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NATIONWIDE COVERAGE

EXHIBIT 17
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6, portions*

1 MR. ROBINSON: This is an interview of
2 RICHARD SMITH, Nuclear Safety Review Staff, Tennessee
3 Valley Authority, Knoxville, Tennessee. Date is
4 April 10, 1986.

5 Present at the interview are Mr. Smith,
6 Larry L. Robinson, OI/NRC, and Jim Stone, I and E/NRC.

7 EXAMINATION

8 BY MR. ROBINSON:

9 Q Dick, would you please state your full
10 name and residence address?

11 A My full name is Richard D., as in Daniel,
12 Smith.

13
14 Q And residence telephone number, please?

15 A

16 Q And what are your dates of service with
17 NSRS?

18 A April, 1980, until present.

19 Q And what is your total dates of service
20 with TVA?

21 A That's essentially the full time. There
22 was one period of about a year back in 1965 to '66 that
23 I worked for a year with TVA at the experimental gas cooler
24 reactor.

25 Q From the first point in your career where

L. Portino

1 you got involved in nuclear related work, could you start
2 with that point, the month and year of that point and
3 kind of come forward to NSRS for me, please?

4 A Okay. Let's see. I was in the nuclear
5 navy. And let's see, I went in the Navy in October of
6 '58. Went to Class A School in, let's see. It was about
7 '59, I guess it was. So in 1959, I, was my first
8 exposure into the nuclear business. Through A School,
9 S3G prototype, qualified there. Qualified as an engineer
10 and laboratory technician, in addition to qualifying on
11 the land, per se, then went aboard the USS Tritan, served
12 out the rest of my enlistment there, which was October
13 of '64, then from there I went to the Tennessee Valley
14 Authority to the experimental gas cooled reactor. It
15 was in a construction phase, and while I was there I was
16 health, physics technician and received some additional
17 training with TVA in Oak Ridge National Laboratory.

18 Then when that project closed down I went
19 to the University of Tennessee and got my Bachelor's
20 Degree in Engineering Physics.

21 Q What year did you get that?

22 A Graduated in 1969.

23 Q Okay.

24 A It's a five-year program. I would have
25 finished up in three and-a-half years.

1 Then from there I went to work for
2 Atomic Energy Commission in Oak Ridge Operations in
3 Safety and Environmental Control Division, and in that
4 capacity it was performing reviews of all contractor
5 operations, primarily in the area of health, physics,
6 industrial hygiene.

7 Got into occupational medicine, accidents,
8 incidents. I was qualified and trained, qualified as
9 an accident investigator with the Department of Energy.

10 Q This was in '69 until when?

11 A '69 until I came to TVA in 1980, and then
12 I came over here in 1980, and I'm still here.

13 Q Did you come, that's right, you came with
14 NSRS in 1980.

15 A Yes.

16 Q What was your initial position with NSRS?

17 A Initial position was nuclear engineer in
18 the reviews and investigations section.

19 Q And your supervisor was?

20 A At that point in time was Kermit Whitt.

21 Q Were there any, were you assigned any
22 specific plant? Were you working any specific plants?

23 A No.

24 Q Okay. Various plants?

25 A Right. I was not a cognizant engineer.

1 My basic background, field of expertise, if you will,
2 when I came aboard was considered health, physics and
3 emergency planning.

4 Q All right. Were you pretty much looking
5 into employee concern type investigations or describe
6 a little bit what you were into.

7 A It varied. I got involved in a lot of
8 reviews. I got involved in some employee concerns. So
9 one, I guess, operational occurrence.

10 Q What grade level did you hire in as?

11 A As an M-5.

12 Q And what is your current grade level?

13 A Temporary M-7.

14 Q And what is, okay. From an investigator
15 on the operation and investigation staff, what was your
16 next position, promotion position?

17 A I was promoted to an M-6 staff specialist,
18 if you will. Still with the job title as nuclear
19 engineer, but the specialist was added with regard to
20 health, physics and emergency planning.

21 Q Did you have any supervisory responsibility?

22 A No. No.

23 Q Okay. What is your position now?

24 A I am now the acting branch chief of the
25 reviews branch.

1 Q And who is your immediate supervisor now?

2 A Kermit Whitt.

3 Q And how many people do you have working
4 for you?

5 A Right now I have six.

6 Q Okay. At any point in time, Dick, were
7 you in the report review chain of command of a gentleman
8 by the name of Claude Key?

9 A Yes.

10 Q Okay. Do you recall him being, doing some
11 employee concern work at Bellefonte?

12 A Yes.

13 Q He evidently had some problems with the
14 cooperation of the site people at Bellefonte in the
15 employee, in his conduct of the employee concern. At
16 least, he perceived problems, okay? Were you aware of
17 those at all?

18 A No. No. When was this?

19 Q This would have been back in '82.

20 A '82. '82.

21 Q I believe in early '82.

22 A I was not in a report review position at
23 that point in time.

24 Q Okay.

25 A There was a period of time, I can't give

1 you the dates right now. They elude me, but we went
2 through a period where Michael Harrison and myself were
3 competing for the position of Section G, for that point
4 in time for the reviews and investigation section, and
5 that was prior to Michael Kidd coming back as the section
6 chief, and that was back in the '64 time or '84 time frame.

7 Q '84 time frame?

8 A Yeah. So it was at that point in time
9 that I was in a capacity of review and reports as I am
10 today.

11 Q Okay. Do you recall anything about
12 Claude Key writing or drafting a report that expressed
13 his dissatisfaction with the site people as far as their
14 cooperation with the employee concern at Bellefonte?

15 A No, I don't really remember him writing
16 anything like that.

17 Q Okay. He wrote, he gave me a copy of a
18 draft report.

19 A Okay.

20 Q And he wasn't clear about exactly why it
21 wasn't published. What was, it said he was put in a
22 trailer, stuck in a trailer way back in a very, position
23 very inconvenient for the site people to get to for
24 access. That the word wasn't passed around the site about
25 availability of the employee concern program and he seemed

1 to be pretty concerned about it, and he wrote a draft,
2 and he didn't indicate that he definitely gave it to you
3 for publishing, but he indicated that you might know
4 something about why it didn't get published.

5 Do you know, that doesn't ring a bell to
6 you at all?

7 A No. I remember asking Claude at the time
8 that we terminated the onsite presence of NSRS to prepare
9 a report memorandum, if you will, stating basically the
10 history of our involvement there. How many employee
11 concerns did we have. Were they acted upon, how many
12 people were coming in today versus day one, because at
13 that point in time nobody was coming around anymore and
14 it seems like when we first got involved down there there
15 was a considerable amount of activity. I say a considerable
16 amount. Six, seven, eight people. I guess was that
17 considerable amount. Small by today's standards. And
18 at that point in time I believe Mike Kidd was the one
19 that was going down there and acting in that capacity,
20 and he was doing it on a weekly basis, like one day a
21 week, and this went on for, gee, a month or so. And then
22 Mike turned it over to Claude to perform that function,
23 and then the activity was dropping off, so we reduced
24 that involvement to every other week, and I think we
25 finally ended up like once a month going down there.

1 Yes, there was a place back in the corner.
2 I've never seen it, that was a trailer or office or
3 somewhere that was out of the way. But it was my
4 understanding that the supervisors at the plant had made
5 efforts to make the NSRS presence known to people.

6 Q He went to supervisors. He went to
7 Willie Brown?

8 A Right.

9 Q And he told me he talked to them, but your
10 earlier statement that you had asked him to write a
11 synopsis of the activity or report or memo --

12 A (Interposing) And it was prepared and
13 I gave it to Newt Culver, and basically the bottom line
14 was for him to make a recommendation as to whether or
15 not we should be, continue t's function and the
16 recommendation was no. We just weren't getting
17 involvement.

18 Q Claude's recommendation?

19 A Uh-huh.

20 Q Do you remember information like what I
21 was talking about being contained in that report that
22 was given to Culver?

23 A I don't remember whether it was or was
24 not, to be quite honest with you, Larry.

25 Q Do you remember whether the report that

1 your thinking of was published?

2 A Not as a formal NSRS report, no. It was
3 more like a memorandum.

4 Q It went out in a memorandum?

5 A Yeah. It was an internal type of thing.

6 Q From Claude to Newt or --

7 A (Interposing) From me to Newt, I believe.

8 Q I see. And in that memorandum even, he
9 drafted that memorandum?

10 A Oh, yeah. He wrote it.

11 Q You don't remember any information about
12 the lack of cooperation?

13 A It may have been, but I don't remember
14 it. I'd have to look it up and see what's in that.

15 Q Yeah. If I, you know, you don't have to
16 go do that right now, but yeah, look that memorandum up
17 for me, if you would, please, and give me a copy. I'll
18 be back here at some point. May not be next week.

19 A We won't be here.

20 Q That's right. I'll have to start making
21 reservations in a different area. When are you physically
22 moving down there?

23 A We're supposed to be there on the 21st
24 of this month.

25 Q Okay. Yes, see if you can find that, at

1 the same time bring in the copy of the draft that he
2 indicated, and maybe we can get that question resolved.

3 A Yeah.

4 Q Okay. Yes, check and see what that memo
5 contains. If it contains, you remember whether or not
6 there were any major sections of the draft that you
7 deleted from that memo or changed?

8 A No.

9 Q Essentially just --

10 A (Interposing) I don't think there was
11 much of anything that was changed on that. If there were
12 it was grammatical type stuff. That would be about it.

13 MR. ROBINSON: Okay. You don't, you have
14 anything?

15 MR. STONE: No, I don't have anything.

16 BY MR. ROBINSON:

17 Q One comment about the context-- this
18 involves the Appendix B presentation to Commissioner
19 Asselsteine back in December. I believe that Bob Sauer
20 made the presentation and you and Kermit were present
21 when he made it?

22 A Uh-huh.

23 Q In what context, well, first, I'll ask
24 you if you made the statement that, did you make the
25 statement to Sauer that you've single-handed shut down

1 Watts Bar and Sequoyah*?

2 A I've been asked that question before, and
3 I honestly don't remember saying it.

4 Q You don't remember saying it?

5 A I don't remember saying it, but I will
6 say this, that I may well have. But from the standpoint
7 of *atta boy*, rather than --

8 Q (Interposing) That was the context in
9 your mind?

10 A It would have been if I had said it. It's
11 routine, has been routine within NSRS for an individual
12 that has really gotten involved into something to have
13 comments made by them or to them that, you know, "You've
14 not, got a contract out on you. This is the last time
15 you're going to work within TVA," et cetera, et cetera.

16 Q But if you made the statement at all --

17 A (Interposing) Yeah.

18 Q (Continuing) -- it would have been in the
19 context of kind of, "Hey, I'm proud of what you've done,"
20 or, "Good job"?

21 A *Atta boy*. You stated what you believed.

22 Q One last area. You obviously weren't the
23 subject of a lot of conversation that I've had in
24 interviews.

25 A Well, that's nice to hear.

1 Q Yeah. That's good to hear. The corrective
2 action report.

3 A Yes.

4 Q Let's talk about the history of that one
5 a little bit, okay?

6 A Okay.

7 Q It's my understanding that the team of
8 Debbage and Joan and Griffin and Bennett that did the
9 review of the project, were primarily working with
10 Mike Kidd on that project initially?

11 A Right.

12 Q As a matter of fact, to the point where
13 the field investigation was essentially committed. Kidd
14 was still here and supervising the operation. Was it
15 at the point that Kidd was suspended that you became
16 involved with the review of this report or clarify my
17 chronology on that a little bit.

18 A Okay. Corrective action report, the field
19 work was essentially done when I took over in the acting
20 capacity last August, and in the turnover Mike indicated
21 to me that the, since he has been so involved with the
22 corrective action report, that if I had no objections he
23 would continue to work with the team to get the report
24 out.

25 Q Okay.

1 A And I said fine. That went on for a month
2 or two, I guess, and Mike was getting bogged down in a
3 number of other things, and whether or not it was the
4 time that he was relieved of his activities or not, I
5 don't believe it was, but I told Mike that if he could
6 not see his way clear to get the report out, that if he
7 wanted to pass it on over I would take it over, and he
8 did.

9 So at that point in time I got involved
10 and started to review the report. Now, quite frankly,
11 the report stunk. It was a very poor effort. It needed
12 considerable amounts of rework. There were statements
13 in there that really could not be, were not supported
14 in the body of the report.

15 At that point in time I got another high
16 priority assignment to establish the contract with
17 EG & G to do welding review at Watts Bar, which was taking
18 essentially 100 percent of my time for a considerable
19 length of time. So during that process the report sat.

20 Q And how long a period was that? Is it
21 still sitting?

22 A We've cancelled the report.

23 Q Cancelled?

24 A We've cancelled the report.

25 Q All right. We'll back up, then, back up

1 to where you first got the contract, EG & G contract.

2 A Okay. I started on that in, like November
3 and worked on that through January.

4 Q Pretty much 100 percent of the time?

5 A Yes. Within, included not only working
6 with them, but going to NRC and describing what it is
7 we plan to do.

8 Q Was there any thought to giving the report
9 to anyone else to review and get out during that period
10 of time?

11 A I really had not considered it. First
12 of all, I didn't have anybody I could give it to to
13 review it that I could think of. So no, I really didn't.

14 Q And were you receiving any inquiries from
15 Kermit about why it wasn't getting out?

16 A Uh-huh.

17 Q You were?

18 A Oh, yeah. He asked on two or three
19 occasions. I explained to him in my opinion the report
20 needed a considerable amount of work before it could go
21 out, and that I had gotten into it, and as far as I had
22 gotten that it was terrible. Quite frankly, it was not
23 up to our quality and is not something you would want
24 to send out, because there were statements in there,
25 like I said, that were not supported by the details.

1 Q Did you go back to the team, get them into
2 a mood of supporting the statements or what?

3 A That would have been the next step. Once
4 I had gotten all the way through it, then I would have
5 been going back to the team and saying, "Okay, here we
6 go." And quite frankly, I envisioned I would have to
7 go back as more a teacher than anything else to bring
8 the report writing process and the investigation process
9 and the information involved, and how do you coordinate
10 that all together to come up with a final product? You
11 know, before writing one on one is basically what I was
12 faced with.

13 Q I guess the most experienced team member
14 was who? Joan or --

15 A (Interposing) It's hard to say who would
16 have been the most senior. They all came to NSRS about
17 the same time.

18 Q Okay.

19 A It's, as far as time in the business, I
20 guess it was Art, but quite frankly, Art's a nice guy
21 and all of that, but his report writing ability is poor.

22 Q Okay. Did you early on when you first
23 saw this, did you communicate that back to the team?

24 A I communicated what little bit I had seen
25 back to Mike who, at that point in time, was acting

1 in that capacity.

2 Q Okay.

3 A I had seen bits and pieces of it. I wanted
4 to be kept informed by Mike as to what was going on,
5 because essentially four of my people were tied up with
6 that report, and I had other things we needed to do. So
7 I got to see bits and pieces of it and made comments back
8 to Mike on what I had read.

9 Q And what prompted the decision to cancel
10 the report?

11 A Talked to Kermit about it, and he had
12 discussions with folks down at Duke Power and they thought, the
13 you know, since it has been so long and things have
4/B 14 changed so much that it might be best to just forget the
15 report and do another corrective action review at a later
16 time.

17 So at that point in time I went back and
18 I talked with Art, Joan, Horace and Bob individually,
19 talked with Art first. When I talked with Art, I told
20 him that the, you know, the report would need a considerable
21 amount of rework and that I wanted his thoughts on what
22 we should do. And Art at that point in time suggested
23 that we not send out the report. That it was old. He
24 had just completed a follow-up review of open items at
25 Sequoyah, and he could see from that review that a number

1 of the things that he had found wrong during the
2 corrective action investigation effort on, review effort
3 had been corrected. So in his opinion he felt that the
4 report should not be sent out.

5 And so then I suggested to him following
6 up at a later date and doing another corrective action
7 review and he concurred in that. So then after that I
8 talked to Art, I talked to the other team members who
9 essentially were in agreement. They felt that there were
10 still portions of the report, particularly Joan, with
11 regard to the Troy Tracking System, that report is still
12 valid. Horace indicated there were probably some things
13 that were still valid, and he said he would go through
14 the report and report back to me on those areas that he
15 felt were still valid. He's not reported back to me on
16 that yet.

17 So the consensus of the team was
18 unambiguously that not sending the report was probably a
19 good idea.

20 Q Do you feel that it was valid thinking
21 that just because the results were found "X" number of
22 months ago that the findings were, or that publishing
23 that report was inappropriate?

24 A I don't think that we would have had
25 enough information to support what was in the report.

1 I think that in my own personal opinion, I think that
2 the corrective action review was very poorly handled.
3 It kind of grew like topsy. Let's include this. Let's
4 include this. Look at this and look at that, and all
5 of a sudden it grew like this and was trying to
6 encompass too much material over too broad an area to
7 really be effective. They lost control of it. They
8 had people there, you had people there, you had people
9 there, and you were trying to pull it all together and
10 it wasn't working. It was not working.

11 Q So in addition to the fact that it might
12 have been a little outdated, there would have been many
13 areas that would have been nonsupportive?

14 A I think so, yes.

15 Q Okay. Do you --

16 A (Interposing) In other words, you know,
17 in order to really pin that down I would have had to have
18 sat down with each of the people and said, "Okay, here
19 is your statement. Now, what, on what basis is that being
20 made? What information do you have, because, you know,
21 it's not here in the report. You say go to this area
22 and that area, doesn't address itself. Do you have any
23 other information that is not in the report or elsewhere
24 in the report that would substantiate that?" And that's
25 where you'll be going through reports writing one on one

1 statements. How many of those would have fallen out as
2 still being valid, I don't know.

3 Q The bottom line, honest question, honest
4 answer, do you feel any indication in any way anyone over
5 you didn't want that report published because it had too
6 many negative findings about the corrective action system?

7 A Absolutely not.

8 Q Not from Kermit or from, who did you say?
9 You said you talked to someone down at Nuke Power.

10 A No. Kermit did.

11 Q Who did he talk to?

12 A White.

13 Q White?

14 A White and Nason, I think. I think the
15 basic thrust of that was that White had indicated that,
16 you know, we'd made a lot of changes down here and we
17 are continuing to make a lot of changes, and quite frankly,
18 I think, you know, I'd like to see something a little
19 bit later on that may reflect how we're going.

20 Q Did Kermit go specifically to White about
21 that subject, the corrective action report or was that
22 just part of a routine briefing?

23 A I don't know.

24 Q You don't know?

25 A I don't know.

1 Q Did you, Kermit told you that it's --

2 A (Interposing) He asked my opinion on that,
3 and quite frankly it tickled the heck out of me, because
4 at that point in time, let's see. Well, quite frankly,
5 I really didn't want to get into a report writing class.

6 Q Okay.

7 A To be quite honest with you.

8 Q Is the EG & G contract still taking up
9 a lot of your time?

10 A It was taken away from us.

11 Q Okay. What are you doing now?

12 A Now I've got a report on QA that I'm
13 reviewing, and I've got another team that is starting
14 follow-up reviews on open items on OE, and we've just
15 finished up one at Sequoyah.

16 Q Any thoughts of reopening the corrective
17 action review?

18 A There were. However, at this point in
19 time it sounds like we're going to be getting all of our
20 directions from Mr. White, and the first thing he wants
21 us to do is a review of preventive maintenance.

22 Q Is he, you have the indication that he
23 will be receptive to suggestions from the staff as to
24 areas that should be reviewed?

25 A I think so. It, quite frankly, that is

1 on our list of things to do. We've got a list of, shoot,
2 40 different areas that we need reviews in of areas that,
3 you know, we feel on the staff that there are potential
4 problems out there and that list has been provided to
5 Mr. White, and preventive maintenance is one of them.

6 Q Well, that's all the areas I had to cover
7 with you, Dick. Do you have any?

8 MR. STONE: I don't have any.

9 BY MR. ROBINSON:

10 Q Are there any other comments you want to
11 make on any of those three areas that I talked about that
12 you feel would be pertinent?

13 A Well, yeah, I do.

14 Q Okay.

15 A You know, with regard to censorship or
16 suppression of information, I've been on this staff as
17 long as most people, since it started in '79, and I came
18 in '60, and I would like to say that at no point in time
19 has any information that I have been able to substantiate
20 been suppressed in a report, up to and including taking
21 a shot at the general manager.

22 Q Okay. Fine.

23 A I think it's, it's difficult for some
24 reviewers and investigators to accept a critique of their
25 work. You get involved in a review or investigation

1 and you live with that for days and weeks. You collect
2 information and you nurture it and you hold it and mold
3 it, and finally you go through the report writing process,
4 and it's the best thing in the world. And then someone
5 asks you a question. What do you mean here? How do you
6 say that? Oftentimes they'll be able to come up and say,
7 "I can say that because," and you say, "Okay. I think
8 we better put that in there." And they'll go back and do
9 that. But to be able to come back and say, "Gee, I really
10 can't support that." That's hard to take.

11 And I think that's basically where a lot
12 of the problems have come from, because you've worked
13 with it and you know it and all of a sudden somebody's
14 asking you a question on it, and how dare you?

15 Q Well, and also, like you say, even though
16 you know it or you think you know it, you may not be able
17 to physically substantiate it.

18 A That's right. I mean I'm no different
19 than anybody else, and once you've lived with something
20 for weeks or months, you have facts and you have
21 perceptions. Facts you can support. I mean you've got
22 documentation up to here, but deep down inside you've
23 got a gut feeling that you know this is wrong, but you
24 can't prove it. And what do you do with it? What do
25 you do with that? You really can't get your grips on

1 it. And you know, that son-of-a-gun there is really
2 feeding you a line that's 14 miles deep.

3 Q Yeah.

4 A And you've tried, but you haven't been
5 able to catch him. And you may put down a perception
6 or two, and that's perfectly valid. It appears valid,
7 but you can't substantiate it or whatever. Those are
8 valid. But to come right out and flat say black is black
9 when you can't really -- is, you know, oftentimes, you
10 know, I'll sit down in the process of writing a report
11 and I'll put in all kinds of purple words, you know. And
12 it will go through the review process and they'll say,
13 "Now, really." I said, you know, I know they're going
14 to catch it and I really don't want it in there in the
15 first place, but it sure felt good to write it. Got it
16 out of my system.

17 Q Well, I appreciate your time. I think
18 that's all we have to say for the time being. If I have
19 any other questions, I'll feel free to contact you.

20 A Will I get a copy?

21 Q We can make a copy of that transcript
22 available.

23 A And I presumably will find out the results
24 of this, or will I not?

25 Q Well, the normal reporting process, of

1 course, is I'll report, and will go to the staff, and
2 they will make the distribution within NRC as appropriate.
3 there's, obviously if there's any enforcement action taken
4 as a result of the report, I'm sure that TVA will be able
5 to disseminate the report, but certainly make a copy of your
6 statement.

7 (Thereupon, the interview was terminated.)
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CERTIFICATE OF OFFICIAL REPORTER

This is to certify that the attached proceedings before the UNITED STATES NUCLEAR REGULATORY COMMISSION in the matter of:

NAME OF PROCEEDING:

AN INVESTIGATIVE INTERVIEW OF:

RICHARD D. SMITH

DOCKET NO.:

PLACE: KNOXVILLE, TENNESSEE

DATE: APRIL 10, 1986

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission.

(sig) Dorothy D. Banks
(TYPED) Dorothy D. Banks

Official Reporter

Reporter's Affiliation
Smith Reporting Agency

RESULTS OF INTERVIEW OF
RICHARD D. SMITH
AS PREPARED BY
INVESTIGATOR LARRY L. ROBINSON

On October 9, 1986, Richard D. SMITH, Staff Member, Nuclear Manager's Review Group (NMRG), Tennessee Valley Authority (TVA), Chattanooga, TN, was interviewed by NRC Investigators Larry L. Robinson and Gary H. Claxton in SMITH's NMRG Office. SMITH provided the following information in substance:


SMITH provided a typewritten chronology of his involvement with the Nuclear Safety Review Staff (NSRS) Corrective Action Report, No. R-85-11-NPS.

INVESTIGATOR'S NOTE: This Chronology is attached to this Results of Interview.

SMITH advised that he never recommended, directly, to Kenneth WHITT that the Corrective Action Report not be issued. He stated that from what he was able to review of the report from working on it on weekends and days off, he told WHITT that it was going to take a major rewrite before it could be issued. SMITH advised that it was WHITT that told him that, after a meeting between WHITT, Steven WHITE (The Manager of TVA's Nuclear Power Division) and Charles MASON (The Deputy Manager of Nuclear Power), he (WHITT) had permission not to issue the report because it needed so much work and because it was out of date with respect to the current TVA Nuclear Power organization.

SMITH stated that WHITT had him check with each member of the NSRS team that conducted the Corrective Action Review to ensure that they had no strong objections to the report not being issued. SMITH stated that he got the impression from WHITT that a new Corrective Action Review was going to be done, and on that basis, the team members had no strong objections to the non-issuance of the 1985 report.

This Results of Interview was prepared on November 3, 1986.


Larry L. Robinson, Investigator

CORRECTIVE ACTION REPORT R-85-11-NPS
Review Dates May 13 - July 10, 1985
Chronology of Richard D. Smith's Involvement with that Review

I have been requested to document to the best of my knowledge my involvement with the Corrective Action Report R-85-11-NPS. The following is a tabulation of that accounting:

August 5, 1985: I was designated the acting branch chief of the reviews branch. In a turnover meeting with M. S. Kidd, Mike stated that he had been deeply involved in the Corrective Action (C/A) Review and would like to finish that project. He said the review was in the report preparation stage. I had no objection to Mike's finishing the task.

September 18, 1985: A meeting on the C/A report was held between Mike Kidd, Art Debbage and myself. The report was taking longer than anticipated to prepare and additional work was required. As I recall, we discussed team assignments and schedules, and I was included because four members of my branch were involved in the report preparation effort.

November 1985: Sometime before November 17, 1985, Mike Kidd orally transferred responsibility for reviewing and approving the C/A report to me. That change in approval responsibility was conveyed to the team members. The November 17, 1985 date was arrived at by noting the date of the earliest comment I made on the draft report. The draft report was provided by the team leader, Art Debbage, for my review. Art stated the draft had been reviewed by the team and it was ready for my review. Based upon my first partial review of the report, I realized that considerable work would be required to turn it into a finished NSRS product. I also realized that since the team was satisfied with its efforts, continued work on their part without feedback would not be productive. I would, therefore, have to completely review the report and provide comments for improvement.

The draft report contained a variety of problems that required correction. Some were minor editorial problems involving inaccurate references and incorrect outline format. Still others were more significant, such as the management summary, which contained about 5 pages of new facts on root cause analysis that appeared nowhere else in the report and some sections contained massive quotes from other documents that could be handled better with summary statements.

Of most significance, two of the nine recommendations I was able to review could not be supported by the referenced details, two others appeared to be overly restrictive in that they did not allow an option when one appeared to exist, and one appeared to be inappropriate in that it was prescribing a management technique. The report lacked sufficient detail in some cases to identify what the problem was. The report inappropriately contained additional recommendations scattered throughout (in addition to the 40 in the recommendations section). In addition, the report had too much extraneous filler material, conflicts in facts, predictive opinions of the author, motherhood statements, and the expression of feelings.

August 1985 -
February 1986:

During this time period, I was extremely busy on special assignments I could not delegate to my branch members. The only time I could find to work on the report was intermittently distributed between weekends and days off.

February 27, 1986:

Kermit Whitt and I discussed his meeting with S. A. White and C. C. Mason regarding the C/A review. Kermit asked if I thought it would be best not to issue the report and conduct another C/A review in 4-5 months. Kermit reported that White and Mason both stated that more emphasis was currently being placed upon C/A and that a new review to determine the effect of that effort may be more beneficial. They reportedly pointed out that since the review (Mar-July 1985) conditions had changed and the report would probably not reflect current conditions.

I informed Kermit that not issuing the report for the stated reasons appeared reasonable. I also gave him my opinion that when we do perform the C/A review that we divide it into smaller pieces and not try to do it all at once. I told Kermit that I would discuss not issuing the report with the team and determine if they had problems not issuing it.

February 27, 1986:

I discussed the C/A report with Art Debbage and the significant amount of rewrite it would require before issuance. Art offered that since it was so old he did not believe it would serve any useful purpose to issue it. Art further stated that during his involvement in a follow-up review at SQN (R-86-01-SQN, February 3-25, 1986) he saw significant changes which would indicate that corrective actions were being taken more seriously.

I described Kermit's meeting with White and Mason, and their suggestion to not issue the report and do another C/A review in 4-5 months. Art was supportive of that approach and pointed out we should not try to do it all at once. It was too big to handle.

- February 28, 1986: I discussed the C/A report with Joan Muecke, pointing out the amount of rework required and Art's opinion that it would not serve any useful purpose to issue it now. Joan felt that was true for much of the report, but felt that parts (OE Tracking and Trending) were still valid. She stated she would not raise a concern if it were not sent out. I explained that we could do another C/A review in 4-5 months and build on what we now know. That was agreeable to her.
- March 3, 1986: I discussed the C/A report with Horace Bennett, who agreed that much of the report would no longer be relevant and sending it out now may not be productive. He felt that there may still be information that was useful, and I asked him to review the report and identify that information. He said that he would.
- March 4, 1986: I discussed the C/A report with Mike Kidd and the proposal not to issue the report. Mike agreed.
- March 5, 1986: I contacted Bob Griffin at WBN and discussed the C/A report and the consensus opinion of not issuing the report. He agreed. He also offered that the scope of that review was too large and, as a result, the team was not able to support one another.
- Date unknown: Probably on March 5, 1986, I informed Kermit that the team agreed it would be best not to issue the report. I also pointed out that Horace was going to review the report and see if anything was still relevant that would alter his decision.
- April 15, 1986: I checked with Horace on the results of his review of the C/A report. Horace said he reviewed the report and there was nothing he felt strong enough about to force the issuance of the report.

RESULTS OF INTERVIEW OF
KERMIT WHITT
AS PREPARED BY
INVESTIGATOR LARRY L. ROBINSON

On October 15, 1986, Kermit WHITT, Generation Engineer, Georgia Power Company, Atlanta, Georgia, was interviewed in his Georgia Power office by NRC Investigators Larry L. Robinson and Gary H. Claxton. WHITT provided the following information in substance:

WHITT stated that he retired from the Tennessee Valley Authority (TVA) in August, 1986. He advised that his position at the time of his retirement was Assistant Director, Nuclear Manager's Review Group (NMRG), TVA.

WHITT advised that during the Summer of 1985, a team of Nuclear Safety Review Staff (NSRS) engineers did a Major Management Review of TVA's Corrective Action system. WHITT stated that Mike KIDD was the NSRS Reviews Section Chief while the Corrective Action review was being conducted, but during the preparation of the report, KIDD was suspended from his supervisory responsibilities in NSRS, and the responsibility for review of the final report fell to Dick SMITH.

WHITT advised that SMITH told him that he had reviewed the draft Corrective Action report in detail, and if it were to be issued in its current form, it would be another "embarrassment" to NSRS. WHITT stated that SMITH told him that the report would require a major rewrite before it could be properly issued, and that it would take another two months of work. WHITT stated that since it was going to take so much more time to get the report in shape to issue, and since the report would be so outdated with respect to the organizational changes that had been instituted in the Division of Nuclear Power of TVA, he told SMITH that he was going to recommend to the Manager of Nuclear Power, Steven WHITE, that the Corrective Action report not be issued.

WHITT advised that during one of his regular weekly meetings with WHITE, during which he would normally brief WHITE on the status of NSRS reviews, on February 26, 1986, he (WHITT) recommended to WHITE and Chuck MASON, the Deputy Manager of Nuclear Power, that the Corrective Action report not be issued because it still needed a lot of work, and it would be outdated by the time it did get issued. WHITT advised that both WHITE and MASON accepted this recommendation without questioning the findings in the report. WHITT stated that his recommendation not to issue this outdated report was based upon his intention, and expressed commitment to Richard FREEMAN, of the TVA Board of

Directors, to do an updated Corrective Action review in the Spring of 1986. WHITT stated that when he left his February 26, 1986 briefing of WHITE and MASON, he (WHITT) knew in his mind that he was going to perform that updated review. WHITT stated that MASON had requested, in the briefing, that WHITT hold off on the new Corrective Action review for a few months until the new Nuclear Power organization had had a chance to initiate some of their planned improvements to the TVA Nuclear Power program. WHITT advised that he thought that was a reasonable request.

WHITT advised that he then told Dick SMITH that WHITE and MASON had accepted his recommendation not to issue the report. WHITT stated that SMITH seemed relieved. WHITT stated that he told SMITH to ask each of the NSRS Corrective Action team members if they had any objections to not issuing the report, as long as an updated review would be conducted. WHITT advised that he thought that team member Horace BENNETT asked to review the draft report again, but that the bottom line was that none of the team members objected to the non-issuance of the report as long as an updated review was done.

WHITT stated that during March and April of 1986, NSRS was restructured into the Nuclear Manager's Review Group (NMRG), relocated from Knoxville to Chattanooga, and that he was made the Assistant Director of the NMRG, working under Ronald SEIPER, the Director. WHITT stated that it soon became evident that NMRG was going to be doing only the reviews that were directed by WHITE and his staff.

WHITT advised that he did not press the issue of the new Corrective Action review with SEIBERLING at first, but when the Office of Investigations (OI) of the NRC, the TVA Office of Inspector General (OIG), and Randall BECK, a reporter for the Knoxville Journal newspaper, all started asking him (WHITT) questions about why the report of the 1985 Corrective Action review was never published, he (WHITT) started emphasizing the importance of doing the updated Corrective Action review to SEIBERLING. WHITT stated that he told SEIBERLING of his (WHITT's) commitment to the TVA Board of Directors to conduct this review. WHITT stated that SEIBERLING's reply was that that was an NSRS commitment, and that it was NMRG now, and NMRG did not report to the Board. WHITT stated that he could not definitely say who was the source of the reluctance to do an updated Corrective Action review, but he didn't think that SEIBERLING would take it on his own to delay or eliminate the conduct of a new Corrective Action review, without some direction along those lines from his superiors.

WHITT stated that sometime during June or July, 1986, SEIBERLING asked his NMRG Staff members for their input regarding areas of review that they felt needed to be

addressed by NMRG. WHITT advised that NMRG Staff member Doug STEVENS was assigned to coordinate and prioritize this staff input. WHITT stated that, from his discussions with STEVENS, he (WHITT) determined that a Pre-Start Up Review of Sequoyah, and a Corrective Action Review, were two items that had a high priority on STEVENS' list. WHITT stated that other items on this list included an extension of the Maintenance Review, Security Review, Rad Waste Management, Health/Physics, and Reactivity Control Systems.

WHITT advised that when STEVENS went into SEIBERLING's office and discussed this list, SEIBERLING removed Corrective Action and Pre-Start Up Review of Sequoyah from the list. WHITT stated that STEVENS had spent a lot of time and effort on this project, having used the computer to help prioritize the items, and that STEVENS was very proud of his work. WHITT stated that he thought that when SEIBERLING started deleting and rearranging items on STEVENS' list, it was one of the major factors in why STEVENS got out of NMRG. WHITT advised that he thought that STEVENS was at Watts Bar now.

WHITT stated that SEIBERLING took his edited version of STEVENS' list and held an NMRG Staff meeting to discuss all the suggested items. WHITT stated that Corrective Action was discussed at that Staff meeting, but that it was the last item discussed. WHITT stated that, besides himself, the avid supporters of a Corrective Action Review at that meeting were; Doug STEVENS, Jim MURDOCK, Joan MUECKE, Dick SMITH, and Art DEBBAGE. WHITT advised that he knows that SEIBERLING noted that the majority of the NMRG members at that meeting supported Corrective Action, because SEIBERLING made a comment about the strong support indicated by the Staff.

WHITT stated that he did not know whether or not SEIBERLING wrote any type of memo to WHITE about the results of the meeting.

WHITT stated that he could not see any indication at all, before he left NMRG, that a Corrective Action Review was going to be done. He advised that he had decided to retire from TVA when he found out that the NMRG move to Chattanooga was permanent, but that he was not eligible until August, 1986. WHITT stated that he felt a personal responsibility regarding his commitment to the TVA Board to do another Corrective Action Review, but it didn't appear that such a review was going to take place. He stated that if he left TVA without this review being done, he would always be looked at as the person responsible for the Corrective Action issue falling between the cracks.

WHITT stated that he decided that he was going to write a letter directly to Steven WHITE, stressing the importance of


the updated Corrective Action Review, and requesting that such a review be done. He advised that he thinks that he gave a copy of the draft of this letter to SEIBERLING, but that even if he didn't, he told SEIBERLING that he was going to write the letter. WHITT identified the copy of a letter, dated August 6, 1986, from K. W. WHITT to S. A. WHITE, regarding NUCLEAR SAFETY REVIEW STAFF (NSRS) CORRECTIVE ACTION REVIEW, as the letter he wrote to WHITE.

WHITT was displayed a copy of a letter, dated September 5, 1986, from S. A. WHITE to R. K. SEIBERLING, regarding the same subject matter. In this letter, WHITE stated that WHITT told him that, among other things, the Corrective Action Report contained "errors", and that it was "incomplete and inaccurate." WHITT stated that he was very careful about the words he used to describe that draft report to WHITE, because he (WHITT) did not want to antagonize the team members that had prepared the draft. WHITT stated that he did not tell WHITE that the report was inaccurate, or that it contained errors.

WHITT opined that the time deadlines given to NMRG by WHITE to complete a Corrective Action Review and submit the report were totally unrealistic, if any meaningful results were intended to be obtained.

WHITT stated that, to this day, he has never reviewed the draft 1985 NSRS Corrective Action Report in detail, but that the implementation of WHITE's new Nuclear Performance Plan could, in no way, be construed as resolving a large majority of the findings in the draft 1985 Report. WHITT stated that an updated Corrective Action Review, if nothing else, could only serve as verification that the Nuclear Performance Plan was working. WHITT advised that, if he hadn't written that letter to WHITE, there would never have been an updated Corrective Action Review done by NMRG at TVA.

This Results of Interview was prepared on October 28, 1986.


Larry L. Robinson, Investigator

RESULTS OF INTERVIEW OF
W. DOUGLAS STEVENS
AS PREPARED BY
INVESTIGATOR LARRY L. ROBINSON

On October 22, 1986, W. Douglas STEVENS, Site Procedures Supervisor, Nuclear Procedures Section, Watts Bar Nuclear Plant (WBN), Tennessee Valley Authority (TVA), was interviewed by NRC Investigators Larry L. Robinson and Gary H. Claxton at the NRC Resident Inspector's Office, WBN. STEVENS provided the following information in substance:

STEVENS stated that he transferred to the WBN Site Nuclear Procedures Section from the Nuclear Manager's Review Group (NMRG) on July 15, 1986. He advised that he went "on loan" to the Procedures Section from the Nuclear Safety Review Staff (NSRS) in March, 1986. He stated that while he was still on loan, NSRS was reorganized into NMRG, and relocated from Knoxville to Chattanooga. STEVENS stated that while he was working in Procedures, he was checking out the possibilities of his being able to be transferred there permanently. He advised that when his work in Procedures ended, around mid-June, 1986, he returned to NMRG in Chattanooga.

STEVENS advised that when he reported back to NMRG, Ronald SEIBERLING, the Director of NMRG, had taken a poll of the NMRG Staff regarding their input as to future NMRG Reviews or Projects that should be done. STEVENS advised that SEIBERLING had received this input from the Staff in writing, and he (SEIBERLING) gave these lists to STEVENS to correlate, prioritize, and briefly scope. STEVENS stated that he wrote "scoping paragraphs" on each of the Staff's suggested reviews, prioritized these reviews in order of importance to the Staff as a whole, and presented it to SEIBERLING.

STEVENS stated that he could not recall all of the ideas for reviews that the NMRG Staff Members submitted, but that there were eight, ten, or twelve different suggestions total, and that three or four of these were "heavier weighted", or suggested by more than just one or two of the Staff Members. STEVENS stated that he could not recall what the "heavier weighted" suggestions were, with the exception of the suggestion that NMRG do an "Operational Readiness" Review of the Sequoyah Nuclear Plant. STEVENS stated that his own experience was primarily Operational, and that he felt strongly that this Operational Readiness Review should be done, so he remembered that this was one of the "heavier weighted" suggestions from the Staff.

When asked by the NRC Investigators if he recalled that a review of TVA's Corrective Action System was one of the "heavier weighted" suggestions submitted by the Staff, STEVENS advised that he did seem to recall that a Corrective Action Review was one of the top three or four, but that he did not recall that there was a heavy, or overwhelming majority of the Staff that had suggested a Corrective Action Review. STEVENS stated that he still had the documentation from this correlation, prioritization project at home, and that he would mail copies of these documents to NRC Investigators.

STEVENS stated that when he took his prioritized list to SEIBERLING and discussed it with him, it soon became apparent that SEIBERLING was more interested in doing more narrow-scoped, maintenance-oriented, INPO (Institute of Nuclear Power Operations) type Reviews as opposed to the broader-scoped, "hard-hitting", important-issue Reviews that NSRS used to do.

STEVENS stated that SEIBERLING didn't remove any of the suggestions from the list, but in the subsequent NMRG Staff Meeting that was held to go over and discuss these Staff suggestions, SEIBERLING emphasized, and tried to sell, the "INFO, Maintenance Review" philosophy. STEVENS stated that one of the last things covered in that meeting was the Sequoyah Operational Readiness Review suggestion. STEVENS advised that he didn't specifically recall, but that the Corrective Action Review suggestion was probably one of the last items covered at that meeting, also.

STEVENS stated that he sensed that Kermit WHITT, the former Director of NSRS, was not even being utilized by SEIBERLING in his (WHITT's) new position as Assistant Director of NMRG. STEVENS stated that he also sensed that WHITT was frustrated and upset that he (WHITT) could not get NMRG to do a Corrective Action Review.

STEVENS advised that he understood that NMRG was now in the process of doing a Corrective Action Review, and that the Review Team was being headed by a good man, Mike HARRISON. STEVENS stated that the original NSRS Corrective Action Review, done back in 1985, was poorly organized and scoped from the very beginning, and that he understood that the report of that review was way too voluminous to be effectively issued, and should more properly have been broken down into a number of different reports. STEVENS stated that he recalled that Dick SMITH, another very competent report writer and reviewer, had the responsibility of reviewing that report.


STEVENS advised that he noticed no specific reluctance on the part of SEIBERLING to do a Corrective Action Review,

other than SEIBERLING's general philosophy of doing the more narrow-scoped, maintenance-type reviews.

STEVENS stated that he had never heard of, or thought of, any connection between the fact that the original NSRS Report on Corrective Action was never issued and the fact that, at the time the final decision on non-issuance was made, TVA was in the process of officially responding to NRC as to whether or not TVA was in compliance with 10 CFR 50, Appendix B at WBN.

STEVENS stated that the reason he transferred out of NMRG was because of the difference in philosophies between NMRG and NSRS. STEVENS stated that he did not want to do the narrow-scoped reviews that it appeared that NMRG was going to be doing. He stated that, in private discussions with SEIBERLING, he (STEVENS) told SEIBERLING that he (SEIBERLING) was interested in doing reviews that were too "low-tiered". STEVENS stated that SEIBERLING wanted to do reviews of Line Organization Functions.

This Results of Interview was prepared on October 24, 1986.


Larry L. Robinson, Investigator

RESULTS OF INTERVIEW OF
RONALD K. SEIBERLING
AS PREPARED BY
INVESTIGATOR LARRY L. ROBINSON

On October 9, 1986, Ronald K. SEIBERLING, Director, Nuclear Manager's Review Group (NMRG), Tennessee Valley Authority (TVA), Chattanooga, Tennessee, was interviewed in his office by NRC Investigators Larry L. Robinson and Gary H. Claxton. SEIBERLING provided the following information in substance:

SEIBERLING advised that, although he is the Director of NMRG, he is still employed by the Institute of Nuclear Power Operations (INPO) in Atlanta, Ga. He advised that he took over as NMRG Director on April 21, 1986. He advised that Kermit WHITT, formerly the Director of the Nuclear Safety Review Staff (NSRS), was the Assistant Director of NMRG until he (WHITT) retired in August, 1986.

SEIBERLING advised that it was only about a week after he assumed the position of NMRG Director when he heard about the non-issuance of the NSRS Corrective Action Report. He stated that WHITT mentioned it to him, in a very low-key manner, a few times, and he (SEIBERLING) also heard various members of the NMRG staff discuss it. SEIBERLING stated that it was his understanding that the report was not issued because it was so voluminous and unwieldy, and that the review itself got a bit beyond a manageable scope. SEIBERLING advised that he had not reviewed the draft NSRS Corrective Action Report in detail himself, however.

SEIBERLING stated that WHITT never really got forceful with him (SEIBERLING) about doing an updated Corrective Action Review in NMRG. SEIBERLING stated that WHITT may have brought the subject up to him ten to twelve times during the time he (WHITT) was in NMRG, but never in a strong, urgent, manner.

SEIBERLING advised that a Corrective Action Review was on NMRG's list of potential future projects, but it was not a top priority item. SEIBERLING advised that if it were left up to him, NMRG would not conduct a Corrective Action Review until they had sufficient permanent staff to do an adequate job on it. He stated that he was advertising for people now, but would not be fully staffed until 1987 sometime.

SEIBERLING stated that he had mentioned Corrective Action, as a part of his list of potential projects, to Steven WHITE, the Manager of TVA Nuclear Power, but that he (SEIBERLING) did not attach a high priority to it, and he could not speak for WHITE, but since WHITE had not indicated

that he wanted it done, he (SEIBERLING) could only assume that it was not a high priority with WHITE, either.


SEIBERLING advised that, as a result of a letter that Kermit WHITT had written to WHITE about the importance of a Corrective Action Review, WHITE had subsequently written a directive to him (SEIBERLING) which instructed that NMRG do a Corrective Action Review, and have the review completed and the report written by mid December, 1986. SEIBERLING stated that WHITT told him he was going to write this letter to WHITE just before he (WHITT) retired.

SEIBERLING stated that, evidently, WHITT had had a conversation with WHITE about doing a future Corrective Action Review if the NSRS Corrective Action Report was not going to be issued, but that he (SEIBERLING) didn't think that WHITE even remembered the conversation with WHITT.

SEIBERLING stated that Mike HARRISON was the NMRG Team Leader on the Corrective Action Review ordered by WHITE, and that he (SEIBERLING) was definitely going to use this 1986 Corrective Action Review to "close out" the open items from the 1985 NSRS Review, even though it wasn't officially issued.

SEIBERLING reiterated that if he had done a Corrective Action review on his own, it would not have been accomplished until he had enough permanent staff to assign adequate manpower to the project. He advised that the implementation of WHITE's newly developed Nuclear Performance Plan would have resolved the vast majority of the findings in the 1985 Corrective Action Review, anyway.

This Results of Interview was prepared on October 28, 1986.



Larry L. Robinson, Investigator

RESULTS OF INTERVIEW OF
RONALD K. SEIBERLING
AS PREPARED BY
INVESTIGATOR LARRY L. ROBINSON

On November 20, 1986, Ronald K. SEIBERLING, Director, Nuclear Manager's Review Group (NMRG), Tennessee Valley Authority (TVA), Chattanooga, Tennessee, was interviewed in his NMRG Office by NRC Investigators Larry L. Robinson and Gary H. Claxton. The nature of the interview pertained to an unpublished Nuclear Safety Review Staff (NSRS) report on a 1985 Major Management Review of TVA's Corrective Action System, and the conduct of an NMRG Review of TVA's 1986 Corrective Action System. SEIBERLING provided the following information, in substance:

INVESTIGATOR'S NOTE: SEIBERLING was previously interviewed regarding this subject on October 9, 1986.

SEIBERLING advised that during the Summer of 1986, he requested input from his NMRG Staff regarding any Reviews or Projects they thought should be done by NMRG. SEIBERLING stated that he legitimately wanted his staff's input on this subject because most of them were formerly with NSRS and had experience doing Nuclear Safety Reviews, and they also knew the current, pertinent areas of TVA that should be reviewed.

SEIBERLING initially advised that he could not recall that anyone on his staff coordinated this input for him, and that he thought it came directly in to him. He stated that if anyone would have coordinated it, it would probably have been Mike HARRISON. After SEIBERLING's memory was refreshed by Investigator Robinson, and after SEIBERLING reviewed his file on this input, he recalled that former NMRG Staff Member Doug STEVENS correlated these suggestions for NMRG Reviews. (INVESTIGATOR'S NOTE: STEVENS advised, in his interview by OI, NRC, that his only assignment in NMRG, after coming back to the NMRG Staff Offices in Chattanooga from being on loan to the Nuclear Procedures Section, was to correlate, and briefly scope the suggestions provided by the NMRG Staff. STEVENS advised that this was his only project for approximately a month.) SEIBERLING provided copies of pertinent documents from his file on this staff input.

SEIBERLING stated that some examples of the "heavier weighted" suggestions for Reviews that came in from the staff were: a Corrective Action Review, an Operational Readiness Review of Sequoyah, a Procurement Review, and a Quality Assurance Review.

SEIBERLING stated that he evaluated all these suggestions from his staff, as well as suggestions from Eric SLIGER, the Director of TVA's Employee Concern Program, and a suggestion from Charles C. MASON, the Deputy Manager of TVA's Nuclear Power Program. He stated that SLIGER suggested a Maintenance Review, and MASON suggested a Review of TVA's "clearance" and "hold-tag" procedures. SEIBERLING stated that he evaluated all these suggestions, and combined them with what he, as the Director of NMRG, thought were the best areas and priorities for NMRG Review.

SEIBERLING advised that he needed to establish the credibility of the NMRG as a viable Review Organization right at the outset, so he decided to do a Maintenance Review. He stated that this review involved 25 people, 18 of his own staff, supplemented by 7 other reviewers. He advised that he was heavily involved in the actual conduct of the review, getting out in the field and having discussions with his review teams on their findings almost daily. He stated that NMRG was doing their reviews on a one-by-one basis, primarily because of the size of their permanent staff, but that NMRG was actively recruiting for additional staff.

SEIBERLING stated that back at the time he had asked his people for their input, in late June-early July, 1986, he had decided against doing a Corrective Action Review, or an Operational Readiness Review of Sequoyah. He advised that he didn't do a Corrective Action Review then because the scope was too large for the size of his staff at the time, and, again, he wanted to establish NMRG's credibility with their first few reviews. SEIBERLING advised that he decided against the Operational Readiness Review of Sequoyah because he felt his staff did not have enough people qualified in the Operations area to do that type of Review. He stated that another factor in his decision not to do the Operational Readiness Review was that he did not want to put NMRG in a position of seemingly pronouncing a plant ready to operate, or ready to be licensed, or ready to load fuel. SEIBERLING stated that he specifically tries to keep NMRG out of that position when he makes his decisions on the Reviews to be done.

SEIBERLING stated that he did not make a point of giving feedback to his staff regarding his reasons for not doing the Corrective Action and Operational Readiness Reviews. He stated that Kermit WHITT, Doug STEVENS, and Jim MURDOCK would have probably been the most likely ones on the staff to have asked him why he was not going to do one, or more, of the suggested Reviews. He stated that he seemed to recall having discussions with these men on that subject, but that none of the discussions were heated, or emotional.

SEIBERLING stated that Doug STEVENS was oriented toward Operations, and that STEVENS thought the Operational Readiness Review was important. He advised that he and STEVENS had discussed the pros and cons of not doing the Operational Readiness Review, but that these discussions had never gotten heated, or emotional. SEIBERLING stated that he didn't think that STEVENS transferred out of NMRG because he (SEIBERLING) was not going to do the Operational Readiness Review, but because STEVENS thought that the future of the NMRG organization was a bit too tenuous.


SEIBERLING stated that he got his subordinate NMRG managers involved in the detailed scoping of the projects that NMRG was going to do. He stated that, as NMRG was completing their work on a given project, he would forward the next of the "scoping documents" to Steven WHITE, the Manager of Nuclear Power, one at a time, for his (WHITE's) approval.

SEIBERLING advised that, in addition to the Maintenance Review, he had decided to do a Procurement Review, the Review of TVA's "clearance" and "hold-tag" procedures as suggested by MASON, and a Review of TVA's Response to an Institute of Nuclear Power Operations (INPO) Review of TVA's Corporate support of their Nuclear Plants.

SEIBERLING stated that NMRG was currently involved in a Corrective Action Review that had been specifically ordered by Steven WHITE. He stated that the initial phase of the review had not turned up any adverse findings, so he was going to expand the scope of the review into some areas where they anticipated some findings. SEIBERLING stated that he would not have initiated this Corrective Action Review at this time if WHITE had not ordered it.

SEIBERLING stated that, since his request for staff input on projects this past Summer, NMRG has completed the Maintenance Review and the Review of TVA's Response to the INPO Review. He advised that at this point, NMRG was doing the Corrective Action Review, as ordered by WHITE.

This Results of Interview was prepared on November 25, 1986.


Larry L. Robinson, Investigator

RESULTS OF INTERVIEW OF
CHARLES C. MASON
AS PREPARED BY
INVESTIGATOR LARRY L. ROBINSON

On November 21, 1986, Charles C. MASON, Acting Manager of Nuclear Power, Tennessee Valley Authority (TVA), Chattanooga, Tennessee, was interviewed in his office in Chattanooga by NRC Investigators Larry L. Robinson and Gary H. Claxton. The nature of the interview pertained to MASON's knowledge of an unpublished report of a Nuclear Safety Review Staff (NSRS) Major Management Review of TVA's Corrective Action System. MASON provided the following information in substance:

MASON stated that sometime in early 1986, after Steven WHITE became TVA's Manager of Nuclear Power, WHITE had somehow "gotten wind of" an unpublished NSRS Report on Corrective Action. MASON advised that Kermit WHITT, then the Director of NSRS, had made a special trip from Knoxville to Chattanooga to discuss this Report with WHITE. MASON stated that before WHITT went in to talk to WHITE, WHITT stopped by his (MASON's) office to brief MASON on the situation with regard to the draft Corrective Action Report.

MASON stated that WHITT told him that the report had had no review activity for a number of months, during the escalated NSRS involvement in the QTC (Quality Technology Company) investigations of TVA employee concerns. Also that the report had no continuity, and would require major revisions before becoming a professional product. MASON stated that WHITT told him that the field work for this review had been done in the mid-summer of 1985, and he (WHITT) would recommend that the report not be published, but that another Review of Corrective Action be done in the Spring of 1986 so that the report would reflect TVA's current status with respect to Corrective Action. MASON stated that he suggested that the new Corrective Action Review not be done for another three or four months, so that the new TVA system of escalation of Corrective Action to the proper level of management would have had time to develop a history of performance, and could properly be evaluated.

MASON stated that TVA was well aware that corrective actions were not being escalated to the proper level of management way back in September, 1985. He stated that TVA reported that fact to the NRC around that time in a 50.54(f) Report, and developed a procedure to accomplish the proper escalation. MASON stated that he thought that that procedure "hit the street" approximately January, 1986, and he wanted to give it a little time to be in place before a

review was done to determine the effectiveness of the procedure.

MASON stated that, to the best of his recollection, WHITT left his office and went in to talk to WHITE, and then he (MASON) joined them a few minutes later.

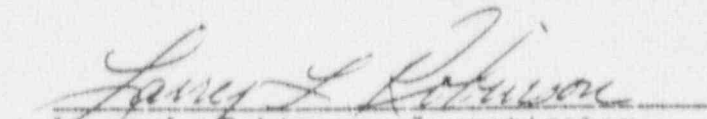
MASON advised that he was under the impression that WHITE accepted WHITT's recommendation not to publish the old Corrective Action Report, and that WHITE committed to WHITT that a new Corrective Action Review would be done in three or four months. MASON advised that he assumed that WHITE, as a senior manager, would rely on WHITT to remind him when the time came to do the new Corrective Action Review. MASON stated that neither he, nor, he opined, WHITE would have ordered NMRG to do the new Corrective Action Review without being reminded by WHITT. MASON stated that when NSRS was reorganized, given a new charter, and started reporting to the Manager of Nuclear Power as NMRG, WHITT was no longer in a position to communicate directly with WHITE on a regular basis. MASON stated that when WHITE received the letter that WHITT wrote to him just before he (WHITT) retired from TVA, WHITE ordered NMRG to do a Corrective Action Review.

MASON advised that he did not recall reviewing the draft of the old NSRS Corrective Action Report. He stated that when WHITT recommended not publishing the old report, he (MASON) did not ask WHITT if there were any significant findings in the old report that he (MASON) or WHITE should be aware of. He stated that he did not think that WHITE asked that question of WHITT either, but he could not be sure what transpired in the conversation between WHITE and WHITT before he went into WHITE's office on the day that WHITT briefed WHITE on the status of the unpublished report.

MASON stated that he never made any connection between the decision not to publish the old NSRS Corrective Action Report and the fact that at the time that decision was made, TVA was in the process of making a formal response to NRC as to whether TVA was in compliance with 10 CFR 50, Appendix B. He advised that they were concentrating so much on responding to the eleven "bullets" that had been presented to Commissioner Asselstine by NSRS in December, 1985, that any connection like that never entered his mind.

MASON advised that, if it were up to him, he would not have done another Corrective Action Review until TVA's new procedure on handling "conditions adverse to quality", which had just been issued a couple weeks ago, had had a chance to develop some history. MASON stated that this procedure was different from the procedure on the escalation of corrective actions to the proper level of management, but that the two procedures were related.

This Results of Interview was prepared on November 25, 1986.


Larry L. Robinson, Investigator

1 that part -- zero is an ~~exaggeration~~ ^{exaggeration} -- only knew that ERW
 2 ^{which the NSRS told us.}
 3 part ~~of the NSRS~~. It's all we pursued and all we ERW
 4 purported to pursue. That's all I was willing to
 5 answer. I don't know how better to explain it.

6 MRS. BAUSER: Let's take a break.

7 MR. WILLIAMSON: We are off the record at

8 11:01.

9 Whereupon,

10 [There was a brief recess]

11 MR. WILLIAMSON: We are back on the record.

12 The time is 11:19 a.m.

13 MR. ROBINSON: Mr. White, the next series of
 14 questions I have pertain to two areas that are relevant
 15 to this investigation. One is corrective action and
 16 the other one is the attitudes toward the NSRS people
 17 as an entity and also the attitudes maybe towards
 18 their director.

19 In late February 1986 - and this does not have
 20 anything directly to do with the March 20 letter.
 21 In late February 1986 Mr. Kermit Whitt came to you
 22 and indicated - at least this is Mr. Whitt's testimony -
 23 and indicatd that he made you aware of an NSRS major
 24 management review of corrective action that had been
 25 conducted in the summer of 1985. Do you recall any-
 thing about any type of a conversation regarding that

1 review?

2 MR. WHITE: I --

3 MR. CHARNOFF: Are you going to show him Mr.
4 Whitt's transcript?

5 MR. ROBINSON: No, I'm not.

6 MR. CHARNOFF: Well Mr. Whitt -- I mean I
7 can't have Mr. White fly into your characterization
8 of whatever it is that Mr. Whitt said. I'm not
9 disputing it. I just can't have him -- can you
10 show him that document?

11 MR. ROBINSON: If I am going to quote from
12 Mr. Whitt's testimony --

13 MR. CHARNOFF: The question is independent of
14 anything he said to you does he remember any encounter
15 with Mr. Whitt?

16 MR. ROBINSON: Right.

17 MR. WHITE: It would be helpful if I could look
18 at something.

19 MR. ROBINSON: This is a draft of that corrective
20 action report and it's also -- in order to refresh your
21 memory it is a letter dated August 6, 1986, from Kermit
22 Whitt to you regarding this corrective action review
23 and a letter dated September 5, 1986, from you to
24 Mr. Seiberling, who was at that time the manager of
25 the Nuclear Managers Review Group.

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1 MRS. BAUSER: You were talking about in 1985.
2 Is that an '85 review?

3 MR. ROBINSON: This is the original conversation
4 that I was talking about, which occurred to the best
5 of my knowledge in late February 1986 regarding this
6 draft report and why it had not been published.

7 MR. WHITE: I think I know what you are referring
8 to.

9 MR. ROBINSON: (Presenting document).

10 MR. WHITE: Yes, I'm familiar with this issue,
11 I am not familiar with the specific document you have
12 presented to me.

13 MR. ROBINSON: Do you recall ever having seen
14 that trick draft report before?

15 MR. WHITE: No.

16 MR. ROBINSON: To the best of your recollection
17 what transpired in that conversation in early 1986
18 between you and Mr. Whitt?

19 MR. WHITE: I think my letter reflects it most
20 accurately, the letter dated 5 September to Mr. Seiber-
21 ling. But the thrust of Mr. Whitt's remarks about
22 this ^{report was its} ~~report -- it's~~ a lousy report, I can't approve EKW
23 it, some of it's bad information and some of it's
24 outdated, I just don't want to send it to you. As I
25 said, a lot of ^{other} things ~~are~~ ^{were} going on. And a manager EDW

1 comes in and says that, you say, "Okay, then don't
2 send it." I didn't attach any specific significance.
3 You know, if you were to -- you can go back and ask
4 did I know it was a corrective action report. I'm
5 not sure from my memory I could tell you without this
6 letter if that was the subject.

7 MR. ROBINSON: Do you recall asking him if there
8 were any significant items that you should be looking
9 into even though that report was not going to be published
10 at that time?

11 MR. WHITE: I don't recall. My recollection of
12 the conversation is kind of what I said. A manager comes
13 in and -- in fact almost puzzling to have a manager come
14 in and say, "I've got this lousy piece of paper and
15 it's so lousy I don't want to send it to you." What
16 would you say? "Don't send it then." Understanding
17 the volume of all the other things I had going on, I
18 don't recall any specific discussion other than that.

19 MR. ROBINSON: Do you recall any discussion
20 regarding doing a corrective action review in the
21 near future to update some of the outdated information
22 in that old review?

23 MR. WHITE: No. The next thing that I really
24 remember is really getting angry when I got this
25 August 6 memo. And I'm not angry with Mr. Whitt. But

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1 when I read the part that said -- he's talking about --
 2 you know, he and others have been trying to get a
 3 review of the corrective action initiated in -- and
 4 then it says, "Our efforts have not been successful,"
 5 which indicated to me that somewhere in the system
 6 there was opposition and the thrust of this was, you
 7 know, there is something important here to do. And I
 8 got quite angry with the system and that's the reason
 9 I wrote an -- you know, pretty immediate in terms of
 10 what we do -- response. And by the way, I never know --
 11 It's dated August 6 and I don't know when I received
 12 it. But clearly on September 5, you know, ~~he~~^I told this ~~guy~~^{guy}
 13 guy, "Get on with this thing," and, as I said, the
 14 corrective action system is an essential and important
 15 ~~part of~~^{part of} our nuclear recovery program. And to "go back" and ~~CAW~~
 16 review the earlier work by the NSRS, ^{which} should be incorporat-~~ed~~
 17 ed as appropriate, which I -- I was angry with something
 18 that certainly by the September timeframe ~~appeared~~^{appeared} to me
 19 to be unresolved. I don't like unresolved things to sit
 20 around.

21 MR. ROBINSON: Did Mr. Siberling after he took
 22 over as the manager of the NMRG, Nuclear Managers
 23 Review Group, ever suggest to you doing a corrective
 24 action review?

25 MR. WHITE: I don't --

1 MR. ROBINSON: Prior to your September letter
2 to him?

3 MR. WHITE: I don't recall specifically anything
4 like that, no.

5 MR. ROBINSON: Going back now to the time of
6 Mr. Whitt's conversation with you in early 1986,
7 regarding the nonpublishing of that report, TVA's
8 corrective action system was a major issue in your
9 mind at that time, wasn't it?

10 MR. WHITE: I wouldn't have considered I don't
11 think at that point in time that as a major issue.
12 I had lots of issues of greater significance in
13 February than this, than the corrective action system.

14 MR. ROBINSON: Even though the corrective
15 action review appeared to have been a little outdated
16 and perhaps the report as yet a little unorganized,
17 why were you willing to let this report go unissued?

18 MR. WHITE: I think it's best reflected in my
19 September^{letter} which deals with that conversation really. *EXW*
20 Mr. Whitt had impressed on me that the quality of the
21 report and that it was incomplete and inaccurate. He
22 said, "I've got this lousy piece of paper and I don't
23 want to send it to you." I wish my managers would do
24 that because I get a lot of lousy pieces of paper
25 forwarded to me. Here's a guy coming in and saying,

1 "I've got a lousy piece of paper." With everything else
2 I was doing why would I reasonably be expected to tell
3 him to send it to me anyhow because I have all this
4 spare time, you know?

5 MR. ROBINSON: Do you specifically recall him
6 saying that the results of the report were inaccurate
7 or did he tell you that it wasn't in an organized,
8 readable form?

9 MR. WHITE: Both. This ^{September letter} is an accurate reflection ^{EXW}
10 of my recollection of the conversation. Both and more
11 I should say. The quality of the work.

12 MR. ROBINSON: Do you recall making any kind of
13 commitment to Mr. Whitt that you would do another
14 corrective action review in view of the fact that
15 the report was not going to be published?

16 MR. WHITE: I don't recall specifically but
17 it would not have been out of character for me to have
18 said at that point, "Well you need to get on and do
19 something about it," or I may have said, "What do you
20 intend to do about it?" that kind of thing.

21 MR. ROBINSON: So it could have been possible
22 that you might have -- might have committed to that?

23 MR. WHITE: Committed? It certainly would have
24 been impossible for me to inquire of him as to when
25 he was going to present his report and how he was going

1 to do it and that kind of thing. I wouldn't do that
2 as a commitment on my part because frankly -- well I
3 wouldn't have done that.

4 MR. ROBINSON: I'm going to ask you a hypothetical
5 question now. If Mr. Whitt had not sent you that letter
6 in August of 1986 do you think NMRG ever would have
7 conducted a corrective action review?

8 MR. WHITE: Ever?

9 MR. ROBINSON: Well --

10 MR. WHITE: Yes, I think clearly so. Mr.
11 Seiberling, who replaced Mr. Whitt, was a good manager.
12 As I said, I don't recall him ever saying that he
13 wanted to do this but I certainly dealt with him
14 frequently enough that I had plenty of things for
15 that group that I wanted them to look into, an
16 independent body, independent TVA line organization.

17 MR. ROBINSON: Now you --

18 MR. WHITE: He was a good enough manager that at
19 some point in time this thing would have been on the
20 list. We would sit down and discuss some possible
21 things that we want to do after we are through with
22 this one or these and then we'd look at the list. We
23 could never do everything on the list. So we'd have to
24 prioritize the thing and say, "This is more important
25 than this and this and this," or, "We prefer to do this."

1 MR. ROBINSON: Do you remember corrective
2 action being on that list?

3 MR. WHITE: No. It may have been. I don't
4 recall. If it was -- there were items of higher
5 priority that had to be done. I'm not saying it
6 was or was not on the list.

7 MR. ROBINSON: At what point in time did
8 Mr. ~~Steer~~^{Stier} complete his investigation of NSRS? Do
9 you recall that? EXU

10 MR. WHITE: No. The best I can recollect I
11 would say it was in late March or April, in that
12 timeframe, that he was --

13 MR. ROBINSON: Do you recall the conclusions
14 of that report with respect to NSRS as an organization
15 or Mr. Whitt as an individual director?

16 MR. WHITE: I'll do my best.

17 MR. CHARNOFF: Do we not have the document?

18 MR. WHITE: I don't object to giving them my
19 impressions. The document itself would be the best
20 evidence, so I am giving you my recollection.

21 There were weaknesses in the management, the
22 organization. There was much internal strife within
23 the organization. That the training program -- they
24 went through ~~the~~^{was} pretty good -- that the reports were
25 pretty good. I'm talking in general terms now. And in

1 general their people were pret., good at what they were
 2 doing; that it would be best to move the organization
 3 to Chattanooga and to cut it I think roughly in half;
 4 and I think despite the fact - I may be long - that
 5 of course he confirmed my own view as to the competence
 6 of these guys saying that in general they were good. I
 7 think he nevertheless said that ~~we~~^{we} needed a better EKW
 8 screening process where ~~we~~^{we} put people in ~~the~~^{this} kinds of EKW
 9 work. There may be other things but I don't remember.

10 MR. ROBINSON: Was it your decision to reorganize
 11 NSRS as NMRG and move it to Chattanooga?

12 MR. WHITE: Yes, ~~It~~^{It} was confirmed by the board EKW
 13 of directors, approved by the board of directors.

14 MR. ROBINSON: Was it your decision to hire
 15 Mr. Seiberling as the director of NMRG?

16 MR. WHITE: Yes, it was.

17 MR. WHITE: And how much of a factor in that
 18 decision was Mr. ~~Steer~~^{Stier}'s report? EKW

19 MR. WHITE: It certainly was a factor. Many of
 20 the things that Mr. ~~Steer~~^{Stier} came up with, as I say, EKW
 21 confirmed what I felt but I felt more comfortable
 22 because I had an independent outsider - always depend
 23 on more than one source of information - so I felt
 24 more comfortable with that. Certainly it was a piece
 25 to that. I would have to freely admit that the ~~Depart-~~^D EKW

1 ment of Labor inputs to me were part of that decision *ELW*
2 too. I mentioned yesterday I spent a lot of time with
3 them and they gave me quite an insight into the
4 organization.

5 MR. ROBINSON: Do you have some other questions,
6 Dan?

7 MR. MURPHY: I was out of the room, so maybe
8 this is redundant but do we kind of agree that that
9 conversation with Mr. Whitt did take place sometime
10 in February of 1986?

11 MR. WHITE: I don't know at what time Mr. Whitt --
12 Mr. Whitt's paper says on or about February 26. Yester-
13 day we reviewed a couple of documents that indicates
14 that perhaps he wasn't always precise in his dates.
15 But certainly such a conversation took place early
16 in the year. If someone said could it have taken place
17 in early April, I would have said yes. I'm not that
18 definitive about the date.

19 MR. MURPHY: And what was your opinion of the
20 corrective action program at the time you were approached
21 by Mr. --

22 MR. WHITE: I don't recall specifically. It was
23 one of many, many things that needed to be improved. I
24 don't think at that point in time I had gotten into it
25 in any depth at all to decide on what and how to do it. In *ELW*

1 fact it wasn't until months later -- it hasn't been --
2 it was really early this year and understand that
3 although it's important I have to prioritize everything
4 and it has been really this year since my return that
5 I have put tremendous pressure on the system with
6 regard to that program. That didn't mean that it ~~didn't~~ ^{EX}
7 ~~come~~ ^{come} up earlier or ^{wasn't} discussed or anything else. I'm ^{AW}
8 just saying that it was much after that ^{IT WAS} prioritized. ^E

9 MR. MURPHY: This is again Volume One to the
10 Nuclear --

11 MR. WHITE: Yes.

12 MR. MURPHY: And on page 134 you talk there
13 about improving the TVA's Nuclear Corrective Action
14 Program. Do you recall that?.

15 MR. WHITE: I don't -- I don't recall the -- the
16 volume obviously I recall and I recall a general review
17 of the thing. If you're asking do I recall specific
18 words, no. But in reading it I don't have any problem
19 with saying at the time that work needed to be done.

20 MR. MURPHY: Maybe I didn't read them paragraphs
21 right but are them paragraphs indication that you were
22 not satisfied with the corrective action program and
23 needed some improvement?

24 MR. WHITE: Maybe when you were out we discussed
25 that but this was one of many, many issues that I knew

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1 had to be faced. TVA had been -- I think it was very
2 common knowledge that TVA didn't always correct things
3 in a prompt way, they didn't always do what they told
4 the NRC they were going to do. So I knew those things
5 had to be fixed. I knew that probably in the February
6 timeframe. I'm just saying that the term of prioritiza-
7 tion of when and how you put pressure on the system to
8 do that depends on a lot of other things that ~~were~~^{were} *etc*
9 doing. I'm not trying to diminish the fact that it
10 was a problem that I knew about.

11 MR. MURPHY: You were aware of some decision --
12 some deficiencies at least in the corrective action
13 program? Or let's say it this way: It didn't meet
14 your standards?

15 MR. WHITE: Clearly it did not meet my standards.

16 MR. MURPHY: Did you have this feeling about
17 meeting your standards when Mr. Whitt came to see you?

18 MR. WHITE: I don't recall specifically when he
19 came to see me. It's hard for me to say I did or didn't.
20 I don't remember whether I knew at that time, had the
21 feeling at that time, whenever that time was. I
22 certainly knew that this was something that had to be
23 resolved and I certainly knew it would be hard to
24 resolve.

25 MR. MURPHY: Did you know this before the March 20,

1 1986, letter?

2 MR. WHITE: Did I know that it was a problem? Yes.

3 MR. MURPHY: Thank you.

4 MR. ROBINSON: I was going to summarize my
5 area of questions now. Do you have any questions
6 before I do that, Mark?

7 MR. REINHART: I have a couple on your area,
8 yes.

9 Mr. White, if we could go back to Mr. Whitt's
10 conversation with you, when he brought in that
11 corrective action report being the skeptical person
12 that you are didn't it kind of strike you funny that
13 here a manager comes in and says, "I have this big
14 report and it's no good and I don't want to issue it
15 to you."?

16 MR. WHITE: It's puzzling, yes.

17 MR. REINHART: What did you do to resolve that
18 puzzlement?

19 MR. WHITE: I specifically don't recall but
20 as I said it would have been in my character to have
21 not just let the thing die because if there was a
22 report and for some reason it was lousy -- and you
23 have to understand Mr. Whitt also, as a manager,
24 but it would have been in character for me to have
25 said, "Well what are you doing about it?" or, "What

RESULTS OF INTERVIEW WITH JERRY D. SMITH ON
JANUARY 9, 1986, AS PREPARED BY INVESTIGATOR
LARRY L. ROBINSON

On January 9, 1986, Jerry D. SMITH, Section Leader, Investigations Branch, Nuclear Safety Review Staff (NSRS), Tennessee Valley Authority (TVA), was interviewed by NRC Investigator Larry L. Robinson in the NRC Resident Inspector's office at the Watts Bar Nuclear Site. SMITH advised that his current residence address is

SMITH advised that he was currently a temporary M-6 Section Leader.

SMITH advised that he has been employed by TVA since October 1981, and that all of his time has been spent with NSRS since being employed by TVA. He advised that prior to TVA, he was an employee of Region III, NRC, as a Nuclear Inspector from March 1978 through October 1981. He advised that he was employed at NRR in Bethesda, Maryland, from November 1973 to 1978. He stated that prior to that he had been employed for three years with Bechtel in Gaithersburg, Maryland, having spent half his time there in Design and Instrumentation and the other half in startup activities.

SMITH stated that when he first came to NSRS there were two main groups. He advised that there was the Technical Analysis and Review Section (TARS), and the Investigations Section. He stated that he was originally a member of the TARS group.

SMITH stated that at present, although there is no new official organization chart, his understanding of the organization in NSRS was as follows:

There was an Investigations and Report Review Branch that was headed by Dick SMITH. There was Jim MURDOCK's Technical Analysis and Review Group, and then there was the Investigations Branch which was temporarily headed by Mike HARRISON in an acting supervisory capacity and under HARRISON were Doug STEVENS, who supervised the Watts Bar investigations and Bob SAUER, who supervised the investigations at all other sites.

When asked if he knew the distribution of NSRS reports, SMITH advised that he thought that the reports that were developed through his Investigations Group there at Watts Bar were addressed directly to the Site Director, Mr. COTTLE (phonetic spelling).

SMITH stated, with respect to the tendency of NSRS management to suppress or water down the findings of their Field Investigators, that since he has been with NSRS there have been two major eras, with the line of demarcation being the thimble tube incident at Sequoyah. SMITH advised that prior to the Sequoyah Thimble Tube incident in August 1984, NSRS management did not suppress any of the field findings by the TARS group or the Investigations group. He stated that the reason for this was that the line managers and general management of TVA would not pay much attention to or take any action on any of the NSRS findings. SMITH advised that immediately after the Sequoyah Thimble Tube incident, the newspapers "discovered" NSRS. He stated that Freedom of Information Act (FOIA) requests for all NSRS reports were coming in on a regular basis by the newspapers, and the NSRS findings

Information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions 6 & 7C
FOIA 90-A-20

were being made public. He stated that in addition to the newspapers submitting FOIA requests, the NSRS report went into the MEDS computerized system within TVA and anyone within TVA could pull up an NSRS report on their computer screen and print it out. SMITH stated that it was at this time that NSRS management became a little more careful about what information went into the reports that were going to be published.

SMITH stated that prior to the Sequoyah thimble tube incident, when NSRS would have any findings that were quality assurance related, these findings would be turned over to the Office of Engineering, Design and Construction (OEDC), and put into what was called the Task Action Plan for appropriate closing. SMITH stated that in the early summer of 1983 when the Office of Quality Assurance (OQA) was formed, somehow the listing of open items in the OEDC Task Action Plan was lost. SMITH stated that an example of his NSRS findings "disappearing" was in late 1983 when he found some cable problems at Watts Bar. He wrote a memorandum for Newt CULVER's signature that was to go to Engineering requesting some action on the cable problems. SMITH stated that CULVER changed the memo so that the problem became a quality assurance problem instead of a hardware/engineering problem and the memorandum went to ANDERSON in OQA and no action, to SMITH's knowledge, was ever taken.

SMITH stated that in January of 1985, Mike HARRISON consolidated a number of open items on the NSRS computerized Open Item Tracking System into one item and then improperly closed that one item and it disappeared. SMITH stated that John MASHBURN of NSRS set this computerized program up and could possibly provide more detail on the items HARRISON improperly closed.

SMITH stated that the Black & Veatch independent design and review of the Watts Bar auxiliary feedwater system produced approximately 400 findings. SMITH advised that TVA set up a Black & Veatch task force, composed of TVA senior management, including Gray BEASLEY, Newt CULVER, and Max SPROUSE, to prepare a response to the Black & Veatch report. SMITH stated that although the Black & Veatch report had in excess of 400 findings, the proposed TVA Policy Committee response to this report only admitted to three.

SMITH stated that Newt CULVER and Jim MURDOCK of NSRS both knew that there were problems with the Policy Committee response, but that neither CULVER nor MURDOCK, would stand up to the rest of the Policy Committee, and CULVER signed off on the Policy Committee response stating that there were only three legitimate findings to which TVA would admit.

SMITH advised that after the thimble tube incident, he and John MASHBURN did an Appendix R review and wrote a draft report that for some reason never got issued. SMITH stated that he is not sure why it did not get issued and that he would provide a copy of the draft of this Appendix R report. SMITH advised that it was at this time that he began to learn the definition of certain TVA words like "appropriate behavior" which to SMITH meant that you could go to a certain extent in finding safety problems at TVA, but do not go any further or your career might be on the line.

SMITH stated that after the thimble tube incident during the rest of 1984, he "chased Watts Bar problems" but made no major findings. SMITH stated that he was "put in a box".

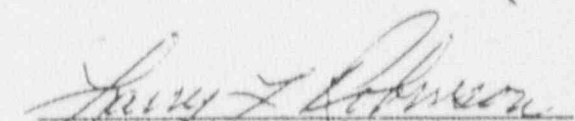
SMITH stated that since May 1985, when Quality Technology Company (QTC) was contracted to handle employee concerns by TVA, he had seen no "noodling" of the employee concerns by TVA.

SMITH stated that Jim MURDOCK told him that TVA's Office of General Counsel (OGC) was "not happy with us" (meaning NSRS) and MURDOCK advised SMITH not to dally when walking between the Bank Building and the Towers at TVA Headquarters, because OGC was watching. SMITH stated that he was also advised that if he was out on sick leave, not to be seen in town.

SMITH stated that he heard that OGC told John NELSON, an Investigator for the Congressional Oversight Committee, that NSRS is doing an investigation on Authorized Nuclear Inspectors (ANI) for OGC. SMITH stated that NSRS is not presently conducting such an investigation.

SMITH recommended that NRC Office of Investigations talk to Jim JONES, formerly of NSRS, about some procurement items that he (JONES) was investigating. He stated that NSRS manager Mike KIDD essentially drove Jim JONES out of the NSRS job by harassing him so much. SMITH stated that there is currently a QTC investigation going on into this harassment.

This Results of Interview was prepared on March 7, 1986.


Larry L. Robinson, Investigator

RESULTS OF INTERVIEW WITH JOHN M. MASHBURN
ON JUNE 7, 1985 AS PREPARED BY INVESTIGATOR
E. L. WILLIAMSON

On June 7, 1985, John M. MASHBURN, Nuclear Safety Evaluator, Nuclear Safety Review Staff (NSRS), Tennessee Valley Authority (TVA), Knoxville, TN was interviewed by NRC Investigators E. L. Williamson and Daniel D. Murphy in his Knoxville office and he provided the following information in substance:

MASHBURN stated he has been employed by TVA for approximately 10 years, beginning in 1975 as an Electrical Engineer in the Division of Engineering and Design (ENDES). He said he worked within ENDES for four years before going to NSRS, when it was formed, in 1979. He said his first supervisor was Gray BEASLEY, the then Acting Director of NSRS. He said prior to his employment with TVA he worked for ORTECH at Oak Ridge National Laboratory with semi-conductors and radiation monitoring. He said he has a Master of Science in Physics, a Bachelor of Science in Engineering Physics and is a licensed practical engineer.

MASHBURN explained that as a Safety Evaluator he has conducted work on the Bellefonte Nuclear Plant (BLN) Design Review, to determine if requirements have been implemented and how they have been implemented. He said he has also reviewed extensively, Instrumentation and Control Systems as well as radiation control systems.

MASHBURN was asked to comment on the freedom which he has as a Safety Evaluator, and if he feels concerns about retribution in reporting potential or actual safety concerns to his management. MASHBURN prefaced his remarks by stating that he does not have any reservations about identifying problems to his management, however he said he did not feel that anything constructive would be done with his concerns. He related that in September 1984, there was a design review scheduled for Watts Bar Nuclear Plant (WBN) to be conducted by an eight man team from NSRS. He said management felt this would be an area looked at by the NRC, but it was later decided that such a review would be worthless, because everyone knew that no design changes were going to be made or even suggested at an NTOL plant. He said the decision was made that the design review would be a waste of time and the feeling was that the plant was going to be licensed. He stated that if a review was conducted, Newt CULVER, Director NSRS, was not going to issue a report that would be derogatory or in any way impede the licensing process of WBN.

MASHBURN stated that in July 1984 he conducted a review on Appendix R (fire protection) issues (generic), and identified many problems with the system. He said he tried to determine how TVA had gotten into such a "mess" with regards to fire protection and he put his findings in a report. He said he felt that his findings and subsequent report were damaging and therefore his supervisor refused to issue the report. He said his supervisor, Jim MURDOCK, told him that Appendix R issues were not big problems, and that the reporting of such issues and concerns were not timely. He said MURDOCK did not seem to be concerned about WBN but rather indicated that the BLN Appendix P review took priority over WBN. MASHBURN stated that

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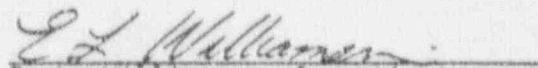
even though none of the Appendix R concerns were considered to be safety concerns, improved design changes were necessary to maintain integrity of fire suppression capability. He added, this area was not addressed as he felt it should have been.

MASHBURN stated he was also involved in the NSRS review of the Black and Veatch Report, wherein NSRS looked at 10 areas addressed by writers of the Black and Veatch Report. He said seven of the areas were resolved, three were unresolved by Black and Veatch and were assigned to be addressed by MASHBURN and subsequently be closed out. MASHBURN stated that earlier, MURDOCK, while discussing the Black and Veatch Report with NSRS reviewers, noted that some of those involved did not think that the Black and Veatch concerns were handled as well as they could have been and he (MASHBURN) suggested that any concern about Black and Veatch should be brought to managements attention.

MASHBURN reiterated that there was no real reluctance to engage in controversial issues with management even though he felt it could adversely affect his career. He said there was some reluctance on his part to report bona fide safety concerns to TVA, adding that he would feel more comfortable going to the NRC. He said he did not think TVA management was really interested in hearing about concerns; but rather adopted the philosophy of "don't rock the boat." He said he has been around long enough to know that "company men" were assigned jobs addressing "tough issues" that they would not make controversial. He said these "company men" tended to be promoted faster than others. He said this problem was not unique to NSRS but existed in other areas of TVA as well.

MASHBURN concluded by stating since his arrival in 1979, NSRS has been "running in place," making no progress, and no substantive changes have been made in the organization. He said there is no "real" guidance offered on problem areas, adding that management does not manage. He said the leadership in NSRS is not goal oriented nor is it organized. He said he has spent enough time in the field that he thinks the perception of the average TVA worker with regards to reporting concerns, personal, safety or otherwise, was one of fear of reprisals and recrimination because they felt their jobs and careers would be adversely affected. He said as an example, at one time he was told by a welder that if an QC inspector wrote Inspection Rejection Notices they could be fired. He said good welders were reluctant to weld because of fear of losing their jobs. He said he did not know if this was fact or rumor but this attitude is not one that was conducive to good morale and genuine loyalty to an organization.

This Results of Interview was prepared on July 1, 1985.


E. L. Williamson, Investigator

RESULTS OF INTERVIEW WITH JOHN M. MASHBURN
ON JANUARY 22, 1986, AS PREPARED BY INVESTIGATOR
LARRY L. ROBINSON

On January 22, 1986, John M. MASHBURN, Nuclear Safety Evaluator, Nuclear Safety Review Staff (NSRS), Tennessee Valley Authority (TVA), Knoxville, Tennessee, was interviewed by NRC Investigator Larry L. Robinson in his Knoxville office. MASHBURN provided the following information in substance:

MASHBURN stated that he has been employed by TVA for approximately 10 years, beginning in 1975 as an Electrical Engineer in the Division of Engineering and Design (ENDES). He advised that he worked with ENDES for four years before going to NSRS upon its formation in 1979. He stated that his first supervisor was Gray BEASLEY, who at that time was the Acting Director of NSRS. He advised that prior to his employment with TVA, he worked for ORTECH at Oak Ridge National Laboratory.

MASHBURN stated that through his entire career with NSRS, there had been no true suppression of any of his significant findings during his projects or investigations.

MASHBURN advised that he had some aggravation with a premature closing of one of his computer control followup items without his knowledge, having been done by Mike HARRISON. MASHBURN said that when he talked to HARRISON about it that HARRISON said that he "wimped out" and closed the item on the computer printout. MASHBURN stated that he assumed that HARRISON meant by "wimping out" that he (HARRISON) had closed it under pressure from NSRS management.

MASHBURN advised that he, himself set up the NSRS computer tracking system of open items, but that originally, the NSRS Director at the time Newt CULVER, did not want the NSRS tracking system "dove tailed" with the data base from Construction, Design, Quality Assurance, and the Project Manager offices. MASHBURN advised that Kermit WHITT was the man who originally asked for the NSRS tracking system to be developed on the computer, but that when WHITT found out that CULVER did not want that system, all of a sudden WHITT did not want it either.

MASHBURN stated that, with regard to HARRISON's "wimping out", and closing one of his (MASHBURN's) items prematurely, that it was normal practice that if a supervisor was going to close out an open item, he would discuss it with the individual engineer or evaluator who was responsible for the item prior to closing it. MASHBURN stated that in the case of this computer control item he (MASHBURN) had been following it on the NSRS open list and HARRISON had not discussed the closure of this item with him prior to closing it. MASHBURN stated that this item was not a safety significant item in that it merely had to do with control over the utilization of the data processing system, but that the manner in which it was closed out indicated to him that NSRS management might have a tendency to close out "uncomfortable" open items without consulting the individual project engineer or evaluator responsible.

MASHBURN stated that, to the best of his recollection, the circumstances surrounding the NSRS review of the findings in the Black and Veatch independent design review were as follows: He stated that the TVA Black and Veatch task force grouped all the Black and Veatch findings into 39 categories. He stated that the TVA Policy Committee, which was headed by a number of upper-level TVA managers, supervised the output of this task force. MASHBURN advised that the NSRS Director at the time, CULVER, was a member of this TVA Policy Committee.

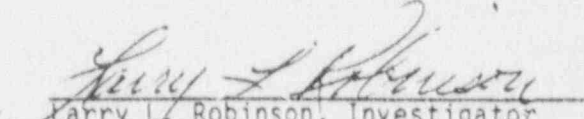
MASHBURN advised that in January of 1984, Jim MURDOCK asked the Technical Analysis and Review Section (TARS), to look at a comparison between the original Black and Veatch report findings and the TVA Policy Committee response to these findings. The decision that MURDOCK wanted made with respect to this comparison was whether or not CULVER should sign off on this Policy Committee response to the Black and Veatch report. MASHBURN stated that MURDOCK told the TARS group that they had 10 days to let him know their opinion on whether or not CULVER should sign the Policy Committee Report.

MASHBURN advised that every man, with the exception of Jim MURDOCK, in the TARS group had some problems with the various areas that they had researched during this comparison. MASHBURN stated that each member of the TARS group was responsible for a certain section of the Black and Veatch findings. He stated that he had instrumentation, electrical, and control items, and that other members of the TARS that were working on this project with him were Bruce SIEFKEN, Jerry SMITH, Phil WASHER, Doug HORNSTRA, Dallas HICKS, Jim JONES, and Vince O'BLOCK.

He stated that each of these members recommended that CULVER not sign the Policy Committee Report as it was drafted, but that he believed that CULVER went ahead and signed the report in March of 1984, anyway. MASHBURN advised that he thought it was a condition of the FSAR that the Black and Veatch independent design review be done. He stated that in June of 1984, NSRS was still "making passes at" the comparison of the Black and Veatch findings and the Policy Committee Report.

MASHBURN stated that at the time of the writing of the final report of the NSRS study of these Black and Veatch findings (R-84-19-WBN) that MURDOCK wanted a new report format. MASHBURN advised that MURDOCK wrote it as if he had done all the work on it himself and that it did not appear to be a team effort.

This Results of Interview was prepared on March 7, 1986.


Larry L. Robinson, Investigator

RESULTS OF INTERVIEW WITH PHILLIP R. WASHER ON
JANUARY 23, 1986, AS PREPARED BY INVESTIGATOR
LARRY L. ROBINSON

On January 23, 1986, Phillip R. WASHER, Nuclear Engineer, Nuclear Safety Review Staff (NSRS), Tennessee Valley Authority (TVA), was interviewed by Investigator Larry L. Robinson in his (WASHER's) office at TVA Headquarters, Knoxville, Tennessee. The nature of this interview was pertaining to allegations that NSRS management had suppressed significant information that had been developed during the course of the investigations and projects conducted by the NSRS staff. WASHER provided the following information in substance:

He advised that he has been a TVA employee since 1968, having started as a Civil Engineer in the Structural Steel and Bridge Group. He stated that in 1973, he worked as a Civil Engineer in the Design Engineering Group at the Bellefonte Nuclear Project. WASHER advised that he has been a Nuclear Engineer in NSRS from January 1984 to the present time.

WASHER advised that in mid to late February 1984, the Technical Analysis and Review Section (TARS) of NSRS was assigned to do a review of the findings contained in the Black and Veatch independent design review of the auxiliary feedwater system at Watts Bar Nuclear Plant. WASHER stated that Jim MURDOCK, the TARS Section Chief, had divided the Black & Veatch findings appropriately among the members of the TARS group, and WASHER was assigned to look at the findings pertaining to civil structure.

WASHER stated that Black & Veatch had some significant legitimate findings in the following areas:

1. A lack of accounting for cumulative loads on embedded plates.
2. Missing pipe support calculations.
3. Improper use of sampling techniques to qualify:
 - a. Pipe support calculations
 - b. Quality of unistrut
 - c. Expansion anchors
4. No accurate record of final configuration of pipe supports.

WASHER stated that initially, MURDOCK gave the TARS Group a period of 10 days to determine if a proposed draft response to the Black & Veatch report findings as prepared by a committee of upper-level TVA managers known as the Watts Bar Independent Review Policy Committee, was acceptable for the signature of H. N. CULVER, who was the Director of NSRS at that time and also a member of the Policy Committee.

WASHER stated that the 10-day time unit was an extremely short deadline to do any kind of meaningful comparison between the Black & Veatch report findings and the Policy Committee response, but each member of the group, which included WASHER, Jerry SMITH, John MASHBURN, Bruce SIEFKEN,

Vence O'BLOCK, and Doug HORNSTRA did as much as they could in that short time. He advised that the group had a meeting with MURDOCK, and every member of the group thought that the Policy Committee Report improperly concluded that most of the Black & Veatch findings were not really legitimate findings, or they were insignificant findings, or findings which had already been addressed and properly dispositioned by TVA. WASHER stated that the group told MURDOCK that the draft Policy Committee Report was not an accurate assessment of the legitimacy and/or proper disposition of the Black & Veatch findings, and that CULVER should not sign the Policy Committee Report in that form.

WASHER stated that the TARS group review of the Black & Veatch findings continued after the initial 10 days effort, and he (WASHER) personally knew that CULVER was reviewing the TARS group findings while they were still in draft form. WASHER stated that at one point, CULVER told MURDOCK that the group did not have enough detail to write a full report, and instructed that a summary be done instead. WASHER stated that he disagreed with this and that a summary was never written.

WASHER stated that the purpose of the Black & Veatch review was to determine if TVA was meeting its FSAR commitments, not to determine if a disastrous accident were going to happen. He stated, however, that the Policy Committee Report seemed to stress that even with all the Black & Veatch findings, the affected structures, systems, and components would still perform their safety functions.

WASHER advised that despite the TARS group's recommendation to the contrary, Newt CULVER signed off on the Policy Committee Report in March of 1984. WASHER stated that both MURDOCK and CULVER attended the March 1984 policy committee meeting. After that meeting, MURDOCK had a meeting with the TARS group and told them that CULVER had signed off on the Policy Committee Report. When the members of the TARS group asked MURDOCK how CULVER could have signed off on that report in good conscience, WASHER stated that MURDOCK told them that CULVER had made a statement to the effect that he (CULVER) was not going to come out of that Policy Committee Meeting with his "head under his arm".

WASHER advised that the final NSRS report on their review of the Black & Veatch findings (R-84-19-WBN) came out around July of 1984. He advised that MURDOCK concluded, improperly from the details in the report, that NSRS agreed with the Policy Committee Report.

WASHER advised that Richard FREEMAN, of the Board of Directors, TVA, wrote a letter to CULVER regarding a comparison of the final NSRS report (R-84-19-WBN, supra) to the Policy Committee Report. WASHER stated that FREEMAN's letter basically asked CULVER how he could have possibly signed off on the Policy Committee Report while being aware of his staff's findings. WASHER stated that some specific areas of comparison were cited in FREEMAN's letter to CULVER, but CULVER's reply to FREEMAN really did not address the question, and to WASHER's knowledge, the issue faded away.

WASHER stated that he wanted to add, in all fairness, that back in March of 1984 when CULVER wanted a summary written and WASHER thought at that time that he had enough to write a full report, he (WASHER) was wrong. He

stated that he did not have enough to write a full report at that time, but he certainly had enough to justify CULVER not signing off on the Policy Committee Report.

WASHER advised that another series of events pertaining to missing pipe support calculations was an example of lack of support and suppression of information by CULVER.

WASHER stated that a Non-Conformance Report (NCR), WBN-SWP-83-03, pertaining to missing pipe support calculations was originated on or about February 23, 1983, closed on March 2, 1984, and sent to NSRS for review on March 5, 1984. This NCR was originally classified as not being significant to safety. He advised that the originator of this NCR, Everett PATRICK, an SC-4 Technical Supervisor on the Watts Bar Design Project, wanted to classify this NCR as safety significant, but PATRICK's Branch Chief, Jim KEY, who is currently at Sequoyah, disagreed and classified it non-safety significant. WASHER cited ANSI N45.2.9 as requiring lifetime quality assurance records on pipe supports.

WASHER stated that his April 6, 1984 report (R-84-07-WBN) disagreed with Jim KEY's decision to make NCR WBN SWP 83-03 non-safety significant. In this report, NSRS recommended to: (1) Make the NCR safety significant; (2) report the deficiency to NRC under the terms of 10 CFR 50.55(e); and (3) recreate the missing pipe support calculations and properly preserve them.

WASHER stated that H. PARRIS wrote a response to WASHER's report, which WASHER classified as a "non-response" which created an impasse to the carrying out of the NSRS recommendations in the report (R-84-07-WBN). WASHER stated that because of the impasse, he drafted a memo to the General Manager of TVA, W. F. WILLIS, in August of 1984 for CULVER's signature, which explained the logic and regulatory basis for reclassifying the NCR to safety significant and reporting to NRC. WASHER gave his draft to Jim MURDOCK and MURDOCK made some comments and changes with which WASHER agreed. MURDOCK took the final draft to CULVER but MURDOCK came back to WASHER and told him that CULVER said that memo was not going out.

WASHER advised that sometime in August 1984, after MURDOCK had given his (WASHER's) draft memo back to him, there was a meeting attended by George DILLWORTH, CULVER, MURDOCK, WASHER, a Mr. BARNETT who was the Chief, Civil Engineering Branch (CEB), a Mr. HERNANDEZ, the Assistant Chief, (CEB), and a Mr. COANES. At this meeting, HERNANDEZ displayed a sample of sixty (60) pipe supports that had been calculated to be structurally and seismically sound. WASHER said that those sample calculations were all well and good, but the point of the controversy over the NCR on missing pipe support calculations was not whether the hangers calculated out to be safe, but it was TVA's requirement to abide by the Watts Bar FSAR commitment on records.

WASHER advised that CULVER then commented to the effect that this sampling of hanger calculations had given him (CULVER) a "warm feeling about pipe supports". WASHER stated that CULVER then asked him if the sampling did not give him (WASHER) a "warm feeling", to which WASHER replied in the negative.

WASHER stated that nothing was done about the recommendations in his report until suddenly, after the Sequoyah thimble tube incident in September of 1984, a reporter named Libby WANN of the Chattanooga Times, submitted a Freedom of Information Act (FOIA) request on all NSRS reports. WASHER advised that WANN did a story on his report on the missing pipe support calculations, and suddenly NCR WBN CEB 84-18 was issued, which classified the missing pipe support calculations as safety significant and the deficiency was reported to NRC as a 50.55(e) item. WASHER stated that in his opinion, NCR 84-18 was written only to try to avoid a fine on reportability requirements after the newspaper article was published on his (WASHER's) report.

WASHER stated that he wanted to discuss another incident pertaining to an NSRS presentation to NRC Commissioner ASSELSTINE on December 19, 1985. He advised that on December 18, 1985, NSRS employee Bob SAUER telephoned WASHER and Jerry SMITH at Watts Bar and asked them for their "perceptions" of the situation at Watts Bar to be used in the next day's presentation to ASSELSTINE. WASHER stated that he and SMITH provided SAUER with a list of their "perceptions", knowing full well that they would be required to justify their "perceptions" at some point in the future. These perceptions were:

1. The as-constructed welding program is indeterminate.
2. The electrical cable present qualification condition is indeterminate.
3. Instrument line inadequacies:
 - a. slope
 - b. fittings
 - c. bending-induced stresses on conduit
 - d. hydrostatic testing
4. Construction processes, in general, are loosely controlled.
5. Records are of poor quality.
6. Lack of independence of QA/QC personnel.
7. Q-list not in good shape and is inconsistent with CSSC list.
8. Material traceability very poor, especially seismic Category 1 (piping, HVAC, conduit, trays, instrumentation, etc.)
9. Field configuration of cables/supports has lost accumulated loading controls on embedded plates.
10. Non-conformance reporting does not address corrective action aspects appropriately.

WASHER stated that SAUER used these 10 items in his December 19, 1985 presentation to Commissioner ASSELSTINE; however, SAUER added on his own two more items which he labeled "bottom line". These items, as quoted verbatim from the view-graph used in the presentation were:

1. Design Control is not initially specified up front, nor is final configuration feedback given back to design. Margins of safety are indeterminate.
2. 10 CFR 50, Appendix B requirements are not being met.

WASHER stated that on January 2, 1986, Kermit WHITT, Director, NSRS, anticipated having to provide additional detail in support of the SAUER "view-graph" presentation. WASHER advised that a day or so later, a letter from NRR to TVA's Manager of Power and Engineering (nuclear), dated January 3, 1986, was received by TVA. This letter required TVA to provide NRR with a sworn statement on TVA's corporate position as to whether 10 CFR 50, Appendix B requirements were being met at Watts Bar. This statement was required by January 9, 1986.

WASHER stated that on January 6, 1986, while at Watts Bar, he, Jerry SMITH, Doug STEVENS, and Allen GENTRY, who was investigating the independence of QA/QC at Watts Bar, received a phone call from SAUER, Kermit WHITT, Mike HARRISON, and Gerald BRANTLEY. This call was to inform the four of them that NSRS had to provide official input into TVA's corporate response regarding adherence to Appendix B. WASHER stated that during this phone conversation a discussion was held over the "semantics" of whether or not all of the Appendix B criteria were being met.

WASHER stated that on January 9, the TVA Board of Directors met with the NRC Commissioners and a 30-day extension was granted on the provision of the sworn statement.

WASHER advised that from January 9, to January 16, 1986, there was no NSRS action, to his knowledge, on the Appendix B issue. He stated that at 11:30 a. ., January 16, he got a phone call from Kermit WHITT, who had been in a meeting with the staff of Steven WHITE, the newly appointed "Nuclear Czar" at TVA. WASHER stated that WHITT told him to stop his activity on some generic issues at Sequoyah and to put together the specific "backup" data for each of the "perceptions" listed in the December 19 presentation to Commissioner ASSELSTINE. He advised that WHITT told him that the data was needed by close of business, January 17, 1986.

WASHER stated that he and Jerry SMITH started pulling together all the NSRS data on each of the "perceptions" and combined it with pertinent Quality Technology Company (QTC) investigative input in the development of the NSRS position on the Appendix B issue.

WASHER stated that later on January 16, he found out that WHITT was told by a Mr. WEGENER (Phonetic spelling) of Steven WHITE's staff that there would be one corporate TVA position on Appendix B by 8:00 a.m., January 17. WASHER advised that WHITE's staff took the position that Appendix B is being complied with if a non-conforming condition existed, but it had been

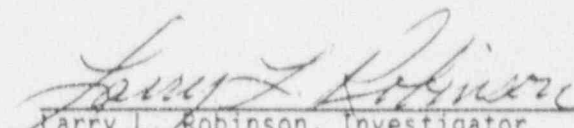
identified and put into a corrective action mode. WASHER stated the he, SMITH and SAUER said that they would consider that position as possibly being valid if TVA had an effective corrective action program, but their opinion was that the corrective action program was no good.

WASHER advised that WHITT stated he needed a position paper on corrective action and traceability by 8:00 p.m. that night, January 16. WASHER advised that they told WHITT that to have the paper done by then was impossible. They were then instructed to have the paper done by midnight.

WASHER advised that at 3:15 a.m., January 17, WHITT called in a secretary to type the position paper and then he (WHITT) personally drove to Chattanooga with the paper to hand carry it to WHITE's staff.

WASHER stated that he found out later, after having stayed up most of the night to get this paper to WHITE's staff by 8:00 a.m. on January 17, that WHITE's staff told WHITT that they had what they needed and did not even consult with WHITT on the position paper.

This Results of Interview was prepared on March 6-7, 1986.


Larry L. Robinson, Investigator