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1 And it's within that context that I have viewed the
2 entire situation. So, when I look at this thing, and it says
3 there is a basic program weakness, in my mind I ask, a basic
4 program weakness means a management weakness. Because it
5 wouldn't exist if there wasn't a management weakness, and/or
6 organization. So, my answer, simply, is yes. That's
7 clearly, to me, a management issue.

8 MR. MURPHY: And, then, when we say program
9 weakness, if we talk about any program in the entire
10 universe, we can always say that that's --

11 MR. WHITE: Well --

12 MR. MURPHY: I mean, obviously, people handle
13 programs, people run programs, people manage programs, and
14 you can always say that -- I mean, if you say we have an
15 enormous welding problem at Watts Bar, because the hangers
16 are falling off the wall. I can clearly say that that's a
17 management program, because we haven't certified welders
18 right. We haven't -- haven't trained these people properly.
19 Our Q/C Inspectors were missing all of these -- these -- the
20 various faults in the welds. And we can always say it's a
21 personnel problem. But in so doing, right, we are ignoring
22 that the hangers are still falling off the walls. And,
23 obviously, there is a hardware problem.

24 Because if something goes wrong with the program,
25 if one of them hangers falls off the wall at the wrong time,

1 and we have an incident, we can always say -- we are not
2 going to be able to say it's a personnel problem at that
3 time.

4 MR. WHITE: Well --

5 MR. MURPHY: So, then, I guess I'm trying to ask
6 you to --

7 MR. WHITE: No, I would not -- I would -- I have to
8 tell you, Mr. Murphy, I would not agree with many of the
9 things that you just said.

10 MR. MURPHY: Fine.

11 MR. WHITE: I would not agree that, for example,
12 I'm not saying always. I'm very careful about indicating
13 always it's this way. Because as surely as you indicate
14 always, you will find an exception somewhere. I'm trying to
15 do the best I can to give you my feel of my look at these
16 things. When they indicated knowing the problem, let me tell
17 you that one of the things that I learned in the Navy Nuclear
18 Power Program, is that you don't ignore problems. You
19 actively seek them out. You face the facts as they are, not
20 as you wish they were.

21 You have respect for the facts, and I call that --
22 in many talks to my own people, I have called that the
23 unvarnished truth. You have respect for the facts, even
24 though it's unpopular to have respect for the facts. Even
25 when you wish they were something else. I have to tell you,

1 in terms of ignoring the problem, my philosophy is just the
2 opposite of that. And, so, I don't agree for a second that
3 by categorizing these things as management, it ignores the
4 problem.

5 In fact, quite the contrary, if you can understand
6 that problem, that it is management, you solve the problem,
7 itself, rather than what the symptoms of the problem are. In
8 the example that you gave, the hangers are the symptom of the
9 problem. They are not the problem, they are the symptom of
10 the problem. And, so, I am not in agreement with the things
11 you said. I'm trying to do the best I can to categorize how
12 I view these things.

13 MR. MURPHY: Let me ask -- just --

14 MR. WHITE: Yes.

15 MR. MURPHY: You can clarify an answer you gave.

16 You said one of your major undertakings was revision
17 procedures, right?

18 MR. WHITE: Yes.

19 MR. MURPHY: You view that as a management/
20 personnel problem, revising procedures on how will will do
21 things? I mean, we --

22 MR. WHITE: It is, partially. You see, that's what
23 I said, I never use the word always. Because my honest
24 opinion of that is, you ask yourself, why is it that a Site
25 Director -- why is it that an Operator doesn't follow

1 procedures? Now, some would say to you, well, that's the
2 Operator's fault. I look for something much deeper. Why
3 doesn't he follow procedures? Who trained him? Who is
4 responsible for that? Who has insisted the procedures are
5 correct? Why are they not following them? Do they think
6 they are right or wrong in doing it?

7 All of those things, if you will look at the
8 questions I just asked, which is not much different than the
9 normal questions I would ask after an incident; they focus
10 back on management. And when I say management, it is
11 sometimes a -- a sub-category of that, perhaps, is personnel.
12 And I -- a sub-category of that is the organization. I just
13 want to make sure that we're talking about that lump, as
14 opposed to hardware.

15 Very few times is hardware the real issue. Very
16 few times is hardware the real thing you have to solve. When
17 you have received a piece of equipment, and it is not
18 properly checked by your receipt inspectors, and somehow that
19 ends up in the Plant, that is not a hardware -- I don't view
20 that as a hardware issue. I view it as a management issue.
21 Why wasn't it properly inspected? As part of that, did he
22 have procedures to inspect it? Did he follow the procedures,
23 and were they right. How did they get in the plant? Whose
24 responsibility was it?

25 All of those things, to me, lead me right back to

1 management. And that's the context of -- I'm ^{NOT} trying to
2 lecture, I'm trying to get you to understand my philosophy.
3 all right?

4 MR. MURPHY: Well, would you try your philosophy on
5 the next thirteen.

6 MR. WHITE: Okay, certainly. "Inadequacy of
7 problem evaluation and corrective actions," that is a
8 management issue, very clearly. "Lack of timeliness, or
9 responsiveness," that's clearly a management issue. And,
10 again, I say -- when we're talking management, it's
11 organization and people. It's kind of a lump. "Unclear or
12 fragmented management responsibilities --"

13 MS. BAUSER: Look -- it seems there is something
14 missing.

15 MR. MURPHY: Did you miss a page?

16 MR. REINHART: No, he's right on.

17 MR. MURPHY: I think you are right on?

18 MR. REINHART: I'm following along, he's got them.

19 MR. WHITE: "Included with the above, although
20 there polarization," Okay, number five is management.

21 MR. MURPHY: What is number five?

22 MR. WHITE: "Unclear or fragmented management
23 responsibilities and authority." Then we go into other
24 issues, number six, "Procedural non-compliance and poor
25 attitude toward requirements, quality, and compliance." It's

1 what I just gave you as an example, that's management
2 personnel organization. "Inadequacy of preventive action, and
3 failure to identify root causes of problems." Clearly a
4 management issue. "Procedural inadequacy," now we get in the
5 -- into part of one, part of the other. Procedural
6 inadequacy, from what I have seen, has stemmed from the --
7 primarily -- primarily from a lack of management attention to
8 insuring that procedures were correct, and that people
9 understood they had to follow those procedures, or stop what
10 they are doing and change them.

11 And, so, it's again, primarily to me, a management
12 issue. "Training program ineffectiveness." Very clearly a
13 management issue. We have made much progress, for example,
14 in that area. When I arrived, for example, at Watts Bar, I
15 think four out of five Operators used to fail the Exams. I
16 elevated, and this is why I say organization is involved. I
17 elevated that guy to report directly to me. I put a lot of
18 management pressure on him. I made sure he knew what the
19 hell he was doing, and understood he was accountable to me
20 for his results, not promises, results. And Brown's Ferry,
21 after a year, completely reversed that from, I think, four
22 out of five failing to four out of five passing. A complete
23 reversal.

24 MR. MURPHY: Did you change the training program?

25 MR. WHITE: I required, as part of this thing, that

1 we extend the course in terms of time. I view that as a
2 management decision to do. And if I hadn't -- let me put it
3 this way -- if I hadn't been here, I have to ask, would it
4 have been done? And I answer my own question by saying no.
5 And so, to me, that defines it as management.

6 MS. BAUSER: When you say that --

7 MR. WHITE: And I don't want to be too tough on
8 TVA, but I don't think it would have happened.

9 MS. BAUSER: Let me ask you a question. In the
10 beginning of that discussion of training, you talked about, I
11 think, and I may have misunderstood you, but I thought you
12 talked about Watts Bar Operators. And then you were talking
13 about Brown's Ferry.

14 MR. WHITE: No, Brown's Ferry. Brown's Ferry in
15 all cases. If I said Watts Bar, I meant Brown's Ferry. I
16 think I did say that. "Training program ineffectiveness."
17 You know, that goes back to what I said earlier. Are we
18 making changes? Yes. Are they management changes? You bet.
19 I've brought in, for example, outsiders, with no ax to grind,
20 as I do in many cases. Brought in outsiders, to overview and
21 see, is what we're doing right. Is it the best way to do it?
22 Is there a better way? What are my problems? And, to me,
23 those are either management, or they may end up in that sub-
24 category of personnel. I may say, the problem is, I've got
25 the wrong person in some slot. Again, I view that as

1 management.

2 "Lack of communications and feedback. Including
3 Plan interfaces." Let me tell you, that's a real management
4 issue. "Inadequacy of supervision, indifference, and
5 apparent lack of accountability." And by the way, when I say
6 these are management issues -- I just said, it's a real
7 management issue. I would have to go back, if you were to
8 say to me, does it exist in TVA? And if so, to what degree,
9 and where, is a separate issue. In other words, I'm not
10 saying each of these is presently, or even was then a
11 "management issue." They may all be -- I haven't been
12 focusing on that part. I'm giving you philosophy, all right?

13 "Inadequacy of supervision, indifference, and
14 apparent lack of accountability," management. "Lack of
15 planning," management. And then I go into something called,
16 "It should be point out that no order is implied in the above
17 or following listings, since the process should not be
18 interpreted in a strict, quantitative¹¹ manner," which reflects
19 back on what I said earlier. Which is, in itself, I note, an
20 admission of this paper, despite the earlier words of root
21 cause. Rather, there is the admission that says, we didn't
22 validate in terms of determining the merits of any of these
23 things. And, so, it confirms -- and appears to be in
24 conflict with what was said earlier.

25 "Lack of change and design control," management.

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1 "Maintenance problems," management. And there is one that
2 TVA has in spades. How am I solving it? I'm bringing in
3 experienced outside managers. The person with a great
4 reputation in the NRC, Mr. Smith, who I have recently hired.
5 And I have also hired Mr. Gene Rogers, who spent thirty
6 something years as Admiral Rickover's number one -- most of
7 that time, as his number one maintenance guy. So, I say
8 maintenance/personnel, kind of in a lump. I'm solving it
9 with management solutions.

10 "Lack of understanding of Regulatory requirements."
11 I guess that one I'm not sure precisely what that means. If
12 it means the licensing people, then, again, it's a personnel
13 management issue. "Lack of followup and/or problem
14 tracking." Let me tell you, there is management in spades.
15 That's as clear as I can be as to my philosophy.

16 MR. MURPHY: No, I -- I mean, I don't have any
17 problem with you. I mean, your philosophy is -- is --

18 MR. WHITE: And I hope I've explained it, and why.

19 MR. MURPHY: I was wondering what -- first off, as
20 you went through this list, did you find any problems with
21 you thought might -- I mean, based on your current knowledge
22 of the Quality Assurance Program, and I think, maybe, it has
23 probably been enhanced over the couple of years you have been
24 there, are any of these areas that you can relate, off hand,
25 that fall in the Quality Assurance area? They might have an

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1 impact in the Quality Assurance Program?

2 MR. WHITE: I would have to go back and review it,
3 but I can't -- well --

4 MR. MURPHY: I mean, as opposed to --

5 MR. WHITE: -- any of them? I can tell you some
6 do, because we've instituted a very big training program for
7 -- for our Inspectors. So, I can tell you, you know, that
8 one, for example, and I'm sure there are others, that would
9 fall in that category.

10 MR. MURPHY: Well, let me go through the list.
11 I'll do it for you this time.

12 MR. WHITE: All right.

13 MR. MURPHY: "Lack of management, direction
14 control, involvement in program monitoring." Would that have
15 an effect on your Quality Assurance Program.

16 MR. WHITE: I would rather read it myself. Can I
17 read it myself?

18 MR. MURPHY: Sure.

19 MS. BAUSER: Can I get a clarification. Mr. White
20 has testified that these -- these summarize, in effect, the
21 accumulation of allegations. These aren't statements of
22 fact, here, and he has made that point repeatedly.

23 MR. MURPHY: Well, wait a minute.

24 MS. BAUSER: You are now saying, now, does he thing
25 that these, as a matter of fact, did they exist at TVA?

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1 MR. MURPHY: I'm not stating that's a matter of
2 fact, but I would assure you that we have some testimony that
3 says that these things are problems within TVA. So, I'm
4 asking Mr. White --

5 MS. BAUSER: Okay.

6 MR. MURPHY: -- If we have a difference of opinion
7 of witnesses, and we probably do in this particular case,
8 right, I would like Mr. White to address these things, and
9 tell me whether in his opinion, after a couple of years at
10 TVA, had you known -- I'm assuming that your -- your
11 background in Quality Assurance was limited at the time all
12 of this was surfaced. How many of those items might have an
13 effect on the Quality Assurance Program.

14 MS. BAUSER: Well, Mr. Murphy, I'm sorry, I'm not
15 trying to be picky, but I am trying to understand your
16 question. If you are talking at the time, okay --

17 MR. MURPHY: Uh huh (affirmative).

18 MS. BAUSER: -- are you asking him to assume that
19 if the allegation is valid, then would it have affected Q/A?

20 MR. MURPHY: Sure.

21 MS. BAUSER: Okay.

22 MR. WHITE: A minor issue. Before, when you said
23 I've been there a couple of years, I've really, effectively,
24 been there about one year. Because I was absent for several
25 months, and some of the TVA managers have said ~~publicly~~ ^{publicly}

1 that in the three months I was gone, they lost six months.

2 So, I feel myself as being there about ³ year.

3 MR. MURPHY: I'll gladly accept that.

4 MR. WHITE: Now, I'm not sure, despite this
5 interchange, that I yet understand. Let me tell you how I
6 think -- what you've asked me -- what I think you've asked
7 me. You are not asking me to determine the -- to try to
8 climb back into somebody's mind, even my own, back when -- at
9 the time frame of the preparation of this, to say that I felt
10 it was valid or invalid. You are asking me, I think, based
11 on what I know today, do I think TVA has had this specific
12 problem?

13 MR. MURPHY: Let me -- yeah, let me clarify that.

14 MR. WHITE: All right. Yes.

15 MR. MURPHY: You -- unless I have mistaken what you
16 said, you have -- you have expressed a limited background in
17 Quality Assurance?

18 MR. WHITE: Yes.

19 MR. MURPHY: I mean, can I accept that as a fact?

20 MR. WHITE: Well, when you say limited, I've
21 explained to you what it was.

22 MR. MURPHY: I mean -- sure. Yeah.

23 MR. WHITE: You use the adjective limited.

24 MR. MURPHY: Okay. Well, what would you say it
25 was? I'll accept your definition.

1 MR. WHITE: No. No. I'm just say -- I don't know.

2 MR. CHARNOFF: Well, are you asking, is Admiral
3 White a Q/A expert?

4 MR. MURPHY: No, I'm not asking that.

5 MR. CHARNOFF: The answer to that is no.

6 MR. WHITE: Yeah.

7 MR. MURPHY: Well, he should -- he should --

8 MR. CHARNOFF: Is that what you are --

9 MR. MURPHY: No, he should --

10 MR. WHITE: Yeah, I understand that. Look, I
11 always hate to ascribe descriptive words, such as we're
12 discussing.

13 MR. MURPHY: Well, let me interrupt, there, because
14 I have noticed a descriptive word that you have mentioned.

15 MR. WHITE: Okay.

16 MR. MURPHY: Innumerable hours, is what you
17 actually said with DOL personnel.

18 MR. WHITE: Yes.

19 MR. MURPHY: And you, quite frankly, know that I
20 would participate in an investigation of a complaint about
21 the DOL folks, in which I interviewed you --

22 MR. WHITE: Yeah.

23 MR. MURPHY: -- concerning, some time ago?

24 MR. WHITE: Yes.

25 MR. MURPHY: Innumerable hours, does that mean five

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1 hours? Six hours, what does -- I mean, I'm asking you
2 innumerable hours, it's your -- it's your --

3 MR. WHITE: Yes, I understand. I would be happy --
4 please, whenever I say something, and you don't understand, I
5 would hope you would ask me. I would be happy to
6 approximate, you know, for example, those number of hours,
7 that I spent with those people. But what I'm trying to do,
8 is I'm really trying to answer the best way I can, and I
9 don't want to say something which would mislead you. And,
10 so, if you say limited knowledge of Q/A. You have heard,
11 clearly, I wasn't a Q/A expert. Did I know anything about
12 Quality Assurance? Certainly, I did. It dealt with the
13 Navy's program.

14 And, so, rather than say you have limited
15 knowledge, I would say, without any question, I had a limited
16 knowledge of the commercial nuclear power Regulations that
17 dealt with that subject. I had a limited knowledge of the
18 standards that were in existence, and I tried to say that
19 earlier. That kind of thing, certainly a limited knowledge.
20 Would I recognize, on the other hand, if I looked at a weld
21 that had a defect -- a surface defect, would I recognize it,
22 based on my experience? Certainly, I would. So, I'm trying
23 to categorize. So, when you say limited, I almost have to --

24 MR. MURPHY: Okay.

25 MR. WHITE: All right, now, let's go again. I am

1 now, as I understand it, answering based on my year, or so,
2 effective stay at TVA. Would I say today that each -- going
3 through each of these items, they have or have not appeared
4 to me to be a problem?

5 MR. MURPHY: Let me ask you that, if they were
6 valid at the time -- if we determine that these concerns, and
7 we have not determined that, because we have not investigated
8 it.

9 MR. WHITE: Yeah.

10 MR. MURPHY: If they were valid at the time, would
11 they have affected your Quality Assurance Program?

12 MR. CHARNOFF: Would they, or could they?

13 MR. MURPHY: Could they. Could they, is fine.

14 MR. CHARNOFF: Could they? Okay.

15 MR. WHITE: If -- we're really getting into a
16 hypothetical never, never land.

17 MR. REINHART: Could -- maybe, could I clarify it.
18 I think I've heard -- I've heard all kinds of different -- I
19 think what Dan is saying, assume those sixteen items are
20 valid today, yesterday, next year, twenty-five years ago,
21 whatever, these are valid items. He's saying, would those,
22 individually, impact the Q/A Program?

23 MS. BAUSER: Would they? Could they have?

24 MR. CHARNOFF: And is the question would or could?

25 MR. REINHART: Could they have, or would they.

1 assuming they are valid --

2 MR. CHARNOFF: There is a difference between would
3 and could.

4 MR. REINHART: Just say, is this a Q/A issue, one.
5 Or go to a corrective action, is that a Q/A issue? I think
6 that's what he's saying.

7 MS. BAUSER: You mean, could they have necessarily
8 -- I mean, would they have -- I don't know --

9 MR. WHITE: If I could understand better what you
10 are driving at, because I, frankly, --

11 MR. REINHART: Okay.

12 MR. WHITE: I mean, I don't want to answer some
13 hypothetical thing, that's going to be misread by you, or
14 anyone else.

15 MR. REINHART: Well, let me give you an example.

16 MR. WHITE: If I understand what you are driving
17 to, maybe I can directly answer what you seek.

18 MR. REINHART: Let me give you -- and I don't want
19 to put words in your mouth --

20 MR. WHITE: Okay.

21 MR. REINHART: -- but if you go down and look at
22 item three.

23 MR. WHITE: Uh huh (affirmative).

24 MR. REINHART: "Inadequacy of problem evaluation,
25 and corrective action." If you look at Criterion 16, that's

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1 almost word for word. Hey, that's a Q/A issue. That could
2 impact the Q/A Program.

3 MR. WHITE: Uh huh (affirmative).

4 MR. REINHART: I agree, it's a management issue. I
5 understand your philosophy. I agree with your philosophy.

6 MR. WHITE: You got good training.

7 MR. REINHART: We were trained in the same boat,
8 what can I say. But we look at corrective actions, that's
9 Criterion 16. And what Dan is saying, if we go down here, do
10 we see any kind of correlation between the eighteen Criteria
11 of 10-CFR- 50, Appendix B, and these items?

12 MR. WHITE: Okay, now, I understand what you are
13 asking. And let me first say, I accept your word on face
14 value, that Criteria 16 is that specific issue. I'm not a
15 Q/A expert, I don't know all of the Criteria, and where they
16 fall into. And that's one of the reasons that I'm worried *Edw*
17 about answering a hypothetical question. Because, you know,
18 I would -- you know, it would take, frankly -- let me tell
19 you how I would answer this.

20 If I were sitting in the office, and we weren't in
21 an investigation, and you asked me this kind of question, I
22 would say, bring Mr. ^{KAZANAS} ~~Kazanus~~ (phonetic) in here. He is my *Edw*
23 present Q/A Manager. And I would sit down with him, and I
24 would say, look, I need some expert advice and help. Is --
25 let's look at this one. Is that somewhere included in a

1 commitment that TVA has. Is it involved in your NQAM? Is it
2 involved somewhere in one of the eighteen Criteria, I believe
3 it is? And I would ask him a lot of questions about it, and
4 then form a judgement.

5 I hesitate, I really do, because I'm afraid I'll
6 mislead you, if I start trying to categorize things, versus
7 whether they appear in some Q/A requirement. And that's what
8 I'm -- that's what I don't want to do, mislead ~~them~~ ^{you}. ERW

9 MR. ROBINSON: You asked earlier, Mr. White, what
10 we are driving out. In other words, for us to tell you what
11 we're driving at, so that you could answer the question in
12 the proper context.

13 MR. WHITE: Yeah. Yeah.

14 MR. ROBINSON: I think what we're driving at is,
15 your awareness of these various items that we have showed you
16 up to this point, back when -- in early 1986, when you first
17 came? Based on your awareness of those items, did it ring a
18 bell to you that there was problems with TVA's Quality
19 Assurance Program? Did it indicate to you that there were
20 problems with Quality Assurance Program.

21 MR. WHITE: Okay, I can answer that question. If
22 that's the question, let's shortcut the red tape, or
23 whatever. I can answer that question, to say that in that
24 first quarter of the year, certainly by early March, and I
25 think my testimony on the 11th of March will back up what I'm

1 saying now, and I would have to go back and review,
2 specifically. But I certainly told the Commissioners, the
3 NRC Staff, and the public, in that meeting, that I had Q/A
4 problems at TVA. And then I kind of generally categorized
5 them, and I -- and I would like to review that. But my
6 recollection is, I talked about organizational changes. I
7 talked about standardization. I talked about the fact there
8 were five different organizations -- five different
9 procedural ways.

10 I talked about the fact that I, in my opinion, to my
11 standards, line management wasn't paying enough attention to
12 Q/A. I may have discussed, at some point, there, I certainly
13 knew that issues -- Q/A issues weren't being promptly
14 elevated to the top level, that kind of thing. Did I know
15 there were Q/A problems in -- in the -- I wouldn't say ~~in~~
16 ~~the~~ January, necessarily, or early February; but by March I
17 certainly did. And the best guide of that, perhaps, is my
18 open testimony, and Volume I.

edw
edw

19 I think Volume I goes into Q/A issues. So, thank
20 you for -- I didn't understand what the question was. I now
21 do, and that's the answer.

22 MR. ROBINSON: I don't claim to take credit for the
23 thinking, necessarily, with my associates, but I think that's
24 -- that's the context.

MR. WHITE: All right, I can answer that. I can

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answer, and what we're --

MR. ROBINSON: That's what we're basically driving

MR. WHITE: Okay. Yes. All right.

MR. MURPHY:

MR. ROBINSON: Were you done?

MR. REINHART: I was just going to point -- I happen to have that transcript from the 11th.

MR. WHITE: Yes.

MR. REINHART: And you talked about the thirteen hundred specific criticisms out of the eight hundred documents.

MS. BAUSER: Can we see the transcript?

MR. REINHART: Uh huh (affirmative). I'll give it to you in a minute. "The immediate goals were an organization to correct the organizational deficiencies as fast as possible, and to provide strength in the weak areas of great importance. And, you see, those are Q/A, engineering, and licensing, clearly at the top of the list, and those are the critical areas."

MR. WHITE: Yeah.

MR. REINHART: So, --

MR. WHITE: And that's what I've just tried to say. Yes, I agree.

MR. REINHART: Okay.

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1 MR. WHITE: And I publically said that. I don't
2 know how else I could be more specific.

3 MR. REINHART: Okay. Okay.

4 MR. WILLIAMSON: Let me ask you a question.

5 MR. WHITE: Yes.

6 MR. WILLIAMSON: What impact, if any, did this
7 systematic analysis of identified concerns have on the March
8 20th letter that was sent to WRC?

9 MR. WHITE: Without exaggeration, I would say close
10 to zero, or zero. At the time that I, for example, reviewed
11 the March 20, letter, this wasn't even in, at the time, a
12 document that was brought up or discussed. It was -- it had
13 fulfilled its function. And its function was to get all of
14 the allegations together for us to look at, from the
15 previous, I think, eighteen months, or something. So, zero.

16 MR. ROBINSON: Was Dan finished?

17 MR. WILLIAMSON: Yeah, basically. Can we take five
18 minutes?

19 (Whereupon there was a pause in the proceedings.)

20 MR. WILLIAMSON: We'll back on the record. The
21 time is 1:37. During the break, we had a discussion wherein
22 Mr. White agreed to stay overnight, extend the session this
23 afternoon. And Mr. White, Mr. Charnoff, and Ms. Bauser
24 agreed, barring any unforeseen circumstances, to be here at
25 0800 in the morning, July the 15th, 1987, to continue, and

1 hopefully complete this interview process. Let's see, who
2 was up

3 MR. MURPHY: I have one more question. Did we ask
4 you a question as to whether the systematic analysis
5 identified root causes? Did we ask that question, or did you
6 answer that question? I know we talked about it a little
7 bit, but --

8 MR. WHITE: Well, if you are asking the question, I
9 don't recall, we've talked about so many things already. My
10 recollection of it was in terms of what I, certainly today,
11 would call identification of root causes. That wasn't
12 conveyed to me as, you know, here are the answers to -- here
13 are the root causes of all of these problems. I may have
14 formed the judgment, as I say, and confirmed what I felt the
15 management root causes were, so, you know, it's some of each.

16 MR. REINHART: So, did we say yes or no to that?

17 MR. MURPHY: Well, let me -- Yeah, you know, as you
18 do and we do, when you look at eight millions documents, you
19 have a hard time determining, you know, exactly where you
20 find specific things. This is from Revision One of the --
21 it looks like Revision Four, but it's a part of the Nuclear
22 Performance Plan. And I think that last paragraph talks
23 about these eight hundred documents. Would you explain that
24 to me?

25 MR. WHITE: All right.

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1 MR. MURPHY: Because maybe I have missed the boat.
2 (Presenting). (Pause.)

3 MR. WHITE: Uh huh (affirmative).

4 MR. MURPHY: I mean, what is that particular
5 document? What is that? Maybe I missed the boat.

6 MR. WHITE: No, you know, certainly the last part
7 is what I've been trying to say here, is that -- it
8 discusses, first of all, the root causes. And then it goes
9 on to say what I've been trying to say, is that it's all
10 management and personnel.

11 MR. MURPHY: Okay.

12 MS. BAUSER: First of all, let me get a
13 clarification. You are representing to us that is Rev 4,
14 Volume I, of the Nuclear Performance Plan?

15 MR. MURPHY: I hope so.

16 MS. BAUSER: Okay. I couldn't confirm that myself,
17 so all right.

18 MR. MURPHY: Yeah.

19 MS. BAUSER: Now, do you want to read what you are
20 referring to, Mr. White.

21 MR. MURPHY: Yeah, why don't you read the whole
22 thing, then you can explain to me what that eight hundred
23 documents, and root causes --

24 MR. WHITE: "TVA has reviewed the problems which
25 have developed in its Nuclear Program during recent years, in

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1 order to identify the causes of these problems. As a result
2 of this review, TVA has formed judgments regarding the root
3 causes of the problems in its Nuclear Program. In order to
4 confirm this judgment, TVA assembled a team of senior
5 experienced industry advisors to analyze more than eight
6 hundred documents, which contained criticisms of TVA's
7 nuclear activities, and to identify any adverse trends in
8 their root causes. In general, the results of this analysis
9 agreed with the judgments formed by TVA regarding the source
10 of the problems in TVA's Nuclear Program.

11 "Although the individuals problems are varied, many
12 of them stem from the same cause, namely, the lack of a
13 sufficient number of experienced managers to provide
14 leadership and proper direction. Coupled with the absence of
15 an effective organizational structure, to insure the safe
16 design, construction, and operation of TVA's Nuclear Plants.
17 As a result, many TVA employees have lost confidence in TVA's
18 management."

19 MR. CHARNOFF: Now, what's your question, Mr.
20 Murphy?

21 MR. WHITE: "As discussed in the remainder of this
22 Report, TVA has taken, and is planning to take actions to
23 provide effective management of its Nuclear Program, and to
24 restore employee trust in TVA's nuclear management. This
25 objective is accomplished through the following actions, and

1 then, apparently, it goes on to other actions.

2 MR. CHARNOFF: Now, what is your question?

3 MR. MURPHY: Question -- the first question, is
4 that particular paragraph addressing what we have referred to
5 previously as the Nace Report? The eight hundred documents,
6 and the --

7 MR. WHITE: The eight hundred documents, yes, would
8 be the same documents.

9 MR. MURPHY: Okay. Is that not saying that the
10 review of them eight hundred documents, or the analysis of
11 the eight hundred documents was used to identify adverse
12 trends and root causes of problems?

13 MR. WHITE: Yes, it appears to, in that particular
14 sentence. But I hate to take it out of context of the rest
15 of that paragraph. Because the rest of the paragraph talks
16 about other judgments concerning root causes, which was what
17 I was alluding to earlier. Some of the confirmed things that
18 I felt, and -- and in the sentence which says, "The results
19 of this analysis agreed with the judgments formed." And,
20 perhaps, it would have been more accurate to say, agreed with
21 some of the judgments formed. But that, certainly, regarding
22 the source of the problems, that's what I was alluding to
23 earlier. And that they all stemmed from one cause.

24 MR. MURPHY: I don't have -- I'm not, for a minute,
25 suggesting that this was the only document that you used to

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1 Identify.

2 MR. WHITE: Yeah. Okay.

3 MR. MURPHY: I'm just merely asking, was this one
4 of the documents that was used to identify source root
5 causes, and source of concerns at TVA?

6 MR. WHITE: You know, all I can say is, that my
7 recollection of how it was used, was that we didn't use it.

8 MR. MURPHY: You did not use it?

9 MR. WHITE: I said, that was my recollection.

10 MR. MURPHY: Oh, okay.

11 MR. WHITE: That's what I told you.

12 MR. MURPHY: Had you --

13 MR. WHITE: This is my recollection, when you asked
14 -- I think you asked me this earlier, was that I hadn't used
15 -- no, I guess what you asked me was the March 20, letter,
16 and I answered that. You didn't ask me in terms of this --
17 Yeah.

18 MR. MURPHY: No, I didn't ask you. I wasn't here
19 when you were asked the question.

20 MR. WHITE: Yeah.

21 MR. ~~WHITE~~^{MURPHY} But, anyway, have we now determined yes
22 or no, that they were helpful in identifying, at least to
23 some degree, root causes of --

24 MR. WHITE: No, you know, I realize what the words
25 say, and within the context of what I'm trying to say, they

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1 are accurate. But, again, I don't want to mislead you, they
2 were confirmatory. I did not view -- confirmatory to other
3 inputs. I didn't view the Nace Report, and there may have
4 been exceptions. I mean, I hesitate to say always. I didn't
5 view the Nace Report as giving me -- as evaluating enough to
6 give me the "root causes", or to even evaluate the merit or
7 validity of it. I just -- I simply didn't. And I have
8 focused -- I have not focused on this specific sentence.

9 MR. MURPHY: Is that -- then that -- am I hearing
10 that that sentence is not an accurate description?

11 MR. WHITE: No. No, you know, you've asked me a
12 good question, and I'd have to go back and review it. All I
13 am saying, is I didn't focus on this in the preparation of
14 the document. It's a very lengthy document.

15 MR. MURPHY: Uh huh (affirmative). I understand.

16 MR. WHITE: I reviewed that document, as I do all
17 products that come out. And some things I focus on, and some
18 I don't. I wasn't the author of it. I didn't write it. I
19 tried to insure that it was accurate.

20 MR. MURPHY: Uh huh (affirmative).

21 MR. WHITE: And during my review, I asked a lot of
22 questions. Now, to look at a specific sentence and say,
23 well, is that true or not true, I can only give you my best
24 recollection as to what I did, and what I thought, and that's
25 what I'm doing.

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1 MR. MURPHY: Okay.

2 MR. WHITE: Someone else may have thought something
3 different, or that sentence wouldn't have been included in
4 there.

5 MR. MURPHY: Okay. Fine.

6 MR. WHITE: Okay?

7 MS. BAUSER: I would like to -- can I ask him a few
8 questions on this subject?

9 MR. MURPHY: Yeah. Do you need that?

10 MR. WHITE: I don't know.

11 MR. MURPHY: I mean, do you -- for the question?

12 MS. BAUSER: Yes, I mean, it has to do with this.

13 MR. MURPHY: Okay.

14 MS. BAUSER: Mr. White, did the -- to your
15 knowledge, did the Nace, or the Kirkebo group make judgments
16 about the validity of the problems that they catalogued?

17 MR. WHITE: To my knowledge, they did not.

18 MS. BAUSER: Okay. And to the extent that they may
19 have accumulated, as this document, that you were just
20 shown, adverse trends in problems, and their root causes, was
21 that not a cataloguing of the problems that they did not
22 validate?

23 MR. WHITE: That's what I said -- yes, that's what
24 I said earlier.

25 MS. BAUSER: So, that it was not a statement that

1 these adverse trends were, in fact, problems in TVA. It's
2 that they had been identified as a trend in the -- a trend
3 that these allegations would suggest?

4 MR. WHITE: That certainly would be an answer to
5 why the individual author, who authored that, might have put
6 it in. But, again, I didn't focus on that sentence. So, it
7 may explain why the individual felt that way, and stated it
8 that way.

9 MR. MURPHY: Are the various problems, or concerns,
10 that were identified in this thing, are you saying that what
11 we want to do is just kind of leave them hanging, is that --

12 MR. WHITE: No. No. No, let me make clear, when
13 you say this thing, you are speaking of the Nace Report?

14 MR. MURPHY: The Nace Report, the sixteen issues
15 identified in the Nace Report. Can you say, in your mind,
16 that they are not a problem?

17 MR. WHITE: No, let me make clear to you -- let me
18 make clear to you what I'm saying.

19 MR. MURPHY: Okay.

20 MR. WHITE: First of all, I tried to explain the
21 purpose of cataloguing these things. As an indication^{LOW} of
22 problems that might exist -- problems that might exist, in
23 the areas with which I am familiar with, I certainly have
24 pursued problems. I've tried to say that it confirmed in my
25 mind, subjectively, that problems in areas that I want to go

1 pursue, and make sure that they are pursued in the management
2 areas. And, so, you know, that's a problem finding, problems
3 solving thing. But quite separate and distinct from the
4 purpose of this, or the quality of what they did.

5 MR. MURPHY: Would you not have devoted some assets
6 to determining whether they are valid, or non-valid concerns
7 within TVA?

8 MR. WHITE: I'm not sure, very frankly, what
9 efforts, using this as a specific guideline. I would assume
10 that if I -- and I have not done this. But I would assume
11 that if I took all of the information out of this, and put it
12 in my Employee Concerns Program at Watts Bar, I would
13 probably find many, or most, ^{for} ~~of~~ example, the NRC/INPO things, Edu
14 that -- that would have been worked on. What I'm trying to
15 tell you is, that I didn't -- at the conclusion of this
16 report, other than confirming in my own mind things that I
17 had felt, I no longer used this report. Whether others did,
18 or not, I simply can't answer. I don't know. I don't know
19 whether others used that report for any purpose. I simply
20 don't know that. So, I can't answer your question, I'm
21 sorry.

22 MR. REINHART: Mr. White, listening to that, you
23 can say -- okay. I didn't go out and confirm that this is a
24 problem. Did anybody go out and confirm that it was not a
25 problem?

1 MS. BAUSER: When?

2 MR. REINHART: At any time?

3 MR. WHITE: I don't know. As I said, all I can
4 tell you is what I knew, and what I felt, and what I did.
5 And what I've said is, I no longer -- once that thing was
6 done, I no longer used it. I don't know if others used it,
7 or in what fashion they used it. I simply don't know. They
8 may have, or they may not have.

9 MR. REINHART: The reason I question that, if you
10 look at the tabulation of input from those concerns, of the
11 thirteen hundred, one thousand seventy-three came from the
12 NRC; eight-five came from INPO; thirty-three came from
13 Management Analysis Corporation. Those are the biggies. I'm
14 guessing that every time one of these groups has a finding,
15 from my reading of reports, they cite the finding, they cite
16 the requirement, they cite the specifics, and ninety-nine and
17 forty-four one hundredths per cent of the time, they are
18 valid. I would -- I don't think anybody would characterize
19 that although we have thirteen hundred findings, but probably
20 they are not valid. I think, probably, you would say they
21 were valid. So, I'm not really understanding the point of
22 saying they are not verified.

23 MR. WHITE: Let me, again, tell you, all I can do
24 is explain. If you were to ask me the hypothetical question,
25 and you have not, would I assume that people utilized these

1 in some fashion, later on, the cross check? Did they use
2 them in some fashion, my assumption would be yes, I would
3 assume that, based on the organization.

4 MS. BAUSER: Can I ask a clarifying question,
5 because I think there is something that's being lost. Is --
6 was -- are you aware -- was this the only means that might
7 have been used to pursue problems at TVA?

8 MR. WHITE: No, of course not. For example, if you
9 had -- and that's left unsaid, because I assumed that that --
10 we are knowledgeable about the thing. If INPO had a finding,
11 for example, that's in the system, somewhere. It's being Edw
12 tracked in the system. If the NRC had a finding of the
13 nature you are saying, that is somewhere in the system, and,
14 it's being tracked separately. But, again, what I'm saying
15 is, I don't have any personal knowledge that someone took
16 this, and used it in any fashion, or did not. I simply don't
17 have that knowledge.

18 MR. REINHART: That's not what I'm addressing.

19 MR. WHITE: I'm sorry.

20 MR. REINHART: What I'm addressing is the recurring
21 statement, these are all not that validated. That seems
22 preposterous, because I've not heard anybody at -- responding
23 to NRC citations, or concerns, or INPO findings, and saying,
24 well, that's not validated. Usually, as they accumulated,
25 somebody in the Agency, or the organization being audited

1 goes, and ongoing, validates these things.

2 MR. WHITE: Yeah. Let me explain, and maybe I can
3 clarify this thing. For the examples that you are giving,
4 that certainly would seem to be appropriate, in INPO and NRC.
5 And there were many other allegations, and I don't know the
6 numbers. But supposing an individual had alleged that, and
7 let me pick one example. Had alleged that the welding
8 program at ~~Sequoyah~~^{Sequoyah}, and there were such allegations that came
9 up at one time or another. Supposing someone had alleged
10 that the welding program at ~~Sequoyah~~^{Sequoyah} is not in compliance with
11 the commitments, or Appendix B.

12 What we have found out from all of our
13 investigations at ~~Sequoyah~~^{Sequoyah} is, that the program is all right,
14 and the implementation of it, and I believe I'm being correct
15 when I say that the NRC is in agreement with us. That's the
16 kind of allegation that would make one nervous, when you are
17 just ~~comparing~~^{applying} what anyone might say. If I take the biggest
18 case, and I say with five thousand employee concerns at Watts
19 Bar, did anyone in this group, supposing one or five or some
20 number of those concerns were in this thing. Did anyone in
21 this group validate that with respect ~~that with respect~~ to
22 determining the merit? The answer is no. That wasn't their
23 function to do.

24 And, so, we -- I -- we had to be very careful. You
25 couldn't take what anyone said and assume it was true.

1 Certainly, as you review it, I can't put myself in the mind
2 of the people, but I would assume as you do. If they looked
3 at something, and said, this is an NRC concern. It might
4 even say, this is a concern, and they fined us for it.

5 MR. REINHART: Okay, I understand what you are
6 saying. Now, to follow up my point --

7 MR. WHITE: Yeah.

8 MR. REINHART: -- of the thirteen hundred concerns,
9 eleven hundred and fifty-eight of them are NRC and INPO. So,
10 if we take all of the rest, and say we'll, maybe, spot you
11 fifty per cent, we are talking twelve hundred of the thirteen
12 hundred look like fairly solid concerns.

13 MR. WHITE: I don't recall the precise numbers.
14 I'm assuming eleven fifty-eight may be reading from --

15 MR. REINHART: Well, I'm just reading out of
16 Attachment Four of the report.

17 MR. WHITE: -- the document.

18 MR. CHARNOFF: I think you misunderstood what Mr.
19 White said.

20 MR. REINHART: No, I didn't.

21 MR. CHARNOFF: He didn't say they weren't
22 validated. He said the group didn't validate them.

23 MR. WHITE: That wasn't their function.

24 MR. REINHART: I'm saying they didn't have to. I'm
25 saying, so what.

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1 MR. WHITE: Okay.

2 MR. CHARNOFF: That's the same -- he said the group
3 didn't try to validate them.

4 MR. REINHART: Okay. Now, the next question, part
5 B, so what? They didn't validate them, so what?

6 MR. CHARNOFF: There was no determination of --

7 MR. REINHART: I'm asking Mr. White.

8 MR. WHITE: Well, I would have to go back and
9 review the various questions that you've asked me, you know,
10 as to the so what part. All I can testify to, is that the
11 individuals didn't have that function. Whether or not
12 problems were followed up on is a separate issue from this
13 document. And if you want to know so what, so maybe nothing.
14 So, maybe we could go and find eleven hundred and fifty-eight
15 items, all being tracked. Some of them -- some of them would
16 have been not only tracked, but would have been completed.

17 In other words, we went through a year and a half
18 history. I would assume that some of those eleven hundred
19 and fifty-eight were items raised by the NRC, satisfactorily
20 resolved, and closed. And, so, the so what would be just
21 that, you know, so what. Well, the so what is, they are
22 through ^{with} their work, and I now have management problems to
23 solve, okay.

24 MS. BAUSER: You are assuming that they are
25 outstanding problems?

1 MR. REINHART: Oh, no, I'm not at all. I'm not
2 assuming anything.

3 MR. WHITE: I don't ^{think} ~~thing~~ he is.

4 MS. BAUSER: Okay.

5 MR. WHITE: Okay, does that answer -- I'm trying to
6 do the best that I can.

7 MR. REINHART: No, you answered my question.

8 MR. WHITE: Okay, thank you.

9 MR. MURPHY: I have one final question. We've got
10 twenty-one Stone & Webster senior people, according to this,
11 experienced people --

12 MR. WHITE: Uh huh (affirmative).

13 MR. MURPHY: -- coming here, and spending what
14 appears to be eleven day to do a review and analysis, right?
15 And if it wasn't -- I mean, what was it -- I mean, you said
16 you kind of ignored it when it was over, or you kind of
17 forgot about it. You didn't use it after that. What did we
18 do it for?

19 MR. WHITE: To try to help determine, just based on
20 the sheer numbers of allegations in certain areas, whether
21 there was a pattern of any kind. And I don't ^{mean} ~~see~~ pattern of *OK*
22 allegations, I mean could they help me, and they did help me.
23 They said, you've got a management problem. Clearly, it goes
24 to it. And I said, well, I have a management problem,
25 because I have other independent sources, and my own eyes and

1 ears. And I have the allegations from the NRC, and INPO; and
2 if I believe these numbers, primarily from them. And I said,
3 well, that certainly has an impact as to -- yeah, I really
4 need to probably go do something. But not based solely on
5 the Nace Report.

6 I have to be honest with you, and very up front. I
7 think you are giving a lot more credibility to this whole
8 effort than it warrants, with regard to either the March 20,
9 letter, or anything else. It was one of many, many, many
10 efforts to find our problems. And, so, you know, you seem
11 surprised at this.

12 MR. MURPHY: Uh huh (affirmative).

13 MR. WHITE: And I'm not at all -- and from my
14 viewpoint, I'm not at all surprised. Knowing the other
15 efforts I had going on, this was a minor effort. I didn't
16 view, by the way, those twenty-one SWEC people -- they may
17 categorize themselves as senior people. But in terms of my
18 terms of senior people, even Nace was no -- you know, when I
19 talk about senior people, I'm talking about Mr. Allen, the
20 Chairman, and the CEO. And I'm talking about, maybe, a Mr.
21 Kelly, as being senior people. From the point of view of Ed
22 the guy down here, he might view these people as senior, but,
23 you know, these were not people, I don't believe, with
24 twenty-five, thirty years experience.

25 When I say senior, I talking about somebody with

1 twenty-five or thirty years, or, maybe, in some cases, maybe
2 less. But -- okay.

3 MR. MURPHY: We're going to it one more time.

4 MR. WHITE: Yes.

5 MR. MURPHY: Would you categorize Craig Lundin in
6 that category as -- I mean, is he just --

7 MR. WHITE: As a what?

8 MR. MURPHY: He's not a senior guy in that area --
9 not an expert?

10 MR. WHITE: Well, he's one -- he is one, perhaps,
11 in that borderline. I don't know how many years experience
12 he has. He's senior enough to be managing the welding
13 program for TVA, now. He is certainly not the seniority of a
14 -- of a -- of a Drotleff or a Kelley, or a Houston. So, it's *Cal*
15 a relative thing. And I'm trying to keep from the staff,
16 putting labels, but I didn't want to mislead you to thinking
17 that this was some huge, high level group of people.

18 MR. MURPHY: Okay.

19 MR. WHITE: And I assume the number twenty-one of
20 SWEC people is right. I wasn't there --

21 MR. MURPHY: Well, no, it says so on the report.

22 MR. WHITE: Yeah, but that's fine. That's fine.

23 MR. MURPHY: I don't know. I mean, you might had
24 six up there, but, you know, it says twenty-one.

25 MR. WHITE: That's fine. No. No, if that's what

1 the report says. It's probably accurate.

2 MR. MURPHY: And it does identify them as having
3 expertise in various areas.

4 MR. WHITE: I'm sure they did.

5 MR. MURPHY: And, you know, but that's -- like I
6 say, it's -- anyone else got any questions down there? (No
7 response.) Okay. Now, let's get on to something else. When
8 did you first become aware, Mr. White, of the December 19th
9 presentation to Commissioner Asselstine by the folks now at
10 NSRS, Mr. Sauer, in particular, related to the ten or eleven
11 perceptions?

12 MR. WHITE: I believe early in January, the, you
13 know, perhaps -- I would have to look at a calendar, but it
14 was the week preceding my arrival at TVA.

15 MR. MURPHY: And how did you become aware of this?

16 MR. WHITE: From two different sources. The
17 Chairman of the Board Dean had taken me ~~to~~^{to} NRC Headquarters Edw
18 in Washington, to introduce me to the various Commissioners
19 and senior staff. And during those meetings, there was a
20 discussion from -- definitely from Commissioner Asselstine,
21 on that meeting. And there was also a discussion with Mr.
22 Denton and Mr. Stello, which dealt, in general, with that
23 issue.

24 MR. MURPHY: Were you aware, at the time, that,
25 historically, there had been a little bit of a rift between

1 the line organization and the NSRS personnel?

2 MR. WHITE: I only know, you know, what I said
3 previously, and even when I was here in October, that I
4 sensed that there was a problem. Certainly, things weren't
5 coming out right in terms of the NSRS. So, I -- and -- and
6 the other -- the evidence was very sparse. From a comment
7 here or there, by TVA people, I gathered that the -- the
8 relationship between the NSRS and the line management
9 certainly wasn't very cozy.

10 MR. MURPHY: In your initial contact with the Board
11 of Directors -- the TVA Board of Directors, did they
12 indicate any -- I mean, did it ever get to the point where
13 they indicated that there was a problem between the line
14 organization and the NSRS staff?

15 MR. WHITE: In any of the discussions with the
16 Board of Directors?

17 MR. MURPHY: Well, you said you attended a meeting,
18 and I guess that -- is that the 9 January meeting that the
19 Board of Directors had with the NRC? Is that the meeting you
20 are referring to?

21 MR. WHITE: Oh, no. No. No. No.

22 MR. MURPHY: Okay.

23 MR. WHITE: I'm referring to -- whether it was 9
24 January, or not --

25 MR. MURPHY: Let's say the week before you arrived.

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1 MR. WHITE: -- I don't recall. It may have been
2 that day.

3 MR. MURPHY: Okay.

4 MR. WHITE: I went and sat in the audience for that
5 meeting. And some time about that time frame, it may have
6 been the same day, or the day before, or the day after, they
7 took me around to introduce me to the various people, and
8 that's what I was referring to.

9 MR. MURPHY: Okay. And the fact that these guys
10 had presented -- made this presentation to Commissioner
11 Asselstine surfaced at that time? Is that how you learned of
12 it?

13 MR. WHITE: Maybe I haven't been clear, it surfaced
14 when I talked -- put aside, for a second, the TVA appearance
15 in front of the NRC. My recollection of that, is that very
16 little of substance was discussed from TVA.

17 MR. MURPHY: I understand.

18 MR. WHITE: What I'm referring to is -- is either
19 before or after, but not during that, they took me around to
20 various offices and said, Commissioner Asselstine, I would
21 like for you to meet Admiral White. And we sat down and
22 chatted. And the subject came up. That's one of the two
23 subjects that came up, that I recall, in the conversation
24 with Commissioner Asselstine; which lasted a half an hour, or
25 so. So, he clearly discussed that presentation to him.

1 MR. MURPHY: Okay, when you left there, did you --

2 MR. WHITE: And the same thing with Mr. Denton and
3 Mr. Stello.

4 MR. MURPHY: They also surfaced the issue --

5 MR. WHITE: They also surfaced the issue that they
6 had a letter which they -- which Dean, as I recall, hadn't
7 even seen yet. And they said, you know, do you know about
8 this letter, that we're directing you to do -- to go look at
9 this thing. And he seemed surprised, because he hadn't seen
10 the letter. It hadn't been surfaced. Although, I think the
11 letter is dated the 3rd of January.

12 MR. MURPHY: January. And he had not received this
13 letter?

14 MR. WHITE: I don't recall. I don't think he had
15 seen it, yet. Because he read it -- it appeared to me like
16 he was seeing it for the first time, as I was.

17 MR. MURPHY: I'm a little confused on that, because
18 on the 9th of January, I think, Mr. Dean had sent a letter to
19 the NRC, kind of requesting more time, is that not correct?

20 MR. WHITE: What happened --

21 MR. MURPHY: Do you know?

22 MS. BAUSER: That is correct.

23 MR. WHITE: Yes, it probably is.

24 MS. BAUSER: And that is not inconsistent.

25 MR. WHITE: But let me tell you what happened at

1 that meeting. What happened at that meeting was, and I'm now
 2 speaking of the meeting with Mr. Stello and Mr. Denton. Was,
 3 they showed him the letter. He asked at that time, he said
 4 -- you know, I think the letter only gave him six days, or
 5 something, and he said, "I would like an extension to that
 6 time period, because Mr. White is just coming aboard, and he
 7 will be looking at this." And they said, "Fine, write us a
 8 letter, and tell us that."

9 I don't know the specific date of the letter, but
 10 that's where -- in that conversation is where Mr. Dean
 11 actually asked for an extension of time.

12 MR. MURPHY: After -- at any point shortly
 13 thereafter, did you have a discussion with Mr. Dean about
 14 what this was all about?

15 MR. WHITE: at that point, or after?

16 MR. MURPHY: I mean, you know, you were told that
 17 -- that this issue has arisen. I mean, and you were with the
 18 Board of Directors, I guess, at that time, weren't you?

19 MR. WHITE: No, I was with Mr. Dean, and Mr.
 20 Waters wasn't with us; and Mr. ^{Freeman}~~Freeman~~

21 MR. MURPHY: Okay. Did you ask them what that was
 22 all about? I mean --

23 MR. WHITE: No. No, in the discussion -- the
 24 lengthy discussion with Mr. Asselstine, particularly, he
 25 mentioned the thing to Mr. Dean. They had a discussion on

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1 the subject. I, really, just kind of listened. I heard the
2 term differing professional opinion, which I was not familiar
3 -- that was the first time I heard it. That came up in that
4 conversation. Mr. Asselstine made it clear that he viewed
5 this thing as an urgent matter. He made it very clear to me
6 that, White, you better get back down there and answer this
7 thing, you know, on a kind of an urgent basis. You've got to
8 get back to us quickly on this thing.

9 I sensed the same thing in the Denton/Stello
10 conversation. That, really, they -- they wanted us to answer
11 this thing as quickly as you can.

12 MR. MURPHY: And what did you do about that?

13 MR. WHITE: About what?

14 MR. MURPHY: About this sense of urgency? Did you
15 view it as a sense of urgency?

16 MR. WHITE: When I had those three senior people
17 indicating that, of course, and I didn't understand -- I
18 truly didn't understand the issue. I hadn't even looked into
19 it. I hadn't even started to look into it. But, certainly,
20 it registered on me that I had better get back and try to get
21 a response to whatever this problem was.

22 MR. MURPHY: What action did you take?

23 MR. WHITE: That day, nothing.

24 MR. MURPHY: Okay, but I mean after --

25 MR. WHITE: Nothing on that day, obviously.

1 MR. MURPHY: And when you returned to TVA?

2 MR. WHITE: I hadn't yet arrived at TVA.

3 MR. MURPHY: When you arrived?

4 MR. WHITE: I arrived the following week, I
5 believe.

6 MR. MURPHY: Okay. And did you -- what action --
7 when was the first time you took any action to look into this
8 issue?

9 MR. WHITE: Well, I honestly don't remember. I
10 don't think it was -- I think -- I think I arrived on a
11 Tuesday, or maybe on a Wednesday. I don't -- I would have to
12 look at a calendar. The first action that I recall was, and
13 I'm not sure whether it was that week -- the first week or
14 second week, but it was in that time frame. I said to a
15 couple of the advisors, as I recall, at least two of them. I
16 got other things going on. In fact, I think I was getting
17 ready to go to -- go out to Brown's Ferry, to talk to the
18 people down there, and inspect the place. But I had a lot of
19 things going on.

20 And I said, look, get this NSRS group and the line
21 management, you know, have TVA orchestrate a meeting. Get
22 the players in the same room, and determine, if you can, what
23 each of them are saying, because I would like to get this
24 thing brought to my level, you know, in a reasonable time
25 frame. And I may have said, as quickly as possible, I don't

1 remember. But it was kind of -- it had the sense of urgency.
2 Bring me the facts that support each of the positions, so
3 that I can make a decision.

4 MR. MURPHY: And was that done?

5 MR. WHITE: Was what done?

6 MR. MURPHY: Was the fact --

7 MR. WHITE: Did I make a decision? No.

8 MR. MURPHY: Was the facts -- were the facts
9 brought to your attention, so you could make a decision?

10 MR. WHITE: No, not at that time. Because the
11 first thing that happened was -- there may have been more
12 than two, but I remember Mr. Sullivan, I believe was one, and
13 Mr. Wegner was the second. And subsequent to that meeting, I
14 talked to them; and I think individually, but it may have
15 been together, but I think individually.

16 MR. WILLIAMSON: The time is 2:10, and we'll take a
17 short break.

18 (Whereupon there was a pause in the proceedings.)

19 MR. WILLIAMSON: For the record, the time is now
20 2:15. Mr. Murphy?

21 MR. MURPHY: In your statement, you said you were
22 busy doing things, and you ordered your staff to go out and
23 look into -- at least a couple of people, to go and look into
24 the NSRS situation.

25 MR. WHITE: I said outside advisors.

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1 MR. MURPHY: Outside advisors, whoever that is. He
2 said Mr. Wegner, and --

3 MR. WHITE: Mr. Wegner, and I believe, Mr.
4 Sullivan.

5 MR. MURPHY: Okay. And my question was, did they?
6 And what I really mean by did they, was did your staff do as
7 you instructed them to do, and go out and conduct this?

8 MS. BAUSER: You mean, did Mr. Wegner and Mr.
9 Sullivan?

10 MR. MURPHY: Yes.

11 MS. BAUSER: You said the staff.

12 MR. WHITE: Yeah, when you say staff, yes.

13 MS. BAUSER: Okay.

14 MR. WHITE: They came back to me, and I talked to
15 them. And as I say, I'm not sure if it was one at a time, or
16 two of them in the same meeting. And, in essence, they
17 informed me that the NSRS people did not appear to have facts
18 to substantiate their position. I don't know whether to use
19 the word, this was an incredible meeting, or not. But they
20 came back with the impression -- let me put it this way, the
21 impression I formed, and the decision I made as a result of
22 that report, was, it was clear to me that I was going to have
23 to go outside of TVA to get objective outsiders to come in,
24 if I ever intended to get to the bottom of this.

25 MS. BAUSER: Let me ask a clarifying question,

1 here. You said that they came back. What did they come back
2 from?

3 MR. WHITE: That -- the meeting. They came back
4 from the meeting.

5 MR. MURPHY: Okay. Do you know when that meeting
6 occurred, off hand?

7 MR. WHITE: The particular date, no, I -- it was
8 either the first or second week after I arrived. It was
9 after I had released the Licensing Manager, I believe, which
10 was in a -- from TVA duties, which was several days after I
11 arrived, but I can't give you an exact date.

12 MR. MURPHY: Did you ever meet with these
13 individuals, yourself, prior to March 20th? The NSRS --

14 MR. WHITE: The individuals?

15 MR. MURPHY: Yeah, the individuals who -- I think
16 you had an meeting with NSRS, I believe. But did you meet
17 with the individuals who made the presentation to
18 Commissioner Asselstine? I'll clarify that, Mr. Sauer made
19 the presentation to Commissioner Asselstine. But several
20 people who were working at Watts Bar were furnishing him
21 information. So, did you meet with Mr. Sauer, or that group
22 that he was working with?

23 MR. WHITE: Did I meet with -- with them, yes. I
24 don't know the exact time -- timing.

25 MR. MURPHY: And was the intention to address this

1 issue, do you know, or was it just a general meeting?

2 MR. WHITE: No, it was -- at some point in that
3 time frame, and it may have been before or after the March
4 20, letter, I don't recall. In terms of what I call walking
5 the ship, I was walking the spaces in Knoxville, and walked
6 through the NSRS spaces, and was introduced to NSRS people,
7 and chatted with them. Not -- some of them were -- I believe
8 some of them -- whether there -- well, Sauer, Washer, and Mr.
9 ~~Geety~~^{Uity} were three of them. Mr. ~~Geety~~^{Uity} I clearly talked to when
10 I visited there. But I can't give you an exact time frame.

11 I, also, at some point in time in there, started --
12 and it may have been before or after the March 20, letter, I
13 don't recall. But I started, after the Department of Labor
14 discussions, I started meeting with Mr. Washer, first, Mr.
15 Sauer second, and this just Mr. ~~Geety~~^{Uity} about the same time. I
16 can't give you a time frame, but it wasn't the topic -- the
17 specific topic. I don't believe we sat down and talked about
18 Appendix B.

19 MR. MURPHY: Did you ever direct, prior to the
20 March 20th, letter, that the line organization respond to the
21 perceptions identified -- that Mr. -- to Commissioner
22 Asselstine by Mr. Sullivan?

23 MR. WHITE: I don't recall ever making that
24 specific direction. I think it might be helpful if -- if --
25 and maybe I can get ahead with some of the questions that you

1 want to ask, to tell what I did. Okay, the -- I think TVA,
2 at the time, I was told that TVA had already started
3 preparing responses to the individual issues. Mr. Kelly was
4 there at some point in time, and Mr. Houston, and I don't
5 know the precise dates. But it clearly evolved onto Mr.
6 Kelly's shoulders, I would say, kind of the overall
7 responsibility from me to bring in some outsiders to look at
8 this thing. That resulted in a group of, I don't know, seven
9 or eight, maybe nine people that were brought in with -- or
10 what Mr. Kelly described as the -- as recent experience in
11 investigating similar issues to this in industry.

12 That group, I believe, was placed under Mr.
13 Lundin's direction. I did not know Mr. Lundin, and I don't
14 think I met him until -- I don't recall meeting him until
15 much after the March 20, letter, and I don't know ~~how~~ where,
16 but much after. But I had heard his name. I, then, with
17 that first group, gave what I would say the general
18 management direction of some of the major things that I
19 wanted; and I gave that to Mr. Kelly, and maybe to Mr.
20 Houston. And maybe to others in the senior advisory people,
21 because I had, then, some number of maybe as many as a dozen
22 very senior people from industry.

23 Well, that first group, as I remember, had fifteen
24 or sixteen years average experience in such matters. And the
25 second group had, probably, twenty-five or thirty, and I

1 I don't know, but extensively more. I may have discussed, you
2 know, what we are doing, and given other direction; but as I
3 recall, it was Mr. Kelly. And they were -- I would
4 categorize them as policy kinds of decisions. And I was
5 looking for the truth, no matter where it led us. That I
6 wanted this thing objectively looked at by outsiders.

7 That I wanted to make sure that any records, or
8 anything that we did, decisions that were made, facts that
9 were found, you know, and I don't recall in detail. But,
10 certainly, I wanted an auditable trail of this thing. I
11 wanted things written down in kind of an auditable trail.
12 So that -- so, if the NRC, if they wanted to, could come in
13 and look at all of the same things that they were looking at,
14 and that I subsequently might look at.

15 I'm not sure, there may have been other general
16 management guidelines that I gave him, and I would really
17 have to stop and think. But it was that kind of thing, to
18 get out and -- well, for example, to -- to talk to the NSRS
19 people. One for the issues was, you know, presented in this
20 thing were, TVA couldn't, apparently, communicate among
21 themselves, so let's us communicate with both sides. And,
22 so, whether the initial direction was that, or subsequently
23 -- or maybe some of this he did on his own, I don't remember.
24 But it, you know, it involved talking with people, and that
25 kind of thing. So, that's how I explain, basically, what

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1 they went off and did.

2 MR. MURPHY: Okay, and you say that Craig Lundin
3 was going to establish this? Or you had told Mr. Kelley to
4 establish this auditable trail?

5 MR. WHITE: Yes.

6 MR. MURPHY: And that this was what Craig Lundin's
7 group of five, six, whatever number that is, is that what
8 they done?

9 MR. WHITE: I didn't get into that detail with
10 them, you know, I subsequently, many months afterwards,
11 looked at the volumes they prepared in the bookshelves. And
12 that was at the time -- that was much after the fact.

13 MR. MURPHY: Uh huh (affirmative).

14 MR. WHITE: It was described as, oh, by the way, I
15 was visiting in the offices, and, by the way, those are all
16 of the documentation that you required back then. And I
17 didn't look at it then. So, how he carried that, I don't
18 know. Whether he told Lundin to do it, or whether he did it,
19 himself, or they delegated it, I don't know.

20 MR. MURPHY: Are the books that you are referring
21 to, these large volumes, were they supposed to have been
22 created by Craig Lundin and his group, do you know?

23 MR. WHITE: They weren't described as that to me.
24 As I remember, the general description was, that's all of the
25 documentation from the March 20 letter that we retained, you

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1 know, because, it was kind of, because you wanted it
 2 retained. I didn't get into specifics. I didn't, you know
 3 -- as I recall, I took the first book off of the shelf, to
 4 see if there was a title page, and I looked at one or two
 5 pages, and put it back. I don't even know what's in the
 6 volumes, so I can't -- I can't tell you that.

7 MR. MURPHY: I'm a little confused, but --

8 MR. WHITE: Okay.

9 MR. MURPHY: -- could they have been the books that
 10 were gathered -- the information gathered by the line
 11 organization, as opposed to the Lundin group?

12 MR. WHITE: My impression is, that they would have
 13 had to have included the information prepared by the line,
 14 because I believe -- I believe what I was told at the time,
 15 was that the line managers had already started to look at,
 16 and develop answers. I think they had already had some
 17 meetings. I think I was told that, they had already had some
 18 meetings, and started to develop answers. These two groups
 19 were oversight groups. I didn't specifically, for example,
 20 tell Mr. Kelley, go develop some answers. Their's was very much *Edu*
 21 an oversight ^{role} ~~role~~ *ten*

22 MR. MURPHY: Okay.

23 MR. REINHART: Dan, I'm lost on one point. You
 24 mentioned two groups. Who were the two groups?

25 MR. WHITE: The first group is the one of whatever