

1 Q Would you please, for us?

2 A Can she read it back?

3 MR. REINHART: Sheila, can you read that
4 back? He wants to read back his statement of what his
5 interpretation of the NRC question is.

6 THE WITNESS: Maybe I should just restate
7 it.

8 A What I think I said was that when we're
9 asked are we meeting the requirements of Appendix B, we
10 basically ask, do we have a program that's in accordance
11 with NRC regulations and are we adequately implementing
12 that program. And what I just told you was that NRC had
13 reviewed our program and had approved it.

14 So the question then becomes one of
15 implementation. That's one of, you know, how well are
16 you or aren't you implementing that program.

17 It's not a black and white answer. You have
18 deficiencies. If the deficiency means that you're not
19 meeting the requirements with respect to implementation,
20 if that's your interpretation of the question, then the
21 answer is no.

22 If your interpretation of the question is,
23 you know, on balance, you've got some deficiencies but do
24 you have a great number of them or an excessive number of
25 them in important areas, then the answer conceivably

1 could be yes. But it's a judgemental thing.

2 I think you can have some deficiencies,
3 perhaps a great number, depending on the intensity and
4 scrutiny, and the importance of the discrepancy, you can
5 have a great number of them and still be meeting the
6 implementation of NRC's Appendix B's requirements.

7 That's what we were trying to get at in
8 your -- there was no turnaround.

9 EXAMINATION

10 BY MR. ROBINSON:

11 Q In your investigation or examination into
12 whether or not there are any patterns of deficiencies or
13 large numbers of deficiencies in areas, did you find --
14 what did you find?

15 A We looked at, I think you're probably all
16 familiar with what we did to try and zero in on the
17 specific items NSRS was identifying, that it identified
18 and justified up until, I think into February. I don't
19 remember exactly.

20 But, you know, we had people who were
21 responsible for those areas describe what they had done
22 in those areas in reviewing the issues NSRS had raised.
23 We had them prepare working papers and documentation, we
24 had them draft responses, we had the Stone & Webster
25 people in, had Mr. ~~White~~ review those. We sent a team of

1 people out there to look at the responses we had
 2 prepared, look at the documentation and be onsite. They
 3 were onsite, I visited them on Saturday to make sure they
 4 were all getting everything that they needed.

5 We also made available to them the employee
 6 concerns documentation so that we could relate that to
 7 the NSRS bullet items that were identified. We did our
 8 own study, sent people out there to review those items,
 9 the matrix, NSRS sent a matrix up sometime in February.
 10 We sent our own people out to look at that information
 11 and see how well-connected was the concern. ~~I did a lot~~
 12 ~~of that myself.~~ *I looked at what our people brought back.*

13 I had people helping me with that. I had
 14 Tom Burdette, who had NRC construction experience. We
 15 had people on the site staff and construction site.

16 So, you know, I think we looked at it, and
 17 the conclusion was that there were items that had been
 18 identified that were in the process of being corrected.
 19 They had been corrected, some of them.

20 There were no -- and some of them we just
 21 disagreed with, like on material traceability. We said,
 22 what we're doing is adequate. That was a professional
 23 opinion difference between the line organization and
 24 NSRS.

25 All those things factored in. There was a

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1 tremendous look at that. And the conclusion was sent to
2 NRC.

3 Q As a result of that look, you were satisfied
4 that there were no generic problems or obvious hardware
5 problems or procedural problems that had -- I'm talking
6 pattern, I'm not talking isolated problems, that would
7 indicate a failure in implementation of the program? You
8 were satisfied that there was...

9 A An overall gross failure or something?

10 Q Yes.

11 A There had been failures and there were
12 deficiencies. If you want to call that an implementation
13 failure, there were. But at the time of that, when the
14 letter was typed, I did not disagree with the March 26th
15 letter. I felt comfortable with it at that time.

16 Q Okay. I want to get back into some of the
17 specifics of the individual technical responses. We may
18 have gone over some of that before. But I'm kind of
19 interested right now in your first interface with Kelley.

20 MR. REINHART: Larry, may we finish what we
21 started here before we go off the subject?

22 MR. ROBINSON: Go ahead.

23 EXAMINATION

24 BY MR. REINHART:

25 Q You gave us your interpretation of TVA's

1 question. And you said --

2 A TVA's question or NRC's question?

3 Q NRC's question, TVA's interpretation.

4 A I gave you my interpretation.

5 Q Your interpretation. And you said that
6 interpretation was that you have a program, you implement
7 the program and you look at various means to determine if
8 it was implemented. Audit's, yours, TVA's.

9 A That's part of implementation.

10 Q Did you state that you had a program in
11 response, gave the NRC a response?

12 A I don't remember. I haven't reread the
13 response since, it's been months since I've looked at it.

14 Q But to answer to your question, you would
15 have logically done that?

16 A I don't know. I may have assumed that the
17 NRC knew we had a program, since they approved it.
18 That's what I said several minutes ago, isn't it?

19 Q Yes, sir. And in fact, since you told us
20 that that's what you thought you were being asked, I'm
21 wondering if that would be a logical answer to part one,
22 to say yes, we have an approved program? That would be
23 the easy part to answer; is that not correct?

24 A I don't, I can't really conjecture on what
25 was going through the minds of the people that wrote the

1 letter. But as I recall, I think I read it and I didn't
2 notice that a deficiency leaped out at me.

3 It may have been that the drafter of the
4 letter simply thought that, hey, that part is documented
5 and approved, and may have thought it was unnecessary to
6 address that, and simply spoke of implementation in his
7 letter.

8 Q So you think then that it wouldn't be
9 necessary to address the program since everybody knew
10 that was approved, and that you should primarily address
11 implementation?

12 A You're putting words in my mouth.

13 Q I'm asking.

14 A I'm saying that I don't know what was in the
15 minds of the people that wrote the letter.

16 Q We're asking you, sir. You told us --

17 A I think I could have done it either way.

18 Q Either way, what?

19 A Either way, just speak to implementation in
20 the response or, you know, also put in the fact that we
21 have a program that's approved. But that was known.
22 You could put that in. It might be a gratuitous comment.

23 Q Let me go back and ask it again. In your
24 interpretation of NRC's question, you said that there was
25 a programmatic aspect and an implementation aspect;

1 correct?

2 A That was my interpretation.

3 Q Your interpretation?

4 A That's my interpretation of what Appendix B
5 requires.

6 Q Fine. That's good. Now, for you to answer
7 the question, then, if that was the question in mind, you
8 would have had to address the program and then you would
9 have had to address implementation.

10 A Not necessarily. If we had already had an
11 NBC stamp saying the program was approved, you wouldn't
12 necessarily have to address the programmatic aspect.

13 Q So now that would lead your answer, under
14 the circumstances, to be primarily implementation?

15 A It could.

16 Q If you've already stated --

17 A I'm saying you could answer either way.

18 Q Do you have to answer both?

19 A Do I have to answer both?

20 Q If the question includes both, to answer the
21 question, do you have to answer both?

22 A Not necessarily, if the person that's asking
23 the question already knows the answer to part of it.

24 Q Which part does he know the answer to?

25 A I think he would probably already know the

1 answer to the first part.

2 Q Which is the program?

3 A Yes.

4 Q So then your answer would have to be

5 primarily implementation; is that correct?

6 A I guess.

7 Q Either you guess or you know.

8 A I don't understand where you're taking me.

9 Q I'm trying to get your thinking. You've

10 given us your interpretation of the question that it

11 includes program and it includes implementation.

12 A That's what Appendix B is all about.

13 Q If you were asked that, would you answer

14 program and implementation?

15 A I don't know. I could answer it either way

16 is what I'm saying.

17 Q What's either way?

18 A Answer both questions or just answer the

19 latter question.

20 Q Both, being program --

21 A And both be satisfactory, based on what NRC

22 knew about the program and etcetera.

23 Q So in any answer, your answer would have to

24 include implementation?

25 A No.

Note: As indicated on next page, answer is "Yes"

1 Q You wouldn't have to address implementation?

2 A Not based on the fact that -- not
3 necessarily, is what I'm saying. Since NRC has already
4 reviewed and approved the program, I don't think it would
5 be a necessary condition to answer the programatic part
6 of the question. I think you could, but I don't think
7 it's necessary.

8 Q Listen to my question. Since you're telling
9 me that you have an acceptance of the program, your
10 answer would have to concentrate primarily on
11 implementation; is that not correct?

12 A Probably. Yes.

13 Q Yes or no? What do you mean probably? I
14 don't understand the probably part of the answer.

15 A Well, you know, I'm not sure what NRC was,
16 again, I'm interpreting NRC's question.

17 Q Could you neglect to answer implementation
18 appropriately?

19 A No.

20 Q So you would have to address implementation?

21 A Yes.

22 Q Okay. That's what I'm trying to get your
23 thinking on that point.

24 A Okay.

25 Q Then, if we read through the answer, we

1 would expect to see some detail on implementation; would
2 that be reasonable?

3 A Some detail on implementation?

4 Q Yes, sir.

5 A In answer to which question, the general
6 question or the specific bullet items?

7 Q I would say both. I would expect to see
8 both, wouldn't you?

9 A I don't know. We're trying to second-guess
10 people here. I don't know that you can answer the
11 general question without putting a lot of detail about
12 implementation in answering the general question.

13 Q How about the bullet?

14 A I think what was done there was to provide
15 some information to NRC and indicate that the rest of the
16 information was available for their review.

17 I think you could do that either way. You
18 could try and put a tome of information in your response,
19 or you can simply say here's a synopsis of the response,
20 the rest is available for your folks to come in and look
21 at, which they do anyway.

22 Q So you're saying if you didn't include
23 all the details here, somewhere you ought to say there
24 are more details somewhere else that you could look at?

25 A I think that kind of goes without saying,

1 you know. I don't remember what we've said.

2 Q Maybe --

3 A What I'm saying is, we had the details and
4 we intended to make it available to the NRC, specifically
5 from the beginning, we asked people to keep their work
6 papers, to be able to justify our response. We wanted to
7 be able to, for our own, benefit, to be able to look at
8 that.

9 But I think what kind of goes without saying
10 almost, again, I haven't reread this and I don't know if
11 we made that offer in the letter or not, but I think that
12 offer's implicit. Anytime folks want to follow-up on a
13 letter or background for something, NRC is free to come
14 here.

15 Q Okay. We'll get back to that in a little
16 bit. Another thing you mentioned earlier that I'd like
17 some information on, you mentioned some quality meetings.

18 A Quarterly meetings.

19 Q Quarterly meetings, I'm sorry. You
20 mentioned quarterly meetings. What was the nature of
21 those and what did they do to enhance the program?

22 A What we did is we had quarterly corrective
23 action meetings with site directors to go over
24 deficiencies they had, how many they had, the age of
25 those deficiencies, and kind of get some commitment at a

1 high level as to what the site director or his people
2 were going to do about correcting those. The meetings,
3 if you will, or interaction, that had not gone on in the
4 past. I mentioned that in the context that TVA was
5 looking to shore-up this corrective action program.

6 Q That would be between the site directors and
7 who?

8 A Site directors and me and both staffs.

9 Q What do you mean by both staffs?

10 A My staff and the site directors' staff.

11 Q Would typically be represented?

12 A Audit personnel, line personnel that had
13 ^ethat corrective action items.

14 Q So you'd go over these item by item and have
15 everybody there that represented each item?

16 A Not necessarily item by item. We'd go over
17 the ones that maybe were older, determine the ones that
18 were more serious. We did not got over each item, no.

19 Q Okay. Approximately how many items did you
20 go over at those meetings?

21 A It varied from site to site.

22 Q Two, ten, 100, 1000?

23 A Closer to ten probably.

24 Q Ten.

25 A I said closer to ten. I mean closer to ten

1 than 100.

2 Q So, ten, twenty, something on that
3 neighborhood?

4 A Yes.

5 Q About how many people total would attend
6 each of these meetings?

7 A It varied, depending on the meeting and
8 location, sometimes a dozen or two, depending on the
9 site.

10 Q Are these meetings still going on?

11 A I don't know. I believe they are.

12 Q When were they started?

13 A They were started during my tenure as
14 director of quality assurance. I don't remember the
15 specific time.

16 Q Approximately?

17 A Knowing what my tenure in quality assurance
18 was, you probably know approximately when they started.

19 Q You probably know that better than I, so
20 maybe you could kind of give us your best guess.

21 A My best guess I guess would probably be in
22 early '85. That's my guess.

23 Q Early '85. Did they continue until, to the
24 best of your knowledge, when?

25 A I just told you, I think they're continuing

14

1 now.

2 Q You said you weren't sure if they were
3 continuing now.

4 A That's correct. I'm not sure.

5 Q So when are you sure they did continue to?

6 A They continued as long as I was there,
7 probably to the summer of '86.

8 Q So early 1985 to summer of '86, at least, is
9 a fair answer, from your personal knowledge?

10 A Approximately from early '85 to the summer
11 of '86. I wouldn't say at least, but just approximately
12 those time frames.

13 Q What I'm saying, at least, is they may still
14 be going on, but you're not personally sure?

15 A I'm not personally sure. I believe they
16 are, but I'm not sure.

17 MR. REINHART: Okay. Thank you.

18 EXAMINATION

19 BY MR. ROBINSON:

20 Q In your first interface with Mr. Kelley,
21 when he came to TVA, what kind of documentation or
22 information did you take to him at that point? In your
23 mind, at what stage was the process? The answer, "I
24 think he came about January 17th," which would have been
25 about a week later. I don't know when your first meeting

1 was. Do you remember approximately when was the first
2 time you met him?

3 A He probably came the early or middle of the
4 same week as Mr. White came; namely, the week of the
5 13th.

6 Q Did he at any time indicate to you, at any
7 time not only if at that first meeting but at any time in
8 the process, did he indicate to you that the response
9 would concentrate a little bit more on the programatic
10 aspect of QA?

11 A To best of my recollection, no, sir.

12 Q Just for brief recollection and memory, I
13 think we have probably covered this back in Atlanta. The
14 review of the final technical responses that were going
15 to be put into the March 20th letter, were you involved
16 in that or were you out of the picture at that time?

17 A I was kind of getting out of the picture, I
18 guess. I had been -- Mr. Kelly had been named the new
19 director of quality assurance. And during this
20 transition period, he had asked me to manage the audit
21 organization, which was going through a corporate ~~re-~~
22 structure, ^{ing} as well as the operations, ^{audit} people.

23 I guess I was probably still, you know,
24 providing some historical information to him. Tom
25 Burdette and Ray Newby and I were probably still

1 supporting on a coordination level.

2 I'm a little foggy on what the difference
3 was. The process had been put into place in terms of
4 identifying people at the sites that were cognizant to
5 these areas.

6 There was a change in the overall
7 organization at that time, too. Instead of site, you
8 know, centralized type organization where the site
9 director or project manager had, you know, premiere
10 responsibility for what's going on at the site. Those
11 responsibilities were shifting back towards the Division
12 of Construction and Division of Nuclear Engineering.

13 So the people that were involved in
14 reviewing responses and signing off those responses,
15 changed a little bit. Those responsibilities shifted.

16 I'd have to think a little bit in terms of,
17 you know, how we supported Mr. Kelly. I'm sure that if
18 he asked questions or asked for information or files or
19 what went on before, I think certainly it would be
20 provided, based on involvement before. But I no longer
21 had a responsibility specifically for -- it's kind of a
22 director level responsibility to respond to that letter,
23 in coordinating a response.

24 Q If you were to look at the technical
25 responses, the attachments to that March 20th letter,

1 would you be able to recall having reviewed those before
2 they went out?

3 A I don't think I reviewed them before they
4 went out. I was involved in some of the earlier
5 responses that were being developed. Again, I reviewed
6 it as described by the engineering and construction
7 people, when the responsibility shifted.

8 I think I saw some of them. I wasn't
9 signing off on them. A review being a critical
10 evaluation, I wasn't concurring on them or anything.

11 We were really relying on people that had
12 responsibility for that area or that were managing the
13 corrective action program in that area to respond to
14 specific concerns.

15 I think Mr. Kelley was providing, his
16 associates were providing the benefit of their industry
17 experience and saying, hey, the way you're doing material
18 traceability is acceptable. And it was just a
19 professional, judgmental opinion difference between NSRS
20 and ^{how} D & E, division of Nuclear Engineering was doing it.

21 Q Is it a fair characterization to say that
22 those individual TVA employees that were, that signed as
23 preparing the individual technical responses, were in
24 fact, primarily responsible for the wording of the
25 response with Mr. Kelley's review and approval?

15

1 A I that's that's probably a fair statement.

2 Q Okay. I'm not sure exactly, I don't recall
3 exactly how the workings of that went?

4 A As I recall, the work people were preparing
5 responses. They were asked to, you know, be sure that
6 they knew what was in there and that they were going to
7 stand behind it.

8 Mr. Kelley, of course, had to make an
9 overall recommendation to Mr. White in terms of what, in
10 his mind and in his judgement, was responsible.

11 Q Do you recall Mr. ~~Denton~~ ever conveying to
12 you his impression of what the NRC's question in the
13 January 3rd letter meant? *(Note: I never talked with
Mr. Denton)*

14 A No, not really. He may have, but I don't
15 recall.

16 Q Do you recall ever having a discussion with
17 Mr. Burdette regarding his activities at Watts Bar, going
18 over the employee concerns that had been referred by NSRS
19 with respect to a great number of them noncomplying
20 relating to the bullet, if you will?

21 A I can't remember specifically Tom Burdette.
22 What happened there was Tom Burdette and Ray Newby
23 decided we needed, when we got these matrixes in, that we
24 really ought to look into those, because the NSRS people
25 were living at the site, they perceived employee

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1 concerns, and they were, understandably, I think, one of
2 our perspectives was that you hear so many questions
3 raised, that somehow that may colour your perception,
4 maybe leaning towards the left.

5 So we decided to look at those. And Tom
6 Burdette and Ray Newby helped pull together a team of
7 people to go up there. Tom Burdette and Ray Newby were
8 up there at the time and they had a chance to look into
9 some of them in detail.

10 I remember when the information was brought
11 back. When the team evaluations were brought back, I
12 spent several hours going over them.

13 I think there was consensus. I don't
14 remember specifically what Tom Burdette said or Ray Newby
15 said or what I said. But I think based on the
16 information that was written down by the independent
17 people we picked to go out and look at it, perhaps by Tom
18 or Ray, that some of those didn't seem to have any
19 connection at all. Some of them were very remotely
20 connected.

21 I guess my general recollection of that
22 ~~that~~ digging through some of that stuff, ~~which~~ we felt
23 better if you will, that NSRS's position was less
24 well-founded. I felt more confident that, hey, you know,
25 ~~they~~ were kind of reaching and stretching, and some of

1 those things were, you know, very remotely connected.

2 I felt better after reading them. It was
3 kind of a reassuring thing for me to go over. And I
4 think it was also true for Ray and Tom. But I don't
5 remember them specifically saying that. It's highly
6 likely that they may have.

7 Q Do you recall forming an opinion or knowing
8 whether or not the results of Burdette's and Newby's
9 efforts were appropriately factored into the individual
10 technical responses that were attached to the letter?

11 A *don't (see Note on Page 65)*
I ~~don't~~ think they were factored in. I
12 think we documented the results of our review. It was
13 again, in a sense of this is something that provided an
14 overall justification that would be available for the NRC
15 to look at if they wanted to.

16 *don't (see Note on Page 65)*
I ~~don't~~ think they were factored in. That
17 information was kind of a parallel in-addition-to type
18 effort. It was additional sur^ety, if you will. If it
19 was clearly in conflict with something we wrote, it would
20 have been, it would have been factored in. My
21 recollection was that it reaffirmed what we wrote.

22 Q Do you recall directing Burdette or Newby or
23 you yourself apprizing the individual preparers of the
24 technical response, the results of Newby and Burdette, of
25 Burdette's reviews?

1 A We may have, but I don't recall
2 specifically.

Note: (There is material in the files which indicates the results were sent out to the individuals who prepared the technical responses.)

3 MR. ROBINSON: Do you have anything?

4 MR. MURPHY: Yes.

5 EXAMINATION

6 BY MR. MURPHY:

7 Q We've have been working on this for a few
8 months now, and we've heard from just about everybody in
9 TVA the fact that NSRS presented their perceptions to
10 Commissioner Asselstine, and at that point in time,
11 really didn't have a whole lot of supportive
12 documentation for the perception.

13 How did you arrive at this conclusion that
14 they weren't able to come up with any documentation which
15 kind of says that, most people said that the NSRS
16 perceptions were very vague, weren't well-supported,
17 weren't well-documented.

18 According to a schedule given us by TVA --

19 A A schedule?

20 Q A schedule. It's actually a chronology of
21 events leading up to the March 20th letter.

22 A March 20th?

23 Q Yes, the response.

24 A I thought it was the 26th, but I guess it's
25 the 20th.

Rpm

1 Q Okay.

2 A This chronology indicates that some degree
3 of pressure was put on NSRS to back up your -- to put up
4 or shut up type thing. They came up with the conclusion
5 that the employee concerns --

6 A Well --

7 Q Let me finish. These employee concerns, in
8 their view, supported their contention that in view of
9 testimony from Mr. Whitt in his view on February 4th when
10 all this stuff surfaced, he was of the opinion that their
11 contention was supported.

12 Now, Mr. Whitt is not at this point in time
13 saying that idea that they were not in compliance with
14 Appendix B was supported. Mr. Whitt says that each
15 individual's perception of the welding issue, the
16 instrument line, were supported by the employee concerns.
17 They were very specific. They give requirements.

18 Let me show you some of this stuff.

19 A Can I say one thing?

20 Q Yes.

21 A You're getting into something that I didn't
22 say before. In reviewing the employee concerns and
23 documentation, I said that there were some, they were
24 just very vaguely connected aspects. It's true that
25 there were some others that were directly connected.

1 I think the point being, is there anything
2 new that maybe is not already known or has not already
3 being worked on and recognized and the response had
4 already been prepared and the information to NSRS had
5 already been sent.

6 I guess what I was trying to say before is
7 that there did not seem, to my recollection, any
8 surprises beyond things we had already known.

9 Q Okay. It appears from what we've been told,
10 that in response to questions from us, that the evolution
11 of the technical reviews, we asked TVA to supply us with
12 all drafts and whatever they had and an evolution of
13 these things.

14 If what they've sent us is correct, and I
15 assume that it is, because there's a lot of work that
16 went into it, all these drafts seem to have evolved at
17 some point in time with respect to employee concerns,
18 which when we look at them, a very high percentage have
19 been substantiated by your staff, I would hope your
20 staff, because I don't think they were done by NSRS, but
21 were done by your staff.

22 They're very specific. But when you go
23 through these reviews, you go from what was a very
24 specific issue to a very, very general statement in your
25 corporate position on each of the issues.

1 You've already said that you don't know that
2 these things were even factored in.

3 A Well, I said that we did, we did the review.
4 Okay. We were trying to get an answer back ~~from~~ ^{to} NRC.
5 There was more information coming on a continuing basis.
6 The target, if you will, was always moving.

7 So what we were trying to do was look at the
8 additional information as it was coming in. Very
9 frankly, even as Mr. Brown said in his letter, employee
10 concerns are being reported, and then they have to be
11 evaluated and corrected.

12 A lot of these things had not been ~~evaluated~~ ^{validated}
13 ~~by~~ ^{after} line management's ^{valuation} ~~reponse for evaluation~~ ^{even} after ~~the~~ ^{the}
14 corrective action had been taken. Some of them are
15 probably still to this day being corrected. I think
16 they've all been evaluated and I think corrective action
17 plans have been, within a few months ago, developed.
18 Corrective action was ongoing.

19 What I'm saying is, at that time they may
20 not, they may have been reported. But to say they were
21 substantiated and evaluated would be stretching it a
22 little bit.

23 Q Tell me --

24 A Considering the schedule we were on to try
25 and respond.

1 Q Tell me what this means to you. That's a
2 summary of NSRS perceptions in regard to the welding
3 program. Do you know who prepared those documents?

4 A Is there a cover sheet on this?

5 Q It's all part of the packet, the evolution
6 of technical responses.

7 A Was it early in the stage or late or what?
8 You've given me something out of context.

9 Q I'm going to say that that's the very first
10 document in each of these packets. I would assume that
11 that was the factor that was --

12 A Are you talking about the employee concern
13 documents?

14 Q Yes. From your chronology it indicates
15 that somewhere around February is when these were given
16 to you.

17 A We probably had a person that was
18 responsible for working on all the welding issues.

19 Q Let me point out that each particular
20 perception, NSRS perception, has a sheet like this
21 included in it. Have you seen these documents before?

22 A I think I probably have, yes. What was your
23 question again?

24 Q Who prepared that?

25 A I don't know.

70
1 Q I mean is this something that Newby and
2 Burdette and his group looked at in employee concerns?

3 A I think it is. In other words, when they
4 went down and looked at the employee concerns that NSRS
5 had matrix^{ed} in each of these areas, they probably took
6 some detailed notes on each employee concern. This looks
7 to me like a summary of those detailed notes.

8 I don't know who specifically prepared it.
9 But it looks like a summary of those reviews.

10 Q Let me ask you a question. Whose idea was
11 it -- I'm going to be frank with you, we've been told
12 that was your idea.

13 Whose idea was it to go from very a specific
14 to a very, very general corporate position on each of
15 these perceptions?

16 A Very, very general?

17 Q Right.

18 A I don't know.

19 Q They surely don't address the specifics that
20 were in report. In fact, many of them aren't even
21 mentioned in here.

22 A Well, I don't know particularly that it was
23 my idea. I don't know who set the stage for whether that
24 was a general or a very detailed response.

25 The thing that we wanted to do, though, was

1 to be sure that we had the information so that NRC could
2 review the basis for that response. That seemed to be
3 the important thing.

4 Q Based on that, there was no requirement, in
5 your mind, for any specific issue to be addressed and
6 substantiated and to be included in your corporate
7 position?

8 A I don't know that I thought of that specific
9 question. What we looked at was the -- let me kind of
10 give you what I think was the thought pattern at that
11 time. We had a welding program, a big welding program,
12 going on at Watts Bar. There was very little additional
13 welding going on.

14 That welding program was supposed to look at
15 all the employee concerns that were raised, the
16 substantiation of the corrective action necessary for
17 those.

18 That seemed to me to be what was important,
19 what the effect of the program was going to have, what
20 the effect on the plant that was going to have. We
21 weren't in a position to try and preempt or prejudge what
22 the results of that major effort were going to be.

23 There was no intention to withhold
24 information. If there was an intention to withhold
25 information, we would not have kept all the

1 NSRS, was the basis for their perception.

2 A I guess we said that we had a program,
3 employee concern program and we had a welding
4 program that was looking into both the employee concerns
5 and the concerns in that specific area, and they were
6 going to be fixed.

7 We were taking corrective action, you folks
8 were signing off. You folks were familiar with them, ~~with~~
9 making presentations to you on the welding program in
10 Washington all along. You knew how that was evolving,
11 that that information had been coming through other
12 channels, licensing channels.

13 There's certainly no -- I don't think
14 anybody ever thought of suppression of information or
15 anything like that. It's just a matter of how much do
16 you try to put -- you look at all the facts and you try
17 to make a judgment and then you make the information
18 available ^{so} that NRC can verify, do some verification, and
19 either agree or disagree with that specific area.

20 Q First off, Mr. Mullin, I'm not even
21 suggesting to you that you or anybody else was maybe
22 suppressing anything.

23 A I'm not saying you are.

24 Q What I'm asking is, it also doesn't appear
25 that there was a conscious effort to incorporate the

1 documentation. We would not have gone out and sought it,
2 would not have asked people to prepare it. And we even
3 gave instructions on what they should have available in
4 case you-all wanted to look^{at} it.

5 But I think how much you put in the
6 response -- again, don't forget, what NSRS gave us was a
7 line item. What we were trying to do in a very short
8 time frame was to give you our best judgment on an
9 overall question on that line item.

10 I think Mr. White has said in his letter he
11 was going to be continuing to look at these things. So
12 that plus having all the documentation available for you
13 to review, I think is adequate.

14 But I don't ever remember specifically
15 deciding that we're going to try and address every
16 specific item, concern, that was raised or make just a
17 general response. I don't know where that decision was
18 made or even how it evolved. It may just evolved. But I
19 don't ever remember any specific discussions or decisions
20 being made.

21 Q Was there not any consideration for what
22 level one of these employees concerns would have?
23 Because there was a very high number substantiated that
24 way, that at some point in time we don't address that
25 specific employee concern, which, in fact, according to

1 the data obtained during employee concerns into either
2 executive summary.

3 Is it your interpretation that as long as
4 you had the documents available, that the NRC could come
5 in and look at any time if they had a question they had
6 that would be addressed there?

7 A Sure, yes.

8 Q It wasn't your intention to put that in
9 there in all cases?

10 A No. I think we were trying to shoot for
11 something, trying to get something that was readable,
12 going at the level that it was going, and then put in a
13 lot of detailed information for inspectors who wanted to
14 look at it.

15 Q Okay.

16 EXAMINATION

17 BY MR. REINHART:

18 Q Did you say that was not your decision as to
19 what to include and what not to include in the format of
20 these?

21 A Ultimately, no. What we probably did
22 starting off, based on the bullet items that we had and
23 the work we did the night of the 16th of January and the
24 information we had at the time we were developing these
25 responses, the information was still, from NSRS in

1 mid-January, was still very general.

2 So you start off down the track of trying to
3 pull together the response to that very general bullet
4 item and get as much information as you can out of NSRS
5 while you're pulling together that response.

6 And then, you know, you think you've got the
7 thing laid out and responded to, and then, you know, a
8 whole new set of information comes in and those folks are
9 still working on employee concerns. Which is fine.

10 You don't necessarily go back and revise
11 your response. You go and look at the new information
12 that's coming in simultaneously and say, is there
13 anything in there that we're not already aware of, we're
14 not already covering in some other program?

15 There has to be an end point somewhere. We
16 did do that. We went out and we looked at it in
17 parallel, sent a team out. We didn't have to do that.
18 In fact, I think they were asked to say, hey, you know,
19 give us what you have and then we're going to respond to
20 it.

21 But the NSRS folks kept sending things in.
22 Which is fine. Anything that can contribute to it is
23 fine. But if you're going to try and get an answer back
24 to Mr. Denton at a certain point in time -- you've got
25 the job, we had the job of trying to look at what else

1 was coming in, and at the same time, get an answer out.
2 And I guess the way we thought to do it was
3 to, rather than to -- if a guy pulls up at the last
4 minute on the 4th of February with 21 new issues, we've
5 already got an executive summary up and already got the
6 thing looked at, then you look and see if there's any
7 gross inconsistencies and go out and pull together some
8 documentation.

9 I don't know when we would have gotten the
10 response out. So maybe we should have just waited and
11 waited and waited. I don't know. That's a judgment
12 call. But we felt there was some need to get a response
13 ~~be~~ back to NRC. And if that response turns out to be
14 incorrect, you can always go back and write another
15 letter.

16 I think we said that we had ongoing programs
17 in welding areas, instrumentation, ~~licensing~~ area. I
18 think we all agreed on those as the result of other
19 meetings. The employee concerns, all those things were
20 sent to you folks.

21 EXAMINATION

22 BY MR. MURPHY:

23 Q If the chronology is correct that TVA gave
24 us, I'm sure a lot of work went into it, so it's probably
25 accurate.

1 If your first draft was done 1/24/86, that's
2 in January, which is in essence before these particular
3 items were given to you. And if you go through this
4 thing, there's very little difference between what
5 happened on 1/24 and what's on your final analysis.
6 There's been a lot of work in the wording, but there's
7 basically very little difference in the final response
8 from the initial response. This was well before Mr.
9 Kelley arrived on the scene.

10 A Which one is well before?

11 Q 1/24.

12 A He was on the scene I think about the 14th
13 or 15th.

14 Q I think about the 17th.

15 A He was on before the 17th.

16 MR. REINHART: When did he take over as QA
17 director?

18 THE WITNESS: I don't remember. I think
19 January or February.

20 Q These things were already underway,
21 obviously.

22 A They had already been developed, right.

23 Q In other words, what we're saying is that
24 unless it had some really significant issue, a employee
25 concern that was substantiated, it wouldn't have been

1 incorporated into the final summary?

2 A I'd say that's correct.

3 Q Do you know what the threshold was for
4 incorporating substantiated things into the final summary
5 was? Who determined the really significant issues? Who
6 was the person who ultimately decided what would go in
7 and what would not go in?

8 A I think, again, the person that had the
9 responsibility in the area would be the one that would
10 make that judgment.

11 Q Did you give a copy of the results of the
12 Newby or Burdette review to the people who were preparing
13 a response so that they were aware of what they had come
14 up with?

15 A This sheet here, for instance (indicating)?

16 Q Yes, the document there.

17 A I think the people in the areas already had
18 copies of the employee concerns. They were trying to
19 develop a welding program that was basically developed to
20 address employee concerns.

21 I don't remember specifically if each took a
22 package and gave it to the welding guy or if he already
23 had it. I think it's safe to assume that he already knew
24 of these concerns. *(See note/comment on page 65)*

25 Q Would he be aware of what other folks

1 thought were substantiated and unsubstantiated without
2 giving him those things?

3 A I don't think we made the judgement as to
4 whether it was substantiated or not. I think that
5 judgment was on the basis of what was reviewed in the
6 files. Of course, I didn't have the people out there,
7 Mr. Murphy, that were necessarily ~~a~~ welding experts.

8 As a technical man, he went through and
9 said, hey, -- say, we had a welding guy. Maybe he had
10 some knowledge of welding. He looks at the basic concern
11 that NSRS had, the summary. He looks at these things and
12 makes these statements, but does not address the basic
13 issue of the concern. ^{if} 21 concerns are considered
14 substantiated. That's probably based on work other
15 people did, and he was just making up a tally based on
16 the extent that this evaluation had gone along already.

17 Now, 21 of the concerns, 12 of the 21
18 concerns are considered substantiated. Someone in the
19 welding, per se, had done that evaluation and
20 substantiated it. So he would be aware that it was
21 substantiated and he would be aware when he was drafting
22 that executive summary in response on welding.

23 What we were trying to do was to make a
24 judgment that's kind of a tally, really, is there
25 anything new in here that we've got to say, all stop, the

1 summary is wrong or there's a brand new situation here
2 that we were unaware of.

3 But I felt comfortable that the 12 of 21
4 that were substantiated, ^{that} A the welding project guy, the
5 guy that's got that corrective action program, is aware
6 of those. We may have confirmed that, I don't remember
7 specifically. He would be the one that substantiated it.
8 He would be the one that evaluated them.

9 Q One other thing, because I don't know what
10 the threshold would be for including, one other concern
11 that NSRS addressed is record poor quality. That's
12 pretty broad in nature.

13 A I'm glad you said that. That's what we're
14 dealing with.

15 Q There's one very specific issue in here that
16 I want to talk with you about. I don't know much about
17 what goes on at TVA, but with respect to this particular
18 issue, I have some knowledge of.

19 MR. MURPHY: Why don't we take about a
20 five-minute stretch here.

21 (Short break.)

22 EXAMINATION

23 BY MR. MURPHY:

24 Q This is Records of Poor Quality, and it
25 refers to IN-85-770-002. It includes 11 other concerns

1 including IN-85-021-X05. The issue is welder
2 certification cards for falsifying documents.

3 *Impact: Effective qualification without
4 objective evidence to support factors involves welding to
5 be conducted by qualified welder.

6 Action taken: Stop work order was issued on
7 22nd of March '85, which identifies a welder
8 certification program as having some concerns with
9 respect to accuracy and adequacy of record NCR 6-277
10 position under which, in March of '85, document all,
11 obtain resolutions of indeterminate conditions.

12 An indepth review of the welder
13 certification program has been ^{per} informed and indicated
14 that the existing program was sufficient but there has
15 been a breakdown in implementation.

16 The procedure for welder qualification has
17 been revised since 26th of August 1985, require reference
18 documentation to meet qualifications. Retraining has
19 been conducted for welding engineering inspection
20 personnel under the revised procedures.

21 Welding qualification enroll program was
22 initiated on 28th of August, 1985, with 537 welders whose
23 qualifications were questioned.

24 Of the 1,008 tests administered, there were
25 120 welders with one or more coupons rejected. Work

1 performed by welders was questionable. Qualifications to
2 be evaluated through reinspection program. A separate
3 program is also in progress to review total line program.

4 Expected outcome: Completion of the above
5 action should result in the acceptable system for
6 maintaining welder qualification. Results of the reviews
7 and reinspection need to be evaluated to interpret
8 effectiveness of the action statement."

9 Is that a significant issue?

10 A Is it a significant issue?

11 Q Yes.

12 A Yes, I think it is.

13 Q TVA issued a stop work order; is that
14 correct?

15 A I think they did.

16 Q I can guarantee that they did. Was this
17 issue resolved, to your knowledge, at the time the March
18 20th letter was submitted?

19 A Was it resolved?

20 Q Resolved. I understand -- there's several
21 inadequacies about this write-up, by the way. I mean
22 it's accurate as far as it went. But beyond this point,
23 they agreed, actually the 120 welders that were
24 unqualified were given some training and given a chance
25 to retest; right?

1 A I believe that is correct.

2 Q That's correct. Of the 120 that missed it
3 the first time around, 37 couldn't qualify the second
4 time around. There is --

5 A Are you telling me that?

6 Q I'm telling you that. You don't know that?

7 A I don't remember that for a fact.

8 Q Do you remember a large percentage of
9 welders flunking the first test?

10 A I believe you just told me that, too.

11 Q Do you remember that?

12 Maybe I'd better ask you, were you involved
13 in the program at all at the time? Were you the QA
14 manager throughout 1985?

15 A Yes. Let me explain a little bit what being
16 QA manager in 1985 meant. We had, prior to my assuming
17 that position, a very centralized QA function. It was
18 under the general manager at Knoxville. I think it was
19 called the Office of Quality Assurance.

20 And prior to my arrival on the scene, TVA
21 decided they would have a more decentralized management.
22 People would be responsible, the site director would have
23 responsibility for his site.

24 He procured, if you will, owner/operator
25 concept services, he procured engineering services, he

1 procured construction services from the supplier, TVA
2 suppliers of those services.

3 The QA function, as director of Nuclear
4 Quality Assurance I had responsibility for overall
5 policy, interpretations, regulations and trying to get an
6 overall program pulled together.

7 With respect to implementation, ~~the~~
8 ~~implementation of, you know, the verification of~~ *I had*
9 ~~implementation of work in the operations,~~ *the* ~~I had,~~ *did not have*
10 the construction area, the construction inspectors *and the*
11 construction auditors, ~~who~~ worked for *the* QA organization in
12 the *A* division of *N* nuclear *C* construction.

13 The engineering auditors, the engineering
14 inspectors, if you will, implementators, worked for the
15 *A* director of *E* engineering. They did not work for the
16 *A* director of *N* nuclear *A* quality assurance.

17 So while I had some programatic control and
18 operations quality assurance control, I did not have
19 control of the construction area, a direct
20 responsibility, or in the design area. I had influence
21 but not control.

22 So I think that gets to your question a
23 little bit in terms of what my involvement in the welding
24 issue was.

25 Q Well, would not an issue like this been

1 raised to your level, even though it's a construction
2 issue? That particular site does involve a nuclear site,
3 would'nt it?

4 A I should be aware of it and concerned about
5 it. But the people that were responsible for fixing it
6 and the people responsible for, you know, the person that
7 would get the check for letting it happen, would be in
8 construction and construction quality assurance.

9 Q Okay. That's fine. Would you accept that
10 this is a very significant issue?

11 A I have already said that. You asked me if it
12 was significant and I said it was.

13 Q All right. If it had not been resolved
14 totally at the time that corporate position was prepared,
15 should it not have been included as an issue?

16 A In the records position?

17 Q Yes. Well, that's how it's addressed, isn't
18 it?

19 A Not necessarily. I think that would
20 probably be -- I would, you know, off the top of my head
21 and it having been some time, I would say that's probably
22 an item for the welding area as opposed to the records
23 area.

24 And we've already kind of talked a little
25 bit about the welding program that's underway and the

1 subsequent steps being taken.

2 I believe welder qualification and testing
3 was part of that welding program as opposed to, this is
4 opposed to records being of poor quality, Mr. Murphy.

5 The records of poor quality, the things we
6 addressed in here came about as the result of some, I
7 believe, as the result of some specifics that the NSRS
8 pointed out and tried to pin down to specifics, concrete
9 records. Those are some of the things that Stone &
10 Webster specifically checked when they were at Watts Bar,
11 how we batched our concrete, how we kept the tags and so
12 forth.

13 I would assume that that welding thing would
14 be, the welding qualifications and things would be more a
15 part of a welding concern than a records concern. It's
16 got a foot in both.

17 Q Well, I think it does also. It says here in
18 the summary, "There appears to be a problem of welder
19 certification records."

20 A Uh-huh.

21 Q It doesn't talk about the welder
22 certification program. There's also a problem with that,
23 obviously.

24 And I'm wondering if in fact this is
25 something that a member of your staff or a person that

1 you directed to go down and write this thing up, at least
2 the summary, why that would not be included in the
3 records section?

4 A I think I've just stated why. I think that
5 would include it twice. In the welding program, you
6 worry about welding records and qualification records.

7 Q Do you remember what you mentioned about
8 that in the welding program?

9 A No.

10 Q Do you know how much it was addressed?

11 A No, I don't. In your reading of the thing,
12 you indicate we did have a requalification program, some
13 people passed, some people failed. There were actions
14 being taken.

15 MR. ROBINSON: Go ahead and flip back to the
16 welding program. Is that what you're saying,
17 it would have been addressed in?

18 THE WITNESS: I'm not saying it would have
19 been addressed, but I'm saying I would have expected that
20 the welding corrective action -- what's wrong?

21 MR. ROBINSON: I was going to turn to the
22 welding answer regarding the ³X/20 letter.

23 THE WITNESS: I'm not saying necessarily the
24 welding answer would have addressed this, but the welding
25 program with ^{what}~~what~~ we put in place, I think the ^{program}~~problem~~

1 should address it.

2 Q I think there may be one sentence in there
3 in the welding response that addresses that. But you
4 don't think it should have been included in records?

5 A In the records area, not necessarily.
6 Again, what we were focusing on, I think, trying to get
7 specific in the area, were some particular things that
8 NSRS had identified in the records.

9 MR. REINHART: This just talks about
10 program.

11 MR. MURPHY: Is there a particular...

12 MR. ROBINSON: Well, the question was that
13 those particular employee concerns were part of the
14 matrix that were referred to you by NSRS as supporting,
15 in this case, the records section of the bullet. Okay.

16 And Burdette and Newby took their team to
17 Watts Bar and looked at the employee concern and wrote up
18 that summary. And that summary happened to be under the
19 records section, because it was referred to you under the
20 records section by NSRS.

21 And Mr. Murphy's question was, if it's a
22 significant finding, if it's substantiated and a
23 significant finding, why didn't it show up in the records
24 section and the records response to the March 20th
25 letter?

1 And I thought I heard you say, well, that
2 wouldn't necessarily be in the records response, it would
3 probably be in the welding response.

4 A I would assume that, I would think that's a
5 possibility.

6 Q That's why I was having you take a look at
7 the welding response to see if that particular issue was
8 mentioned in the welding response of the March 20th
9 letter.

10 A Is it? I don't know.

11 Q I don't know either.

12 A You've probably read it more recently than I
13 have.

14 Q "Several concerns have been expressed on the
15 welder renewal qualifications process at Watts Bar.
16 These concerns have been identified in the nonconformance
17 report addressing program discrepancies." That's in
18 there. That's it. Do you think that's sufficient to
19 address that problem?

20 A Well, considering the other information that
21 was given on these things and the awareness NRC had about
22 these qualification problems and the awareness they had
23 about our stop work; they were aware of when we stopped
24 work and why we stopped work; they're aware of the
25 retesting program; they're aware of the overall

1 corrective action welding program; they're aware of the
2 nonconformance report.

3 Q But the issue wasn't resolved at the time?

4 A It was in the process of being resolved. A
5 lot of these issues weren't resolved at the time. It was
6 clear that, you know, talking about instrument line
7 slopes, or whatever you're talking about, a lot of those
8 programs were in place to fix those things, Mr. Murphy.
9 Many, many of them were not resolved, I would agree. But
10 there was action, they had been identified, some had been
11 substantiated and corrective action was in progress.

12 Q If you go through these things, and you can
13 go through them if you want, but you will find a very
14 high percentage were substantiated and a very low
15 percent, in many cases, none, were listed.

16 I think the original explanation that that
17 was necessary to connect to; is that what I understand,
18 it wasn't necessary in a connection between the renewal
19 program, NSRS employee concerns and the final stop?

20 A I don't think I said that. I think I said
21 we went out, that we were developing a response on a
22 fairly short time schedule. The NSRS was still sending
23 in information, unsolicited, you know, they were just
24 providing additional information. We were trying to look
25 and absorb that. We could've just said, hey, you know,

RH

1 the door is shut, we've gotten all the information we're
2 going to consider and develop in this response. We
3 didn't do that. We kept looking and listening as the
4 stuff came in.

5 What I'm saying is that they went down and
6 looked to see if there was anything new, anything
7 grievous that came up that we didn't already know about
8 and that wasn't already being covered by some of the
9 corrective action programs we talked about in these
10 executive summaries.

11 I think the answer was that, hey, there's
12 nothing really new there. Granted, some of them were
13 substantiated. But the substantiated ones were the basis
14 for some of these. That's why we had some of these
15 programs.

16 It was more or less a, hey, is there
17 anything there that, you know, that changes the
18 conclusion, that changes the summary that we haven't
19 addressed, that's outstanding or that's new or different
20 or that will make this an inaccurate response.

21 And as I said, in the welding area, the ones
22 that had been substantiated, to my knowledge, were
23 already factored into the welding program. That's what
24 established the ^{metrics} ~~needs~~ and bounds of the program, some of
25 it, were these employee concerns.