

1 BY MR. REINHART:

2 Q Mr. Wegner, a while ago you mentioned that a  
3 document was prepared by the team. Could you tell us about  
4 that, please?

5 A The document -- you mean the document that was on  
6 the table, the one that I referred to? Is that the one you  
7 mean?

8 Q Well, in the context, I believe Mr. Williamson  
9 asked you as a result of the effort, if there was a document  
10 prepared.

11 A I said that at the end of the two weeks, when  
12 everybody had come back, there was -- well, first of all I  
13 will go back and reiterate that at the end of the first week,  
14 we had the meeting that night. To my knowledge there was no  
15 document. They were told that at the end of this whole thing  
16 you guys are going to have to come back and you are going to  
17 have to explain better what your findings are. We did that,  
18 we did that in Washington. We went to the meeting, as I  
19 said, we walked in the room. There was paper all over the  
20 wall with all this stuff written on it, and at the table  
21 there were folders with a document in it. Okay? The people  
22 started to look at the document, and as I said, one of the --  
23 I don't know who it was, whether it was a Stone & Webster  
24 person, said, this is not what we want. This will not serve  
25 the <sup>purpose of</sup> person. They were collected, they were given back to

ACE FEDERAL REPORTERS, INC.

1 Nace and that is the last I saw of it.

2 Q But at the end of the two weeks, was there a final  
3 product?

4 A Not to my knowledge.

5 Q So --

6 A Other than that document that I am talking about,  
7 I think that is what they considered to be the final  
8 document. Whether another document was prepared after that,  
9 I am not familiar with that.

10 Q Okay. I understand.

11 BY MR. MURPHY:

12 Q This is a document furnished to us by Stone &  
13 Webster. It says "TVA Study" and it starts on page 289.  
14 This number was stamped on it by Stone & Webster. And it  
15 ends on page 323. And would you look at this and tell me  
16 whether that is the document that was on that desk.

17 THE WITNESS: Is there a date on this document?

18 MR. MURPHY: No.

19 (Pause.)

20 BY MR. MURPHY:

21 Q Is that the document that was on --

22 MR. ROBINSON: That was on the table at that Stone  
23 & Webster meeting?

24 THE WITNESS: I don't know. I don't think so.

25 Okay?

1 BY MR. MURPHY:

2 Q Is it similar to this?

3 A There are a lot of things that I see in there that  
4 I recall being in the document, but there are also a lot of  
5 things in there -- I don't recall, for example, ~~that~~ the  
6 document that I saw on the table being that thick. My memory  
7 says that it was like eight to 10 pages.

8 I also see a lot of things in there that are  
9 recommendations, and I don't recall there being that many  
10 recommendations in the document that they had.

11 MR. MURPHY: Okay.

12 BY MR. ROBINSON:

13 Q Just one quick -- can you recall any specific  
14 issue that was objected to in that meeting as not having a  
15 basis in the document that was presented at that Stone &  
16 Webster meeting?

17 A I think that there were -- I think the main  
18 concern that was expressed by the Stone & Webster people, the  
19 person who objected, was where the team, they felt, got out  
20 of line to making changes in people, not technical issues.

21 Q Do you recall who the Stone & Webster person was  
22 that made the objections?

23 A No. That is what I said. I don't recall.

24 BY MR. REINHART:

25 Q Mr. Wegner, could you give us your perspective of

1 how deep the management problems really were? I mean, the  
2 upper level to the lower level? Was it everywhere, was it  
3 just middle, was it just top, was it just first-line  
4 supervision?

5 A Again, you have to recognize that the judgment was  
6 based on a week of interviewing possibly 20 people. But also  
7 let me say that if you have a management problem at the very  
8 top, and by the "top" I would include the board of directors  
9 and the management structure, that almost by definition that  
10 is going to permeate down into the lower levels. You can  
11 have the reverse situation possibly, where you may find  
12 little cells of mismanagement at the lower levels, whereas  
13 maybe at the top it is not that bad. But when the basic  
14 structure is at fault, as I interpreted it at TVA, then the  
15 management structure as it flows down all the way down to the  
16 lower levels has got to be faulted, too.

17 I don't mean by that that the individuals  
18 themselves were bad. I don't think that is the case. Again,  
19 my experience, and this is not just in the shipyard, I mean  
20 in the nuclear plants, but certainly went to many years of  
21 experience in the shipyards, is that when we had problems on  
22 ships, the tendency is always to blame the guy at the bottom  
23 of the pile, the welder, the mechanic, or that this shipyard  
24 is a lot better than this shipyard because that welder is a  
25 better welder.

1           That never panned out. Welders, mechanics,  
2 tradesmen, whether they are located in New England or San  
3 Diego or Pascagoula, will do a good job if you give them the  
4 right tools, the right direction, the right atmosphere. If  
5 you put the things there, a workman will do a good job.  
6 Okay?

7           So the fact that it was not being done, although  
8 you can identify problems in management all the way down to  
9 the first-level supervision, that does not -- I don't want to  
10 create the impression that the individuals themselves were  
11 bad.

12           Now, as you move up in the upper levels of  
13 management at TVA, what I sensed was a -- I may not be using  
14 the right word, but a cloistering effect, where almost you  
15 had -- again, it was not unique to TVA. I had seen this  
16 before in other government organizations, where they really  
17 didn't care what was going on at Zimmer or at Commonwealth  
18 Edison. It was TVA. They had been in business for 50 years.

19           For example, if you talked about pouring concrete,  
20 I mean, who in the world is going to tell TVA how to pour  
21 concrete. They have poured more concrete than anybody else  
22 in the world. They are the world's experts on pouring  
23 concrete. Okay?

24           Same thing with seismic. Who in the world is  
25 going to tell TVA how to design a structure for seismic?

ACE-FEDERAL REPORTERS, INC.

1 They have got more dams that have to meet seismic  
2 requirements than anybody else in the world. As a matter of  
3 fact, one of the jobs that White inherited when he got there,  
4 unbeknownst to him, he became the dam safety officer for  
5 every dam in the United States, which he got rid of. So you  
6 have this attitude that had built up over a period of years,  
7 and it was a logical building up, that TVA was highly  
8 respected, certainly in its formative stages. It brought,  
9 you know, brought everything good into the valley, had very  
10 high representation and had a very high reputation  
11 technically, when it was doing things like building dams,  
12 building waterways, and even probably building power plants.

13 And I think a lot of that philosophy extended into  
14 the mind set of the people when they moved in the nuclear  
15 business. I suspect in the early stages, if you looked at  
16 TVA back in the early days of the nuclear program, I think  
17 you would find that the competence of the people was on a par  
18 with the competence anyplace else. In fact, probably a  
19 little bit better. What you saw, though, was that time had  
20 left TVA standing still. And that when you probed into  
21 finding out their knowledge, their perceptions of their  
22 problems versus the problems of the rest of the industry, it  
23 was clear that they really didn't want to hear about it.  
24 They knew better. They knew what they were doing.

25 I think to some extent that philosophy extended in

ACE-FEDERAL REPORTERS, INC.

1 their dealings with the NRC. That here was a sister  
2 government agency and maybe there was some extent of  
3 government-to-government understanding or relationship that  
4 existed. But what it ended up as was a certain way of doing  
5 business at TVA which in my opinion was just not compatible  
6 with the nuclear industry, certainly in the 1980s. And that  
7 is what I saw.

8 Then the question is, are those people fixable?  
9 Are those key managers fixable? And in some cases the answer  
10 was probably, <sup>yes</sup> and in some cases the answer was, I don't think  
11 so. -- <sup>yes</sup> There is no way you are going to teach that person how  
12 to turn the corner. And one of the problems that I thought  
13 that White had to face was to make that determination.

14 Q Once those people would be fixed, say the top  
15 people, looking down the line then, what would have to be  
16 done in the management structure?

17 A You mean what would those people do?

18 Q Well --

19 A Well, for example, the thing that White struck out  
20 very quickly on was accountability. One of the things that  
21 you look for when you do the interviewing is who is  
22 responsible for what.

23 MS. BAUSER: Bill, when you say "struck out," very  
24 quickly, what do you mean? You mean what he endeavored to  
25 do?

1 THE WITNESS: Yes.

2 MS. BAUSER: Okay.

3 MR. ROBINSON: Did he hit the ball or did he miss  
4 the ball?

5 MS. BAUSER: You said "struck out" very quickly.

6 THE WITNESS: I don't mean struck out from the  
7 point of view of three strikes and he is out, no. He  
8 attacked that problem originally. That is the one he went  
9 after very quickly, was accountability.

10 One of the things, as I said, that you go after  
11 during the interviews is to find out, number one, who is  
12 responsible for that. And what you like to find is one  
13 person that will stand up and say, that is my responsibility  
14 and I have the authority to do whatever I have got to do in  
15 order to carry out that responsibility.

16 But what you find in many cases is either four or  
17 five people will say, that is my responsibility or no one  
18 will.

19 And what you generally find is if it is a success,  
20 several people will claim, I did that. If it is a failure,  
21 then nobody will take the blame for it.

22 What we found at TVA was, again, the large number  
23 of people -- I mean, there are a large number of people at  
24 TVA, when you compare that to the rest of the industry. And  
25 I think I have -- I will tell you a little story of the first

ACE-FEDERAL REPORTERS, INC.

1 day that we met with TVA.

2 The question was asked --

3 BY MR. MURPHY:

4 Q When was this?

5 A The very first time when the team got there, that  
6 morning, when we were ~~get~~ getting the orientation briefing.

7 The question was asked of Mr. Parris, how many  
8 people at TVA are involved in the nuclear program? And he  
9 thought and he responded and he said, I think the number is  
10 somewhere around 36,000 people. Whereupon Mr. Mason said,  
11 no, I don't think it is that. I think it is closer to  
12 26,000.

13 So here is a case where the top man ~~does~~ is not  
14 quite sure whether he has got 10,000 people or doesn't have  
15 these 10,000 people working. That is a lot of people. And,  
16 I mean, when you consider looking at what Commonwealth Edison  
17 does and what Duke or some of the ones that are in a  
18 comparable sense, that is -- I don't think there are 36,000.  
19 There certainly are now. But even if there are 15,000, that  
20 is a lot. That is a tremendous, large number of people.

21 And, therefore, when you went out -- when we went  
22 out and we would ask the questions, a lot of times we would  
23 find that we couldn't pin down the responsibility. That we  
24 couldn't home in on accountability. Are you responsible for  
25 that? That is what I meant.

ACE-FEDERAL REPORTERS, INC.

1 BY MR. REINHART:

2 Q Okay. So we have key managers at the top,  
3 accountability kind of being a big problem. Anything else  
4 that stuck out there, that stood out as a management-type  
5 item that needed to be fixed at the lower level?

6 A At the lower level?

7 Q Well, under this cloistered group?

8 A Again, with accountability, you just don't throw  
9 the word "accountability" out, because what you need to do is  
10 to say -- you can't hold someone accountable for something  
11 unless it is clearly defined what that person's  
12 responsibility is. So that goes with accountability. So one  
13 of the things that had to be done in conjunction with  
14 accountability was making sure that people understood what  
15 their job was, and that there were not five people doing the  
16 same thing.

17 Q So is that why a lot of these organizational  
18 changes eventually came about, trying to do that? Or is that  
19 a different --

20 A No, that was part of it. It is hard to separate  
21 these things and put them into neat little piles, but, for  
22 example, one of the things that was disturbing, I think to  
23 everybody, was that when you looked at the current  
24 organization, as we saw it in November, the question, you  
25 start right at the top. Is the manager of nuclear power, in

ACE-FEDERAL REPORTERS, INC.

1 this particular case Hugh Parris, you want to know two  
2 things: One, is he fully responsible for everything that  
3 happens in the nuclear business? The answer is no.

4 Number two, does he have other responsibilities  
5 unrelated to nuclear power? And when you look at that and  
6 you figure, my God, you have got nine plants, you really  
7 can't saddle this guy with a bunch of other stuff, well, it  
8 turned out, oh, yes, he does. So that right at the very top  
9 presented us with a problem of defining and getting whoever  
10 the manager, be it Parris or anybody else, that that person  
11 should be fully responsible and only responsible for nuclear  
12 matters.

13 Then as you moved over and you said, all right,  
14 now I am going to look at the guy that has engineering. Does  
15 he do his own engineering? Nuclear, does he, is he  
16 responsible for -- is he responsible for all the nuclear  
17 engineering that takes place. When I say "nuclear  
18 engineering," I am not talking about nuclear engineering as  
19 -- I am talking about the engineering of the nuclear plants.

20 Q I understand.

21 A And does he have a lot of other responsibilities,  
22 is he also out there designing fossil plants or dams? What  
23 did we find?

24 We found the case, well, no, he has got them all.  
25 When you looked at construction, you would consider that at a

ACE-FEDERAL REPORTERS, INC.

1 place as big as TVA and as deep as the problems appeared to  
2 be that you would have a guy that would be fully, totally  
3 responsible for the construction of the nuclear plant. But  
4 you didn't find that. You found, again, the split.

5 And no matter where you looked, you found a kind  
6 of a diversion, a diffusion, rather, of responsibility.

7 When you started looking at the sites, the site  
8 director, and by the time we got there, the decentralization  
9 philosophy had already moved into the sites. So here was a  
10 concept that I am -- it was certainly one put into effect  
11 with good intent, but what it did was to attempt to put into  
12 the hands of the site director the full scope of authority  
13 and responsibility.

14 And that wasn't working for a number of reasons,  
15 because it certainly came into conflict with the corporate  
16 direction that was coming out. So one -- again, one of the  
17 things that we felt we needed to do was to define the  
18 responsibility; further, clearly what is the responsibility  
19 of the site director. And you could kind of take what I have  
20 just got through saying and go down through the entire  
21 organization and, you know, obviously when you get down to  
22 the reactor operators, there is no question they are  
23 responsible for operating the reactor.

24 Q Okay.

25 A Okay?

1 Q Yes, sir. That was -- that helped.

2 A Okay.

3 Q You said that particularly when we were talking  
4 about the Watts Bar meeting, where you had all these people,  
5 I am going to assume this was in general that you never  
6 talked about the big C, big A Corrective Action Program.  
7 What kind of feeling did you get for the effectiveness of  
8 corrective action?

9 A The feeling I got was -- again, I would like to  
10 repeat what I said, was that while they expressed concerns  
11 about the effectiveness of their corrective action, small C,  
12 small A, program, their limit of knowledge was very narrow.  
13 It was, yes, they knew they had a problem. Yes, they knew  
14 that there were people working on it. How deep the problem,  
15 they didn't really know. What the corrective action was,  
16 they really could not discuss.

17 MS. BAUSER: Can I ask a follow-up question to  
18 that?

19 MR. REINHART: Yes.

20 MS. BAUSER: As a result of their -- did their  
21 limit of knowledge define your limit of knowledge? Do you  
22 understand my question? Did you know things from other  
23 people that they didn't know on the subject matter that you  
24 were talking to them about? Or were you limited in what you  
25 knew from what they were telling you?

1 THE WITNESS: I was limited essentially with what  
2 they were telling me, and what other background material that  
3 we had, like the NRC correspondence and stuff like that. But  
4 I had no inside knowledge of what was going on at Watts Bar,  
5 not at all.

6 BY MR. REINHART:

7 Q When you had your discussion with the other eight  
8 on management assessment and you said that the technical  
9 discipline representatives discussed their areas, could you  
10 give us a flavor to the best that you can remember some of  
11 the things they found?

12 A I don't think I can give them to you in the  
13 specific details this they gave them to me. But, again, the  
14 general areas that they discussed, for example, if you picked  
15 up on, for example, engineering and configuration control,  
16 things like that, where they would discuss the fact that they  
17 had, or whoever it was had concluded, not on his own because  
18 I think it was a known, it was one of the issues anyway, was  
19 that TVA did not have an effective configuration control  
20 program.

21 TVA knew it and I think the thrust of the team was  
22 that it was not the fact that they went in and discovered  
23 that there was no configuration control program or wasn't a  
24 good one. The question that they were trying to focus on  
25 was, do they have a clear path as to where they are going, do

ACE-FEDERAL REPORTERS, INC.

1 they think they are going to be able to solve the problem and  
2 are they approaching it in the right direction. And I think  
3 that the message that I got out of that was, they know they  
4 got a problem, but it is not clear -- this is them, this is  
5 the person talking -- it is not clear that they have the  
6 capability of bringing this one out all by themselves. They  
7 are going to need help to do it.

8 Q Did you have this sense in all of those areas that  
9 you described before any corrective action? That basically  
10 people knew they had a problem but they didn't know how deep  
11 it went and they didn't know really what everybody else was  
12 doing?

13 A It depended upon what you were talking about.

14 Q All right.

15 A If I go back to some of my interviews, there were  
16 some of the people that I talked to that clearly did not  
17 agree with the fact that Sequoyah was shut down, the fact  
18 that Browns Ferry was shut down, or that there was a big  
19 problem at Watts Bar. They just did not believe it. There  
20 were a few people that expressed that philosophy. And there  
21 were other people on the other side of the fence that  
22 recognized that, yes, we have a problem.

23 I am not sure that anybody recognized the depth of  
24 the problem as it turned out. I think that, by and large, if  
25 I could put it altogether, the feeling was that we have got a

1 bunch of things we have got to go fix. And we are going to  
2 go fix them, and in a couple months we will have Sequoyah  
3 back on the line and a couple months after that we will have  
4 Browns Ferry. And there is a complete separation in that  
5 whatever problem you have at Sequoyah is a Sequoyah problem.  
6 Whatever problem you have at Browns Ferry is a Browns Ferry  
7 problem. Watts Bar was separate. And there was very little  
8 recognition on the part of even the higher level management  
9 that there is a deep-seated problem that starts at the very  
10 top.

11 Q If we go back to people now, let's say we took the  
12 cloistered group and fixed it. You understand what I mean --

13 A Higher levels of management.

14 MR. ROBINSON: He didn't use that term.

15 THE WITNESS: Yes, I did.

16 BY MR. REINHART:

17 Q Yes, he did. And we take the people underneath.  
18 If they were given good direction, good controls, good  
19 organization, did you get the feeling that by and large those  
20 individuals properly managed could handle the job?

21 A With help.

22 Q With help?

23 A Yes. With outside help. There was no thought  
24 that there had to be a mass firing and infusion of, you know,  
25 that the talent probably was fixable. And even a lot of the

1 lower-, the middle-level managers and certainly the  
2 lower-level, when you got beneath that, it was obviously with  
3 the exception here and there, but by and large, the idea was  
4 to go fix the problem at that level with what was in place  
5 with some augmentation.

6 MR. REINHART: Okay. Good. That is all I have,  
7 thank you.

8 MS. BAUSER: You said "by and large," you cut  
9 yourself off. I take it you were saying by and large you had  
10 a positive feeling about the capabilities of the mid-level  
11 and junior-level people?

12 THE WITNESS: Yes, I think that is true.

13 (Recess.)

14 MR. MURPHY: It is now 11:43. We are back on the  
15 record.

16 BY MR. MURPHY:

17 Q You said that this -- I want to bring it up  
18 because you mentioned the board of directors. Did that, in  
19 your view, also create a problem? I mean, how did the board  
20 of directors fit in your management problem?

21 A Leave aside the personalities. That is beside the  
22 point. I think the structure that, if you again make a  
23 comparison, you don't find anything that is anywhere near  
24 that sort of an arrangement anywhere in the nuclear program,  
25 anywhere. They are called a board of directors, but now look

1 for -- is there such a thing as a president, is there such a  
2 thing as a chief operating officer? Okay?

3 You could say, well, the general manager is, but  
4 you see the board of directors was acting in many respects  
5 like the president of the company. Not like a board of  
6 directors. For example, I am -- without going into a lot of  
7 detail, but when the NSRS reports to the board of directors,  
8 now you have built in a problem, because how do you now  
9 translate their findings into line actions? Do you really  
10 want a board of directors to be telling the line what to do?  
11 You don't normally find that. The board of directors will  
12 elect or appoint a president. He will operate. The board of  
13 directors generally will not give line direction to an  
14 organization. So, and they weren't -- I think there was some  
15 confusion in the, in what form does the board have an  
16 influence as to what is going on within the nuclear program.

17 Q Were they having an influence on what was going on  
18 in the nuclear program?

19 A At the time we were there the answer is very  
20 little. Again, my understanding of history was that if you  
21 went back several years, you would -- if there were a very  
22 strong, powerful member on the board, he obviously had  
23 influence.

24 Q But at the time you did your --

25 A At the time we were there, that didn't exist.

ACE-FEDERAL REPORTERS, INC.

1 Q Okay.

2 During these briefings that you -- when you had  
3 that document at Stone & Webster when they had the stuff on  
4 the walls and these problems were discussed, was Mr. White --  
5 my question is, did he understand what they were talking  
6 about? I mean, were there any technical issues brought up  
7 that needed translation, let's say, by you for him?

8 A No, I don't think so. I think he understood what  
9 they were saying.

10 Q Okay.

11 BY MR. WILLIAMSON:

12 Q Let me ask you, this review was conducted in  
13 November of '85. At that time did you have any knowledge of  
14 activities that the Quality Technology Company was involved  
15 in?

16 A None.

17 Q The stop work order regarding welding at Watts Bar  
18 and the cable pull operations or the harassment and  
19 intimidation issues that had been raised during that period  
20 of time?

21 MS. BAUSER: Can you go down those things  
22 individually.

23 THE WITNESS: You had better ask the question  
24 again. It took too many turns.

25 BY MR. WILLIAMSON:

ACE-FEDERAL REPORTERS, INC.

1 Q You were shaking your head like no on some of--  
2 them, so I --

3 A First of all, would you define the time again?

4 Q Okay. During the time that you were conducting  
5 this management assessment, November 1985, were you aware of  
6 issues and concerns that had been raised as a result of the  
7 Quality Technology Company, QTC, which was at Watts Bar,  
8 identifying employee concerns; were you aware, one, that they  
9 were there and, two, what they were finding with regard to  
10 employee concerns, the numbers?

11 A I recall that at some time during the week that I  
12 was there, the name QTC did come up with respect to Watts  
13 Bar. Okay. What the connection there was was one of that  
14 they were there with respect to employee concerns.

15 We obviously knew about the employee concerns  
16 because that was the immediate cause for the problems of the  
17 slowdown or not a stop work but in essence the fact that work  
18 had slowed down at Watts Bar. Why it wasn't proceeding with  
19 loading the core because of employee concerns. We knew there  
20 were a lot of employee concerns.

21 Any specifics about the QTC, no, it was not  
22 discussed.

23 Q Okay. Second --

24 A Again, I don't want to -- when I say specifics, I  
25 mean there were comments made by the people, not only at

1 Watts Bar but at Chattanooga, of concern over what QTC was  
2 doing. They looked upon QTC with -- they didn't like what  
3 they were doing.

4 Q I guess in the industry, and some of the weekly  
5 and monthly periodicals, there had been articles that had  
6 appeared about TVA, about some of the concerns and about QTC  
7 being there, and you had mentioned that you had kept up with  
8 some of these, some of the plants, troubled plants through  
9 this?

10 A Yes.

11 Q My question really concerns that, had you, did you  
12 have a knowledge, a foreknowledge of the activities of QTC  
13 and did that have any influence on you while you were  
14 participating in this management assessment?

15 A No. It did not. It did not.

16 Q Second was the stop work order regarding welding,  
17 which was issued, I think, in July of '85, did you have a  
18 working knowledge of what that involved?

19 A No.

20 Q And thirdly, some harassment and intimidation  
21 issues that had come out of some of these employee concerns,  
22 both to us and to the Department of Labor during that period  
23 of time.

24 A Again, that one only in a general sense, that  
25 there were employee concerns and some of those employee

ACE-FEDERAL REPORTERS, INC.

1 concerns involved intimidation and harassment. But that is  
2 as far as that went. Okay.

3 Q I am going to ask you about another issue.  
4 December 19, 1985, members of the NSRS, Nuclear Safety Review  
5 Staff, provided to Commissioner Asselstine a briefing  
6 regarding some perceptions and/or concerns. At the time that  
7 was conducted, did you have access to this information or  
8 were you briefed on the information that NSRS provided to the  
9 commissioners?

10 A No.

11 Q At what time did you learn about that information  
12 provided to the commissioner which I have here and you have  
13 access to? That was, this is a document, the NSRS  
14 presentation to Commissioner Asselstine on December 19,  
15 1985. These are prints of Vugraphs, including the  
16 organizations and their conclusions.

17 (Document handed to witness.)

18 BY MR. WILLIAMSON:

19 Q At what time did you learn about these concerns?

20 A I learned about these concerns -- I do not know  
21 the exact date, but it would have been very shortly after  
22 January the 13th, when we arrived at TVA to, with White  
23 taking over as manager.

24 BY MR. MURPHY:

25 Q How did you come to be knowledgeable with the

ACE FEDERAL REPORTERS, INC.

1 concerns?

2           A     Again, I have got to repeat that I don't remember  
3 the exact date, but it would have been shortly after the  
4 13th. Whether it was the 15th or 18th, I would think it was  
5 within a week after our arrival there. A meeting had been  
6 scheduled for White to attend on the subject of the NSRS  
7 concerns and the January 3rd letter from the NRC to TVA,  
8 where the request was made to respond to a perception by the  
9 NSRS concerning Watts Bar.

10           The meeting was -- it was in the morning and White  
11 asked me to please attend that meeting in his place and then  
12 report back to him. So sometime before the meeting, maybe it  
13 was a half an hour or an hour, I don't remember, but I asked  
14 someone to please give me some idea of what the meeting was  
15 all about so that I would know what was going on. And that  
16 is when I was briefed on that document for the first time.  
17 And I went to the meeting.

18           BY MR. REINHART:

19           Q     Who gave you the briefing?

20           A     I don't remember. Somebody did.

21           Q     Okay.

22           BY MR. MURPHY:

23           Q     What took place at that meeting? Could you  
24 describe the events?

25           A     Yes.

1 I went to the meeting and there were probably 20,  
2 20-some people in the room, a lot of the people I did not  
3 know, because obviously I didn't know a lot of people. As I  
4 gathered, the meeting was to attempt to come to some  
5 understanding as to how TVA would respond to the January 3rd  
6 letter. And there were, I know that -- I am trying to  
7 remember, but there were Kermit Whitt was there, who was the  
8 head of NSRS, Cottle was there, Mason was there, Dick Denise  
9 was there, Mullen was there, and others.

10 And I sat and listened. And it was obvious that  
11 there were two camps that had developed, one NSRS and the  
12 other what I would call the line or primarily QA. And there  
13 was a discussion going back and forth as to the validity of  
14 the concerns and that there was apparently a response that  
15 had been prepared by QA that obviously the NSRS was taking  
16 issue with. And so as I say, the purpose of the meeting was  
17 to come to some conclusion, to some understanding as to what  
18 the response would be.

19 And my involvement in the meeting was to ask a  
20 number of questions, primarily of the person who was  
21 representing NSRS, not who the spokesman was with but was  
22 somebody else, and I don't remember who it was, and to try to  
23 define what is the issue -- if the conclusion is that the  
24 requirements of Appendix B were not being met, what were they  
25 talking about, what were the specifics wherein these

1 requirements, not being met. Was it programmatic; in other  
2 words, a procedure? Do we have to go back to the so-called  
3 NQAM; is that something that is at fault? Or are you talking  
4 about the implementation of it. Was it a discussion of is it  
5 the mere fact that there is a deficiency that is bothering  
6 the NSRS or is it the fact that the deficiency has been there  
7 a long time and has not been worked on or is not carried  
8 out? What is the nature of the perception, rather than just  
9 a statement of fact that, well, maybe the records aren't any  
10 good.

11 You have to have more than that in my opinion to  
12 go on the basis of whether there is or there isn't. And so I  
13 listened to this and entered in, again, questioning, trying  
14 to get some feel for whether there were specifics behind the  
15 NSRS perceptions. And had those specifics been addressed by  
16 QA, not that I was going to sit there in judgment, but if you  
17 have a difference of opinion, has the side on one side <sup>been</sup> given  
18 the specifics so that QA could address those specifics.

19 And it was clear to me that they just were not  
20 going to come to any kind of an understanding.

21 MR. REINHART: I didn't hear that last part.

22 THE WITNESS: It was clear to me that they were  
23 not going to come to any understanding, certainly in that  
24 meeting. So I walked out of the meeting after about an  
25 hour. My suggestion when I left the meeting was that if I

1 were running this thing, I would think what you ought to do  
2 is that you, SRS, ought to sit down and be more specific and  
3 give those specific items to QA and then see if the two sides  
4 could agree or disagree. And I left the meeting. Then I  
5 went back, I saw White.

6 Whether I saw him within the next five minutes,  
7 but somewhere during within the next hour or two hours, I  
8 went and told White that I had gone to the meeting and that  
9 in my opinion the two sides were so far apart that if left to  
10 their own devices, you would never get them together, and  
11 that my recommendation was that he go out and get an  
12 independent group of people to come in and focus in on this  
13 issue.

14 We talked about it and that is what he decided to  
15 do.

16 BY MR. MURPHY:

17 Q Did that occur?

18 A Yes.

19 Q Could you tell us about it? How it evolved?

20 What --

21 A Again, I am not in a position to give you any  
22 details other than I know that White formed a group of  
23 outsiders to do just that, okay? But what their orders were  
24 or who they were, I was not involved in that. I had nothing  
25 to do with it.

1 Q Do you know what their conclusion was?

2 A Do I know what their conclusion was?

3 Q Yes.

4 A I am not sure I know how to answer that question.

5 Q Well, let me try to define -- was this Greg  
6 Lundin's group or was this what has been referred to as the  
7 Nace/Kirkebo systematic analysis --

8 A I am not familiar with the Nace/Kirkel system --  
9 that to me is another endeavor which was started -- again I  
10 am familiar with that one -- what Nace was doing was  
11 preparing for the revision of volume 1 and eventually volume  
12 2 --

13 MS. BAUSER: Volume 1 of what?

14 THE WITNESS: Of the nuclear performance plan,  
15 which was the corporate volume.

16 BY MR. MURPHY:

17 Q You don't know who this outside group was? Who --

18 A I well, I knew that White had, by that time, had  
19 the services of Kelly. And I knew that he had gotten Kelly  
20 to go create the team of people. Who they were, I don't  
21 know. I really don't. I did not follow that. Again, I have  
22 to make it clear to you that I was off doing other things  
23 completely separate from this. All right?

24 So this was not my main endeavor while I was  
25 working at TVA.

1 BY MR. WILLIAMSON:

2 Q You mean off, away from TVA?

3 A No, both.

4 Q Or off from Chattanooga and out of site?

5 A No, at TVA I was more concerned with and was  
6 consumed with what we considered to be the primary effort at  
7 the time, was, number one, getting people, because White had  
8 already committed to go out and in effect get some 30 to 40  
9 of the top people throughout the United States. So I was off  
10 attempting to do that for him. We also felt it very  
11 important to get volume 1 of the nuclear performance plan  
12 rewritten. Because at that time there already had been  
13 submitted to the NRC a volume 1. And clearly it was in  
14 error.

15 We looked upon volume 1 -- and volumes 2 and 3 and  
16 4, but certainly volume 1 -- as the blueprint for getting TVA  
17 out of its problems. That if we didn't get volume 1  
18 rewritten, we really didn't know where we were going to go.

19 So almost all of my effort was devoted to the  
20 rewriting of volume 1, defining what we were going to put  
21 into volume 1, the fact of how volume 1 would be structured,  
22 what we would do to get the input from volumes 1 and 2 and 3,  
23 but volume 1 certainly was the first endeavor.

24 So that this effort that White was now pursuing  
25 was something that he was doing essentially without me.

ACE-FEDERAL REPORTERS, INC.

1 BY MR. MURPHY:

2 Q Then you didn't get involved in the NSRS line  
3 organization disputes after that initial meeting?

4 A No. Did not.

5 BY MR. WILLIAMSON:

6 Q I just want to follow up on that. Did you have --  
7 what was your involvement in the systematic analysis of  
8 identified concerns that was --

9 A I am not sure I know what that is.

10 Q Okay. All right. As we understand it, there was  
11 an effort by Larry Nace and maybe Mr. Kirkebo in addition to  
12 15, 18 other people with expertise in different disciplines  
13 that conducted what was entitled a systematic analysis of  
14 identified issues and concerns at TVA in late January 1986.  
15 Are you familiar with that?

16 A I am familiar with what it is. I was not aware  
17 that it had that title to it, but that was the -- that was  
18 the prime mover for getting volume 1 rewritten. This was  
19 something that I started on the basis of experience, again,  
20 at Zimmer, experience at Clinton, experience at Braidwood,  
21 and experience at Davis-Besse. Okay? Which was, if you have  
22 got a problem, a major problem with your plant, you had  
23 better first know what your problems are. So one of the  
24 things that logic tells you is to sit down and go through all  
25 the correspondence, pick a time, be it a year, a year and a

ACE-FEDERAL REPORTERS, INC.

1 half, go back and find out everybody, anybody who has thrown  
2 a rock at TVA. It could be Congress, it could be NRC, it  
3 could be INPO, we don't care who it is. Just put them all,  
4 get them all in one room, because if we are going to solve  
5 the problem, we are going to have to solve somebody's  
6 perception. That doesn't say that the problem is real or  
7 what it is. Let's just get them in there. Let's get them  
8 catalogued.

9 So Nace was given the order to go capture in one  
10 place all of the complaints that anybody from any source had  
11 made against the operation of TVA.

12 His second job was then obviously to start to call  
13 those, to make sure that there was the duplication -- we  
14 could have had I don't know how many, but there could have  
15 been a lot of duplicates. To go through and say well, that  
16 is the well, that is the same one as this and this is the  
17 same one as this and kind of narrow it down to a manageable  
18 number.

19 And the third thing to do was to categorize them  
20 as being this is a corporate problem versus this is a very  
21 specific problem that exists at Browns Ferry or Bellefonte or  
22 wherever it is.

23 That was a little more complicated because a  
24 problem could come in and could be labeled as, say a Watts  
25 Bar problem by the person who labeled it originally. And

ACE-FEDERAL REPORTERS, INC.

1 what we asked Nace to do was to look at the thing and use a  
2 little bit of judgment and say, if it is a problem, then why  
3 does that same problem not exist at the other plants.

4 So, therefore, why isn't that something that is a  
5 corporate problem? And to somehow put in one pile and get  
6 that pile done first, the corporate, because it was on that  
7 corporate pile that we would start to make some form of  
8 correction or revision to volume 1. That is what we were  
9 going to go attack. And that is what we did. That is what  
10 that was all about.

11 I had nothing to do with the NSRS issue that I  
12 have described earlier except for the fact that in the pile  
13 of the things that Nace would be looking at would be anything  
14 that the NSRS had come up with.

15 BY MR. WILLIAMSON:

16 Q Do you recall their conclusions or findings with  
17 regard to this systematic analysis, specifically what their  
18 findings were?

19 A I was not aware they had any findings. They were  
20 not chartered to come up with any finding. They were  
21 chartered to come up with things that would be put into  
22 volume 1.

23 Q Maybe they didn't identify them as findings or  
24 conclusions but issues and concerns, which they prioritized,  
25 were you briefed on that or did you have access to review

1 that report or do you recall --

2 A I don't recall there being a report, other than a  
3 big IBM run, a computer run. Of all of these, I think the  
4 number is somewhere in the neighborhood of 800 concerns that  
5 eventually had to be put either in volume 1 or in one of the  
6 other three volumes.

7 Q Okay. Let me ask you to look at this document.  
8 It is a memo to L.D. Nace from J.A. Kirkebo, dated February  
9 14, 1986, subject: systematic analysis of identified  
10 issues/concerns at TVA. Have you ever seen that document?

11 (Pause.)

12 THE WITNESS: I don't recall ever seeing this  
13 document, but there again, I'm not saying that I didn't. But  
14 it is not something I would have seen, anyway. It was a  
15 working document.

16 BY MR. WILLIAMSON:

17 Q Were you briefed by Mr. Nace, Mr. Kirkebo,  
18 Mr. Kelly or anyone else on the result or outcome of this  
19 analysis as to -- they looked for a period of, I think, 16  
20 months?

21 A Yes.

22 Q And they did look at over 800 documents, and as a  
23 result of that they produced this documentation. This was a  
24 cover sheet and some subsequent attachments. Do you recall  
25 being briefed by anyone on that wherein someone said these

1 are some areas that we should focus on or focus our  
2 attentions on with regard to either the nuclear performance  
3 plan or with regard to how --

4 A Again, when you say was I ever briefed, I was in  
5 constant contact with Nace, pushing him to get this effort  
6 done so that we could get on with the rewrite of volume 1,  
7 because that provided the foundation upon which we --  
8 everything that was supposedly going to go into volume 1  
9 would have its foundation in this review.

10 I looked at the review that Nace was doing as more  
11 of a cataloguing effort. I mean, there was no attempt as far  
12 as I was concerned to place a burden of judgment as to --  
13 certainly he had to make a level of judgment of whether  
14 something was important or wasn't important, but what we were  
15 trying to do was to make sure that we went back to the NRC  
16 with a full story of what we were going to do to fix the  
17 problem with TVA and make sure we hadn't left anything  
18 behind. That was my main concern.

19 BY MR. MURPHY:

20 Q This is a transcript of a March 11, 1986 meeting.  
21 Let me ask you another question before that. Does this type  
22 of exercise that was conducted by Mr. Nace identify problems  
23 at TVA?

24 A What do you mean by 'identify problems'?

25 Q Problems, problems in quality assurance, problems

ACE-FEDERAL REPORTERS, INC.

1 in --

2 A Let me again rephrase it, if I can. What Nace was  
3 asked to do was to search the files, everybody's files,  
4 within TVA, and cull from those files anytime anybody, right  
5 or wrong -- he was not to make a judgment whether the problem  
6 really existed or didn't exist, he was not going to go out  
7 there and say, well, that is a problem or it isn't a  
8 problem. If someone said it was a problem, it would go into  
9 Nace's list.

10 Later on, somebody else, not Nace, would have to  
11 make a decision as to whether there was validity in the  
12 statement of the problem.

13 For example, if they went through employee  
14 concerns, it was not up to Nace to track down and find out  
15 whether the employee concern was valid or invalid. If there  
16 was an I & E issue, it was not up to Nace to make any form of  
17 judgment as to whether it was right or wrong. It was a  
18 problem; as far as Nace was concerned, it went in the list.

19 How it would be dealt with was not Nace's  
20 problem. That would be something that would be further  
21 defined when you looked into volumes 1, 2, 3 and 4.

22 Q But these are problems?

23 A Yes, by definition.

24 Q By definition they are problems?

25 A They are somebody's perception of a problem.

ACE-FEDERAL REPORTERS, INC.

1 Q And they would have to be addressed at some point  
2 in time?

3 A Yes. That is correct.

4 Q It is not something we look at and say, we don't  
5 know if it is valid or not, so we don't have to worry about  
6 it?

7 A No. It covered a range of things.

8 For example, one of the things that Nace would  
9 have to put in there would be something where -- let's assume  
10 that the NRC had issued a deficiency against TVA. TVA had  
11 come back and said, yes, it is. And I am going to fix it.  
12 No argument. I am going to go fix it.

13 It still had to go into Nace's list, because we  
14 had no assurance that it in fact had been fixed. So until  
15 the issue is absolutely closed, signed, sealed and delivered  
16 with the NRC saying, yep, that is off the list.

17 Q Based on your list developed by Mr. Nace's team,  
18 would you prioritize your actions, your corrective actions  
19 based on this list? In this particular document he  
20 identifies some 16 items, and he kind of -- they are based on  
21 a consensus of individuals involved in this study as to their  
22 significance.

23 A That would be a first step. The determination  
24 would not be by Nace.

25 Q I understand that. But in this study -- did they

1 have this done?

2 A I assume. I don't know that.

3 Q Well, you can look at it if you like. I mean, I  
4 think they have, but you may have a different opinion.

5 A I don't know what it is that we are talking  
6 about.

7 Q Okay. Why don't we go back here and look at the  
8 list of findings. Is this the list?

9 MR. WILLIAMSON: Yes.

10 BY MR. MURPHY:

11 Q They start on the page before that.

12 A Yes.

13 MS. BAUSER: Can you state your question again, so  
14 he knows what you are --

15 BY MR. MURPHY:

16 Q Let him look at the thing first, and then I will  
17 ask him a question.

18 A Okay?

19 Q Utilization of resources, which I don't know what  
20 resources were at Mr. White's disposal, would he base the  
21 utilization of his available resources on this list? In  
22 other words, are they a categorization of the problems that  
23 he would have to expend some resources to determine whether  
24 they are a real serious problem or a problem?

25 A Well, as I look at the list, there is nothing in

1 here that I would disagree with in the list.

2 Q I understand that.

3 A And what I would have assumed and I suspect did  
4 happen is that this list of 16 items was then given to the  
5 people who were charged with rewriting volume 1 and volume 2  
6 and volume 3 and saying, these are things that we think ought  
7 to be covered under volume 1. And I suspect that they were.

8 Q You did that; right? I mean you worked on volume  
9 1?

10 A Yes, that is right.

11 Q So you would know if they were --

12 A I am saying I don't ever recall seeing this list,  
13 okay?

14 There were a lot of people working on the revision  
15 of volume 1. I was not sitting down there with pencil and  
16 pen in hand. I was making sure that, for example, if there  
17 was an issue in engineering, then the people -- there were  
18 people from engineering, namely -- again, I can't recall  
19 whether it was Kirkebo or Cottle at the time but they had to  
20 have the input as to how are we going to fix that problem, be  
21 it corporate or be it Sequoyah or whatever it was. Same  
22 thing with QA and the same thing with the other things.  
23 Okay?

24 MS. BAUSER: Mr. Wegner, the second issue of  
25 concern here says lack of quality assurance, overview and

ACE-FEDERAL REPORTERS, INC.

1 basic program weakness.

2 THE WITNESS: Yes.

3 MS. BAUSER: Does that mean that when Nace  
4 finished his effort, White and his group had concluded that  
5 there was a lack of quality assurance, overview and basic  
6 program weakness?

7 THE WITNESS: No.

8 MS. BAUSER: So what would be the significance of  
9 this statement for purposes of what was going on at TVA?

10 THE WITNESS: What was going on, I say I don't  
11 know what happened to this list, but if this was a conclusion  
12 reached by Nace, and if he followed out the directions that  
13 he was given, then this information would have then, in this  
14 particular area, been given to QA with the orders to look  
15 into this to see how would you write whatever it is you are  
16 going to write for volume 1 or volumes 2, 3 and 4, if they  
17 believe that is an issue.

18 It was not up to Nace to make the determination of  
19 these 16 things. That was not their job. They did it,  
20 obviously. But they were not charged with that.

21 BY MR. MURPHY:

22 Q This is a March 11, 1986 transcript of a meeting  
23 between the NRC Commission and it was a briefing given by  
24 TVA. I am going to read Mr. White's for the record on page  
25 13 of this document, his description of that.

ACE-FEDERAL REPORTERS, INC.

1 He is just here finally getting done identifying  
2 all the new people that he has brought into the  
3 organization. This is what Mr. White said.

4 "Now, the first thing that we did was start a  
5 categorization of the problems. You have to understand that  
6 in November, in November when I was there with the team of 90  
7 people, the results which you have seen were a slice out of a  
8 piece of salami. And as I look at the slice, I said, gee,  
9 there is some bad spots in it. Whether you do that, you have  
10 got to take some other slices to find out the extent of those  
11 problems. So in teams that we set up, we looked at some 800  
12 source documents. We took outside criticism that had been  
13 leveled against TVA by NRC, by INPO, by Congress, by nuclear  
14 reliability insurance companies and by a vast number of such  
15 inputs.

16 "I said some 800 source documents. We came up  
17 with 1300 specific criticisms, 1300. And the time frame we  
18 chose was only 16 months prior to my arrival. We put all of  
19 these concerns in the computer and we sorted them out in a  
20 dozen ways. We categorized them in various fashions. And  
21 from that effort we were able to quickly see not only the  
22 major problems but some of the symptoms of the problems and  
23 some of the problems that perhaps aren't as major but must be  
24 resolved, and from that could determine what corrective  
25 action we should do first and what areas we should hit.

ACE-FEDERAL REPORTERS, INC

1 hardest.

2 "So what I are we doing? First in organization,  
3 let me first mention, as I go through the brief this morning,  
4 my report. Obviously, I am going go to you through I the  
5 intermediate through it in series.

6 You have to understand that these efforts have  
7 been taking place in parallel. The immediate goals were an  
8 organization to correct organization deficiencies as fast as  
9 possible and to provide strengths in the weak areas of great  
10 importance and you see those are QA, engineering and  
11 licensing, clearly at the top of the list. And those were  
12 critical areas."

13 Is that a pretty good characterization of that?

14 A I think so.

15 Q And if I read this correctly, he is saying they  
16 are serious problems in his view and you have to allocate  
17 some resources to resolve them?

18 MR. ROBINSON: Before Mr. Wegner responds to that,  
19 could he see the transcript pages both before and after what  
20 you just --

21 MR. MURPHY: Sure. Sure. He can see the whole  
22 thing.

23 MR. ROBINSON: Take an hour and read it.

24 MR. MURPHY: That is fine with us.

25 MR. REINHART: If that is what he wants, he can.

1 (Pause.)

2 MR. MURPHY: You are free to read as much of that  
3 transcript in the record as you would like to, next hundred  
4 pages if you would like to, although I don't think he  
5 addresses that specific item after that.

6 MR. ROBINSON: Okay. I just wanted to be sure.

7 THE WITNESS: Okay.

8 BY MR. MURPHY:

9 Q Do you have any problem with that?

10 A No. I don't have any problem with it.

11 MR. MURPHY: Does counsel have any problems?

12 MR. ROBINSON: I never have problems with anything  
13 Mr. White says.

14 MS. BAUSER: You had a question outstanding.

15 MR. MURPHY: I think he answered it. I asked him  
16 if that was a good characterization.

17 THE WITNESS: You had another question after  
18 that.

19 BY MR. MURPHY:

20 Q As I read that, it is an effort by Mr. White to  
21 say, these are problems we have identified, problems. I am  
22 not talking about perceptions.

23 A Let me question you on the word "these." You are  
24 not referring to these 16?

25 Q I think that is what he is referring to.

ACE FEDERAL REPORTERS, INC.

1 A I don't --

2 Q The only thing that we have to indicate, the only  
3 thing we have reference to 800 documents, 16 months in all  
4 these problems is this particular study.

5 MR. ROBINSON: What that document says that  
6 Mr. White said was that this was a categorization of the  
7 problems as Mr. Wegner has defined the term "problem."

8 MR. REINHART: Let Mr. Wegner answer the  
9 questions.

10 MS. BAUSER: Are you aware of any other document  
11 besides this, Mr. Wegner?

12 THE WITNESS: Yes, volume 1.

13 BY MR. MURPHY:

14 Q I am talking about this category.

15 MS. BAUSER: Are you aware of a computer  
16 printout? You referenced such a thing earlier.

17 THE WITNESS: I know there was a computer printout  
18 that categorized all of the problems.

19 MR. MURPHY: Let me say, we have a computer  
20 printout and we will gladly let you go through it. But this  
21 memo is a cover letter to the computer printout. We did not  
22 bring it because you elected to have the interview here as  
23 opposed to in Atlanta and there ain't but so many documents  
24 we can lug around. But we will gladly postpone this  
25 interview and get back to another time if you would like to

1 review the 800 documents.

2 MS. BAUSER: What I am saying is what he is  
3 familiar with is the computer printout which is a listing,  
4 not this listing, which is not, as I understand it, the same;  
5 I mean, the computer printout doesn't have 16 entries on it  
6 in this format.

7 MR. MURPHY: If you care to read that entire  
8 thing, what they are talking about is the 800 documents which  
9 they reviewed, from that 800 documents. That is not an  
10 entire computer printout. They have done a great many things  
11 as part of the documents, part of this study. And as you go  
12 through this thing, it has all these different categories  
13 broken down. There is a computer printout which identifies  
14 all the documents, and I am just saying that if you read  
15 this, what they have said is that we have taken those  
16 documents and we have done certain things with them. They  
17 tell about how they arrived at these different conclusions or  
18 findings or whatever you want to call them; right? And you  
19 are free to read that entire report if you think that would  
20 help you.

21 THE WITNESS: The only thing I am trying to say is  
22 that I am not personally aware that White read this document  
23 and that when he said that in his testimony that he was  
24 specifically referring, in his words, to these 16 items. He  
25 may have been. I am just saying I don't know that.

ACE-FEDERAL REPORTERS, INC

1 BY MR. MURPHY:

2 Q All right.

3 A What I was trying to say is, if you are trying to  
4 get me to say that when he said these items that he was  
5 referring to these items, I am saying, I don't know that.

6 Q I am asking you if his description here appears to  
7 be talking about this particular systematic analysis?

8 A Yes. As I say, I am not saying that if you take  
9 -- you can't look at these exact words but these issues, the  
10 16 issues are certainly issues that had to be addressed in  
11 volume 1. There is no question about it.

12 Q And his characterization of these as problems, you  
13 don't have any problem with that?

14 A No. No. Not at all. They were problems.

15 Q And would have to be addressed at some point?

16 A Yes, absolutely.

17 MR. WILLIAMSON: Why don't we take a break. It is  
18 12:34. Why don't we take 30 minutes for lunch and reconvene  
19 at 1:00. How about an hour. 1:30.

20 (Whereupon, at 12:34 p.m., the interview was  
21 recessed, to be reconvened at 1:30 p.m. this same day.)  
22  
23  
24  
25

AFTERNOON SESSION

(1:30 p.m.)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. WILLIAMSON: Back on the record. The time is  
1:30 p.m.

Whereupon,

WILLIAM WEGNER

resumed the stand and, having been previously duly sworn, was  
examined and testified further as follows:

EXAMINATION (Continued)

BY MR. WILLIAMSON:

Q Mr. Wegner, you mentioned an effort that was  
conducted by TVA or directed by Mr. White, I think that you  
coordinated, we call it the Lundin report or effort, wherein  
Greg Lundin, who I think at that time was a Stone & Webster  
employee --

MR. ROBINSON: Did you say that you coordinated?

MR. WILLIAMSON: He, you coordinated.

THE WITNESS: No.

BY MR. WILLIAMSON:

Q Mr. White directed and you --

A I was going on correct you when you got to the end  
of your question.

Q Okay. An effort by Mr. Lundin, as I understand,  
directed by Mr. White. Do you recall, one, what their  
charter was, what they were looking for? And, two, exactly  
what they did, who they talked to, what issues they

ACE-FEDERAL REPORTERS, INC.

1 addressed. And, three, who, what people made up that team?  
2 Do I need to go over that again?

3 MR. ROBINSON: Go through those three parts  
4 again.

5 THE WITNESS: I know what they are, but I am  
6 trying to -- first let me make sure the record is clear that  
7 I did not coordinate that effort at all. I had nothing to do  
8 with that effort. Let me go back and say that my involvement  
9 was at the end of that meeting in January, to go to White,  
10 tell White that in my opinion you are never going to get  
11 these two groups together, no matter what you do. The only  
12 way you are going to solve this problem is to get an outside  
13 group, undefined. I didn't tell him who it was, to analyze  
14 the issues, to get the NSRS to put down in more detail and  
15 then have an independent grouping look at those. That was  
16 what I did.

17 White went out and formed the group. I was not  
18 involved in the forming of the group. I was not involved  
19 with telling them what to do, how to do it, had no  
20 involvement. Okay?

21 MR. ROBINSON: Okay.

22 MS. BAUSER: May I ask a follow-up question. When  
23 you say White went out and formed the group, what is your  
24 knowledge of what White did?

25 THE WITNESS: My knowledge was that he asked

1 somebody, and my memory is that he asked Kelly to go do that,  
2 but there again, that could be different. I am trying -- I  
3 have tried to remember when does Kelly first come on the  
4 scene, does he first show up at TVA. And it is fuzzy there.  
5 I don't know. But when he first came in, he was there as  
6 part of the advisory team.

7 BY MR. WILLIAMSON:

8 Q Second question was, what was this group's charter  
9 or mission and what areas were they to look into; do you  
10 recall?

11 A I am going to answer that with my knowledge at the  
12 time in contrast to what I may know today. My knowledge at  
13 the time was that I was not aware of any -- I was not privy  
14 to the direction that the team was given. Okay?

15 Now, if you would like for me to discuss what I  
16 later found out that their direction was, I can do that.

17 Q I would like for you to discuss what you later  
18 found out and when you found that out, if you would.

19 MR. ROBINSON: Let's start with when you found  
20 out.

21 THE WITNESS: Without giving a date, because I  
22 clearly can't give a date, it would have been prior to the  
23 writing of the March 20 letter.

24 BY MR. WILLIAMSON:

25 Q Okay.

1           A     And sometime after mid-February, when in my  
2 discussions with White he was telling me how he was dealing  
3 on a one-by-one or two-by-two basis of the various  
4 perceptions that later on ended up being the enclosures to  
5 the March 20 letter. And from that, those discussions,  
6 gleaned what it was that he had told either them or told the  
7 leader of that group or whoever it was, what he wanted them  
8 to do.

9                     And what my understanding was at the time, at that  
10 time, was that he wanted the group -- I think there were  
11 separate groups looking in at separate issues involved in the  
12 various perceptions -- to go take what it was on two  
13 occasions: One, make sure that you have got the NSRS  
14 perception and the specifics behind the perception. And then  
15 go look and see, number one, did QA, I am talking about TVA  
16 QA, did they look at it, if they did look at it, then go find  
17 out whether they looked at it properly. Did they look at it  
18 in good enough depth.

19                     I assumed, again because the people were brought  
20 in from the outside, that they would have been selected on  
21 the basis of more than a very narrow knowledge, specifically  
22 of any TVA problem, such that if they looked at what the NSRS  
23 perception happened to be and then they looked at what TVA QA  
24 had looked at, that they would have enough background,  
25 experience and knowledge to make a judgment on their own, did

ACE-FEDERAL REPORTERS, INC.

1 that confine, did that box in the issue? Or should QA have  
2 gone further out and looked at something in greater depth?  
3 And if it should have been, they would have done it. Okay?

4 And then they were then to report back their  
5 findings with respect to the perception.

6 Q Did you ever see the results of their findings?

7 A Ever? Yes. I did.

8 Q Was it during that time frame, the February --

9 A I saw it when a draft package had been put  
10 together. Again, I don't remember the date, but it would  
11 have been either in late February or early March, very early  
12 March; that was then reported to be the answer to the January  
13 3rd letter. That is the first time I saw the enclosures.  
14 Okay? I did not see the individual items as they were being  
15 developed. I did not sit in when White sat in his office and  
16 used a lot of time in questioning the various people that did  
17 the parts.

18 Q I think we are confusing two issues; at least in  
19 my mind we are. My question is regarding the effort that was  
20 conducted by Lundin. Did you ever see the results --

21 A Only those --

22 Q -- that that particular team, the Lundin effort,  
23 the Lundin team, did you ever see any results that they  
24 prepared --

25 MR. ROBINSON: You mean a report by the --

ACE FEDERAL REPORTERS, INC.

1 BY MR. WILLIAMSON:

2 Q A report that stated their findings?

3 A No. No.

4 Q Let me show you a letter, a memorandum to C.C.  
5 Mason from C.D. Lundin, Stone & Webster, dated February 7,  
6 1986, subject: NRC corporate plan.

7 First to see if you have seen the letter or read  
8 the letter.

9 (Document handed to witness.)

10 THE WITNESS: First time that I am aware of seeing  
11 this letter was yesterday in the law offices.

12 BY MR. WILLIAMSON:

13 Q And you said you had no firsthand knowledge on the  
14 results of this effort?

15 A No. That is correct.

16 Q But you do know that they were tasked to look at  
17 and expand on these perceptions to see if these perceptions  
18 were being addressed?

19 A Later on.

20 Q Later on you knew that?

21 A Yes.

22 Q Okay.

23 BY MR. MURPHY:

24 Q You mentioned questioning White -- you weren't  
25 present when White was questioning people. How do you know

1 that occurred?

2 A He told me. Sometimes I would walk in and I would  
3 see him sitting around his table with the people and he was  
4 going at them and how can you say this, and then I would walk  
5 out and --

6 Q Do you know that those individuals are the ones  
7 responsible for this?

8 A Yes. Yes.

9 MR. ROBINSON: Excuse me.

10 MR. MURPHY: For the Lundin -- the Lundin study.

11 THE WITNESS: I am not sure I know that. No, I am  
12 sorry.

13 MS. BAUSER: Do you know who these people were?

14 MR. ROBINSON: Could you name some of them?

15 THE WITNESS: No.

16 BY MR. REINHART:

17 Q Did you ever talk to Mr. Lundin?

18 A No.

19 Q Do you know Mr. Lundin?

20 A I don't think I would recognize him if I saw him.

21 Q Okay. Good. That is the answer.

22 Anything else?

23 Q Mr. Wegner, when you said that in late February,  
24 early March you got the package, could you describe for us --  
25 I think we all have different ideas as to what you really

1 got. Could you tell us what you got there?

2 A What I was referring to was that an effort had  
3 been mounted at that particular time to come up with a draft  
4 response to the January 3rd letter. This had, as I recall,  
5 in effect, a cover letter and a whole series of attachments.  
6 Okay? That is what I saw.

7 Q What did you do with that?

8 A ~~read it.~~  
9 Q You read it. And then what?

10 A After I read it, I went in and I saw White and I  
11 told White that in a very cursory review of the enclosures,  
12 that I thought that there was still an awful lot of work that  
13 needed to be done. And in particular, about what I was  
14 looking at, was, number one, did it make sense. If someone  
15 were to pick up this piece of paper as an enclosure and read  
16 it, did they have to go back and look at a whole bunch of  
17 other things; did this particular enclosure, number one,  
18 stand on its own merits. And, number two, did it say what it  
19 was intending to say. And I said, in my cursory review of  
20 the thing, I don't think -- I think there is still a lot of  
21 work that needs to be done.

22 His response to me was very emphatic, yes, I know  
23 that. And let me tell you, I am giving them hell. And there  
24 is a lot of work yet to be done. Okay?

25 Q When you say a "cursory review," you just -- in

1 other words, you sat there and read it and formed an opinion  
2 based on if you were some independent person having to tell  
3 what you were being told?

4 A That is correct. I did not in any way attempt to  
5 validate what it was they were finding, or to say, no, that  
6 is not true or this is not -- obviously not in that  
7 position. I had to take the facts as given. The question  
8 is, do the facts line up to the conclusions or the do the  
9 facts support the conclusions? Could someone reading it make  
10 sense of it? That was what I was trying to do.

11 Q Okay.

12 BY MR. ROBINSON:

13 Q At that time, did you just have the attachments to  
14 the letter or did you have the cover letter also?

15 A I really don't know that. I just don't know. I  
16 am trying to remember, I have tried to remember when is the  
17 first time I saw a draft of the cover letter. It may have  
18 been in that context or there may have been a piece of paper  
19 on the top that said there will be a cover letter, unwritten  
20 as yet.

21 Q At that time had you ever seen the January 3rd  
22 letter from NRC that asked the question?

23 A Yes.

24 Q Did you make a judgment in your mind at that time  
25 as to whether the enclosures were responsive to the question

1 asked in the January 3rd letter?

2 A That is what I was attempting to do.

3 Q And your judgment was, again?

4 A That the enclosures needed more work.

5 Q Okay.

6 A Passed that, told that to White, and he said he  
7 absolutely agreed fully and said he was working on it, it had  
8 a long way to go yet.

9 BY MR. WILLIAMSON:

10 Q One question: Did you read the January 9th letter  
11 from Mr. Dean?

12 A Yes. I did read that letter.

13 Q Were you involved at all in the requesting for  
14 additional time to respond to the January 3rd letter?

15 A Yes. To the extent that I knew that the January  
16 9th or that the January 3rd letter existed, and that White  
17 not showing up until the 13th was going to present some kind  
18 of a problem, and as I recall, I told White that he should  
19 make a phone call to somebody to at least notify the NRC that  
20 there would be, there would have to be a delay. And he did  
21 that. That was my involvement.

22 BY MR. MURPHY:

23 Q And this obviously occurred before your arrival on  
24 the scene at TVA? I mean, will Mr. White come aboard, as I  
25 understand, the 13th?

1 A Yes. That is correct.

2 Q It would have to occur before his taking  
3 official --

4 A Yes.

5 Q -- whatever --

6 A Right.

7 Q We have reached another point where we don't  
8 really know what your role in some of these things were, but  
9 this is a March 20, 1986 letter.

10 A Yes.

11 Q The cover letter. Why don't you tell us what your  
12 involvement was in this letter, when you first became  
13 involved, and how you participated in the letter itself.

14 MR. ROBINSON: You are talking about the letter  
15 and not the attachments?

16 MR. MURPHY: Not the attachments, the cover  
17 letter.

18 THE WITNESS: Well, let me pick it up say from the  
19 13th of January, from the time we arrived. Okay?

20 Both White and I are well aware of the fact that  
21 this is an outstanding commitment to answer the letter by the  
22 NRC. And that there were obviously discussions that go on  
23 between White and myself and White and others in his advisory  
24 group as to the significance of the question and what is the  
25 proper way to answer the question and what is the basis of

ACE-FEDERAL REPORTERS, INC.

1 the question.

2 But to get to the letter itself, the first time  
3 that I am involved in the letter is when I receive a draft of  
4 the letter. I cannot remember the date that I saw the  
5 draft. My memory says, tells me that it was a draft probably  
6 prepared in licensing. It is given to me and, again, I am  
7 saying now that it is in either late February or very early  
8 March. It is in that time frame.

9 And I am asked to look at the letter and agree  
10 with it or comment or whatever. It is a draft letter. It is  
11 obviously an important letter, and a number of people are  
12 going to look at it. And so I reviewed the letter, and I had  
13 some problems with the first draft that I saw.

14 The major problem that I had, I did not question  
15 the conclusion, but I did question the way it was written.  
16 My biggest complaint or heartburn was more from a legal point  
17 of view, that the draft that I saw appeared to use two other  
18 plants as the basis for making the -- to arriving at a  
19 conclusion with respect to Watts Bar. And my background  
20 flashed up on that and said that you don't do that, unless  
21 you are absolutely sure that the situation as it existed in  
22 those other two cases is close enough so that you can draw  
23 the analogy, okay?

24 So I was taking the position that I didn't think  
25 that those things should be in there, that the TVA case

ACE-FEDERAL REPORTERS, INC.

202-347-3700

Nationwide Coverage

800-336-6646

1 should be able to stand on its own merits and not have to  
2 depend upon a finding, say, at Callaway or at Diablo Canyon  
3 Plant.

4 Q As a result of a request you have made, we have  
5 been furnished some drafts of letters by TVA through  
6 Ms. Bauser and Mr. Charnoff. Could you look through these  
7 and tell me if the draft that you have seen appeared. I  
8 guess -- it goes -- this is actually the last one, of  
9 course. And you don't have to at this point pay any  
10 attention to that underlining stuff.

11 (Documents handed to witness.)

12 BY MR. MURPHY:

13 Q That last one was not included in that package, by  
14 the way.

15 A Yes.

16 Q That was not part of the --

17 A As I recall, R-2, which is identified R-2, looks  
18 like the one that I earlier said I am not sure whether it was  
19 a forwarding letter on it or not; the first time that I saw  
20 the enclosures, this would have been much earlier. And I am  
21 not sure that I ever commented on this one at all.

22 The one that I commented on, again, it looks very  
23 familiar, would be R-3, except, again, I have a memory that  
24 there were, they mentioned -- the draft that I saw mentioned  
25 two plants. And this mentions one. There may be another

1 document or I may be thinking of something else. Do you  
2 understand what I am talking about?

3 Q Yes, sir.

4 A But in any event, it would have been close to  
5 document R-3.

6 Q Okay.

7 A It may not be this one.

8 Q You might want to hang onto them just in case  
9 there are some further questions.

10 From that point on, what transpired? I  
11 interrupted you.

12 A I told -- I went in and I told White that I had  
13 seen, I had reviewed the letter. I don't want to say this  
14 one, but something very similar to this one, and that I had  
15 some legal concerns with it. And that I thought that it  
16 might be to his advantage to get some advice from George  
17 Edgar, who was at that time acting as Steve's personal  
18 lawyer. And that it was also, I knew that George Edgar had a  
19 lot of experience with respect to licensing matters and would  
20 have a better handle on something like this than I would. He  
21 agreed.

22 At this point I am not sure whether he made a  
23 phone call to Edgar or whether I made the phone call. I know  
24 I talked to George Edgar. Whether White talked to him, I am  
25 not that clear, but I know I talked to him either that day or

ACE-FEDERAL REPORTERS, INC.

1 the next day, and told him that we were preparing a letter in  
2 response to the January 3rd issue on Watts Bar, and that I  
3 had talked to White and that I thought, we thought it was a  
4 good idea for him to take a look at the letter. And I told  
5 him of my concerns. And he said that he would take a look at  
6 it.

7 I then told Gridley, who was the licensing  
8 manager, what was going on and that he should forward a  
9 telecopy of this, whichever one it was, on into Edgar. And  
10 that was getting towards the end of the week and I was  
11 leaving. And I told him to, that I would be in touch, back  
12 with Gridley, if anything developed, or that White would get  
13 a call directly from Edgar.

14 Over the weekend I did talk to Edgar. I came back  
15 to Washington. He said that he had looked at the letter and  
16 that he had some comments and that he was going to do some  
17 redrafting and send it on into White.

18 And to the best of my knowledge, that is what he  
19 did. He telefaxed it back in. I think it was again picked  
20 up by Gridley, who was being the link point.

21 When I got back to TVA, there was another new  
22 draft of the letter, and I was told that it essentially was  
23 exactly what George Edgar had written. I read it. I had no  
24 problem with it. I told White I had no problem with it. And  
25 that is it.