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IN THE MATTER OF:
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UNITED STATES NUCLEAR REGULATORY COMMISSION

INVESTIGATIVE INTERVIEW (CLOSED)

ROBERT J. MULLIN

TVA NUCLEAR POWER HDQTRS
LOOKOUT PLACE BUILDING
1101 MARKET STREET
CHATTANOOGA, TN

WEDNESDAY, MAY 13, 1987

INVESTIGATIVE INTERVIEW CONDUCTED BY LARRY ROBINSON,
COMMENCING AT 9:10 A.M. ALSO PRESENT, MARK REINHART AND
DAN MURPHY.

1 1 MR. MURPHY: Do you object at all to giving
2 your testimony under oath?

3 THE WITNESS: No.

4 MR. MURPHY: For the record, it is now 9:10
5 a.m. on May 13, 1986. This is the interview of Robert J.
6 Mullin who is employed by Tennessee Valley Authority.
7 The location of this interview is Tennessee Valley
8 Authority's Nuclear Power headquarters in Chattanooga,
9 Tennessee.

10 Present at the interview are Larry Robinson,
11 Mark Reinhart, Dan Murphy. As agreed, the interview is
12 being transcribed by a court reporter.

13 The subject matter concerns TVA's March 26,
14 1986 response to NRC regarding their compliance with 10
15 CFR 50 Appendix B.

16 Mr. Mullin, would you stand and raise your
17 right hand.

18 (Witness complies.)

19 MR. MURPHY: Do you swear or affirm that
20 the testimony you're about to give will be the truth, the
21 whole truth and nothing but the truth, so help you God?

22 THE WITNESS: I do.

23 EXAMINATION

24 BY MR. ROBINSON:

25 Q Mr. Mullin --

1 A Are we on the record now?

2 Q Yes.

3 A I asked, when we were in Atlanta, if I could
4 have a copy of my transcript, and I was told it wasn't
5 possible. I understand now that an agreement has been
6 reached, whereby in a week or so after the investigations
7 are concluded, that I can get a copy of that transcript.
8 And I'd like to request a copy, not only of the one
9 previous interview, deposition, but also of this one.

10 Q Certainly.

11 MR. MURPHY: Let me just explain the policy.
12 If you were under the impression before that you couldn't
13 have one --

14 THE WITNESS: I think that's the answer I
15 was given.

16 MR. MURPHY: That you flat couldn't have
17 one, that's not true. The general policy is that upon
18 the completion of our investigation, which does not mean
19 the report, but upon completion of the actual field work,
20 if asked for, we --

21 THE WITNESS: That was not made clear.

22 MR. MURPHY: We will honor your request.

23 THE WITNESS: Thank you.

24 BY MR. ROBINSON:

25 Q I have here a series of photocopied

1 documents that I received from Doug Nichols of TVA-OGC's
2 office on May 5, 1987. I'd like you to take a look at
3 them and identify them for me, if you would please. By
4 identify, I mean just indicate that these are copies of
5 your notes and drafts of information pertaining to the
6 Appendix B response.

7 A They are copies of, some of them are my
8 notes and some are drafts written by others. But they
9 are, they appear to be what I gave Mr. Nichols several, a
10 few weeks ago.

11 Q Does that appear to be all of the items you
12 gave to Mr. Nichols?

13 A I believe so.

14 Q Okay. Directing your attention to the
15 meeting in Knoxville, Tennessee on January 7, 1986. To
16 refresh your memory, this is a meeting at which
17 representatives from QA, NSRS, OGC, line organizations,
18 etcetera -- from the package of documents that you have
19 just reviewed, I want you to look again closely at the
20 documents, and I'll identify it as typewritten documents
21 with some line-out changes made to it and handwritten
22 notes.

23 In the upper right-hand corner it's
24 identified by the date "1/7/86:" And the handwritten
25 notation contains "R.J.M." and "K.H.W. Comments."

1 In the interviews that we've conducted up to
2 this point, Mr. Mullin, it's been indicated to us or
3 characterized to us that at that January 7th meeting
4 there was a consensus or a meeting of the minds, after
5 hammering out or grinding out a number of drafts at that
6 meeting, that one-day meeting, of what at least was going
7 to be recommended to be the corporate response to NRC
8 from TVA regarding whether or not TVA was in compliance
9 with Appendix B at Watts Bar. Is that your understanding
10 of the results of that meeting?

11 A No.

12 Q Please give me your description of what went
13 on in that meeting.

14 A Let me kind of give you some background on
15 the meeting to put it in its context. Mr. Denton wrote a
16 letter on the 3rd of January asking for a response by the
17 9th of January, less than a week later. The 3rd was a
18 Friday, so we had a weekend in between the 3rd and 9th.

19 We got, I got a xerox copy of a letter from
20 Mr. Denton, or a telecopy, late on the evening of the
21 3rd, and called Mr. Whitt the following day.

22 And if you've read some of the news
23 articles, it's obvious that Mr. Whitt was surprised at
24 some of the things that were presented in the meeting
25 with Mr. Asselstine as unsubstantiated and previously

1 unknown to him.

2 So I called him on Saturday and suggested
3 that we get together and try to determine what the NSRS
4 position was and ^{if} was there a, you know, a consensus
5 response that could be developed with all parties
6 concurring in it, and along those lines, set up a meeting
7 as soon as possible, which turned out to be the 7th.

2
8 In that meeting, you know, this is sort of,
9 there are some notes in the meeting that I took. I think
10 some of them are fairly clear with respect to, you know,
11 some of the NSRS people's positions. At that time, there
12 was a consensus that we didn't need to stop ^{site} work on
13 anything. Two or three of the NSRS people agreed to
14 that.

15 What happened during the course of the
16 meeting is that we drafted a letter, one of the NSRS
17 people, as I recall drafted the letter, and we commented
18 on the letter in the meeting, on the rough draft. It was
19 then typed.

20 I think we were very near a consensus, but
21 ^{one reached completely} There was never at any time in the ^{meeting} -- with respect to the
22 people there. But, you know, a matter of this import
23 would have to be reviewed by people senior to the people
24 in the meeting. In fact, I think Mr. Dean had told Mr.
25 Denton in a memo to him, and then Mr. White came on the

1 ~~board~~^{Senior} that this thing would be reviewed and would have
2 to go up through the Board of Directors. So there was
3 no -- it would have been impossible to say this is what's
4 going to be sent.

5 But it appeared to me in the meeting that we
6 were, you know, there was not as much disagreement as we
7 might have thought. But what happened then, and this was
8 amongst the three or four NSRS people who were there,
9 what happened then is that we drafted the memo.

10 The NSRS people decided that, hey, they
11 needed to call a few of their staff members who were at
12 Watts Bar. And they called -- this had to do with, you
13 know, are we in compliance, does anything need to be
14 stopped.

15 The people at Watts Bar, as I recall,
16 identified a few things that they thought were going on,
17 and might be, you know, there may be some problems with.
18 Questions were asked, like, has that information
19 progressed up to management yet, so they could review it
20 and take some action, stop work, or whatever might be
21 necessary.

22 We were told, no, you know, the
23 investigators, if you will, the QTC people and the NSRS
24 people, knew it but they weren't sure it had progressed
25 its way up.

1 So that kind of put a damper on the
2 consensus that the people in the room were reaching.
3 This communication that was made to ^{NSRS and QTC} folks at Watts Bar in
4 terms of, you know, that the communication was that their
5 people at Watts Bar put some doubts in their minds, my
6 recollection.

7 They also decided they would have to, they
8 were going to bring in the QTC people to talk about the
9 letter and, you know, the consensus that we were
10 approaching in the morning meeting. That happened in the
11 afternoon.

12 It's my recollection that, you know, -- I
13 didn't take a lot of notes subsequent to the development
14 of the initial draft, but it's my recollection that we
15 grew further apart as a result of the call to the Watts
16 Bar staff, the NSRS staff that was at Watts Bar, and also
17 as the result of QTC's coming in and questioning some of
18 the things that had been put into the draft earlier in
19 the day.

20 Q QTC disagreed with some of the things that
21 had been put in the draft?

22 A Well, I think they came in and -- I think
23 they did, as I recall. I don't remember specifically,
24 but I think they may have thought, you know, they may
25 have had a different perspective on it. I think we, you

1 know, we weren't prepared at that point, obviously, to
2 agree with, you know, what QTC was saying.

3 You have to keep in mind also from the
4 perspective that the NSRS's position was still evolving.
5 This was the 7th. The NSRS people were still, later on
6 in the month and on into February, developing information
7 to justify the list of items they used for Mr.
8 Asselstine.

9 They were still developing information
10 regarding impressions of the program. On up into
11 February, as I recall, they were still looking at
12 employee concerns and trying to matrix those against the
13 items they listed in the Asselstine presentation back in
14 mid-December.

15 So, you know, a month or so after Mr. Denton
16 wanted his response and more than a month after we had
17 the January 7th meeting in Knoxville, this NSRS position
18 was still being evolved and still being documented and
19 still being justified. And it became progressively
20 harder to say, hey, you know, we have a consensus, or
21 even to know what that consensus would be based on. All
22 the facts, all their positions ^{were} ~~was~~ not substantiated, and
23 it became more and more apparent as time went on.

24 So we didn't know what we -- I guess it's
25 fair to say, at least in my perspective, their entire

1 position wasn't documented, wasn't laid out. It was hard
2 to, you know, hard to really develop a consensus or
3 response at that point in time.

4 Q Didn't the January 3rd letter from NRC kind
5 of allow for time for the development of that, while yet
6 on a short turnaround, ask for the statement regarding
7 compliance?

8 A Well, I think that's perhaps -- well, I
9 think that's impractical. I think in order to answer the
10 big question, you have to research the specifics they've
11 laid out. At least that was -- that's kind of a judgment
12 call.

13 Again, it's a serious matter, responding to
14 a letter like this, and I think that it's, you know, it's
15 well over a year now, and I think at some point in the
16 process there was a decision made that perhaps we need to
17 look in more depth at their specific comments, and they
18 needed to tell us more about, more than just a line, the
19 bullet, about what their concern was.

20 Q I'm not saying that I disagree with what
21 you're saying. I'm just saying that in the frame of mind
22 that you gentlemen in the meeting were in back on January
23 7th, that at that point in time there had been no
24 extension given.

25 And I'm assuming that you were thinking that

1 you had to have a corporate response back to NPC by the
2 8th or the 9th regarding compliance.

3 A I had in my mind that an extension could be
4 gotten if we needed one. As I said, in the meeting in
5 Knoxville on the 7th, ~~you know, when they came up, when~~
6 ~~they called me,~~ at one point in the meeting there was a
7 consensus that there was nothing at issue that would
8 cause stop work.

9 After ^{they} ~~we~~ made the call, after they made a
10 call to the people at Watts Bar and after the QTC people
11 came in, there were items listed that, hey, may be in
12 noncompliance, may need to be looked into.

13 So that kind of focused you back towards the
14 ^(consensus) specifics, and it [^] seemed less likely. Then, you know, at
15 one point in the meeting I thought, yes, as long as the
16 parties there represented Licensing, OGC, project
17 manager, site director, QA, MSRS, as long as the parties
18 there were reaching the consensus, that it would be
19 possible to perhaps recommend that, hey, we answered the
20 first part.

21 But that same day we did not leave with a
22 consensus that was, in my mind, that was any longer
23 possible. The same day some specifics started to be
24 identified, ^{by MSRS and QTC.} which, in my mind, put us back to the bullet
25 items, if you will, and ^{required} ~~more~~ indepth discussions and more
[^]

Rm

1 indepth information.

2 Q Did the --

3 A It's been a year ago, but those are my
4 recollections of -- I think we came close, but before we
5 left that meeting, it seemed to diverge.

6 Q So at the end of the meeting, you're saying
7 that it was -- do you think it was clear to everyone
8 present that there was a divergence and that there was
9 not an agreement?

10 A It was certainly clear to me. I can't say
11 what was, what other folks thought. But I remember being
12 optimistic in the morning and, you know, less optimistic
13 that we would have a letter that everyone would be
14 comfortable with, that all parties would be comfortable
15 with when we left in the afternoon. No doubt about that
16 at all.

17 Q I notice that you referred to the issue of
18 whether or not there should be work stopped in any areas.
19 Did you correlate that with compliance, or is it possible
20 to not be in compliance with Appendix B and still not
21 have a work stoppage, if you didn't know about it?

22 A Yes. I think there are some things that we
23 did not have compliance enough to have a work stoppage.
24 I think in the course of the meeting, you know, we
25 mentioned several things. We talked about the employee

Handwritten signature

1 concern program, the auditing, the NSRS reports, the fact
2 that we had stopped work, management had been responsible
3 for stop work in a couple of areas already. And said,
4 you know, asked the question -- we were trying to find
5 out the basis for NSRS's presentation to Mr. Asselstine,
6 or did they know some things that we didn't. They
7 obviously knew some things their boss didn't know. So it
8 was you, know, it was a fact-finding mission also.

9 And we said, hey, we've stopped work in
10 these areas ^{and asked NSRS,} To your knowledge, are there some areas
11 that you say we are in noncompliance -- that's a test, I
12 guess, are there some areas we should stop work in?

13 At one part of the meeting, at least two
14 three of them said, no, ^{their} to our knowledge there are no
15 areas that we need to stop work.

16 So I wouldn't say that would be a sufficient
17 condition. But I think it was an indication to me, that
18 was a bright spot, that was a highlight that they felt
19 that way.

20 That opinion on their part disappeared
21 somewhat or diminished after they talked with the folks
22 they had at Watts Bar and after they talked with the QTC
23 people.

24 Q So you think that later on in the meeting
25 they perhaps thought that there should be some work

1 stoppage in certain areas?

2 A Well, I don't know if they thought there
3 should be work stoppage, but I think the discussion that
4 went around was, are there things going on right now,
5 work going on in areas right now that could be being done
6 incorrect^y?

7 For instance, there had been some questions
8 raised about cable pulling in the past. And I think in
9 that meeting Mr. Whitt said something to the effect that,
10 hey, there's still some unanswered questions on cable
11 pulling, ^{but} _A The division of ^Nuclear ^Engineering has
12 promised me, you know, their response on that, they're
13 continuing work, and that's a management risk, to
14 continue work, realizing they may have to redo it. Okay.

15 So what I'm saying, I guess, is if there
16 were other areas that the people at Watts Bar or the QTC
17 people were concerned with, that they could have been in
18 that same vein that, hey, all the i's aren't dotted and
19 all the t's crossed on this particular parcel of work or
20 particular category of work, but they are taking steps
21 that will determine, you know, if everything's fine in
22 answer to questions that have been raised about it.

23 And if things are not, you know, management
24 realizes they may have to go back and redo some work.
25 That's a risk that sometimes people take. They don't

1 necessarily always shut things down every time a question
2 is raised. Obviously you can't run a project that way.

3 But if a serious question is raised and
4 there's some, I think some fairly ^{dominate}_A evidence that
5 something was missed, I think management is prudent and
6 does shut things down. Or if it's something that can't
7 be undone readily, there might be a tendency, because it
8 can't be easily undone, to try and, you know, justify it.
9 Then the QA people can ultimately go right to the top and
10 say stop work.

11 But just -- well, maybe I've said enough on
12 that.

13 Q May I see the documents again that I gave to
14 you?

15 (Examiner reviewing documents.)

16 A But I do not feel there was a consensus
17 reached at that meeting, I guess was the first question.

18 Q On that first document that I gave you that
19 I identified that had some line-outs that's dated 1/7/86,
20 containing "R.J.M.", evidently that's you, and "K.H.W."
21 is Kermit Whitt, "Comments."

22 Do you recall at what stage in the meeting
23 this document evolved?

24 A I don't think that document necessarily --
25 well, I remember a -- let me see the package again. Can

1 you put it in the package where it was?

2 Q Sure.

3 A That one may not have come out in the
4 meeting, it may have come a day later or something. My
5 notes of the meeting (indicating). This is Revision 0 was
6 drafted by Mike Harrison or Bob Sauer.

7 Q Do you recognize the handwritting there on
8 Revision 0?

9 A No. It's not mine. But it's an NSRS
10 individual who was doing the writing. I've got a
11 Revision 1, which has some, I think is basically a typed
12 revision of this, with some very minor corrections,
13 capitalizations, which are mine (indicating).

14 Q Okay.

15 A This, I'm not sure exactly -- let's see. If
16 you'll notice, this one that has the 1/8 date on it. And
17 the one that has the 1/7 date on it, I think are
18 identical.

19 Q Basically, the typewriting appears to be
20 identical?

21 A Right. I don't really remember the 1/7.
22 The 1/8, I think Mr. Whitt was down for another meeting
23 in Chattanooga the day of the 8th, and brought this one
24 along (indicating). He had eliminated some things in
25 here (indicating). This is -- I had suggested a change.

1 Q I'm primarily --

2 A I'm not sure exactly -- this one, I think
3 Kermit brought down on the 8th. I'm not sure if I had
4 this one you're referring to when I left the meeting or
5 not. It does have the 7th date on it.

6 Q I'm primarily concerned about the last
7 paragraph in both of those that are dated the 7th. I
8 noticed that there were no changes by anyone in the last
9 paragraph on either one of those.

10 Do you think there was a consensus in that
11 meeting on that last paragraph? I'll read that into the
12 record. Where it says, "TVA acknowledges the 10 CFR 50
13 Appendix B criteria not currently being met..."

14 A I don't think there was a consensus there on
15 the words. I think we realized that you always have
16 problems. But to say a criteria in completeness wasn't
17 being met, I don't know that I really focused that much
18 on this draft at the time or even finished a review of
19 it.

20 As I say, by that time, we had kind of
21 diverged. I don't think that last paragraph represents a
22 consensus. The consensus had kind of disappeared, sort
23 of.

24 Q It just seemed to me that there were a lot
25 of handwritten notations on both of those drafts. And

1 yet, no one seemed to have any problems with changes in
2 the last paragraph, and I was just curious.

3 A Like I said, I wouldn't read anything into
4 that necessarily. I think if we had reached a consensus
5 on any of these, we would have sent a letter. Obviously,
6 we didn't.

7 Q To your knowledge, did you --

8 A I think our boat had sailed by this time
9 basically, in terms of a consensus.

10 Q Did you or anyone show -- well, I'll just
11 ask you. Did you ever show those drafts, either with the
12 changes on them or unmarked, to Mr. Kelley?

13 A Mr. Kelley wasn't here on the 7th or 8th.

14 Q I know. He didn't come until approximately
15 the 17th.

16 A I don't remember specifically. I think, you
17 know, people in the meeting -- I don't know who else
18 Kermit may have given these drafts to. He may have given
19 them to other people in the meeting and they may have
20 commented on them. I think Kermit was perhaps trying to
21 take the lead in developing a response at that stage. So
22 I don't know who all got copies of them.

23 I don't know that I gave Kermit comments
24 back. A lot of this may be, at that stage, idle
25 scribbling the following day.

1 As I recall, there was no coordinated review
2 going on. Like one of these is dated the 8th after that
3 meeting. There was not a coordinated effort at a review.

4 I do remember that I think the following
5 week or something, you know, ultimately the letter would
6 be written by our licensing staff. I think roughly the
7 following week the licensing staff started writing a
8 draft. They were represented at this meeting. And I
9 think the response had kind of shifted then.

10 I think by then we were under the
11 impression, at least the feeling was that we were going
12 to develop a response and there would still probably be
13 an effort to coordinate it with the NSRS. But I don't
14 think it was -- it probably took some things out of
15 these. But I don't recall the exact connection. But
16 this was sort of an outgrowth of the meeting.

17 Q My question was, do you recall ever showing
18 that draft, either marked or unmarked, to Mr. Kelley?

19 A Not specifically, no.

20 Q Do you recall ever showing a draft or taking
21 a draft like that over to licensing, either to Mr. Domer
22 or Mr. Gridley?

23 A Not specifically. It is quite possible that
24 they would have had a copy. They were represented in the
25 meeting also.

1 Q Mr. Domer was at the meeting?

2 A Right.

3 Q Do you remember whether or not copies of
4 that typewritten thing were passed out at that meeting?
5 It's my understanding that it was kind of a hash-out
6 thing. You'd make some changes and give it, they'd give
7 it to a secretary to go type it up and bring it back in
8 and then they'd talk about it again. Is that kind of
9 what happened?

10 A I think copies of this, REV 0, were
11 available at the meeting, and I think copies of REV 1
12 were available at the meeting. I don't remember, since
13 this just says, contains R.J.M. and Kermit Whitt
14 comments, I'd say this was probably something Kermit gave
15 me and asked for feedback on it. I don't think this was
16 available at the meeting, no.

17 You asked me to make a judgment one way or
18 another. I'd say no, I don't think it was available at
19 the meeting, but I can't say for sure. I'm just saying
20 that on the face of what's on it. These two, I think,
21 were (indicating).

22 Q Mr. Sauer seemed to be under the impression
23 that the last draft was kind of agreed upon and that was
24 kind of a consensus type draft at the end of the meeting.

25 A I don't think that's correct.

1 Q Okay. Let me see the package again, please.

2 A I did not leave the meeting thinking we had
3 a consensus, though.

4 EXAMINATION

5 BY MR. REINHART:

6 Q What did you leave the meeting thinking?

7 A I left the meeting thinking we had some work
8 to do to identify more specifically what their concerns
9 were and to develop some responses to those concerns.

10 Q Where did that thought go from there?

11 A Well, it eventually went to the extent of
12 them providing additional information on the specifics of
13 their concerns and us developing responses based on the
14 specifics, which you're well aware of, I believe.

15 Q "Them" is who?

16 A NSRS.

17 Q Okay.

18 EXAMINATION

19 BY MR. ROBINSON:

20 Q I noted in your -- these are your
21 handwritten notes of the meeting?

22 A That's correct.

23 Q On the second page, about mid way down it
24 shows the initials "W.T.C." I'm assuming that's Mr.

25

CH/4
Caution?

R. Hill

1 A Uh-huh.

2 Q The note that you wrote, and I quote, "Fully
3 expect will find additional problems at Watts Bar. Past
4 C/A program," which to me means corrective action
5 program, "has failed!" Additional emphasis has been
6 placed on corrective action recently."

7 Do you remember any discussion regarding
8 that statement?

9 A No, I don't. I took, you know, that's my
10 shorthand version of what he ^{said} ~~says~~. It may not be
11 complete and it may not be accurate. I think we'd be --
12 obviously we're going to find additional problems. The
13 project was still under construction. We had recognized
14 corrective action problems in the past and we had put
15 more emphasis on it.

16 So I think Bill was saying that, hey, we,
17 you know, we're going to have additional audits, we're
18 going to have additional NSRS reviews, additional NRC
19 inspections. There will always be inspections finding
20 deficiencies, and that we have to find them and fix them
21 quicker in the future than we have in the past. That was
22 the context of the statement.

23 I don't remember specifically, in my mind,
24 him making it. But the fact that I put his initials in
25 that statement, you know, makes me comfortable that he

6

1 said something close to that, maybe not verbatim.

2 Q As QA manager at the time, you don't recall
3 reacting to that statement regarding the corrective
4 action program?

5 A What do you mean?

6 Q Well, what was your opinion of the
7 corrective action program at the time? Did you
8 essentially agree with Mr. ^{Cottle} ~~Caudle~~'s statement?

9 A I thought the corrective action program at
10 the time, you know, that we had placed additional
11 emphasis on it, it was improving, and it needed
12 to improve. That basically was my understanding.

13 EXAMINATION

14 BY MR. MURPHY:

15 Q Had it failed? It says the corrective
16 action program had failed. Did he say something like
17 that?

18 A I don't know if he said that. I think
19 failed could mean failed to be completely adequate or not
20 done everything that was supposed to have been done. I'm
21 not sure what the context of word "failed" is. I'm not
22 even sure if he said failed.

23 Q I mean that surely would be a significant
24 word to you as the QA manager. If someone in Mr.
25 ~~Caudle~~ ^{Cottle}'s position said that the QA employees corrective

[Handwritten signature]

1 action program had failed, shouldn't that ring a bell?

2 A What do you mean by "ring a bell"?

3 Q Well, the difference between a corrective
4 action program not doing what you expect it do or maybe
5 not being as effective as you would like it to be, and a
6 program failing. I mean is there not a difference?

7 A I'm getting hung up on the word "failed."
8 There may have been more that he said afterwards. He may
9 have said failed to, in all cases or in many cases, to
10 identify things effectively and get them corrected.
11 That's just a shorthand terse paraphrase of what he said.

12 He's probably speaking in all areas,
13 construction, design, operations. I don't know really
14 what Mr. ^{Cottle}~~Coville~~ had in mind. That was his comment and my
15 note on this matter. I don't remember being offended by
16 it.

17 I had joined the program fairly recently. I
18 had taken some action to improve the QA program in many
19 areas, and corrective action was one. Several other
20 things were going on in that area.

21 But I guess, you know, if someone asked me
22 about the past, when I wasn't involved, and wanted to
23 make a statement, there was a comment that there was
24 additional emphasis being placed on the program recently.
25 And I guess that's the part I would focus on. Because I

1 was part of it, placing additional emphasis on that
2 program.

3 Q How did you determine that you needed to
4 place additional emphasis on that aspect of your QA
5 program?

6 A Well, I think, as I recall, it was based on
7 the number of deviations we had, it was based on the age,
8 if you will, of some of them. The effectiveness with
9 which they were closed out made me think we needed to
10 place additional emphasis on timely closure of ~~corrective~~
11 findings.

12 Now, balancing that, however, I think I've
13 stated before and as stated in those notes also, that
14 Watts Bar was under and had been under tremendous
15 scrutiny by many, many groups. I think, you know,
16 probably more than, as much or more than probably any
17 other reactor construction project in the country had
18 been under.

19 As people said in that meeting, there was an
20 awful lot of people looking at it. And TVA had been
21 *awfully thorough* ~~about~~, you know, very, very open about documenting
22 findings and the resource that was devoted to digging
23 into the thing.

24 So when you balance the number of findings
25 with the scrutiny that something is undergoing, you've

1 got to make some judgments. There were a lot of
 2 findings. But our threshold, as I think I said in
 3 Atlanta, for calling something a finding, may have been a
 4 lot lower than others in the industry. I don't know.
 5 I'm not that familiar with others in the industry.

6 My perspective was basically with TVA. And
 7 I just kind of looked and said, hey,... And I think the
 8 NRC pointed that out in some of their inspections. In
 9 fact, I think the NRC was instrumental in suggesting an
 10 escalation process for corrective action, ~~They're not~~
 11 trying to kick them on up, ^W which we put into effect.

12 So, you know, some things were being done:
 13 Quarterly meetings with the site directors, report cards,
 14 if you will, what the average age of the deviations were.
 15 We kind of focused on that. It was an area that I think
 16 needed some focusing on. I don't know that it was broke,
 17 but it certainly needed improvement.

18 EXAMINATION

19 BY MR. ROBINSON:

20 Q Mr. ^{Cottle's} ~~Caudle~~'s next statement on your notes
 21 here, and I'll let you read it. I'll read what it
 22 appears to be to me. "Recognize that configurations and
 23 conditions exist in the plant that are not in compliance
 24 with Appendix B. They are being identified and corrected
 25 by ECP," I assume that means employee concern program,

7

1 "audits, reviews." And then the comment is made, "No
2 ongoing work is in violation."

3 A I think that was basically Mr. ^{Cottler's} ~~Caudle's~~
4 knowledge that you conduct audits, you conduct reviews,
5 you have employee concerns being documented. And some of
6 those may have validity. If they do, there's something
7 wrong; something wrong with configuration, something was
8 done wrong.

9 With all the intensity that was being put
10 into these efforts, like QTC, NSRS, some things were
11 probably going to come up, deficiencies would be
12 identified and would have to be corrected. But as a site
13 director, he did not know of anything that was clearly
14 wrong right then with work that was ongoing.

15 Q Not work that was ongoing. But it sounds
16 like, at least -- I'm sure we'd have to ask Mr. ^{Cottler} ~~Caudle~~, I
17 guess. But it sounds like, from your writing of the
18 notes, that his first statement was that we recognize
19 that we have some configurations and conditions that
20 exist in the plant that are not in compliance with
21 Appendix B at the time, but they are being identified and
22 corrected by employee concerns, etcetera.

23 A You're not in compliance with Appendix B,
24 the words that Mr. Denton and Mr. Asselstine were
25 throwing around there, not in compliance with Appendix B,

1 not meeting the requirements of Appendix B. As I said
2 before, that's not a black and white statement. I think
3 the question is not an easy question to answer. You
4 can't answer yes or no to that question.

5 EXAMINATION

6 BY MR. REINHART:

7 Q Why is that not easy? I hear that a lot.
8 I don't understand.

9 A Well, I think one person could say you're
10 not, another person could say, yes, we are. We've got
11 deficiencies but we are meeting the intent of the
12 requirements. They could read requirements as intent.
13 Another person could read requirements as, you know, you
14 have to have every "i" dotted and "t" crossed. And
15 obviously, you don't.

16 On a huge project like that, you're going to
17 have some deficiencies. You may not know what they are
18 today, but if you look long enough and hard enough,
19 you're going to find something.

20 Someone could say, hey, then you're not,
21 someone could say in a different context, you're not
22 meeting the requirements of Appendix B if you have some
23 of those or if you have a huge host of those.

24 It's just a question that I frankly don't
25 think Mr. Denton should have asked in the way he did.

1 It's just, it's a hard, it's a judgemental question. I
2 don't think that question can be answered yes or no.

3 Q What are the requirements of Appendix B?
4 You say you have to meet the requirements of Appendix B.
5 In a nutshell, what are those? What does Utility have to
6 do to meet those requirements?

7 A You have to have a program and you have to
8 implement that program.

9 Q Okay. Did you have a program?

10 A Yes.

11 Q Was it approved?

12 A Yes.

13 Q That part's done, right?

14 A Well, it was approved by NRC. I think NSRS
15 at times raised some questions about it. But yes, it had
16 been approved and documented, ~~by NSRS.~~

17 Q So that left what portion to address?

18 A The implementation.

19 Q Okay.

20 A Implementation, you know, is meeting the
21 requirements or not meeting the requirements. Ways to
22 judge that are your NRC audit reports, inspection
23 reports, our own audit reports, NSRS reports. Those
24 always have some findings and some deficiencies. So
25 there's degrees of implementation.

1 I think you can have deficiencies,
2 inspection findings, audit findings, and still be
3 implementing and documenting your program. You just
4 don't implement it always perfectly. No one does.

5 So how you answer the question, "Are you
6 meeting the requirements", you know, it's a very
7 judgmental degree type question, in my judgment. I'm not
8 professing myself to be an industry expert here.

9 MR. ROBINSON: We discussed at length, in
10 February, the definition of compliance with Appendix B,
11 and I kind of want to move on.

12 EXAMINATION

13 BY MR. ROBINSON:

14 Q The point I'm making is that on January 7,
15 1986, you've got a TVA manager who was at Watts Bar who,
16 in his interpretation, is saying there were situations
17 out there in the plant that are not meeting the
18 requirements of Appendix B.

19 You've got a draft letter that was discussed
20 and worked on and reworked by this group of people that
21 represent not only Line, QA, OGC, NSRS sections of TVA,
22 that at least from the drafts that I've seen, apparently
23 don't have any problem with making the statement that,
24 quote, TVA acknowledges that 10 CFR 50 Appendix B
25 criteria are not currently being met in some cases at

1 Watts Bar.

2 A There's no indication there was a consensus
3 on that paragraph.

4 Q Okay.

5 A Let me go on to say one thing about Mr.
6 ~~Caudle~~^{Cottle}'s statement; that is, Mr. ~~Caudle~~^{Cottle} may have made
7 that statement that there are deficiencies at the plant.
8 In the same breath, if you had asked Mr. Caudle if he
9 would respond to Mr. Denton's letter that we are in
10 compliance with the requirements of Appendix A or not, I
11 believe Mr. ~~Caudle~~^{Cottle} would have responded that we are in
12 compliance with the requirements of Appendix B.

13 Q Why do you think that?

14 A I think that would just be his judgment and
15 interpretation of what that question means. And I think
16 that would have been his answer. He would ^{not} have denied
17 that we had some deficiencies at that plant and we were
18 going to have continued deficiencies. But I think
19 overall, he would have said, at that point in time, that
20 we were in compliance with the requirements of Appendix
21 B.

22 That's my judgment. I don't want to put
23 words in his mouth. I don't think that anything that's
24 in those notes is contrary, would be contrary to him
25 taking that position.

1 Q So what you're telling me is that there was
2 no consensus in that meeting on agreeing that you could
3 make the statement that in some cases Appendix B
4 requirements are not being met at Watts Bar?

5 A "In some cases, Appendix B requirements are
6 not being met at Watts Bar." I think it was recognized
7 by everybody that we had some deficiencies at Watts Bar.
8 Those are documented in inspection reports, audit reports
9 NSRS reports. They were being found and they were being
10 corrected. I don't think anyone would say that we met
11 all the requirements of Appendix B or that we met all the
12 specific -- that there weren't deficiencies.

13 But if the question was, "Are we meeting the
14 requirements of Appendix B?" I think if you interpret
15 that in a very narrow sense, there isn't any Utility in
16 the country that can say they're meeting all the
17 requirements.

18 Q My question was, you're saying that there
19 was not a consensus in the meeting on January 7th to the
20 statement in those drafts that says TVA acknowledges that
21 10 CFR 50 Appendix B criteria are not currently being met
22 in some cases at Watts Bar. You're saying that you do
23 not believe there was a consensus?

24 A What I'm saying is that we came very close
25 to a consensus, I think, on a handwritten letter. The

1 thing was discussed, then someone started scratching it
2 out, then it was typed.

3 I don't think that the letter you have
4 specifically referred to, with mine and Kermit's initials
5 at the top, I don't recall that ever being circulated at
6 the meeting. Because if it was, it would have more
7 initials at the top of it. So I really can't say that a
8 consensus was reached on those specific ^{words} orders.

9 I think when we're talking about, you know,
10 we're talking about a letter overall, I think we came
11 very, very close with earlier drafts of this letter, the
12 handwritten one and the one that was typed from the
13 handwritten one.

14 Q Well, the only initials that are at the top
15 of the letter, it's not like the letter was being
16 initialled by all people that read it. It just says
17 contains "R.J.M. and K.H.W. Comments."

18 A What I'm saying is that if other people had
19 seen it, there might have been other comments, and those
20 would have been on there also. That one happens to just
21 contain the initials of Kermit and myself.

22 I have the impression that was not discussed
23 and circulated. But I don't remember, you know, who all
24 stayed for the afternoon. I think probably all were
25 still there in the afternoon.

1 Q Willie Brown left, did he not?

2 A I had the impression someone left.

3 Q Well, that's what I want to ask you about.
4 I'm now going to show you a part of this documentation
5 package that's a typewritten two-page document,
6 identified in the upper right-hand corner with the
7 handwritten notation "W.R.B.'s Version. 1/8/86
8 3 p.m."

9 Can you tell me when you got that and what
10 the circumstances were in the development of that?

11 A Well, I don't know exactly the
12 circumstances. Let me again set the stage for you. We
13 had a letter from NRC that was very serious. We had a
14 meeting with the NSRS on the 7th of January. And I think
15 everyone, you know, no one told me to coordinate a
16 response. I just assumed that would be my job, and I set
17 up the meeting. Everyone came on short notice and
18 everyone was interested in getting a response done.

19 The very fact that Mr. Brown wrote a version
20 indicates to me that there was no consensus reached at
21 the meeting on January 7th. Mr. Brown was very involved.
22 He was the project manager at Watts Bar and was very
23 involved at that time, as I recall, in the employee
24 concern program. He believed in it, supported it.

25 As I recall this version, without reading it

1 again, I think he intended to emphasize what was being
2 identified through that program, i.e., the intense
3 ~~security~~ ^{scrutiny}, if you will, of his turning things up.

4 So this was Willie's suggestion of, hey,
5 this is, in my mind, would be a good response to NRC's
6 letter. He was putting this forth.

7 I think it was developed unilaterally by
8 him, and I think he distributed it at a meeting in
9 Knoxville on the 8th.

10 As I recall, the board and several of us
11 were going to talk with the NRC, not matters related to
12 this, but on other matters, in Washington on the 9th. We
13 had a meeting ^{to} ~~preparing~~ ^E for that. It didn't have
14 anything to do with Appendix B, ~~because they had a~~
15 ~~meeting preparing for that on the 8th in Knoxville.~~

16 I think Willie probably had been working on
17 this, and passed it out, at least I got a copy of it, I
18 don't know who else did. That meeting did include, the
19 tail end of it did include a briefing by the NSRS related
20 to the Asselstine, Commissioner Asselstine's
21 presentation. The board hadn't heard it yet, so they
22 asked to hear it. I think that's when Sauer came in and
23 made a presentation.

24 The meeting wasn't to discuss Appendix B.
25 But some of the people were there that had been at the

1 meeting the previous day. And I think, you know, if we
2 had reached a consensus, Mr. Brown probably wouldn't have
3 written a version that he wanted to recommend.

4 Q Let me ask you a question. Was a copy of
5 this letter, this proposed draft, and a copy, a clean
6 copy of this proposed draft given to the board at that
7 meeting?

8 A I don't know. I don't think so.

9 Q You didn't do anything like that?

10 A I didn't. It's very doubtful that we would
11 have done that. I'm 99 percent sure we wouldn't have.
12 We weren't that far along. It could've happened without
13 me knowing it, but it's very, very, highly unlikely that
14 anything would have been given to the board at that
15 stage.

16 Q Even in Mr. Brown's version, although he
17 does not directly address compliance or noncompliance
18 with Appendix B, Mr. Brown's version said, and I'll read
19 the last sentence in paragraph four of this letter.
20 Well, I'll just read all of the paragraph.

21 *Of the 370 safety-related investigations
22 conducted under the employee concern program thus far,
23 problems of varying magnitude have been identified and
24 reported for evaluations and correction. Some of these
25 problems indicated failures to properly implement the

1 requirements of TVA's quality assurance program.

2 I guess I'll just ask, did you have an
3 opinion regarding Mr. Brown's letter at all as to whether
4 or not that might have been appropriate to send?

5 A I remember reading it. I don't remember
6 having any specific opinion as to whether it would be
7 appropriate to send or not. I think we were heading out
8 at the time and it had been handed to me rather late. I
9 think the path we were taking then was to have additional
10 discussions with the NSRS within the following week.

11 Q I guess I'll just ask the question directly.
12 It just appears from looking at these early drafts and
13 listening to descriptions of these early meetings, that
14 there appeared to be recognition on your part, Line's
15 part, that there's a possibility that the requirements of
16 the QA program or the requirements of Appendix B were not
17 being met.

18 And I'm interested in finding out when that
19 turned around. What happened to turn that around?

20 A It was never turned around. Okay?

21 Q Okay.

22 A There were always specific criterion
23 deficiencies with respect to implementing the QA program.
24 As I've stated numerous times in this discussion, they're
25 documented in audits, documented in reviews, they're

1 documented in evaluations. Mr. Brown right here says,
2 "Problems of varying magnitude have been identified and
3 reported..." They're going to be evaluated and they're
4 going to be corrected.

5 But what I'm saying and what has been said
6 in the beginning and what is being said all through this
7 thing, is that you do have deficiencies in implementing
8 the requirements of Appendix B.

9 But the question that was asked was, are you
10 in compliance with the requirements, you know, are you
11 complying with the requirements of Appendix B. It's a
12 more general question. It's an overall question.
13 There's not an inconsistency there, Mr. Robinson.

14 The answer to the first question is yes, we
15 have deficiencies. There's some elements of our QA
16 program that we miss ~~Q~~ on, that we have deficiencies.

17 But then the question is, are we overall, do
18 you have a QA program and in the overall sense, are you
19 complying with that. And that's the question that Mr.
20 Denton was asking that we were trying to answer. That's
21 why I say it's not an easy question to answer.

22 Q I'll quote Mr. Denton's question verbatim.
23 "You are requested to furnish, under oath or affirmation,
24 TVA's corporate position with respect to whether or not
25 10 CFR Part 50 Appendix B requirements are being met at

1 the Watts Bar facility."

2 A What I'm saying is, the way you're
3 interpreting that or are trying to interpret it in asking
4 the turnaround question is, no one in the country can
5 answer that question positively, the way you're
6 suggesting that there was a turnaround.

7 There wasn't any turnaround. It was simply
8 how do you respond to that dog-gone thing. Obviously we
9 had deficiencies. My own people were identifying
10 deficiencies. But do those deficiencies in total, in
11 sum, then mean that your whole program is out of
12 compliance? That was the type of thing we were trying to
13 focus on.

14 Obviously, you know, we had deficiencies.
15 No one, I think, has ever denied that. They are
16 documented. But in total, the sum of those, indicate
17 that we were badly out of, just out of kilter, out of
18 step. We had a program that was approved, our
19 implementation of that was under intense scrutiny, and
20 yes, there were documented deficiencies.

21 But I don't think that that was inconsistent
22 with the answer that, hey, you know, overall we're in
23 compliance, you know, we're doing our damndest to be in
24 compliance. We're correcting the problems we're finding.
25 We're seeking them out. It's a very judgemental thing.

10

1 There was no turnaround. It was just a
 2 searching for a way to answer that question, given the
 3 facts that we had and what did the NSRS people that
 4 stated that to Commissioner Asselstine really mean by it.
 5 Because that would give us a clue on answering, I think,
 6 the questions that Mr. Denton put.

7 Q My only point in reading the question that
 8 of NRC verbatim was to show that the question was not
 9 asked as to whether your overall program was in
 10 compliance. The question was asked whether the
 11 requirements of 10 CFR 50 were being met at Appendix B at
 12 Watts Bar.

13 With regard to turnaround, all I'm saying is
 14 that from earlier drafts that I see, I don't see
 15 statements that say, NRC, our Appendix B program is in
 16 overall compliance. I see statements in earlier drafts
 17 that say we recognize that some of the requirements of
 18 Appendix B are not being met at Watts Bar.

19 So I'm saying, what happened to -- why not
 20 just keep saying that, if that was the situation? I just
 21 need to know what happened.

22 A Because that wasn't considered to be the
 23 question that Mr. Denton was asking. I don't think
 24 there's ever been any turnaround, again, in the fact that
 25 we had some deficiencies in meeting program requirements.

R. Hill

1 You don't meet them 100 percent of the time. That's
2 recognized in any of these drafts.

3 But none of those drafts really said with
4 respect to the overall, you know, overall are you in
5 compliance or not. None of the drafts answered that
6 question. And that's the question we interpreted that
7 Mr. Denton was asking.

8 So, you know, the drafts that we came up
9 with weren't really answering what we thought needed to
10 be answered. There was no turnaround. I think it was
11 just that we hadn't gotten to the point we were saying,
12 hey, -- he was asking a one-line question. And, you
13 know, we could have answered and said, hey, in some areas
14 we have deficiencies, they're documented in your own
15 inspection reports and so forth.

16 I don't think that's the question he was
17 asking. I don't think TVA thought that was the question
18 he was asking. He was asking, our judgement was that he
19 was asking overall are you in compliance or not? And
20 that's kind of a weighed-type response. It depends, I
21 think, on the number of deficiencies you have and the
22 areas in which those deficiencies occur.

23 The question you're suggesting, Larry, would
24 be very easy to answer if we wanted to interpret it that
25 way. But I don't think we ever, from the beginning,

1 thought we should interpret it that way. I thought we
2 should find out, hey, what are the specifics, how
3 extensive are the deficiencies. And then with that
4 recollection or knowledge, answer the overall question,
5 you know, are you meeting the requirements of Appendix B?
6 Very broad type of question.

7 In my mind, there was never any turnaround.
8 It was just an approach to try and say, hey, given the
9 details and given your perceptions, can we close and
10 answer that overall question.

11 I think we ^{almost} got to the ^{consensus} point when I asked
12 ~~were about to be asked~~ about stop work, you know. We
13 were very, very close to that.

14 Ultimately, I think we had to answer the
15 overall question, which we interpreted that Mr. Denton
16 was asking. I don't think we ever had a consensus on
17 that. I don't think we had even reached that state. So
18 therefore, there was no turnaround.

19 Q You bring up a good point, the TVA
20 interpretation of that question, are you saying that
21 there was actually a physical discussion among those that
22 were involved in answering the question and a general
23 meeting of the minds on the interpretation of that
24 question?

25 A No. I'm only speaking of my interpretation,

1 more or less on my interpretation.

2 MR. ROBINSON: That's all the questions I
3 have.

4 MR. REINHART: I have some questions I'd
5 like to ask on our discussion so far.

6 EXAMINATION

7 BY MR. REINHART:

8 Q Mr. Mullin, you said that no Utility in the
9 country could answer positively to that question.

10 A No, I didn't say that. I said no Utility in
11 the country could answer positively to the interpretation
12 that I thought Mr. Robinson was putting on that question,
13 that they were completely free of deficiencies in the QA
14 program.

15 Q What was your interpretation of the
16 question, succinctly?

17 A Succinctly, my interpretation of the
18 question is that, given your program documentation and
19 given your implementation of that program and some
20 judgments with respect to the deficiencies that are being
21 found, the scrutiny that's been given to the program, the
22 corrective action that's been taken, the results of the
23 previous evaluations; given all that, can you in summary
24 say that on balance, or in balance, you're complying with
25 requirements of Appendix B or you're not complying. I

11

1 don't know if that's succinctly enough. But that's kind
2 of my personal interpretation of the question.

3 Q Did you or anyone else ever answer what you
4 just said there?

5 A I don't understand that question.

6 Q Well, you told us what your interpretation
7 of the NRC's question is. I'm asking did you or anyone
8 else ever provide an answer to the question that you
9 interpreted to have been asked?

10 A I think TVA answered Mr. Denton's letter. I
11 think Mr. White answered their question and I think he
12 explained his answer in subsequent correspondence.

13 Q Well, you went though and you said you
14 needed a program, did you explain that part of it? And
15 you said --

16 A You said explain. What do you mean,
17 "explain"?

18 Q I'm asking did you in your answer ever say
19 yes, we had a program, yes, we did what was required?

20 A The NRC knew we had a program, and had
21 approved it.

22 Q Maybe you need to restate again what you
23 think their question was, please, if you would do that.

24 A I think it's on the record. I don't think
25 it's necessary for me to restate it.