptable answer to their  
10 concern, but then the next auditor came in and had the  
11 same finding. That's exactly where that comes from. I  
12 happen to know where that one comes from.

13                   What we found is, if you go all the way  
14 back, the same findings re-occurred. Yet, in all cases,  
15 an acceptable answer was given, you know. The question  
16 whether -- this has happened to me. So, I know.

17                   You give a great answer, but you don't  
18 implement it like you should. And consequently, you  
19 still have the problem. They tended to do that.

20                   Looking at the correspondence, it looked  
21 like that was one of their problems that they gave a good  
22 answer, but didn't always implement that exactly as it  
23 would or we wouldn't have seen it come up, again.

24 Q                   Quality Assurance type of problem?

25 A                   That is a QA type problem, no question.

1 Q "Lack of timeliness and responsiveness to  
2 identify problem." That is No. 4.

3 Is that a Quality Assurance problem?

4 A Some of those are. I mean, some of those  
5 problems are Quality Assurance problems. I am  
6 learning -- I have learned how some of that happens in  
7 the last year in this organization.

8 Q How about "Procedure not in compliance and  
9 poor attitude towards requirements, quality and  
10 compliance." That's no. 6.

11 Is that a Quality Assurance problem?

12 A A good portion of that are Quality Assurance  
13 problems. Some of them are safety problems. Some of  
14 those are Quality Assurance problems.

15 Q How about "Inadequacy of preventive action,  
16 failure to identify root causes of problems."

17 Would you say that's a Quality Assurance  
18 problem? That's No. 7.

19 A Some of them are Quality Assurance problems.  
20 They all have -- every one of those cast a shadow on  
21 Quality Assurance that you have to look to whether it  
22 hurts you and what it did to you.

23 Q And I could go on, but I think, basically,  
24 we're running into the same things.

25 I mean, in the top 10, it seems to me like

1 there's a good number that are almost based entirely on  
2 quality problems?

3 A They're, basically, management problems.  
4 And every management problem affects QA and engineering  
5 and everybody else. But, yes, those were what we  
6 considered to be the TVA problems. And, certainly, clear  
7 lines of authority affects QA, as it goes into that line.

8 Q Let me ask you this. Just on this  
9 conversation, and tell me if I am reading you wrong, that  
10 without good management you don't have a good quality  
11 program? Is that what you're trying to say?

12 I mean, if we're saying that the reason for  
13 all of these problems existing is poor management,  
14 without good management you probably don't have --

15 A Good management is very important to a good  
16 Quality Assurance program. I'm not saying I haven't seen  
17 some programs that did very well with poor management. I  
18 have seen some poor programs that were managed very well;  
19 therefore, they were successful. There's a balance  
20 there.

21 Q Yes. Your number one item here was that it  
22 didn't appear like you had good management within the TVA  
23 structure. Is that safe to assume?

24 A Well, it looked like the direction was not  
25 clearly -- understand, if I did that same review for any

1 utility, I would have a top 10 that looked like that.

2                   The point is, which one smoky place do I  
3 look first?

4                   The root cause of every problem that I have  
5 ever seen in any problem plant or even a non-problem  
6 plant, take any plant and take seven years of  
7 correspondence and look for the negatives in it and look  
8 for trends and what might be the root cause, you would  
9 come up with a list like that, and a lot of those same  
10 things would enter.

11                   But if I did it for another utility, I would  
12 be telling that utility, "Here's where I think you ought  
13 to look first and in some sort of order. Here's what I  
14 think the top 10 are."

15                   And keep in mind, all that is given without  
16 any volume to it. We don't know how big that problem is.  
17 We only know that this indicates that might be a problem.  
18 It might not be very big. So, the magnitude isn't an  
19 assessment here. We don't have an assessment of  
20 magnitude.

21 Q                   Let me go back to what, I think, I heard you  
22 say earlier that you have seen many of these same  
23 problems at other utilities, but you have not necessarily  
24 seen them all located at one utility as you have in this?

25 A                   Not all at the same time. It becomes a time

1 frame thing. You know, I have arm wrestled with any one  
2 of the problems that we have at Watts Bar right now, but  
3 I didn't normally have to wrestle with 10 of them at a  
4 time. Because of the process, they tend to all get  
5 identified late.

6           You know, I would like to have dealt with  
7 the issues as we went along. What I am finding is that  
8 there was a lot of issues dealt with, and this is given  
9 the fact that they solved a lot of problems, given the  
10 fact that they did have problems in '78 that they fixed  
11 in '80 and now is not a problem and hasn't been since.  
12 We aren't dealing in negatives here. We're focusing on  
13 negatives.

14 Q           When you talk about management, are you  
15 talking about upper-level management or management  
16 throughout?

17           I mean, are we talking about supervisors out  
18 at the construction site? Are we talking about the Hugh  
19 Parris' and the Chuck Masons and the plant managers and  
20 things like that?

21 A           I'm not quoting from that document. When I  
22 talk about management, I am generally talking all the way  
23 down to -- maybe not to the first line supervisor, but  
24 certainly down into the site supervision, one or two  
25 levels into the site supervision.

1                   We're not talking about the people who are  
2 responsible to the parent organization for getting it  
3 done, and that goes fairly low. Their responsibilities  
4 are to TVA.

5                   Q               Let me ask you a question. NSRS -- I mean,  
6 this is in all of the newspapers, I'm not bringing up  
7 something new, has consistently said that when we went do  
8 these technical reviews we asked the same managers, and  
9 they used the term "Managers," to do the technical  
10 reviews as they viewed as the individuals who screwed the  
11 thing up to begin with. That's what they say, whether  
12 it's true or not.

13                               One of your problems that you identified in  
14 this particular review, call it whatever you want to call  
15 it, was that you had poor management.

16                                       Right?

17                   A               (Nodding head affirmatively.)

18                   Q               When they assigned -- I'm not saying you  
19 assigned a task for guys, but what credibility can you  
20 put into the managers who are supplying information you  
21 need on these technical reviews when we, at least, at  
22 some point in time determined that management isn't real  
23 good to begin with?

24                                       How do you place any credibility to what  
25 they said, in addition, to the fact that you're asking a

1 person in some cases -- in the welding issue, which you  
2 asked Ken Hastings, who had been at that program for a  
3 long while, to tell me whether his program was adequate  
4 or not?

5 I mean, how -- I guess, I have a little  
6 problem with that. How do you determine that he's  
7 credible?

8 A First of all, I wouldn't do that and I  
9 haven't done that. I haven't asked the guy in the line  
10 whether his program is okay. I wouldn't do that.

11 Q But didn't TVA do that? I mean, these guys  
12 responded that Ken Hastings responded on the welding  
13 issue, and I know he was a welding engineer at Watts Bar  
14 and has been for some time.

15 Am I wrong?

16 A You would expect that guy to respond, but  
17 then you would do some validation of that response.

18 Q You just said you wouldn't ask him to if it  
19 was up to you?

20 A I wouldn't ask him to evaluate the welding  
21 program at Watts Bar if he was the guy running it. No, I  
22 would not.

23 Q But that occurred?

24 A I don't know of any case where that has  
25 occurred, in all honesty.



1 Q On the technical review that was prepared on  
2 the welding issue, we're told on the interview that Ken  
3 Hastings did the technical --

4 A This is on the NSRS's concerns?

5 Q Right.

6 A He would be the guy I would have answer  
7 that, yes. I mean, he was in the line. I mean, who  
8 would you assign it to? You would assign it to the guy  
9 in the line of organization.

10 You're saying, would I ask Ken Hastings to  
11 do an evaluation of whether the welding program was done?

12 No.

13 But I would expect him to answer that guy's  
14 concern. That's his job. If an auditor -- who does an  
15 auditor send a finding to?

16 He sends it to the guy in line organization  
17 who is supposed to have the job to do it.

18 Q Wait a minute. Let's persue that issue. We  
19 do an audit. We send it to the line organization to  
20 respond to, but don't we do something with his response?

21 I mean, do we just say "His response is  
22 great and we love it"?

23 A No.

24 Q There's another step in that process; isn't  
25 there?

1 A That's why, you know, me having very little  
2 knowledge of what went on here, felt I needed a little  
3 more facts, independent facts, to even review those  
4 responses.

5 That's one of the generators of the  
6 assessment we did out at the site because I said, "I  
7 don't know whether these statements are true or these  
8 statements are true or neither are true. I have to get,  
9 at least, an impression, you know, it would take a long  
10 time to find out, but I have to get an impression one way  
11 or the other."

12 Q Okay.

13 A But as far as assigning, I don't consider  
14 that the wrong process. I mean, if you have -- TVA had a  
15 concern from a group, and you have got to put it into the  
16 other guy. Yes, there should be some validation process.  
17 But at that point in time, they were just answering  
18 concerns. I did not consider that to be the part that  
19 was the management problem.

20 And, once again, when you decide you have a  
21 management problem, I certainly don't make an assumption  
22 that every manager is a bad manager.

23 Q I understand that.

24 A You have a management process problem, maybe  
25 you have some bad managers, but I have come into

1 situations where I have come in and taken over  
2 organizations where some of the people had some awful bad  
3 press. But, what I found out was, in some cases they  
4 were not the right person.

5 And in other cases, they were a person  
6 implementing at the management direction they were  
7 getting. And given the proper direction, they could  
8 probably do just fine.

9 My opinion was, is the direction getting to  
10 the people? Are they properly directed? Do they have  
11 enough direction?

12 Sometimes a guy looks pretty bad just  
13 because he isn't getting good direction.

14 Q Let me go back, then, to give yourself a  
15 better feel for what these folks did.

16 You did your own independent review, right?

17 A Yes. To try to get an impression, put the  
18 dip stick in and see what, you know.

19 Q Sure. Correct me if I'm wrong. The last  
20 time we spoke you characterized your review as a  
21 snapshot?

22 A Yes, pretty much, a short period of time.

23 Q A short period of time. It wasn't an  
24 in-depth review? I mean, it wasn't overall?

25 And the basis for that, as you told us

1 today, was to give you a better feel for what these guys  
2 were telling you, because you were going to act on it at  
3 some point in time, is that correct, and say they were  
4 going to send the technical reviews to you and you had to  
5 have some basis for accepting them?

6 A No, I did no acceptance. All I was looking  
7 for was impressions. Point me in a direction. Give me  
8 some validity to some of these statements.

9 Is this a right statement? Is this a right  
10 statement? Does this appear to be a right statement? Do  
11 we, generally, do this?

12 We were looking for indicators, you know. I  
13 had a piece of paper that told me that we weren't  
14 complying with 10 CFR 50.

15 So, if somebody told you that and you went  
16 to a job site, you would have some process in your mind  
17 saying -- I have some indicators that I look for,  
18 personally, to tell me whether that's being complied  
19 with. The idea that I was given a road map because I  
20 said, "Well, that conclusion was based on these concerns.  
21 So, I am going to look at the indicators in these areas."

22 And I looked at those indicators, looked at  
23 some paper, talked to some people, you know. And it  
24 would have taken me three months to do it. So, instead,  
25 I had a bunch of people do it in 10 days, you know, as if

1 they were me.

2 Q Was that -- you know, if I'm wrong, correct  
3 me. You told us this was to be used for you to get a  
4 better feel for the tech reviews, right, that were going  
5 on?

6 Was it intended to be characterized as an  
7 independent review to determine whether Watts Bar was in  
8 compliance with Appendix B or not?

9 A No, I don't believe I ever characterized it  
10 in that.

11 Q In your mind, did you intend that? Was it  
12 your intention this is what it would be?

13 A No. It was my intention to be able to  
14 either validate the NSRS's conclusions or say it couldn't  
15 be concluded at this time.

16 Q Okay.

17 A That was my only intention. I really  
18 focused on those issues, because those seemed to be the  
19 ones that they were drawing the conclusion from.

20 I felt that the overall compliance issue, as  
21 I mentioned earlier, I had already decided that the  
22 compliance issue was a mute point, you know. So, I  
23 really wasn't thinking about compliance with 10 CFR 50.  
24 I believed that we were going in such major corrective  
25 actions steps and programs going on, that eventually that

1 would be a mute point.

2 Right now, I was acting under the pressure  
3 to answer that letter. It was strictly pressure to  
4 answer a letter and to, at least, be able to tell TVA  
5 management, "I think NSRS is right. I think NSRS is  
6 wrong. I don't think we can make that conclusion. I  
7 don't see anything that says you're not complying. But,  
8 yes, there are some problems out there."

9 Q I am going to ask you one more question.  
10 Based on the degree of the study, the in-depthness, we  
11 might say, of that study, it wasn't designed to say  
12 either a "Yes or no" to whether you are in compliance or  
13 not in compliance?

14 A No way. I didn't believe I could do that.  
15 I only -- but I believed I could probably, at least,  
16 based on those few concerns, maybe I could come close.  
17 But I didn't believe that I could walk out there and  
18 decide whether it was in compliance with 10 CFR 50.

19 As my understanding of the letter says and  
20 which agrees with my input is, we're going to have to do  
21 some hard looking to find out where we may or may not  
22 have complied and where we may have failed in compliance.

23 MR. MURPHY: We're going to take a short  
24 break. It's now 2:24, and we're going to break for 15  
25 minutes or so.