

1 Q. They would go out and do an  
2 investigation as they called it, refer their  
3 findings to the line organization. The line  
4 organization would not respond to QA, but  
5 would respond to NSRS. Do you --

6 A. Yes.

7 Q. Do you have any -- I mean, is that a  
8 correct --

9 A. To the best of my knowledge, that's the  
10 way NSRS operated. I wasn't here, as you  
11 said --

12 Q. Okay, and if there was a dispute between  
13 the line organization and NSRS, and we've been  
14 told that there wasn't nothing but disputes, I  
15 mean, it wasn't rarely any agreement on --  
16 they would make a report and investigation and  
17 the line organization tell them that, and this  
18 dispute would be handled by the Board of  
19 Directors or General Manager, he would be the  
20 guy who would decide this.

21 In this particular case, NSRS acting  
22 in what they considered to be their normal  
23 capacity, said we have some perceptions of  
24 about what's going on.

25 They were addressed by the line



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1 organization, but as best I understand it, was  
2 NSRS ever given a final ~~slip~~<sup>SHOT</sup> at what the line  
3 organization's bottom line was?

4 A. Yes. As far as I know, Kermit Whitt,  
5 who was head of NSRS, and who represented that  
6 institutional entity, was provided an  
7 opportunity to review the final letter and  
8 indicated his concurrence in it.

9 Q. His concurrence or the fact that -- the  
10 concurrent slip said something to the  
11 effect --

12 A. Well, I wasn't there, Dan, but let me  
13 just review what I know of, what I heard about  
14 that.

15 Q. Okay, sure.

16 A. I am told by people who were in the  
17 meeting, that in the meeting in White's office  
18 on the day that the concurrences were given to  
19 the letter and its attachments, that Kermit  
20 Whitt, when they went around the table asking  
21 for the concurrences, agreed to it.

22 I'm also told that later, Kermit  
23 Whitt went to Dick Gridley, who is the  
24 Director of Licensing and said, hey, I've  
25 talked to my staff or I've, you know, for some



1 reason, what I really meant by that  
2 concurrence was I've only read the letter.

3 And after the fact, Gridley went  
4 back to the concurrence sheet and annotated  
5 it, that this concurrence, words to the  
6 effect, this concurrence means that I've read  
7 it only.

8 Q. So you don't have any firsthand  
9 information about that, so I won't pursue  
10 that.

11 We've been told and it's been in the  
12 newspaper that the Lundin study was kind of an  
13 independent review to kind of resolve this,  
14 say, lack of what we would -- some folks might  
15 view as an independent review by the line  
16 organization. Is that a correct statement?

17 A. The Lundin -- well, it was independent  
18 because the people involved in that review,  
19 Craig Lundin and all those assigned were not  
20 TVA employees.

21 Q. Okay.

22 A. So it was independent, number one.

23 Number two, it was to evaluate, as I  
24 stated earlier in my testimony, it was to  
25 evaluate what the line was doing in preparing



1 the responses, and in addition, to go look at  
2 the programs or the activities that were  
3 underway or -- at Watts Bar in order to see if  
4 there were any things in the implementation  
5 which were different, substantially different  
6 than what we have experienced at other  
7 facilities.

8 So -- and it was charged by Mr.  
9 Kelly as his input.

10 Q. Okay. To this whole process, right?

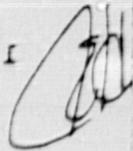
11 A. To the whole process.

12 Q. Let me give you a description, and it  
13 was probably from one of your Stone & Webster  
14 employees, this is what was identified to us  
15 as the Lundin report, Lundin review, cursory  
16 review, snapshot, overview of the process, not  
17 in depth, and not designed to determine that  
18 Watts Bar was in compliance with Appendix B,  
19 is that how you viewed it?

20 A. Well, I wouldn't agree -- I would not  
21 agree with cursory.

22 Q. Okay.

23 A. Because cursory means, if you look it up  
24 in Webster's, it means of no substance, so I  
25 wouldn't agree that it was cursory.



1 I would agree that it was a  
2 snapshot, okay? Because it was a snapshot.  
3 It was over a short period of time.

4 I would agree that it was not in  
5 depth, because it was, as I understand it, Mr.  
6 Kelly could answer better, because as I  
7 stated, he gave the charge, it was not  
8 intended to be an audit or an in-depth  
9 evaluation, it was intended to be a snapshot  
10 looking over what was being done and  
11 evaluated.

12 It was -- I don't believe it was  
13 charged to determine -- to make a  
14 determination as to whether or not TVA was in  
15 compliance at that time with Appendix B at  
16 Watts Bar. That was the overall mission of  
17 the overall evaluation. It was to provide Mr.  
18 Kelly with confidence, among other sources, in  
19 the adequacy of what was being done to come to  
20 that determination.

21 Q. Could that type of a review, was it  
22 capable of making a determination whether TVA  
23 was in compliance with Appendix B?

24 A. With all the other -- in my judgment,  
25 with all the other things that --



1 Q. Lundin report, itself, Lundin study  
2 itself, was that capable of arriving at that  
3 conclusion?

4 A. I think, given the level of experience  
5 of those people, that judgment could be  
6 obtained from that review.

7 Q. During that short period of time.

8 A. Yes.

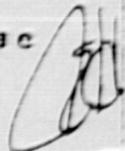
9 Q. Okay.

10 A. But let me add for the record that I  
11 don't believe that that was the overall  
12 charter of that activity.

13 Q. We've talked about these 11 perceptions,  
14 and you said they are so broad and not very  
15 specific in nature, and I think that's, I  
16 think, pretty clear about what most folks say  
17 about, you know, these initial 11  
18 perceptions.

19 Were you aware of the fact, though,  
20 that MSRS did an extensive study on cables at  
21 Watts Bar and Sequoyah, and I'm going to tell  
22 you that the report was released in probably  
23 in August of 1985, a rather extensive study.

24 A. The reason I'm pausing again is because  
25 I'm now -- I know that they did. Now, when



1 did I know that they did that study? I really  
2 can't recall if I knew that before -- if I  
3 knew that before the March 20th letter was  
4 issued or not.

5 Q. Have you had a chance to look at that  
6 review and investigation by NSRS?

7 A. No, I can't recall reviewing it.

8 Q. Are you aware that NSRS also did at  
9 least three reports that we know of regarding  
10 that records are of poor quality, and this was  
11 done at both Watts Bar and Sequoyah?

12 A. I am now. Again -- you know, I did not  
13 review the backup material that was available  
14 at Watts Bar or in the NSRS in support of  
15 their allegations or their perceptions or the  
16 issues leading to their perceptions.

17 My presumption is that the line was  
18 well aware of those reports and they were the  
19 ones responsible and charged with developing  
20 the detailed responses.

21 Q. And then at least you think the line  
22 should have taken those reports into  
23 consideration when coming up with their  
24 response to the NSRS' perceptions?

25 A. Yes.



1 MR. MESERVE: Do you know whether  
2 they did or did not? Do you have an opinion?

3 THE WITNESS: I don't know whether  
4 they did or did not. My opinion is that they  
5 did, but I don't know that for a fact.

6 BY MR. MURPHY:

7 Q. You had hoped they did?

8 A. I would assume they did. And let me  
9 just add, going back to my earlier statements,  
10 how the backup behind some of the perceptions  
11 evolved, okay? It came out through the  
12 process, so I'm not sure at what point in time  
13 the line would have been given access or  
14 picked up on that reference, you know, or  
15 investigation to come to a conclusion.

16 Q. As of today, as I understand it, TVA has  
17 said, as far as the first perception that NSHS  
18 as constructed, welding program is  
19 indeterminate. TVA has determined that that's  
20 a fairly valid concern today, is that not  
21 true?

22 A. No, I don't believe that is true. I  
23 believe that today, TVA has determined that in  
24 at least two instances, relative to the as  
25 constructed -- specific instances relative to



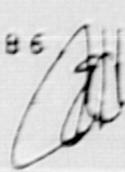
1 as constructed welding, there were significant  
2 QA breakdowns relative to the 741 elevation  
3 structural welding and relative to the review  
4 of code radiographs.

5 Q. So you don't think this is what they're  
6 talking about in their perception or you have  
7 no way of telling?

8 A. Well, it may be part of what they had in  
9 mind, but I -- you know, the analysis of the  
10 welding situation and Watts Bar was being  
11 reviewed by EG & G Idaho under contract to the  
12 Department of Energy. That contract was let  
13 back before we arrived in 1985, the contract  
14 was let and the work started.

15 First, there were two phases to that  
16 study. The first phase was to review the  
17 program, TVA's program to evaluate commitments  
18 in the PSAR to the various codes and standards  
19 and to assess whether TVA had procedures in  
20 place programmatically addressing all those  
21 requirements.

22 That final report on Phase I was  
23 issued only a month ago, and it concluded that  
24 as of February -- some date in February, 1986  
25 TVA had a program which addressed all the



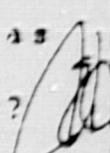
1 commitments to the FSAR, and in looking  
2 retrospectively back to the date of the first  
3 safety related weld at Watts Bar, with a  
4 couple of minor exceptions which were  
5 clarified, TVA had always had a program in  
6 place.

7 So programmatically, TVA had covered  
8 all the requirements.

9 Second phase of that is a  
10 re-inspection program, and let's take the  
11 issue of structural welding.

12 Stipulating that I have not been  
13 intimately involved in the technical details  
14 of structural welding review, basically, of  
15 all the structural welds that were looked at,  
16 741 elevation was the only place that  
17 significant deficiencies were identified,  
18 which would lead one to the conclusion that  
19 there was a significant QA breakdown, and  
20 that's only a small -- of the total population  
21 of structural welds looked at, that's only a  
22 small percentage.

23 Now, the question in my mind is,  
24 does that substantiate a statement that the as  
25 constructed welding program is indeterminate?



1 I don't think so. And in any case, that data,  
2 the identification of those problems was  
3 not -- did not exist, to my knowledge, at the  
4 time that the March 20th letter was sent.

5 Q. Let me ask you, why did we bring EG & G  
6 in here to begin with?

7 A. I don't know the answer to that  
8 question. I was not here.

9 Q. But you never have been given any  
10 historical basis or reasons why TVA contacted  
11 EG & G to come and look at their welding  
12 program?

13 A. Yes. People have offered their  
14 opinions. People have told me why they did  
15 it, and they did it, as I understand it, this  
16 is secondhand, because, as part of the  
17 employee concern program at Watts Bar being  
18 conducted by Quality Technology Corporation  
19 under contract to the NSRS, a significant  
20 number of concerns had been raised regarding  
21 the welding program at Watts Bar.

22 Q. Based on your knowledge of how these  
23 concerns were developed by NSRS, did they not  
24 come out of the QTC program, basically?

25 A. I honestly don't know how the concerns



1 were developed.

2 Q. Second one on the list is electrical  
3 cable present qualification condition is  
4 indeterminate. We're told that there is some  
5 extensive work being done on cables within TVA  
6 at Watts Bar and Sequoyah; is this a fact or  
7 are we being misled?

8 A. You're not being misled. There is  
9 extensive work being done on the qualification  
10 of cable at Watts Bar and at Sequoyah. That  
11 program was identified, the requirements to do  
12 something about that and to address that  
13 issue, as far as I know, was identified well  
14 before we arrived here.

15 Q. Yes. Do you know if that resulted from  
16 NSRS' report or pressure from the NRC?

17 A. I really can't -- I really can't recall  
18 why that investigation was started.

19 Q. I guess -- I'm going to ask you, but I  
20 think probably -- instrumentation line  
21 inadequacies, do you have any idea how long  
22 ago that problem was identified?

23 A. That problem has been -- I do know how  
24 long that one has been around, because one of  
25 the issues at Sequoyah, when I was on the task



1 force, was addressing the issue of instrument  
2 line slope. That issue is a fairly  
3 longstanding issue at TVA, at Watts Bar and at  
4 Sequoyah several years, at least.

5 Q. I mean, is that a valid concern? I  
6 mean --

7 A. Yes.

8 Q. Okay.

9 A. And programs were in place to address  
10 that concern, as far as I know, when the  
11 investigation into the response to the 11  
12 perceptions was made.

13 Q. From a layman's perception, right? It  
14 appears, at least in the first three areas  
15 they have identified, they have identified  
16 situations that, through the process, have  
17 been at least determined to exist to some  
18 degree, whether their data is available. Is  
19 that just blind luck on their part or -- I  
20 don't know.

21 A. I can't answer that. I don't know -- I  
22 can't answer that question.

23 Q. Okay. That's all I have.

24 A. By the way, I have a hard time looking  
25 at that issue as a layman.



1 Q. I understand that. I don't --

2 BY MR. MESERVE:

3 Q. But are you saying that programs were in  
4 place as of the time of the NSRS presentation  
5 in December of '85?

6 A. That's right.

7 Q. As to all three items?

8 MR. MURPHY: All three items?

9 A. Instrument line slope.

10 BY MR. MURPHY:

11 Q. Electrical cables.

12 A. Electrical cables.

13 Q. And welding.

14 A. Yes, sir, there were programs in place  
15 to address those concerns. Instrument line  
16 slope, there was a task force which was  
17 established in the spring of 1985. Electrical  
18 cable, I believe that issue had been  
19 identified and was being worked as reflected  
20 in the attachment, and welding, certainly  
21 there was a program in place to review the  
22 status of welding, which was EG & G Department  
23 of Energy program.

24 MR. REINHART: I have a few  
25 questions.



1 BY MR. REINHART;

2 Q. As a QA Manager, I just need your  
3 opinion if you can give it to me. To look at  
4 the NSRS as presented as written perceptions,  
5 how would you describe the quality of that, as  
6 far as substance to management?

7 A. As a QA Manager who is used to seeing  
8 clearly stated findings with reference to  
9 clearly documented criteria, and not drawing  
10 generalized conclusions, I would -- my view of  
11 these statements are that they are superficial  
12 and broadly drawn.

13 Q. Okay.

14 A. Let me say that if one of my  
15 organizations output to me on a substantive  
16 issue of this magnitude was this cursory, in a  
17 conclusional sense, I would be very distressed  
18 with that input.

19 Q. Did the input that they subsequently  
20 provided materially add to the clarification  
21 of those points?

22 A. It added, as far as I know, it added  
23 additional citations of specific employee  
24 concerns reference to the perception. It  
25 added additional verbiage, and I'm trying to



1 recollect, I believe I've seen, you know, some  
2 of the material that was provided. It added  
3 additional verbiage, much of which was general  
4 in nature.

5 I seem to recall that the word  
6 indeterminate not only appears in this  
7 presentation of the perceptions multiple  
8 times, but I think it appeared in the more  
9 detailed -- the (quote, unquote) more detailed  
10 backup as it evolved many many more times.

11 Q. Next question --

12 A. And by the way, let me add,  
13 indeterminate, as a QA Manager, the word  
14 indeterminate has an extremely significant  
15 connotation to it.

16 Q. Okay.

17 A. Well beyond the layman's interpretation  
18 of that word, well beyond the dictionary's  
19 definition of that word. In a QA sense, the  
20 word indeterminate is very important.

21 Q. Could you just, for our benefit, give us  
22 a quick nutshell of what that means?

23 A. Nutshell of indeterminate means that  
24 all -- for the item that is indeterminate, it  
25 has lost, in effect, its pedigree, okay?



1 Which means that I no longer have any  
2 confidence that it is adequate to perform its  
3 intended safety related function, and  
4 therefore, I have to apply a very very  
5 exhaustive test on it to either evaluate it,  
6 to characterize it and evaluate it and to  
7 either prove its acceptability or remove it  
8 and replace it with a determinate piece or --

9 Q. So?

10 A. So in the QA sense, it has particular  
11 importance.

12 Q. Okay.

13 A. It also means in a nutshell that if that  
14 item -- if an item is indeterminate, then I  
15 can't perform any work around an attachment to  
16 it or utilize it in the process, because I no  
17 longer have any faith that it's going to deal  
18 with its intended function.

19 Q. Now, from, again, the QA management  
20 point of view, looking at the line's responses  
21 to the NSRS perceptions, could you describe  
22 what you feel the quality of those, as  
23 written, responses was or is?

24 A. I think they were adequate, obviously.  
25 Maybe it's not obvious. I thought they were

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1       adequate to the extent that I reviewed them.

2               My view of them was and is -- well,  
3       was that they were going to be the subject of  
4       inspection; that they were the distillation of  
5       analyses performed stating in summary fashion  
6       or not summary, but they were the statement of  
7       the facts as that particular line organization  
8       viewed them on a particular issue. But they  
9       were backed up by the cited nonconformance  
10      reports, by the procedures, etc., and put  
11      together in a file.

12             We had fully expected, and in fact,  
13      Mr. Kelly, after the March 20th letter was  
14      issued, in anticipation of an NRC inspection,  
15      had issued instructions that the material used  
16      to develop the basis for the response was to  
17      be assembled in a specified format in  
18      anticipation of interaction with <sup>I&E</sup>~~INE~~.

19      Q.       This term, adequate comes up. If you  
20      were the manager in charge of the people  
21      preparing those responses, would you say, when  
22      you say adequate, that's exactly what you  
23      wanted them to give you, that was bare  
24      minimum, that's kind of about average, or was  
25      this outstandingly excellent? How would you



1 characterize that? And, you know, in  
2 substance, communicate it?

3 A. Well, it's a hypothetical. I wasn't the  
4 manager. I was not the person demanding the  
5 performance and response for my organization.

6 It was a situation where we were  
7 dealing with a new set of players; by players,  
8 I mean the people in the organization, the  
9 technically responsible entities within the  
10 organization. And when I say adequate, what I  
11 mean is that my belief was that the response  
12 fairly characterized the result of their  
13 review.

14 Q. Okay. Third question. Are you aware of  
15 any effort by any organization to demonstrate  
16 the implementation of the QA Program by  
17 analyzing audits, corrective action, whatever  
18 documents existed to say, okay, here are the  
19 11 perceptions. The following QA requirements  
20 impact perception one, perception two,  
21 perception three. We performed these audits,  
22 wrote these corrective action requests, and  
23 are taking this action. Was any analysis like  
24 that done?

25 MR. MESERVE: Do you understand the



1 question?

2 THE WITNESS: Yes, I understand the  
3 question exactly.

4 A. I'm trying to answer -- let me restate  
5 what I think your question is so that I make  
6 sure that I've got it.

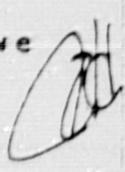
7 Q. Okay.

8 A. Am I aware that any organization other  
9 than TVA has done an analysis of the type you  
10 described?

11 Q. TVA, anybody. What I'm asking, TVA is  
12 saying or is asked, are you in compliance with  
13 Appendix B requirements.

14 A. Right.

15 Q. TVA interprets that to mean Appendix B  
16 requirements in these 11 areas. So did TVA  
17 say, okay, to demonstrate implementation of  
18 the program, we have an audit program. We  
19 performed audits that addressed the  
20 requirements covered in perception one and  
21 here they are. We performed audits to cover  
22 the requirements of perception two, etc., and  
23 said, here's what the audits said, here are  
24 the findings, here's any corrective action we  
25 took, was anything like that done?



1 A. Well, not in the way you described it,  
2 okay? Subsequently, you know, we've continued  
3 to audit and TVA Quality Assurance Division,  
4 TVA Quality Assurance Division has continued  
5 to perform its normal and special audits and  
6 surveillances of activities at Watts Bar,  
7 which include those activities covered by not  
8 only the 11 perceptions, but by the whole host  
9 of activities that are ongoing in Watts Bar.

10 So yes, the organization has  
11 continued to perform audits which covered  
12 surveillances and quite an expansive number  
13 that covered these. So that's number one.

14 Number two, Mr. Kelly, as part of  
15 the process of understanding what had been  
16 done and what programmatic activities were  
17 ongoing at Watts Bar, reviewed NCR's audit  
18 findings, etc. prior to -- to the best of my  
19 recollection, he reviewed those prior to the  
20 March 20th letter being sent.

21 Third, a letter was sent by GTC to,  
22 I forget who it was sent to. I believe it may  
23 have been sent directly to the NRC or  
24 somebody. The NRC transmitted that letter,  
25 and it's an analysis of the 11 perceptions. 

1 That was sent by the NRC to TVA subsequent to  
2 the March 20th letter, and requesting a  
3 response.

4 We started to put together a  
5 response to that analysis, and then it was  
6 agreed that that response would be developed  
7 as part of the Watts Bar special employee  
8 concern program, the ECTG program at Watts  
9 Bar.

10 That was agreed to by <sup>NRC</sup>~~NCR~~ that that  
11 was the way that that response to that  
12 Interrogatory would be handled, and all of  
13 these perceptions along with all related  
14 employee concerns and other findings at Watts  
15 Bar which related to these items, were put  
16 into a matrix, and assigned to be evaluated by  
17 the employee concern task group at Watts Bar  
18 and be covered in the element reports and the  
19 category reports from that program.

20 Q. How did this QTC analysis -- what was  
21 their bottom line with respect to  
22 implementation of Appendix B requirements at  
23 Watts Bar?

24 A. I believe that they agreed with the  
25 conclusions of the NSRS.



1 Q. I know you told me that generally, TVA  
2 was considered to do their normal and special  
3 audits. Did anybody ever take a document that  
4 we could demonstrate, yes, these audits showed  
5 during X period of time that we're in  
6 compliance with requirements of this  
7 perception and so on, did anybody ever put  
8 something like that together to say, yes, we  
9 did this?

10 A. With respect to this these perceptions,  
11 here?

12 Q. Yes, the 11.

13 A. I'm unaware -- I really can't recall any  
14 such effort. No, I can't recall any such  
15 effort.

16 Again, let me just say that similar  
17 to my response earlier, which is to the  
18 question of, well, perhaps you should have  
19 written the letter differently, should have  
20 done it differently, there are a lot of  
21 different ways that one could have approached  
22 developing the response, writing the letter,  
23 categorizing things after the fact, and  
24 memorializing them.

25 Q. If somebody asked, in general, are you,

1 have you been, are you being, whatever -- in  
2 other words, Licensee, could you please  
3 demonstrate your compliance with Appendix B,  
4 would that be a reasonable approach that a lot  
5 of people would take to show their audit  
6 program, because this was designed to --

7 A. No, that's part of it. There's many  
8 approaches to that.

9 MR. MESERVE: When?

10 THE WITNESS: He's saying for all  
11 times.

12 MR. MESERVE: I don't think the  
13 question said that. That's why I was curious,  
14 the way you phrased it. Do you mean now or  
15 has been or what?

16 MR. REINHART: Let me, to answer  
17 your question to my question to him, you can  
18 develop a program and on day one, the program  
19 is approved; so what? You have to let time go  
20 by. So to show implementation, many people  
21 are going to say you need a time period. You  
22 can't say at 3 o'clock in the morning the 7th  
23 of June, you know, because nobody was watching  
24 at 3:00 in the morning on the 7th of June.

25 But you have to show over a period



1 of time the audit program basically, along  
2 with the ANSI standards, every 24 months, and  
3 some frequencies changed, you audit  
4 everything.

5 MR. MESERVE: I don't disagree. I  
6 just thought the question wasn't framed in a  
7 way it was clear whether you meant now or over  
8 some period of time it was not defined.

9 MR. REINHART: I'm asking to a  
10 typical licensee, isn't that an obvious way to  
11 demonstrate compliance.

12 A. Well, one way of demonstrating  
13 compliance is by doing the regular audit  
14 program, and TVA does the regular audit  
15 program. Coupled with IDI or IDVP type  
16 assessment.

17 Q. What's IDVP?

18 A. Independent design verification program.

19 Q. Okay, that would, like, look at  
20 Criterion 3 and whatever impact --

21 A. Design, that's correct.

22 Q. Okay.

23 A. Or the use of an engineering assurance  
24 in-depth technical audit, which has been  
25 accepted on other dockets as an acceptable



1 method for demonstrating everything from  
2 design all the way through installed hardware,  
3 which, in fact, we have implemented at  
4 Sequoyah on the design base line verification  
5 program and will be committed. I am led to  
6 believe will be committed in Volume 4 of the  
7 Nuclear Performance Plan for Watts Bar.

8 So you have internal audit, you have  
9 your external audit of the QA Program, itself,  
10 you have independent reviews, either with or  
11 without the participation of the NRC, or  
12 independent third-parties, you have some  
13 plants have done to a readiness review  
14 program, which include the very intensive  
15 review of all the activities over time coming  
16 up to the process of certification, and in  
17 fact, at the Watts Bar facility, TVA is in the  
18 process of developing Volume 4 of the Nuclear  
19 Performance Plan, which will detail all of the  
20 steps that will be taken to provide assurance  
21 at the end that everything has been done out  
22 there, has been done in accordance with the  
23 regulatory commitments and requirements for  
24 that facility.

25 Q. Why, then, since if those audits were



Huston

1 ongoing, as part of the demonstration of  
2 compliance, why were they not offered as  
3 evidence?

4 A. I really don't know the answer to that  
5 question. That's a very good question. The  
6 process that was being gone through to develop  
7 the answer was underway when we got there.

8 Q. I understand.

9 A. And looking at that process, it appeared  
10 to be adequate. The information being  
11 developed by the process appeared to  
12 adequately address the concerns being raised.

13 Q. Okay.

14 A. There was extreme -- not extreme --  
15 there was a great deal of pressure to get an  
16 answer. It was one of a host of issues,  
17 including, you know, the total reorganization  
18 of TVA's nuclear effort, the reestablishment  
19 and consolidation of the QA organization, you  
20 know, lots of things going on. So hindsight  
21 is 20/20.

22 In looking back at all of the  
23 controversy which has been created as a result  
24 of this issue, one might have done things a  
25 lot differently. I don't think it would



Huston

1 change the conclusion --

2 Q. Okay.

3 A. -- that was reached, but it might have  
4 delayed the publication of that conclusion.  
5 It might have modified the way in which it was  
6 developed.

7 Q. One last question, and I think this is  
8 going to be a quick answer. Other than Mr.  
9 Whitt, did the NSRS, as a staff, have an  
10 opportunity to review and agree or disagree  
11 with the March 20th letter?

12 A. I have no direct knowledge of that. I  
13 don't know whether they were or were not given  
14 the opportunity.

15 I know that there were discussions  
16 held between Mr. Lundin and the NSRS people  
17 who prepared the presentation. I know there  
18 were ongoing discussions when his team went  
19 out and interfaced with the Watts Bar site. I  
20 really don't know whether NSRS was given an  
21 opportunity to review the responses and -- I'm  
22 unaware of that.

23 MR. REINHART: Okay. That's all I  
24 have.

25 MR. WILLIAMSON: I got one short



1 question.

2 BY MR. WILLIAMSON:

3 Q. You mentioned a couple of times you  
4 referred to the January 3rd letter from NRC.  
5 You referenced, when addressing the March 20th  
6 response to NRC, you said that you answered  
7 the questions NRC asked.

8 A. Yes. I believe we did.

9 Q. Specifically answered the questions they  
10 asked. And one of them was were Appendix B  
11 requirements being met at the Watts Bar  
12 facility, and you answered that question. The  
13 March 20th letter answers that question.

14 Does that apply to also Sequoyah,  
15 Browns Ferry and Belefonte, the statement that  
16 TVA is in overall compliance with Appendix B?

17 A. Did that letter or in my opinion?

18 Q. Did that letter. Did that letter.

19 A. My interpretation -- my  
20 interpretation -- my understanding of that  
21 letter is that it was applying to Watts Bar.

22 Q. Okay. Your systematic analysis of  
23 identified issues addressed all the  
24 facilities.

25 A. That's correct.



1 Q. So you had information --

2 A. And corporate and --

3 Q. You had a base line of information from  
4 Browns Ferry, from Belefonte, from Sequoyah  
5 and from Watts Bar.

6 A. Yes, but the systematic -- again, let me  
7 restate my answer on that point, and that is  
8 the systematic assessment was not used, in my  
9 understanding or my recollection, as the basis  
10 for the March 20th response.

11 Q. Okay. But this response is site  
12 specific then to Watts Bar?

13 A. Yes, sir, that was my understanding.

14 Q. Can you say then that on March 20th,  
15 that Sequoyah and Browns Ferry and Belefonte  
16 were in compliance with Appendix B?

17 A. Can I say that?

18 Q. Yes.

19 A. (No response.)

20 Q. I guess what I'm saying is --

21 A. Let me answer your question. To the  
22 best of my knowledge and belief, on March  
23 20th, the other TVA facilities were operating  
24 or not operating, as the case may be, meeting  
25 the requirements of Appendix B.



1 Q. The scope of the March 20th letter was  
2 limited to the Watts Bar facility, then.

3 A. Yes, sir.

4 Q. Okay. Last question, would a  
5 responsible and accountable management team  
6 limit a response such as this to one fashion  
7 with regards to overall compliance with  
8 Appendix B?

9 A. Yes, the answer to that question is yes,  
10 because I believe that we were a responsible  
11 and accountable management team.

12 And let me explain why I say that.  
13 Absent that whole set of issues, this whole  
14 set of issues, we were applying a program at  
15 TVA to correct the ills that had occurred over  
16 many years, and to try to, you know, bring the  
17 TVA program and the TVA activities back into a  
18 status of excellence.

19 Having been asked that question and  
20 required to respond to it, in a sense, the  
21 overall process was forced way ahead of itself  
22 to try to get an answer to that question at  
23 Watts Bar.

24 So was it responsible to respond?  
25 Absolutely, because we were required to



1 respond on the docket. All right? If I had  
2 it to do over again now, would I have  
3 responded then and waited for the rest of the  
4 activity to go forward, I probably wouldn't  
5 have. But that's a personal opinion. That's  
6 purely a matter of my own judgment.

7 At the time, with the facts that  
8 were on the table at the time, we did what we  
9 thought we had to do in order to respond to  
10 the letter.

11 MR. MESERVE: Could I just ask him a  
12 couple of questions?

13 BY MR. MESERVE:

14 Q. First of all, Mr. Huston, would you  
15 describe the function of the Lundin  
16 investigation as you understood it? I use the  
17 word investigation in quotes, the function of  
18 the Lundin task force as you understood it?

19 A. It was to go out and evaluate the  
20 process which was being undertaken by the --  
21 that was ongoing by the line to evaluate the  
22 11 perceptions and to assess the adequacy of  
23 that activity and to, additionally look at the  
24 things that were ongoing in those areas at  
25 Watts Bar and make a judgment about how they



1 stack up relative to what the people on the  
2 team had seen at other facilities.

3 Q. So the actual response to the NSRS  
4 issues was being generated by the line  
5 management at TVA, is that correct?

6 A. That's correct.

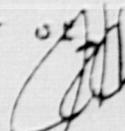
7 Q. And is it fair to say that the Lundin  
8 group was -- that their function was to sample  
9 and check to see if the information being  
10 generated by the line management seemed to be  
11 accurate and adequate?

12 A. Yes.

13 Q. Now, Mr. Robinson asked you a couple of  
14 questions about the Corrective Action Program  
15 at TVA. In your judgment, focusing on the  
16 period around March 20th, 1986, was the  
17 Corrective Action Program at TVA in total  
18 disarray, to use the term that he used in  
19 connection with his hypothetical question?

20 A. No.

21 Q. It was not. Now, next, turning to the  
22 March 20th letter, as I correct, I guess it's  
23 established that that March 20th letter  
24 clearly was in response to the NRC's letter of  
25 January 3rd, is that right?



1 A. That's correct.

2 Q. And did you understand that that January  
3 3rd letter was limited to issues arising at  
4 the Watts Bar facilities as generated by the  
5 NSRS critique?

6 A. Yes.

7 Q. Now, did you think that the March 20th  
8 letter was accurate when it was sent on March  
9 20th?

10 A. As I previously -- as I stated earlier,  
11 yes.

12 Q. Today, do you think it was accurate when  
13 it was sent?

14 A. With the facts that were available at  
15 the time it was sent, yes.

16 Q. Okay. With the facts that are available  
17 now, do you think it's accurate?

18 A. Yes.

19 Q. To your knowledge, was there any intent  
20 to deceive or mislead anyone at the time the  
21 March 20th, 1986 letter was prepared?

22 A. No.

23 BY MR. REINHART:

24 Q. In relation to his questions, Mr.  
25 Huston, would you describe the sampling method



1 used by the Lundin effort?

2 A. I don't have a detailed knowledge of the  
3 sampling method used.

4 MR. REINHART: Okay.

5 A. I think that -- Mr. Lundin would be the  
6 right one to answer that question.

7 MR. WILLIAMSON: Here's the letter  
8 from Lundin to Mr. Mason, the memo.

9 MR. WILLIAMSON: I don't know if  
10 that might be of assistance to you.

11 MR. REINHART: No, that's all  
12 right.

13 THE WITNESS: Well, you gave me a  
14 February 7, 1986 memo from Craig Lundin to  
15 Chuck Mason, Subject, NRC Corporate Plan, in  
16 which Mr. Lundin describes what his people did  
17 and the conclusion that he reached.

18 BY MR. WILLIAMSON:

19 Q. What were those conclusions?

20 A. In conclusion, TVA appears to be  
21 performing those activities necessary to  
22 determine the validity of concerns, their  
23 extent, and develop corrective actions where  
24 appropriate. No activities were noted nor  
25 information received which would be



1 considered to be a noncompliance with 10 CFR  
2 50, Appendix B.

3 BY MR. NORTON:

4 Q. Mr. Huston, at the time of the March  
5 20th, 1986 letter to the NRC, were any of the  
6 requirements of Appendix B not being met at  
7 Watts Bar?

8 A. Were any of the requirements of Appendix  
9 B not being met?

10 Q. Yes, sir.

11 A. Almost certainly. I can't give you  
12 specifics, because I don't have that slice in  
13 time, but nonconformance and ~~specifications~~<sup>DISPOSITIONS</sup>  
14 were being written in accordance with Criteria  
15 15 and conditions adverse to quality -- it was  
16 an ongoing work activity at Watts Bar, and on  
17 an item-by-item or criteria-by-criteria basis,  
18 there almost certainly were activities which  
19 were straying off the path at that time.

20 MR. NORTON: Okay.

21 MR. MURPHY: I just have one little  
22 thing.

23 BY MR. MURPHY:

24 Q. Mr. Meserve asked you about the letter  
25 today; is that assuming that we're using the

1 same meaning of pervasive, today, as we viewed  
2 it on March 20th?

3 A. Yes, yes.

4 Q. I mean that's the assumption, that  
5 pervasive means complete breakdown of all 18  
6 criteria in the meaning of the letter, is that  
7 correct?

8 A. Yes.

9 Q. And what we're saying is that using the  
10 same terms today as were used on March 20th,  
11 that you still agree with the letter.

12 A. That's correct.

13 MR. MESERVE: Mr. Norton asked  
14 whether there were any requirements of  
15 Appendix B not being met at Watts Bar as of  
16 March 20th, 1986, and you said almost  
17 certainly. Were programs in place as of March  
18 20th, 1986 to catch any nonconformance with  
19 Appendix B and to deal with them?

20 A. Yes. I believe that's what I intended  
21 to say when I said that nonconformance reports  
22 were being written on conditions adverse to  
23 quality were being identified.

24 MR. MURPHY: Is that it? Just a  
25 little final closing note.



1 BY MR. MURPHY:

2 Q. Mr. Huston, have I or any other NRC  
3 representative here threatened you in any  
4 manner or offered you any reward in return for  
5 this statement?

6 A. No.

7 Q. Have you given this statement freely and  
8 voluntarily?

9 A. Yes, sir.

10 Q. Is there any additional information that  
11 you would like to add to the record?

12 A. Well, to Mr. Meserve's earlier point,  
13 regarding the ability to review the transcript  
14 and make any corrections that might be  
15 necessary on a factual basis, I would desire  
16 to do that, but I do understand that that's  
17 not going to be part of the rules here, so I,  
18 other than that, no.

19 MR. MURPHY: The time is -- this  
20 interview is concluded at 12:38 on March 4th,  
21 1987.

22

23

24

25

*James Edward Huston*  
9/28/87