

4/15/86
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UNITED STATES NUCLEAR REGULATORY COMMISSION

IN THE MATTER OF:

INVESTIGATIVE INTERVIEW

DOCKET NO:

LOCATION: KNOXVILLE, TENNESSEE

PAGES: 2-105

DATE: THURSDAY, APRIL 10, 1986

Information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions b7c
FOIA- 90-A-20

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EXHIBIT 43
Page 1 of 106 Pages

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MR. ROBINSON: Let's go ahead and go on the record.

For the record, this is an interview of Mr. Kermit Whitt conducted at the offices of the Tennessee Valley Authority, Knoxville, Tennessee, on Thursday, April 10, 1986.

Present at the interview are Mr. Whitt, Larry L. Robinson, OR/NRC, Jim Stone, I&E/NRC, and Jack Kindt, OI/NRC.

Mr. Whitt, will you please raise your right hand?

You swear that the information you're about to give in this case is the truth, the whole truth, and nothing but the truth, so help you God?

THE WITNESS: I affirm that's the truth. I don't swear.

MR. ROBINSON: Fine.

EXAMINATION

BY MR. ROBINSON:

Q For the record, will you please state your full name, residence address and telephone number?

A Kermit W. Whitt ([redacted]) Telephone number is, you want my home number?

Q Home number.

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Q

And what is your current position here at TVA?

A

I'm not sure. I'm either the director until next week or I'm the assistant director.

Q

Of the Nuclear Safety?

A

Nuclear Safety Review Staff.

Q

All right. How long have you been with TVA?

A

Almost six and-a-half years.

Q

What I'd like for you to do, if you would, please, is start from now and kind of work backwards with your experience and positions within TVA and within NSRS and any other employment that you've had that is nuclear related.

A

Going to take awhile.

Q

Okay. Start with the present.

A

Director of Nuclear Safety Review Staff. Had this job since January of 1985. Prior to that, from 1982, 1985, assistant director, and from 1979 to '82, I was chief of the operations section, NSRS. That's the sum total of my employment with TVA during a consecutive period of time.

Prior to that I was, worked for NRC and '78, '79 I was chief performance appraisal branch in I & E, Bethesda.

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1 Before that I was senior reactor inspection
2 specialist. That was sometime '77 until late '78.

3 Prior to that, I was regional coordinator
4 in Bethesda. All this was I & E.

5 And before I went up there I worked at
6 Region 2 in Atlanta as a reactor inspector. Principal
7 inspector for Crystal River and Farley Plants. I was
8 a member of the QA inspection team. I was a member of
9 the management inspection team.

10 Before I went to NCR, 1970 to 1973, I
11 worked for TVA in Chattanooga. Worked primarily on
12 Browns Ferry and Sequoyah reviewing TVA specs all
13 information that was submitted to the NRC. Also trained
14 people in systems, new people that came in.

15 The last year I was, worked in
16 pre-operational test group at Sequoyah.

17 Prior to that I worked at the San Francisco
18 Bay Naval Shipyard for the Department of the Navy, civilian.

19 Q What years were those?

20 A Those were '67 to '70. There I was chief
21 of planning section for a year and-a-half, and for a year
22 and-a-half I was chief test engineer, testing on
23 submarines and planning section. I was responsible for
24 refueling submarines.

25 Prior to that I worked for the Piqua Nuclear

1 Power Facility, Piqua, Ohio. That was '66, and I was
2 operation supervisor there, and received NRC/AEC operator's
3 license.

4 Prior to that I worked at Idaho National
5 Reactor Testing Station in Idaho Falls, Idaho, and there
6 I was a reactor operator and senior reactor operator.

7 Q And what years was that?

8 A That was from '61 to '65. That's nuclear
9 history.

10 Q Prior nuclear experience. When you came
11 in 1979 from I & E in Bethesda to TVA and NSRS, how did
12 that come about?

13 A 1979.

14 Q '79. What did I say?

15 A I thought you said '69.

16 Q No. 1979.

17 A Okay. 1979, that came about by being
18 informed by people in TVA that I had known previously
19 that a new group was being established that TVA was
20 referring to as a mini NRC within TVA, and they thought
21 that I had the qualifications to be a supervisor in that
22 organization and wanted to know if I'd be interested in
23 submitting a resume. I thought about it for three or
24 four months and finally did submit a resume.

25 Q Who were the people from TVA that you

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A I can't remember all of them. One I can remember that I probably talked to most was Dick Parker.

Q Who actually did the hiring and interviews? Who did you interview with?

A Gray Beasley who was at the time acting director or chief or whatever it was called at that time of NSRS.

Q How long was Gray Beasley the acting director of NSRS?

A I think NSRS actually came into being in July of '79, and Beasley was the head of it until January of '80.

Q And when and what month in '79 did you come on board?

A I came here October 1st, '79.

Q And pretty much right at the beginning. Were you instrumental, how big was the staff of NSRS when you first came on board?

A Let's see. There was Beasley, Homer McConnell, Henry Jones, Terry Tyler. Believe that was the sum total of the staff at the time.

Q When you first came on board, were you engaged in any type of creation of organizational procedures and setting up of procedures?

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1 A Yeah. I'll take the credit or the blame
2 for having a very large part in the way that NSRS
3 functioned for the past six years.

4 Q Were the procedures committed to writing
5 or were they more or less verbal type procedures?

6 A My first assignment when I came here was
7 to go brainstorm. Figure out all the things, how NSRS
8 ought to do those things, and I spent a considerable
9 period of time just thinking about all the different
10 things we could do. Inspections, investigations, reviews,
11 all these, you name it. Everything I could think of I
12 came up with and wrote them down and considered how it
13 might be used. And from that, and I narrowed that down
14 to only a few. Reviews, investigations and possibly
15 something that would cause inspections to be different
16 from NRC type inspections. I ran that by Beasley a number
17 of times, and we never really got anywhere with that
18 until January when Culver came on board.

19 Q And what happened when Culver came on board?

20 A Well, Culver wanted to know what are you
21 doing and how are you doing it, and not a good answer.
22 We're doing some investigations, we're doing some reviews,
23 we're trying to figure out what we ought to be doing,
24 and the general manager hasn't really told us what we
25 ought to be doing yet.

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23 we're trying to figure out what we ought to be doing,
24 and the general manager hasn't really told us what we
25 ought to be doing yet.

Q At that point in time was the staff still as small or had you added some?

A We added some people by then. Beasley had added three very low level people, which is not criticism, but they didn't have the senior people that our charter called for. We had hired at that time one individual from Region 2, senior individual that understood the review and evaluation process, and we were in the process of hiring a number of other people, but at that time we probably had eight, nine people.

Q Did the definition of your role and what you were going to do, at least within your own, from Culver and you on down, did that ever get solidified?

A Absolutely. Very quickly. When Culver came and started asking questions and got that response that the general manager hasn't told us what he wants us to do, of course, he shouldn't have to. We're here to do a job. We've got to do it. So we usually came back to my office, probably the first or second day Culver was here, and said, "Let me have that stuff you've been working on," took it up to Culver and Culver said, "This looks pretty good if it's polished up. Keep working on it." So with that, within three or four months, we had written procedures in place, and our method of doing business was established and defined, and we were what

1 you said, I considered pretty well solidified by April
2 or May.

3 Q Of '80?

4 A Of '80.

5 Q At that time, back during that period of
6 time were you under the understanding that your reports,
7 the results of your reviews or investigations were to
8 be addressed to the Board through either the manager of
9 Health and Safety or the general manager?

10 A No. When you say addressed to the Board,
11 you mean sent to the Board for action?

12 Q Yes. Just reports addressed to the Board.

13 A No.

14 Q That was not the way it started even in
15 the beginning?

16 A No.

17 Q What was the normal distribution on your
18 reports?

19 A When we wrote a report, we sent it to the
20 line organization for action for corrective action, and
21 they sent the response back to us. If anything in there
22 we thought was critical that needed to go to the Board,
23 we sent it. We, at that point in time had the prerogative,
24 whatever you want to say, of determining what we thought
25 the Board ought to see of the work that we'd done.

1 Q Okay. So, you, Culver, or you and Culver
2 or whoever in NSRS made that decision yourself?

3 A That's correct.

4 Q As to the distribution of reports?

5 A We made it ourselves, but it was not a
6 secret thing. We certainly told the Board what we were
7 doing.

8 Q Well, and I think Mr. Culver said, you
9 know, he didn't want to be in a position of bothering
10 the Board with unnecessary and just keep providing
11 insignificant items to the Board?

12 A Sure.

13 Q Okay. And you were the operations section
14 chief?

15 A That's right.

16 Q At first?

17 A Yes.

18 Q What were your duties in that capacity?

19 A My duties in that capacity was to
20 organize and recruit staff and run an organization that
21 would do reviews and investigations of all activities
22 we deemed necessary within the operations or
23 organizations.

24 Q Okay. And what was, if at all, any other
25 section within NSRS?

1 A We had another section we called the
2 systems section at the time, and its responsibility was
3 to do the same type of activities for the office of
4 engineering, design, construction.

5 Q How many people were in your section, let's
6 say, from April of '80 when you kind of got solidified
7 to the end of '80 or until, let's say, until '82? How
8 did your section grow?

9 A We steadily increased, recruiting the best
10 people we possibly could till we got up to the point,
11 until, I believe I had about 12 people working for me.

12 Q And approximately how many were in the
13 systems section?

14 A I don't believe the systems section ever
15 got quite that high. I'd guess, but this is a guess,
16 but we can get the same thing, we've got a good history
17 of that. I would guess in the neighborhood of seven or
18 eight.

19 Q Do you still have the sets of procedures
20 and guidelines that you roughed up and gave to Culver
21 and became formalized? Are they, I'm sure there
22 probably have been some minor amendments or changes to
23 those procedures.

24 A Even maybe some major ones, but we still
25 have the same set of procedures. The same numbers on

1 them and still use them.

2 Q Could I, after the interview is over,
3 could I just bother you to make a copy of those? I mean
4 how many of those are there?

5 A Oh, it's probably, if you just want the
6 ones that refer to the technical aspects it's probably
7 one binder of an inch and-a-half or so. If you want all
8 the administrative ones, it's probably twice that much.

9 Q Just the technical, do you have an extra
10 copy of those that I could have or would those have to
11 be copied?

12 A Well, probably have to copy them, but --

13 Q (Interposing) Well, I'll determine whether
14 I need those.

15 A That's no problem. We also have, which
16 you need to know, we're talking about procedures, we have
17 another manual we call our Review Technician Manual,
18 which we use for training new people. And as a matter
19 of fact, we tend to forget some of the stuff that we
20 learned early and we sometimes ask other people to go
21 back through, and that's the course that was developed
22 by Mike Kidd when he first came here and has been
23 improved on since then. That tells people how to do
24 reviews and investigations.

25 Q Yeah. I'd like to have a copy of that,

1 too.

2 A We think it's a pretty good document.

3 Q In '82, about when in '82 were you
4 promoted to assistant director?

5 A October.

6 Q And at that point in time was it the still
7 same basic organization operations and systems when you
8 were promoted to assistant director? When the TARS group
9 came in?

10 A It was just about the same time. Right
11 in that time frame. Around October of '82 that we, what
12 we really did was combine all reviews and investigations
13 into one group and call it investigations-reviews group.
14 And then established the technical analysis requirements
15 group.

16 Q So were there still just two groups or
17 were there three groups?

18 A Two groups.

19 Q So the systems group kind of disappeared,
20 then?

21 A That's right.

22 Q Okay. As assistant director, how frequently,
23 if at all, would you have contact with the general
24 manager?

25 A I'd say about 80 percent, as often as

1 Culver did. Any briefing or any information that we went
2 to give them, almost always I was with Culver.

3 Q And about how often was that? Once a month,
4 twice a month?

5 A I say quarterly would probably be a good
6 average. We were supposed to go quarterly for a briefing.
7 We never did really hold to that schedule religiously.
8 When I say supposed to, we just agreed that was a good
9 time frame. However, though, we didn't make those
10 frequently as we said we wanted to. We did have some
11 others occasionally that need to go talk about a specific
12 issue or something, so I'd say on the average we were
13 there at least quarterly.

14 Q Okay. And how about briefs of the Board?

15 A Oh, I'm sorry. That's what --

16 Q (Interposing) That was the Board?

17 A That was the Board.

18 Q Okay. So, okay. How about the general
19 manager, then, that you would go to the general manager
20 without necessarily going to the Board?

21 A Probably didn't go near as frequently with
22 Culver to the general manager. I don't really know what
23 frequency he had, but I guess I would probably see the
24 general manager for some reason once a month.

25 Q Would you see him?

1 A Yes.

2 Q So he may see him twice a month or three
3 time?

4 A Yeah. And I wouldn't always know when
5 he talked to the general manager.

6 Q Was there pretty good communication between
7 you and Culver?

8 A I don't think you could have any better.

9 Q Did you know Culver before he came in?

10 A No, I didn't.

11 Q Okay. And in January of '85, when you
12 became director, was your frequency of briefings to the
13 Board basically the same as Culver's was as director,
14 or how often would you --

15 A (Interposing) Well, at the beginning,
16 first three months, yeah. It was very similar. I
17 probably talked to the Board the first three months two
18 or three times. One of them was to get the promotion
19 to director approved, and they interview all the people
20 at that level and above. And other than that, I probably
21 talked to them during that first three months, I'd say,
22 at least twice. After the first three months, the whole
23 ball game changed. Everything in NSRS changed. Nothing
24 was smoothed and organized anymore.

25 Q Can you tell me --

1 A (Interposing) It just became totally
2 different from anything that we've had in the past. This
3 was brought about in April because of the employee
4 concern program.

5 Q Who initiated the employee concern program?

6 A I don't know. I could tell you the story.

7 Q Yeah.

8 A You can decide for yourself.

9 Q Go ahead.

10 A It was in April, I believe sometime around
11 the 12th of April or 13th, in that neighborhood. I got
12 a call from Harold Denton saying that he was soliciting
13 my cooperation. He would like me to come up and talk
14 to him and some of his office staff, and mentioned that
15 the gentleman by the name of Henry Myer would be there.
16 I didn't have no idea who Henry Myer was, and it didn't
17 make an impression, but he wanted me to come up and talk
18 to a few of the people and tell them about the employee
19 concern project within NSRS and how it functioned.

20 Q And so you had one already in place that
21 was --

22 A (Interposing) Yes. That was one of our
23 functions in our charter, was to receive and investigate
24 employee concerns.

25 Q Okay.

1 A So in April, I don't remember the exact
2 date, but sometime in April I went up and took Wallace,
3 our deputy general counsel with me, at my request.

4 Q Just you two?

5 A Just us two. We got up there, Jim Hufham,
6 who was manager of licensing was already up there, and
7 he requested to attend the meeting, and he did attend
8 the meeting, so there were three of us.

9 And we walked into the room on the fourth
10 floor, conference room, and there were only three seats
11 left. The table was full, chairs all around the walls,
12 and I don't know how many people, NRC wasn't there. Your
13 office was represented, I believe. The legal people for
14 NRC was there. Henry Myer was indeed there. The press
15 was there. Court Reporter, the works.

16 And I sat there for three hours and told
17 them everything I knew about our employee concern program.
18 At the end of that, they indicated, Denton indicated
19 there had been a significant number of concerns come to
20 him, either directly or through other means, and that
21 he was willing to throw out a few of them and --

22 Q (Interposing) By throw out, you mean give
23 them to you?

24 A Lay them out on the table and talk about
25 them.

1 Q Okay.

2 A And he did this for about three of them.
3 I think, well, the issue of welding issue was one, and
4 then he asked me questions about many things that I didn't
5 know, because I didn't go up there prepared to talk about
6 a wide variety of what they wanted to talk about, but
7 some of them I could answer.

8 But anyway, Denton talked about some of
9 these and indicated there were a lot more, and indicated
10 you've got some serious problems with employees that are
11 scared to come forward and give you their concerns. We
12 have reason to believe that there are people in TVA that
13 have safety concerns that are afraid to bring them
14 forward because of fear of losing their job or other type
15 of harassment.

16 A statement like that, you know, is a very
17 serious statement. If we've got people out there that
18 know or even believe they have safety concerns and they're
19 not going to tell anybody about them, that is just
20 totally unacceptable.

21 So Denton asked me if I thought I could
22 staff up NSRS and look into these, all these concerns
23 and try to get to the bottom of why people were scared.
24 Pretty big order, considering NSRS had been a small
25 group. At that time I think we had 22 technical people

1 and I asked Denton would NRC have confidence in what NSRS
2 did if they did that. And he said, "Well, I feel pretty
3 good about the reports I've seen that NSRS has been,
4 particularly thimble tube."

5 So I told him that I'd come back and talk
6 to management, see what we could do. And I was very
7 thankful that I'd taken up Lew Wallace with me and that
8 Hufham was there, because I don't believe anybody would
9 have believed me down here if I'd come back and told the
10 story on my own, one person hearing that.

11 But anyway, next Monday morning I headed
12 down to Nuclear Power, lay out what we'd gone over.

13 Q Who did you talk to down there?

14 A Heard a lot of people, but the one I
15 particularly remember there, probably the top man for
16 Nuke Power there was, there was Jim Darling, who at the
17 time was head of the Nuclear Power organization.

18 During the weekend I had come up with a
19 draft proposal on what we might do, and that draft
20 proposal included interviews with people, what we might
21 do in possibly getting in an outside contractor to come
22 in and take a look, and we talked about this thing for
23 a number of days. And I don't remember how many days
24 or how long it was, all the people that was involved,
25 but at some point in time Hugh Paris recommended to the

1 Board that we go outside for an independent contractor,
2 bring him in to interview all the people associated with
3 the Watts Bar thing. That was approved and we went that
4 way.

1/B

5 What happened in that iteration was that
6 NSRS was chosen to be the organization that administered
7 that contract, and this decision was based on the fact
8 that it seemed that TVA, most of TVA management was
9 convinced that the only organization within TVA that had
10 credibility with NRC was NSRS. And besides that, the
11 organization that we chose wanted their contract
12 administered, wanted to deal with an independent
13 organization, if possible. I personally didn't want to
14 administer that contract. I could see very easily what
15 it was going to get into. I had a good feeling we were
16 going to get a lot of concerns. I didn't think we'd get
17 as many as we did. I estimated we'd get a thousand
18 safety related concerns. We got close to two thousand.
19 But I knew we's in for a big problem.

20 I knew NSRS was too small to administer
21 that. It meant tremendous expansion. We didn't have
22 enough people to go through that expansion and provide
23 the proper supervision and the experience level that was
24 needed to do the job, but the decision, TVA, was made,
25 and we went into it to do the best possible job we could.

1 In early May we interviewed two companies,
2 only two that we knew of that was providing this type
3 of service. We selected one. We did this in about a
4 two-day period, which was not a reasonable time period,
5 but that's what we had to do it in. We did it. We got
6 the company in here. I selected a supervisor to run that
7 group. We wrote procedures, was out doing investigations
8 in one week.

9 Q This is Quality Technology Company?

10 A Quality Technology.

11 Q You selected a supervisor to run that group?

12 A I selected a supervisor to run the NSRS
13 investigations group.

14 Q And that group was overseen by --

15 A (Interposing) That's right.

16 Q QTC?

17 A They administered the contracts for QTC.

18 Q And who was that supervisor that you
19 selected?

20 A Mike Harrison.

21 Q And it was at that point in time that
22 "things changed" in NSRS?

23 A That's right.

24 Q Other than the additional burden of having
25 to administer that contract and having to staff up to

1 handle the many concerns that were coming in, how did
2 it affect your normal review and investigative process?

3 A Totally disrupted it. What we did, Larry,
4 was in the very early stages I got Mike Harrison in front
5 of the group and he got a few people to put procedures
6 together, and we signed out most of our concerns to QTC
7 to investigate, because we didn't have anyone to do it.
8 But we saw right away we's going to have more people,
9 we's going to have to get involved with investigation,
10 and within a few weeks we had totally robbed the reviews,
11 of the people doing the reviews of any other type of
12 investigative work. All people from the TARS group, we'd
13 taken all those people and put them in investigations,
14 so we had, we left, I believe, one person in the TARS
15 group to review technical requirements, documents that
16 we just had to get done, and I think we left three or
17 four people in the reviews group, so at least they were
18 doing reviews.

19 We had some requests from the Board to
20 do some reviews, and we about had to work on them to
21 some extent, so I think we left four people in the
22 supervisor's group and one person in the TARS group,
23 and everybody else to work on investigations.

24 Q And you also had to supplement your staff
25 from other branches and divisions in TVA?

1 A We did that, but that came later. That
2 didn't come in May or June. That came in September. We,
3 it gets very complicated. I'll try to go through it the
4 best I can here.

5 When we started doing these investigations,
6 nobody at TVA, including me, ever said or believed that
7 we's going to have to investigate all these concerns,
8 safety related concerns before we licensed Watts Bar.
9 We thought we were going to look at a certain number.
10 That number is not well defined, but we could look at
11 a number of them and then get a, some sort of super
12 management team to go to evaluate those concerns that
13 we'd investigated, determine what the significance is,
14 and whether or not these concerns should really affect
15 the licensing of Watts Bar and maybe go to NRC and make
16 a case for licensing and continue the investigations
17 through the future. Based on that, we didn't, early stages
18 did not staff up to do a big lot of investigations by
19 NSRS. We needed all the people we had, and we didn't
20 go borrow or recruit a lot more. We drew on QTC
21 extensively.

22 Q How many people did QTC have?

23 A QTC got up to around 60 people there for
24 a while. Talk to Mike Harrison. He ought to have that
25 number exactly, but it was a large number. Definitely

1 over 50.

2 Q Okay.

3 A And they did, in the early days, many more
4 investigations than NSRS did.

5 Anyway, in September we determined that,
6 well, we had a system of categorizing these things in
7 categories, 1 through 6, I think it was, and to the
8 critical categories, one says we have to have these
9 investigated prior to licensing, prior to loading fuel.
10 We had to resolve to r "ical. And next was going
11 below five per cent p er.

12 Q Those were your categories, one and two
13 and then three?

14 A Right. The ones we were worrying about
15 was one or two, because if we could license and load
16 fuel and do our testing below five percent power, that
17 would be a great help.

18 So in September we had a meeting down
19 in Chattanooga, and I was asked the question what would
20 it take for you to investigate all the categories ones
21 and twos and have them done sometime in December. And
22 I said in order to do that we need 20 good people that
23 know nuclear plants and no inexperienced people. People
24 that I picked. And if we had those made available to
25 us immediately, we can do it.

1 So Hugh Paris agreed to make those people
2 available, to my knowledge, and knowledge of a couple
3 of other people in the, people in nuclear power, we
4 hand-picked 22 people.

5 Now, we come to the point now where we
6 have to have supervisors to supervise that number of people.
7 We've got now about 20 people in our organization. Twenty
8 people borrowed, so we're up around 40 people, and we've
9 always said that about ten is all you can effectively
10 supervise. I've recently been told that's too many. But
11 anyway, we went with ten and we hired a few more people
12 from outside to, at that point hired Bob Sauer. We came
13 up with an organization that we thought would work,
14 Mike Harrison and Mike Kidd.

15 Q When you say outside, outside NSRS?

16 A Yeah.

17 Q Okay.

18 A But we came up with an organization with
19 three sections at Watts Bar, about ten people each for
20 about 30 of the people, and one section at Sequoyah that
21 we wanted to get going right away, and another section
22 that ran our tracking system or computer inputs, kept
23 track of the records, make sure we had a good filing system,
24 nothing dropped in the cracks at that time that was very
25 small.

1 The three sections at Watts Bar we got
2 going pretty quickly. One at Sequoyah we got some good
3 people down there. They got a lot of investigations done.
4 We had some problems at Sequoyah getting investigation
5 reports out, but that is when we started really expanding
6 our staff.

7 Q Okay. During both the first three months
8 of '85, when things were operating as you would say more
9 of a normal basis, and also to present, which includes
10 the first three months of '86, how often would you hold
11 staff meetings or section, well, let's talk about section
12 head meetings. Approximately communicating with them.

13 A I'd say that the meetings that I held to
14 talk to the whole staff in the first three months
15 probably exceeded the next nine months. When we were
16 all here going pretty smoothly, I would talk to the staff.
17 I don't know, once every three weeks mostly when something
18 would come up or when I'd get an indication there was
19 questions that needed to be answered, I'd call a staff
20 meeting and ask for any questions anybody had. Give them
21 any information that I had.

22 But once we got into employee concern
23 programs, really got going, almost everybody was out of
24 sight. There was not enough people to hold staff meetings.
25 I'd walk by and say hello and talk to people.

1 Now, as far as section meetings, the people
2 were at Watts Bar, and they had a group leader down there
3 once we got all these people in. Before that, Harrison
4 supervised everybody. But once we got the large number
5 in, everybody right there together.

6 Q There was a group leader over the three
7 section leaders?

8 A Starting in September, there was, yes.

9 Q Who was that?

10 A That was Harrison.

11 Q And the three section leaders initially
12 were?

13 A Phil Washer, Paul Border, Gerald Brantley.

14 Q Who was at Sequoyah? Sauer?

15 A Sauer.

16 Q And then Border, Brantley went to Sequoyah,
17 right? No.

18 A No. Brantley stayed there until the
19 15th of November when we had to select, we had to, we
20 selected an individual representative to represent NSRS.
21 At that point we selected Brantley temporarily to go to
22 Watts Bar as a site representative.

23 Q In the employee concern program?

24 A Right. And we selected Paul Border to
25 go to Bellefonte.

1 Q And who took their places at section?

2 A Jerry Smith and Doug Stephens.

3 Q Okay. All right. I'm going to, is there
4 anything else that you would like to elaborate on, on
5 the kind of general chronology of NSRS from the time you
6 took over to present that you feel is pertinent?

7 A Yeah. There's one other thing that we
8 ought to touch on here. I don't know how we missed it,
9 but we did.

10 In July of '85, I, since we had almost
11 all the people in investigations, we needed all the
12 management people we could get there. Mike Kidd was our
13 senior manager at that time, and I brought him into
14 investigation to head investigations up and sent Harrison
15 to the site to oversee things there.

16 Did that for a number of reasons. Number
17 one is we needed more management support in the group.
18 We needed some more experienced management, and more than
19 anything else we needed an individual such as Mike Kidd
20 to come into the organization, look it over and see if
21 there were any holes that we needed to plug up, and that
22 was a good way of doing it. I had not been involved in
23 setting the whole thing up, so he came in and spent a
24 good deal of his time seeing if it needed to be beefed
25 up, needed to improve the procedures or any of that kind

1 of stuff.

2 He found things in pretty good shape.

3 Q So he came from OQA?

4 A No. He was in charge of our reviews group
5 and simply moved almost all those people out. We really
6 didn't need his talents there nearly as we did over in
7 investigations. We moved all the people, so we needed
8 to move some management, too. He'd been in the reviews
9 group heading it up since May of '84.

10 Q Okay. Did you know Kidd previously before
11 he came in?

12 A Yes.

13 Q From NRC?

14 A Yes. Yes. As a matter of fact, Kidd
15 trained me in inspection techniques when I went to work
16 for NRC.

17 Q He's down at Savannah River now?

18 A Right.

19 Q Any other --

20 A (Interposing) That's all I can think of,
21 Larry. I'm sure we missed some stuff, but I can't think
22 of it all.

23 Q I just wanted to get a basic feel for the,
24 a little bit of the chronology from your perspective.

25 Any of you have any questions regarding

1 that?

2 MR. STONE: No.

3 BY MR. ROBINSON:

4 Q Okay. I have a few specific items I want
5 to get into with you, Kermit. The first of which is the
6 Asselsteine Appendix B issue.

7 A Okay.

8 Q I'll give you a little bit of background
9 about that as I know it, and then I'll let you add,
10 correct and supplement that as necessary.

11 Commissioner Asselsteine was going to come
12 into NSRS and wanted a presentation by NSRS in December
13 of '85. How soon before he came in were you aware that
14 he wanted a presentation?

15 A I'm not sure exact, but it was in ~~the~~
16 of a week.

17 Q Bruce Siefken was planning to make that
18 presentation?

19 A Parts of it.

20 Q Parts of it. Bob Sauer, why was
21 Bob Sauer up here at the time, do you know?

22 A That's a good question. I've asked that
23 question over and over again. I don't know why Bob, Bob
24 never went to Sequoyah. You know, all the other section
25 chiefs went to the site and Bob never did that. And I

1 don't really know why. I can't answer that question.
2 I've asked that question a lots of times, and I don't
3 know the answer.

4 Q So he, it's not like he had been down at
5 the site and was back in the office; he has always been
6 in the office and was kind of supervising the investigations
7 program from the office?

8 A That's right.

9 Q And for one reason or another, Bruce getting
10 sick or whatever reason, Bob was tasked with making the
11 presentation regarding just Watts Bar or what was
12 supposed --

13 A (Interposing) Employee concern program.

14 Q The employee concern program. It's my
15 understanding that Bob asked Jerry Smith and Phil Washer
16 and --

17 A (Interposing) Stephens.

18 Q Doug Stephens for their input on
19 perceptions of problems, problem areas at Watts Bar. I
20 guess that would be in consonance with the results of
21 their investigations in the employee concern group?

22 A Right.

23 Q They gave him nine general areas of
24 discussion and he obtained one area, I believe, from QTC
25 or did he just obtain verification of an area from QTC?

1 A I think he called QTC. He called and asked
2 them if they agreed with these things he'd gotten from
3 people at Watts Bar and QTC told him, "Yeah, we agree
4 with them, and here's some other stuff," and he took one
5 of the other stuff.

6 Q Okay. He put together a presentation,
7 formal presentation on a view graph, which included those
8 ten areas and added two comments of his own?

9 A (Witness moves head up and down.)

10 Q One of which stated that TVA was not meeting
11 Appendix B criteria at Watts Bar, to what effect?

12 A (Witness moves head up and down.)

13 Q He indicated that he tried to get you to
14 review these items before the presentation to Asselsteine
15 was made. Is that correct?

16 A Depends on your definition of tried. I
17 walked through the hall and he said, "Hey, I'm making
18 a presentation. Do you want to see this stuff?" And
19 I says, "Well, I'd like to see it, Bob, but I don't have
20 time right now, so we're going to have to go with your
21 presentation."

22 Q Okay. How long before the presentation
23 did that little conversation take place?

24 A Somewhere between half an hour and
25 45 minutes.

1 Q Okay. So you indicated to him, did he
2 come to you again?

3 A No.

4 Q And try to get you to review it?

5 A No.

6 Q He was sitting in his office and you were
7 walking down the hall and he kind of called out of his
8 office to --

9 A (Interposing) Yeah. And I stood in the
10 door, and he said, "I'm giving this presentation. You
11 want to see the stuff?" I said, "I'd sure like to, but
12 I just don't have time right now."

13 Q What were you involved with at the time,
14 do you remember?

15 A Yeah. I was trying to get a selection
16 process going for selection of additional section leaders
17 that we thought we were going to have to have. A large
18 number of them throughout, from people throughout TVA,
19 setting up a process for interviewing and testing those
20 people that we committed to and had personnel here working
21 on that and asking questions that I had to answer.

22 Q These were going to be NSRS section leaders?

23 A Yes.

24 Q But there was a possibility they could
25 have either come from within NSRS or on the outside of

1 NSRS?

2 A That's right.

3 Q And that's what you were --

4 A (Interposing) Yeah. We were going to
5 have to double our staff, we thought, at that time. It
6 was going to be a very traumatic situation.

7 Q Okay.

8 A And there's a lot more to the story, and
9 I presume you're going to let me --

10 Q (Interposing) Yes. Absolutely. I'm going
11 to let you tell it and perhaps now is the time to let
12 you go ahead and make your comments on it.

13 A Okay. Asselsteine's visit was December
14 19th, and we didn't know about it in advance, and we hadn't
15 planned. He wanted to, had, wanted to know about, about
16 NSRS. One of the things he wanted to know was the
17 employee concern program I put together the
18 presentation for NSRS our activities, what we'd done in
19 the past and all this stuff, and I had told Bruce that
20 I wanted him to talk about the employee concern program,
21 how it was organized, and he had a flow chart showing
22 the number of investigations had been identified and been
23 assigned numbers, had been investigated and reviewed,
24 and I told him I wanted him to go over that, and that
25 was just essentially what I wanted him to do. The rest

1 of it I would handle.

2
3 Now, on the 16th, 17th of December we had
4 a meeting with me, Kidd, most of the senior managers in
5 NSRS had a meeting with the general manager and he
6 indicated to me we had to do something to get more
7 investigations going. So we had a meeting with him and
8 again he said, you know, don't know what NSRS has done.
9 We've got to get more done, "Why haven't you done more?"
10 And again, I iterated to him that it takes 80 man-hours
11 on the average to do an investigation of a concern. I
12 told him that before we ever started the program, and
13 it came out very close.

14 Q You're telling Willis this?

15 A I'm telling Willis that, and that hasn't
16 changed from the beginning. It hasn't changed from when
17 we did them before, and it's not going to change in the
18 future. The only way NSRS ever is going to do more is
19 have more people and going to be kind of difficult to
20 do that.

21 Willis understood that, but he essentially
22 told us we have to have more investigations done. We
23 want you to do them, and tell us what it takes to do them.

24 Now, that meeting with, we were up there
25 telling him what it was going to take to do them. What
it boiled down to was NSRS was going to double its staff.

1 We had our own staff on investigations, something over
2 40 people, technical people, which meant now we're going
3 to have to go up over 80 people.

4 Where do the supervisors come from? How
5 are you going to manage this? So we started preparing
6 for doing this. At this time it was actually on the 17th,
7 I guess, another suggestion came from the Office of Power,
8 "Hey, why don't we depend more on QTC," was the
9 suggestion. Well, some reason we agreed we've got to
10 get more done, so why don't we rely on QTC. Why don't
11 we get QTC more involved. Why don't we let them actually
12 have a part in running this program, and rather than
13 staffing up NSRS, who really didn't have the resources
14 to do it, call on QTC to get a lot more reverses... We
15 had loaned a lot of people from Nuke Power to the effort,
16 and we believe that we can get this done better. We'll
17 set up a management review group to oversee all these
18 activities, and this management review group will
19 establish corrective action that needs to be done in each
20 one of these cases and they will demand, not recommend,
21 but will say "This is the corrective action to be done,"
22 thereby stopping all this writing back and forth. In
23 our NSRS, say there's a recommendation, they come back
24 and say, "Hey, we really don't understand your
25 recommendation," and it takes a lot of interchange. It

1 would cut down significantly on the time if this group
2 specifies the corrective action and then that corrective
3 action just gets done without this iteration.

4 We figured that would cut down, and I was
5 in on this conversation.

6 Q Was there going to be a management review
7 group at each site, at both Sequoyah and Watts Bar?

8 A We were talking in this case primarily
9 Watts Bar.

10 Q Okay.

11 A Another way this was really going to save
12 some time, probably 20 percent, was if QTC was really
13 in charge of this operation that runs this effort of not
14 having enough information on the K Forms to do the
15 investigation necessary to go back to QTC and ask them
16 for more information, that would cut out, because QTC
17 would have that information, so we figured probably
18 20 percent there and with this iteration of corrective
19 action, say more than 20 percent, we figured somewhere
20 between 40 and 50 percent savings on that.

21 Okay. Now, since we talked about that,
22 that was very favorable. Though at the time I'm not sure
23 it had been approved by the Board, we felt confident it
24 would be. So our people, NSRS people would not hear
25 rumors in this and become excited and justifiably

1 concerned, Willis told me, "Get yourself out to these
2 plants, in other words, your office, and be sure NSRS
3 people know what we're planning and they hear it from
4 us rather than papers or somewhere else."

5 So on the 18th I headed out to Watts Bar
6 and Sequoyah, spent the whole day at those places talking
7 with people, telling them what we were planning, telling
8 them this is not final, but this is a possibility.

9 Okay. So I spent the day down there and
10 come back to the office, got back here about six or
11 6:30, and people from OIA are here investigating somebody,
12 and so I spent a couple of hours talking with them and
13 do some work, and I get home at 11 or 12:00 at night,
14 knowing I've got these interview sessions the next
15 morning, knowing that Asselsteine is coming, so I come
16 in a little early. Things get going, and meantime
17 Bob stops me in the hall and asks me the question.
18 Meantime, Willis calls me and says, "Hey, are you set
19 for that? How did your meeting go yesterday? Tell me
20 something about that." And Asselsteine showed up about
21 15 minutes early. I didn't have time to look at what
22 Bob was preparing. I didn't know the day before Bruce
23 was going to get sick, so I had to trust that Bob is going
24 to present a reasonable presentation. He's a smart
25 individual.

1 Q And were you anticipating he was just going
2 to make a statistical presentation of the case flow and
3 case production by NSRS?

4 A Yeah. I was, Larry. And this is not come
5 up, and I'm very careful, I don't want to indicate that
6 I'm doing anything to offend Bob Sauer, but yeah, that's
7 what I had planned, and then there was a place on
8 Asselsteine's agenda, he wanted NSRS perception. I had
9 fully planned to give him my perceptions after we'd gotten
10 through with all the other stuff, but that was part of
11 Bob's presentation simply because there was not good
12 communication there.

13 Q What were you planning to give him about
14 your perceptions?

15 A I was planning to tell him what a huge
16 number of concerns we had and how that had to really mean
17 something.

18 We had serious problems in a number of
19 areas that I knew about, and I was going to tell him what
20 those were, and the sheer number was the thing that
21 bothered me more than any of the specifics.

22 Q Were some of the areas that you had planned
23 to discuss overlapped with what --

24 A (Interposing) Yes. Very definitely.
25 Very definitely.

1 Q In the meeting when Bob got up and made
2 his presentation, what were your impressions?

3 A I had two impressions. Number one, did
4 a thorough job. Number two, as always in the case of
5 Bob, it was overdone. He had very effective charts,
6 charts hand drawn on a view graph that would have been
7 tremendous for training purposes, but it was very
8 difficult to go through that. It was a mishmash of, kind
9 of hard to follow through. I'm sure Asselsteine did and
10 appreciated it, but it took an awful long time to go
11 through how we do get, how we get a concern and what we
12 do about it.

13 Q Flow chart type thing?

14 A Yeah. Now, as far as that presentation
15 goes, I had no problem. I sat through the whole thing.
16 Essentially the whole thing. I might have been gone a
17 couple of minutes to get a report or something for
18 Asselsteine, but when Bob started going through his
19 bullets, you mentioned ten of them, I think, he had things
20 on there like benchmen's slope, welding issues, the Q
21 list. None of that stuff bothered me. I'd heard all
22 of it, but then he got down to a certain point and he
23 come up with something I hadn't seen before, and one
24 particular that bothered me, because he said QC, QA at
25 the site was not independent.

1 Now, the reason that struck a nerve was
2 we were responsible in one of our reviews, we said they
3 weren't independent, and we were responsible for them
4 to, doing an entire reorganization and separating. Site
5 management. And we wrote a report saying, not saying
6 that later we did a review of that and said it was
7 acceptable, and now friends for NSRS to say there's not
8 independence there, and when a year and-a-half ago we
9 said there was independence. All I said was, "Bob, you
10 have supporting information for this?"

11 Q You were referring to that specific --

12 A (Interposing) That specific one.

13 Q You think he knew you were referring to
14 that specific item?

15 A Yes. His response was, "I think I can
16 dig it up." That's fine between Bob and me, but when
17 you've got a commissioner here and you're telling him
18 stuff, really my feeling that you ought not to have to
19 dig it up. If you're telling a commissioner that kind
20 of stuff you ought to have that supporting information
21 for that kind of stuff. I'd never said that to anybody
22 else except I think one of the labor department people
23 specifically asked me about, I thought it was fair we
24 be required by the line organization to come up, in our
25 position, in two or three days, whatever it was, and I

1 told him, yeah, I thought it was fair, because I thought
2 we really already had that. But when I told Asselsteine,
3 I said, "I'd really appreciate it if you wouldn't consider
4 this as official information, because I have not seen
5 some of this." That's all that was said in the meeting.

6 Q When Bob made his last two comments about
7 meeting Appendix B requirements at Watts Bar, what was
8 Asselsteine's comments about that at that time?

9 A Asselsteine's comments, as I recall it,
10 was, "Okay, you've got the situation at Watts Bar, why
11 don't you have it at Sequoyah?" And Bob tried to defend
12 Sequoyah. Bob's statement, I have to tell you, didn't
13 excite me. Not one bit, because I didn't understand at
14 the time what Bob was saying.

15 That little word "are" there where he says
16 Appendix B requirements are not being met at Watts Bar,
17 that didn't register on me. I thought he was saying that
18 there are requirements at Watts Bar that have not been
19 met and I paid no attention to it whatever until I got
20 the letter from NRC.

21 At that point, I went home, I think it
22 was on the 5th or 6th, think I got that letter on the
23 3rd. We didn't get it up here till the 5th or 6th, and
24 I wrote a response and I simply said, "This is not the
25 intent. We intend to say there had been cases at Watts

1 Bar where Appendix B was not met, but we're not
2 continuously presently violating Appendix B."

3 Q Who did you address that response to? Just
4 within TVA?

5 A I didn't address it to anybody. I just
6 drafted a response so that we could use it.

7 Q Okay.

8 A Well, when Bob saw that response, he was
9 very unhappy and he says, "Hey, this is not right." I
10 said, "What's wrong with it? When I brought it to you to
11 review, rewrite it, whatever you want to do with it." And
12 he says, "We are continuously violating Appendix B." I
13 said, "Hang on, Bob. That's a big statement." He says,
14 "I considered that word 'are' when I put it in there,
15 and I meant it. Now, this is a whole new line on the
16 situation."

17 So I immediately backed out and told Bob
18 you know, "You rewrite this thing the way you intended
19 it." And I wrote nothing else on that from that point
20 on. I sat in on meetings, all kinds, and NSRS position
21 supporting as much as I possibly could the position of
22 the people in the group. And any information they came
23 up with, even as much as a month later, since we had not
24 responded, I made that information available. I did not
25 put the cover letter on they requested me to send some

1 of that stuff, because I didn't agree with the cover
2 letter, but I did think that this information should be
3 made available to White so he could have all the decision
4 he possibly could on both sides.

5 Q What did the cover letter say that you
6 didn't, part that you didn't agree with?

7 A I can't remember, Larry, all the stuff.
8 It essentially said that, I better not try to quote it.
9 I just can't remember. You can get ahold of that, though,
10 and let you see it and read it again and tell you what
11 I didn't agree with.

12 Q Okay. At anytime during the activity after
13 you, January 3rd, when TVA got the letter from Asselsteine,
14 was any pressure put on you by anyone to agree that
15 Appendix B commitments were, in fact, being made at Watts
16 Bar?

17 A No. No pressure was put on me by anybody
18 that had any authority to put pressure. There's a lot
19 of people made their positions known to me, I would think,
20 as a normal thing.

21 Q Opposing positions?

22 A Yeah. As far as my supervision or
23 management, telling me that they want me to agree with
24 a certain way or to say I agree, no, no pressure was put
25 on me to do that.

1 Now, yeah, I'm sure most people consider
2 it pressure that people did tell me "We want your position,
3 and we want it by a certain deadline." I was told that.

4 Q Well now, I wouldn't necessarily
5 interpret that as pressure unless the deadlines were
6 physically unreasonable.

7 A Well, that's certainly a point of
8 contention.

9 Q But of those people that were not in your
10 immediate line of supervision that opposed your position,
11 let's take, for example, Willie Brown, did he oppose your
12 position?

13 A Absolutely.

14 Q Strongly?

15 A Yes.

16 Q In anyway could his opposition to your
17 position be construed as trying to intimidate you?

18 A No. Not by me.

19 Q Okay.

20 A Normal events in this business.

21 Q All right. At anytime did you try to
22 convince Sauer, Washer, Smith or Stephens to change their
23 opinion about Appendix B?

24 A I'm sure they say I did, but I never tried
25 to get them to change their opinion and today won't try

1 to get them to change opinion. What I did do was try
2 to be absolutely sure that I understood their position,
3 and if that's pressure, then I sure applied it, because
4 I asked them a number of times, "Are you sure this is
5 what you're saying, that we are at this time violating
6 Appendix B?" But no, I never tried to get them to change
7 it.

8 Q Okay.

9 A Because like I say, Willie Brown, that's
10 a part of the business. They've got a right to that.

11 Q You were just trying to make sure that
12 you clearly understood and that their position was firmly
13 documented?

14 A That's right, because when I go to the
15 other side and they start telling me all these things,
16 I have to know what our people think so I can stand up
17 and say this is what NSRS believes. I can't do this unless
18 I'm absolutely sure.

19 Q Did you interpret the changing of the
20 position paper deadlines from close of business on one
21 day to 8:00 in the morning of that day as an unreasonable
22 deadline or harassment?

23 A You know, I don't really, we need to talk
24 about that.

25 Q Yes.

1 A I'm not real sure what were deadlines and
2 what weren't deadlines. Now, I was at the meeting, I
3 think that was the 18th of January.

4 Q Who was at this meeting and where was it?

5 A In Chattanooga. Myself and Harrison went.
6 We invited Sauer. He couldn't make it. For the line,
7 there was Bill Wegner, who was a consultant, right-hand
8 man of White. There was Chuck Mason, deputy manager,
9 Nuke Power, Willie Brown was there. Bob Mullen, head of
10 QA, was there. There were probably others. I believe
11 a fellow by the name of Walt Sullivan, another consultant,
12 was there, and there may be others. Martha Mark was
13 assistant to Willie Brown, and there could have been
14 others. I don't remember right now.

15 Q And what was the purpose of that meeting?

16 A Purpose of that meeting was to talk about
17 Appendix B and how to proceed with it.

18 Q And what happened?

19 A We took with us our position, as far as
20 we took a position. I'm not going to say it was NSRS's
21 official position. It was a draft position that Harrison
22 had come up with very similar what I'd come up with with
23 my draft, which now is totally off base, but Harrison
24 came up with a position, and I read it and he read it
25 to the people at Watts Bar, Sauer and Washer and Smith,

1 I believe, and in any event, we had that position which
2 we presented verbally.

3 Q Did they agree with the position that you
4 were going to present?

5 A No.

6 Q What was the contention?

7 A There was no real contention. What,
8 Wegner pretty well led the meeting. What he did was try
9 to get at --

10 Q (Interposing) Wait a minute. Maybe,
11 when you made the phone call to Washer, Smith and Sauer
12 and read your position that you were going to present
13 to them, did they agree with your position?

14 A Can't really answer that. Harrison called
15 them and read them. I was under the impression that they
16 agreed with it.

17 Q Okay.

18 A It was a pretty strong position. Okay.
19 What Wegner was doing, he was not trying to argue with
20 NSRS. We had already gone through a big session of
21 argument, screaming and whatever you do before line
22 management. What Wegner was trying to do there was
23 determine what are the contentions here. Okay. Do we
24 have a topical report? Okay. And do we have procedures
25 under that topical report that properly implement the

1 topical report?

2 In other words, do we have a QA program
3 in place and if we do, what is the problem? And we went
4 over in that meeting, Harrison went over with them to
5 some extent the corrective action program and weakness
6 of the corrective action program. How the corrective
7 action program does and Appendix B, does not allow
8 Appendix B to be violated. They discussed that for a
9 considerable period of time. After no agreement was
10 reached, I went over --

11 Q (Interposing) Did they discuss corrective
12 action or material traceability?

13 A I was just getting to that.

14 Q I'm sorry.

15 A Harrison discussed corrective action and
16 I discussed material traceability, and their contention
17 on material traceability is we know material traceability,
18 we have to have material traceability, but Appendix B
19 Criterion 8 is interpretable. It requires traceability
20 to the extent that the procedure or documents governing
21 that activity requires traceability.

22 Now, I heard all that and I told them,
23 "What you're saying I essentially agree with, but I'm
24 taking the other position, because I have fought that
25 battle before. I thought I had it won and it has come

1 back to bite us time after time."

2 In the case of welding, material
3 traceability for filler material in welds, I fought that,
4 and I said OQA on behalf of our people, I says you must
5 have material traceability for that filler material in
6 accordance with Appendix B Criterion 8, period.

7 They used the same logic on me about only
8 to the degree that the document controlling that activity
9 requires it.

10 I went to Region 2, asked them for a ruling.
11 I initially got the same ruling that I believe that must
12 be interpreted literally. Later on I was called back
13 and said, "Hey, I've talked to the people that control
14 that and they tell me that there are degrees of quality
15 assurance requirements and maybe you're satisfied."

16 Later on we went to a meeting in Region
17 2 and came up with that same kind of reasoning. If you
18 have a good program for controlling this stuff from
19 beginning to end, like TVA claims we don't buy any filler
20 material, but good filler material or that it will pass
21 all quality assurance requirements, if you've got a
22 program and you've got a program to make sure that gets
23 from storage out to where it's used, then you don't have
24 to have total traceability of it in your records, because
25 what we were concerned with is AWS welds and AWS D1.1,

1 1972, don't require traceability. So I used that logic
2 and closed out that item.

3 And a year and-a-half later, Harold Denton
4 called me up and said, "I believe you snookered me on
5 that material traceability and welding situation. You
6 didn't give me the whole story." We'd gone up to NRR,
7 talked to them about it, and people said no problem. Even
8 sent us a memorandum or letter saying no problem. But
9 then says, "You snookered me." And I said, "I didn't
10 snooker you." He said, "You didn't tell me this deal
11 with employee concern." Fact of the matter is, we did,
12 and his own people stood up in the meeting and told them
13 in a public meeting that we had told him about employee
14 concern.

15 Nevertheless, that problem has come back
16 to haunt us today, whether or not we properly closed out
17 that welding. Based on that, I took the opposite view
18 and said it failed once, it's likely to fail again. You
19 need full traceability and you don't have it.

20 Q Okay. We were initially at the point of
21 the issuance of the deadlines to get your position paper.

22 A That point in time, Chuck Mason was there,
23 and he said we have to have this information to him. What
24 time to him, I'm not sure what time. In that meeting
25 he said we have to have it. We probably assumed

1 tomorrow was the close of business tomorrow. What he
2 wanted was NSRS's position on whether or not we're meeting
3 Appendix B. That's what he wanted, and justification
4 for that position.

5 Q Mason wanted this?

6 A Yes.

7 MR. KINDT: Question. Didn't you already
8 give it justification? Wasn't that what Harrison had
9 presented to him?

10 THE WITNESS: Harrison had presented it
11 verbally. We were not prepared to go with that as a
12 final position till we'd come back and got with our people.

13 MR. KINDT: Did you agree with that
14 position, with Harrison's?

15 THE WITNESS: Pretty much. I was ready
16 to support it. The material traceability thing. I've
17 been on both sides, and I honest to goodness don't know
18 what's right there. That's a ruling that somebody,
19 probably some authoritative person like the people, like
20 NRC, somebody needs to come up with a firm ruling on that.
21 Now, Hugh Thompson told me at one time that somebody
22 in NRC is considering making some sort of rule saying
23 Criterion 8's got to be interpreted literally by --

24 MR. KINDT: (Interposing) What about,
25 if I understood the presentation, what about the fact

1 that they weren't in compliance with Appendix B, would
2 you have that same view at that point in time?

3 THE WITNESS: My personal view and, is
4 that what you're asking for?

5 MR. KINDT: (Moves head up and down.)

6 THE WITNESS: Not an NSRS position. MY
7 personal view is we've got all kinds of problems at Watts
8 Bar. We've violated Appendix B on more occasions than
9 I care to talk about. I would not say that we are
10 continuously, presently and everytime we pick up a hanger
11 to put in place or tool to do some work that we're
12 violating Appendix B. I'm not willing to say that.

13 We've got very serious problems that need
14 work on them, but I am not willing to say personally that
15 we are continuously and presently violating Appendix B,
16 knowing it.

17 MR. KINDT: Then you wouldn't have said
18 that, then, if you had a chance to review what Sauer's
19 presentation was, you wouldn't have said that to
20 Asselsteine?

21 THE WITNESS: No, I would not have said
22 that to Asselsteine.

23 BY MR. ROBINSON:

24 Q Well now, your interpretation of the word
25 "are" was the key there?

1 A That's right. I had no problem with what
2 he said there, because I didn't understand the significance
3 of what he was saying. Had he explained to me before
4 we went in there this "are" means we are continuously
5 and presently violating Appendix B, no, I would not have
6 agreed with that.

7 MR. KINDT: Would you, I know this is after
8 the fact, but would you, if you'd had the time to review
9 that report at the time and discuss it with Sauer, do
10 you think that would have come out prior to the
11 presentation?

12 THE WITNESS: It's possible, because we
13 definitely would have discussed some of his bullets up
14 above that I was not familiar with.

15 MR. KINDT: So if you'd had the time, then
16 that might have been brought to light at that point in
17 time?

18 THE WITNESS: Right. Mere fact if I'd
19 known Bruce was sick, I might not even had Sauer come
20 in and made the presentation. I might have made the whole
21 thing, because the man that was best qualified to do the
22 presentation was Bruce Siefken, because he's gone through
23 the tracking system, knew how many concerns we had and
24 how we were handling them, and he was well qualified to
25 talk about the organization.

1 BY MR. ROBINSON:

2/B 2 Q Did Bruce assign Bob that job without your
3 knowledge?

4 A Bruce didn't make the assignment. Bruce
5 just says, "I'm sick. I'm going home. I probably won't
6 be here tomorrow. The presentation will be --"

7 Q (Interposing) Said that to you?

8 A No. Said that to Dick Smith, because,
9 remember, I was up at Watts Bar and Sequoyah. Dick Smith
10 was acting for me. Dick Smith assigned it to Sauer.

11 Q So now we're at the point where Mason said
12 "I want the official NSRS position in writing by tomorrow"?

13 A By tomorrow.

14 Q You may have interpreted it as the close
15 of business?

16 A Right. After the meeting was over,
17 Harrison called. I don't know whether it was Bob or Washer
18 or Dick or Jerry Smith. He called one of them and told
19 them, "We're going to have to start working on this,"
20 And he probably told him he had to have it at the close
21 of business. We may have assumed that. But when I came
22 back to the office I got a call saying, Chuck, I got this
23 call from Bob Mullen saying Chuck Mason was going to be
24 at Browns Ferry tomorrow. He wants to see both NSRS
25 positions and the line position at 8:00 in the morning.

1 Okay. Now, that's factual.

2 Q Mullen told you this?

3 A Yes. Now where the confusion comes here
4 is deadlines, after 8:00, then deadlines. Midnight. That
5 stuff. Now, those are not deadlines. Those, me talking
6 to Smith, Washer and Sauer saying the people are staying
7 down in Chattanooga waiting for this and they're going
8 to be down at 8:00, like to see our write-up. Now, is
9 that realistic? I don't know. Must not have been. We
10 couldn't make it. And I called Mullen back and says,
11 "We're not going to be able to do this by 8:00, so do
12 whatever you want, but we're not going to get it done.
13 Probably be midnight. You want me to call you at home?
14 Are you staying down there or what are you going to do?"

15 He said, "I'll stay here and wait."

16 Now, was that another deadline? No, in
17 my opinion, that's, it wasn't another deadline. That
18 was another target to shoot for. So sometime before
19 midnight we determined it's not going to be done at
20 midnight, and I called Mullen back and told him, "It's
21 not going to be done. I don't know when it's going to
22 be done. May be 4:00. Are you going to stay or go home?"

23 Q After you got off that phone call from
24 Mullen where he said he'd be there till midnight, what
25 did you say, if anything to Smith, Sauer and --

1 A (Interposing) I came back and told them
2 to keep working, they're going to stay down there until
3 midnight and wait for us, and when I found out they
4 weren't going to be done by midnight, I went and told
5 him and came back and told our people and everybody stayed
6 down there and waited until we got this job done. So
7 we got it done somewhere around 3:00, and we had a young
8 lady here working and let her go at Bob's request, because
9 Bob said, "You don't need her. I can fax this down to
10 Chattanooga for you." He did. He got in quite a bit
11 of trouble. He did. He faxed it down. He got in quite
12 a bit of trouble, which got there at 3:30 or somewhere
13 in that time frame.

14 Q There was a lady working with you, or did
15 you call her in?

16 A We called her in when we got where we wanted
17 it typed.

18 Q You were here during that whole period
19 of time, too?

20 A Yes, I was here all night.

21 Q I had heard you hand-carried that down.
22 It was faxed down?

23 A It was faxed at 3:00 in the morning to
24 Mullen, who, in turn, either got somebody to carry or
25 fax it someway down at Mason, Browns Ferry so he'd have

1 it at 8:00 in the morning.

2 Now, like I said, I stayed here the rest
3 of the night working on that and some other things, and
4 about 8:00 in the morning I got a call from White's
5 office saying he wanted me in his office immediately.
6 I said, "I can't get there immediately. It's going to
7 take at least two hours down there."

8 MR. ROBINSON: Let's go ahead and take
9 a break. This might be a good time. It's now 9:49. Let's
10 reconvene at 10:00.

11 (Thereupon, there was a recess.)

12 BY MR. ROBINSON:

13 Q All right. All right. It's 10:07, and
14 we're back on the record.

15 We were discussing the sequence of events
16 immediately following your preparation of the NSRS position
17 paper. I believe we left off at the time after Bob Sauer
18 had faxed the position paper to Mullen and Mr. White had
19 called you and wanted to see you in his office in
20 Chattanooga.

21 A Right. Now, this was on the 17th of
22 January, and recognizing White came on board on the 13th
23 of January, and this was essentially my first meeting
24 with him. I'd gone to a staff meeting as a group, but
25 anyway, I went to Chattanooga after having worked

1 already for over 24 hours, and of course, White didn't
2 know that, but I went in his office and he wanted to know
3 why I was in Knoxville. And I told him my office was
4 in Knoxville, and he wanted to know why. And it turns
5 out that was at the point he recognized NSRS was, in fact,
6 located in Knoxville.

7 I gave White, somebody says I hand-carried
8 it. I carried down a copy for White, but when I told
9 him I'd sent it to Mason, that's what he really wanted,
10 and I'm not sure I even gave him the copy. I had a copy
11 available.

12 Q Of the position paper?

13 A Right. But he was not the one that was
14 handling that. Mason was. We talked about other things, and
15 there were some things he wanted me to do and stayed down
16 there to fairly late afternoon and came home.

17 Q Did you feel, because of the fact that
18 you had to stay up for over 24 hours in a row, harassed
19 or did you understand the nature of the situation?

20 A I understood that I had a job to do. I
21 did not feel harassed. The fact that, you know, this
22 was a very serious situation. One of the hardest
23 questions, certainly since White's been here, had to be
24 answered. Lot of people not their normal, congenial
25 selves. So, there may have been some shortness, but that's

1 understandable.

2 Tell you the truth, lot of line
3 organization has a hard time understanding why it took
4 us so long to come up with our position on that and
5 justify it, or why it took us so long to justify our
6 position on the bullets. By considering that we were
7 willing to tell it to NRC, we shouldn't be willing to
8 tell it and justify it to TVA.

9 Q Do you have a problem with why it took
10 you so long to justify it?

11 A Yeah. Yeah, it bothers me, too. I've
12 got no problem with the fact that it took us, you know,
13 in this organization, people involved had the time they
14 needed to do a job, probably had less pressure to get
15 it done, although there has been some to get done on the
16 deadline, but people always had all the time they needed
17 to do their job. But yeah, I've got the same problem
18 the line does. If we're going to tell NRC we're not
19 meeting Appendix B and we're in continuous default there,
20 and we got all these problems which were supposedly taken
21 from NSRS procedures or reports that had already been
22 prepared, if we're going to tell NRC about it, I think
23 we ought to pretty well have it in hand and be ready.

24 Q Sounds plausible to me.

25 MR. KINDT: What you're saying is it wasn't,

1 make it clearly, I don't clearly understand what you're
2 getting at, but are you saying when this presentation
3 was made to Asselsteine it wasn't completely documented?

4 THE WITNESS: Yes. Our people, at least
5 three of them spent in excess of a month documenting for
6 the record, for White's consideration in making his
7 decision as to whether or not we are satisfying
8 Appendix B, spent in excess of a month documenting that
9 informaion after they had already told Asselsteine that
10 the situation existed.

11 MR. KINDT: They must have been fairly
12 sure, then, before that, before documenting it?

13 THE WITNESS: Yes. They were sure in their
14 minds, but when it comes to documenting, they could write
15 down. They did a good job. I told them shortly after
16 we left, maybe one or two days after the presentation
17 we were going to need documentation for those bullets,
18 and they gave me documentation, and I went again to them
19 and said, "Yeah, this is good information you've given
20 me, but how about telling me how it relates to Appendix B?"
21 And some of it did, but most of it didn't, so they went
22 back and did that again, and when we wanted an official
23 position, it took a lot more work to get it in position
24 where we were satisfied that it was supporting this
25 statement that was made at Asselsteine's presentation.

1 BY MR. ROBINSON:

2 Q Are you satisfied with the recent TVA
3 corporate response to that NRC request that came in on
4 January the 3rd? There's a lot to that.

5 A I probably have to answer it in two parts.
6 There was a letter that essentially said we are meeting
7 Appendix B. There's been no serious or long-term
8 breakdown. I don't remember what the exact word was.
9 Pervasive, maybe. The letter is one thing, and I
10 personally agree with the letter and will support White
11 in his position now that he's made it. Since he had all
12 the information, he made his decision. I work for him.
13 I will support him.

14 There's a second part of that which was
15 answers to the bullets or responses to those bullets saying
16 how they were satisfied. Now, those bullets, some of
17 them I'm very familiar with and resulted from reports
18 that I personally was involved in either reviewing,
19 approving or from some standpoint.

20 Now, before I say that I'm satisfied with
21 those, I've got to see the responses of those reports
22 and get that resolved. We don't have many of those
23 resolved yet. And by the way, White didn't ask me before
24 he sent the response back to concur in that. He asked
25 me to read it and to state that I had seen it, but not

1 to concur.

2 MR. ROBINSON: Okay. Do either of you
3 gentlemen have any other questions on Asselsteine's
4 presentation and Appendix B?

5 MR. KINDT: No.

6 MR. STONE: No.

7 BY MR. ROBINSON:

8 Q Do you have any final comments that you
9 want to make regarding the surrounding events?

10 A Yeah. There's something, we don't leave
11 out something that I know about so that we don't --
12 after the presentation Bob mentioned to me the short time
13 period that he had to prepare for that and said, "You
14 know, some of that material I was doing from memory." And
15 I bring this up, this is one of his strong contentions.
16 I didn't know what parts of the presentation that he was
17 doing from memory.

18 I don't know whether it was the same day
19 or day later, a newspaper man here in town called me,
20 Randall Beck, and wanted to talk about that. Said he'd
21 already talked to Sauer and says, "Understand you were
22 surprised." And stronger words came out in the paper.
23 I don't know what they were. It was worse than surprised.
24 I told him I had not seen some of those things, and in
25 an effort to try to help Bob, I made Bob unhappy when

1 I said, "Well, Bob had very short notice on those things,
2 and in some cases he was talking from memory and now he's
3 going to go back and look at some of the stuff, verify
4 what he was saying is right."

5 That made Bob very unhappy. even though
6 I mentioned it as a way of trying to protect him and help
7 him. Now, Bob says, "I wasn't talking from memory on
8 that. I had that information from Smith and Washer and
9 from QTC, and that is solid information." I said, "Bob,
10 when we walked out of there you told me you were talking
11 from memory on some of that stuff. I don't know what
12 you were talking about from memory, but I do know I had
13 to call NRC and correct some of it." He said, "Yeah,
14 but that's the only thing that was wrong. Part I had
15 to correct that was the QTC contract." If you've ever
16 seen the package, you've seen where some of it was lined
17 out.

18 I called Roger, big, heavy-set fellow in
19 Region 2.

20 MR. STONE: Roger Walker?

21 THE WITNESS: Walker, and told him to
22 correct that, and Bob says that's the only thing he was
23 talking from memory. Everything else he had factual.
24 But at the time I didn't realize that, so that I think
25 it's very important, because he took great store in that.

1 BY MR. ROBINSON:

2 Q The QTC contracts or the QAQC?

3 A QTC contract. As part of his presentaion
4 he went over the contract with QTC and told them how much
5 money we'd spent, when the contract expired and several
6 points in there was incorrect. The amount of money and
7 times of the contract.

8 Q Okay.

9 MR. STONE: I do have one item. Do you
10 look at all reports that go out that NSRS issues?

11 THE WITNESS: No. I did before we got
12 into the employee concern program, but I could not read
13 all of those. The investigation branch. I delegated
14 authority or had to, Mike Kidd and Mike Harrison to
15 transmit investigation reports for me. I still look at
16 the review reports.

17 BY MR. ROBINSON:

18 Q And just as a final caveat to the
19 Appendix B thing, in your mind there's no logical way
20 that Jerry Smith or Phil Washer or Bob Sauer could
21 interpret that you were trying to change their minds about
22 their position or pressuring them?

23 A I don't believe there is. When you say
24 logical, they obviously are under that impression, but
25 they say they are. I don't know how they could do that.

1 I have never tried to change anybody's mind about anything.
2 If that's what they think, that's what they think. But
3 I did want to be sure I understood what they thought,
4 and I probably asked them that a couple of times.

5 Q Okay. Next topic I want to talk about
6 is the Mansour Guity Cable report. It's I8506,
7 Investigation of an employee concern regarding cable
8 routing installation and inspection at Watts Bar. I'll
9 give you a brief, are you familiar with some of the facts
10 and circumstances surrounding this report?

11 A Yes, sir. I was highly involved in the
12 later stages of that.

13 Q Why don't you give me, starting from the
14 point that you got involved in it, and I'll ask some
15 questions, if there are items that I need clarification.

16 A Okay. First time I got involved was when
17 I got a call, I believe somebody in construction, saying
18 that an individual that had worked at Watts Bar and had
19 left had called in a concern about cables and very little
20 information. He wanted to know if I'd look into it. If
21 I'd go through personnel. He didn't know who it was.
22 If I'd go through personnel, personnel man would get in
23 touch with the gentleman and try to get the concern from
24 him, and I did that, and Mike Kidd and I talked to him,
25 got all the information he had, which was very sketchy.

1 Primarily the biggest problem he had, that
2 supervision that, didn't really want to follow the
3 procedures, but there was also, he said some irregularities
4 in the way cables was pulled.

5 Q Is this the man that wants to remain
6 confidential? Okay.

7 A And he has to remain confidential, because
8 he didn't give us his name. I assigned Mike Harrison
9 to look into that, and well, I guess I told Mike Kidd
10 to assign someone. Anyway, Mike Harrison and Guity were
11 assigned to investigate that, and they investigated it
12 and when I got involved with it the next time was when
13 they put together what they called a report. It was a
14 very unusual report. Had very little resemblance to
15 reports we normally put out, and I say that because it
16 was a very short report, body, and had a bunch of, I don't
17 know how many, maybe six or seven attachments, and each
18 attachment was addressing a big issue.

19 Q Regarding cabling?

20 A Yeah. One of the same issues that's in
21 the report now. I read the report, and it was very
22 difficult to follow the report, and at this point I don't
23 consider that I had any interaction with Guity at all,
24 because as I understand, it was Harrison's idea to put
25 the report together in that way, but I told them this

1 report just won't fly.

2 Q Who did you tell? Both of them?

3 A I told Harrison.

4 Q Okay.

5 A It's not written in accordance with our
6 procedure. We have a procedure, tells you how to write
7 a report, NSRS report. Whether an investigation report,
8 special review or review or whatever, and this doesn't
9 fit that procedure. Harrison agreed it didn't. I don't
10 know where Guity gets involved, but at this point in
11 time I was taking Harrison to run this investigation group.
12 He didn't have time to spend much time rewriting that
13 report, so it fell to Guity to rewrite it and he said
14 he spent lots of time on it, and I'm sure he did, because
15 he did it in short order. He said he worked late at night
16 and he put in the right format and the report was per
17 procedure. I still had a problem with the report.

18 I told Guity the report is hard to read.
19 "You have done something that's not normally done in here,
20 and that is, you have taken documents such as 45's or
21 letters, memos, or minutes from meetings, and you've taken
22 those and rewritten them verbatim, word for word from
23 start to finish in the body of the report." I said, "I
24 think the report would read much better if you would take
25 salient points from those documents, put them in here

1 and say what's wrong with them, and based on this you
2 draw a certain conclusion or whatever, but not make people
3 read those entire documents again, and if you feel those
4 documents are important, then let's put them in as
5 attachments. We always reference these things on reports
6 so people can look at them, but if you feel strongly about
7 it, we will attach them to the report."

8 Well, he didn't argue a whole lot about
9 that, but he had worked a long time on the report and
10 this meant a lot more work and maybe is it really
11 justified from his point of view. So we talked about
12 this one day. I think it was, I don't remember whether
13 it was morning or afternoon. Anyway, I went home and
14 slept on it. Tell you the truth, I didn't sleep a whole
15 lot. I thought about the importance of it.

16 I came back the next morning and had a
17 meeting with him and Harrison said, "Fellows, what I said
18 yesterday for future still goes. We ought to write these
19 reports as specific as possible, but I'm going to go ahead
20 and issue this report as is because the report had to
21 get out there on the line, start working on it and get
22 these things resolved." So we issued the report.

23 Q With the verbatim comments?

24 A Exactly the way he had written it.

25 One other issue came up in that report

1 that I was involved in, was Guity or Harrison, one or
2 both. I don't know which one, and the memorandum, possibly
3 some report that they thought that JSRS position was that
4 the items in this report be resolved prior to licensing
5 the plant. I told them I don't really think that that
6 is the place that you ought to require this to be completed.
7 I pointed out that these cable cooling systems, whatever,
8 really are not required when licensing. That you could
9 really get into a lot of trouble. Now they're required
10 by Tech specs, point where you get into a problem if some
11 of the equipment run by these cables don't work is
12 sometime after five percent power, because up to that
13 point you don't have any fissure products in the core,
14 and you don't have the heat to worry about. And I would
15 suggest that rather than saying prior to licensing we
16 say prior to five percent power. As far as I know, they
17 totally agreed with me. They changed it to five percent
18 power and we issued a report that day.

19 Q At any point in time was there any kind
20 of controversy, either between you and Guity or between
21 you and Harrison, or to your knowledge between Harrison
22 and Guity about writing a summary report on that item?

23 A I've got a, something in my mind says that
24 that went on, and I don't recall ever suggesting we write
25 a summary report. Though in our discussions about all

1 the attachments and putting into proper format, that may
2 have been words of summation. If I used the words, I,
3 and I don't remember whether I did or not, I certainly
4 didn't mean to take out any of the information in the
5 report or to reduce it or anything like that. Probably
6 may have referred to the report as you see it today
7 as a summary as compared to what the other one was.

8 Q At any point in time did Guity in any
9 context become so dissatisfied with the way that he thought
10 the report was going to go out that he threatened either
11 you or Harrison with going to the NRC if it didn't go
12 out the way he wanted it?

13 A There was some talk about NRC. Guity didn't
14 ever say anything to me personally about NRC, but
15 Harrison said, some point in time here when it looked
16 like Guity might have to rewrite again because of the
17 information, that I didn't want him to put the verbatim
18 type stuff in there, some point there that he indicated,
19 you know, sounds like we're wanting to not put everything
20 in there to protect some managers or something, and he
21 might go to NRC. Harrison, I don't remember exactly how
22 it came about, but Harrison did indicate that Guity's
23 thinking about going to NRC.

24 Q Was there any basis at all to Guity's
25 thinking that you may have been, you or Harrison might

3/A

1 have been thinking about protecting some TVA managers?

2 A I'm not sure exactly what Guity was
3 thinking there. There's no basis for it. Absolutely
4 not. As a matter of fact, I was probably more anxious
5 to get it out, as anx'ous, at least as anybody else to
6 get it resolved, and I have no friends in design or
7 construction that I'm trying to protect.

8 Q Was there any occasion during the writing
9 of that report where you had a conversation with Guity
10 where you indicated that you had gotten some kind of a
11 time extension from Bill Willis on getting this report
12 out and all that, we'll go ahead and get it the way you
13 want it, that I've got an extension from Bill Willis,
14 anyway? Was he involved in like a deadline getting that
15 report out?

16 A Well, let me tell you what I know.

17 Q Okay.

18 A Because otherwise --

19 Q (Interposing) That's all I want.

20 A I had told Willis that this report was
21 going to be issued and that it was a very critical report,
22 and he needed to be aware of it, because it was going
23 to require at least a lot of evaluation, possibly a lot
24 of work, and we, ... arguing with the line about it. Looks
25 pretty factual to me, and looks like we could have some

1 real problems out there, and of course, Willis wanted
2 to get it out as soon as possible just like I did. As
3 far as Willis giving me a deadline and extending it, he
4 may have said, "I want to get this thing out," and I may
5 have come back and said, "Hey, Willis wants to get the
6 thing out and we need to get it out at a certain period
7 of time." Willis has never set deadlines on NSRS getting
8 stuff out. Only deadlines NSRS gets from me, I may
9 get a suggestion or something from Willis, and based on
10 that set a deadline of my own, but I don't ever recall
11 Willis or the Board putting a deadline on NSRS for getting
12 any activity completed.

13 Q Or even, won't go so far as formalize the
14 deadline, but even that kind of, like in the analogy of
15 when we were talking about the Appendix B and Mason said
16 he wanted it today, would Willis may have said, you know,
17 "I need to see that report. I'd like to see it next week,"
18 or something like that. Don't do that?

19 A Well, he probably could very well said,
20 "I'd like to see that as soon as it's out." Don't let
21 me lead you to believe they're not interested when I said
22 they haven't set any deadlines. They've not said, "You
23 have to have this a certain period of time." However,
24 what they have done is say, when I say they, I'm talking
25 about primarily about the Board. When I go to present

1 information about one thing or give a status on something,
2 they very frequently ask "What's the status on that report?"
3 And I very likely come down and set a deadline, because
4 the next time I do go to the Board of Directors, if they
5 ask me today what status that report is and I said I believe
6 we're going to have it out tomorrow, I want to go down
7 to the, tell the people we want that report tomorrow.

8 Q Sure.

9 A But they have not set a deadline on me.
10 But if I tell them tomorrow and the next day fell upon
11 the next day, pretty soon they're going to get tired of
12 that.

13 MR. ROBINSON: Okay. You have any questions on
14 the cable?

15 MR. KINDT: (Moves head from side to side.)

16 BY MR. ROBINSON:

17 Q Any other comments you want to make on
18 that, on the issuance of that cable report?

19 Oh, yes. Something else comes to mind,
20 and you had mentioned this earlier in a different context.
21 I think it was when you were making an estimation of how
22 many man-hours it takes to complete an investigation,
23 talking about --

24 A Eighty man-hours.

25 Q That 80 hours phraseology came up in

1 connection with the issuance of this report. Were there
2 any conversations between you and Guity about him getting
3 the cable investigation done in 80 hours or anything like
4 that?

5 A (Witness moves head from side to side.)

6 Q Were there any conversations between
7 Harrison and Guity that you know of about that 80-hour--

8 A (Interposing) No. I would not expect
9 an investigation like that to get done in 80 hours.
10 Eighty hours is an average figure and that, I have no
11 problem with what Guity did on that report or any of the
12 other reports he's done with the possible exception of
13 the A and I report. They've been very timely and worked
14 hard on the reports.

15 Q Okay. All right. I'm going to test your
16 memory a little bit now, Kermit. I'm going to go back
17 to August of 1983. This involves some activity that was
18 done by Bruce Siefken which was going to result in a
19 memorandum from Culver to Anderson. Okay. Were you,
20 let's see. You were assistant director at that time in
21 '83?

22 A (Witness moves head up and down.)

23 Q I'll let you look at this final memo to
24 see if you remember it. It regards Watts Bar Nuclear
25 Plant, comparison of a G spec, G-29C2 SWS D1.1.

1 A I remember.

2 Q Okay. The point of contention is the
3 inclusion of all of the items that Bruce wanted included
4 in that memo. Okay. The original draft, if you notice
5 that memo talks about three specific contrasts.

6 A Yep.

7 Q The original draft talked about one, two,
8 three, four, five, six, seven, seven different contrasts.
9 I'll let you look at the original draft. Then there's,
10 I guess the first typewritten draft of that, and I guess
11 I just would like your explanation, if you can remember
12 and if you are aware of why the contrasts that were not
13 included were deleted.

14 A Can't give you the specifics, but I can
15 give you the reasons, I guess. This thing, let me say
16 first of all, I was not involved in coming up with all
17 these things. What happened here was there was a review
18 done by a group of people of activities at Watts Bar.
19 Gentleman by the name of Jim Jones that worked here,
20 believe looked into welding, and he came up with these
21 things. And all the things they were talking about here,
22 I believe, got turned over to OQA. I'm sure you've heard
23 of that before, for them to close out. They closed out
24 a number of them, and we went and looked at them in a
25 review later on. We can't say we've got proper and

1 justification for closing these out. Now comes down,
2 Harrison was in charge of that review. Harrison was
3 trying to figure out which ones of them didn't have
4 proper justification, and I don't know why Bruce was
5 involved, but Harrison and Bruce, Jones, they were all
6 working on this, trying to figure out what to make issues
7 out, and Culver came and asked me if I'd get involved
8 and I said it just wasn't getting anywhere. They weren't
9 coming up with anything. I don't know whether they were
10 arguing among themselves, but having trouble getting
11 anything out.

12 So I started working with Jim Jones and
13 Harrison on it, and together we came up with these three
14 issues. Now, the other issues, I don't remember what
15 they were, but we looked at each one and for some reason
16 or another decided either this doesn't fit what we're
17 looking at right now, and there's, we shouldn't continue
18 looking at that area, or you don't have the justification
19 for making that an issue. And I was under the impression
20 all along that Jim Jones agreed with what we came up with.

21 As a part of our evaluation of this thing,
22 we were saying among ourselves we're going to have to
23 go back and look at welding again, so that we can look at
24 all this stuff, and fully intended, some of it that we
25 didn't include, to go look in this area again at another

1 review devoted to welding. And these are the three issues
2 that we came up with, and I certainly thought that Jones
3 agreed. As far as Bruce is concerned, I never worked
4 with Bruce on it. I don't know why he was involved. Don't
5 know why he discontinued his involvement.

6 Q Is this Culver's handwriting, to your,
7 best of your --

8 A (Interposing) Yeah. That looks like
9 Culver's handwriting.

10 Q Is this yours?

11 A Yeah. That looks like mine.

12 Q Okay. Does that, "We have given up on
13 this one." What does that mean? "We in NSRS have given
14 up"?

15 A Yeah. The people that were working on
16 it, me and Harrison and Jones, we'd given up, what it
17 probably means, given up and determined it's not worth
18 fighting at this time. Probably look at it again in
19 review.

20 Q Were the line people fighting you or was
21 QA?

22 A At this point in time nobody was fighting
23 us. We were dealing among ourselves trying to determine
24 what issues to go fight the line on and fight the QA on.
25 At this point, though, we were not in that fight.

1 Q Well, then, who is, who is the "we" that
2 you're referring to here? "We have given up on this one."

3 A That is, the "we" is myself, and I believe
4 Harrison and Jim Jones.

5 Q Okay. But you don't remember interacting
6 with Bruce Siefken?

7 A No, I didn't interact with Bruce Siefken
8 any at all.

9 Q Okay. But the bottom line, correct me
10 if I'm wrong, you're telling me is that the reason that
11 all of these contrasts were not included in the final
12 memorandum to Anderson was that you either didn't want
13 to deal with those particular items at this time or they
14 weren't justified as being included as contrasts?

15 A The only reason we wouldn't want to deal
16 with them at this time, because we felt like we had,
17 didn't have enough ammunition to deal with them, or maybe
18 some of them were inadequately stated, and some of those
19 items made in comparison were just plain wrong and
20 shouldn't be items to begin with in making a comparison.

21 Q Do you, without being specific about why
22 they were wrong or which items were wrong, do you remember
23 that some of those specific contrasts, in your opinion,
24 were incorrect? That the, that maybe QA's logic for
25 closing them out was proper?

1 A I can't actually say QA's logic was proper.
2 What I say, they're wrong, I believe that some of the
3 comparisons, when a comparison was actually made, was
4 made against their own documents. I had no problem with
5 any of that. You know, we just hadn't, we had to have
6 good justification why we're going to fight these things.

7 Q Was this going to be a real touchy item
8 with QA?

9 A Oh, absolutely. The three we have there,
10 we, if you want to call it fighting, we dealt with them
11 on the four -- what time of year was that?

12 Q That was, the final memorandum was dated
13 August 10th, 1983.

14 A We didn't finally resolve that until, I
15 think, February or March of '84. Yeah, it was very
16 difficult, one of the most serious confrontations that
17 NSRS had on the three items that we finally decided to
18 go fight on.

19 Q And one final question. Who was, well,
20 two questions. Who in OQA was fighting you on it?
21 Anderson himself?

22 A Anderson, John Lyons, Mike Kidd and one
23 other gentleman by the name of Thompson.

24 Q And the other final question on the items
25 that you did not include in this memorandum, did you,

1 in fact, at a later time go back and address?

2 A We're doing that now. We were doing it.

3 NSRS is a part of this employee concern program, everything
4 that was there, plus a lot more.

5 Q Came back up?

6 A Yeah.

7 Q Do you think you would have done it if the
8 employee concern program hadn't brought it back up?

9 A Oh, definitely. If we hadn't got the
10 employee concern, we definitely would have gone, done
11 another review on welding.

12 MR. ROBINSON: Any questions from either
13 of you gentlemen on this issue?

14 MR. STONE: (Moves head from side to side.)

15 MR. KINDT: I don't know the items. That's
16 why we asked the question generally were those important
17 items. Would you consider them very important?

18 THE WITNESS: No. Most of them I didn't.
19 Most of them were paperwork type items. The ones that
20 were considered most important, I believe we got. Like
21 I said, Jim Jones worked with me very close, and Jim and
22 I were in good agreement on everything we'd done up until
23 we closed them out. At that point we were in disagreement,
24 but said if that's what, how you feel and that's what
25 NRC says, I'll go along with it. But I don't think he

1 liked the fact we closed those three out. Up to that
2 point, I thought Jim and I were in agreement.

3 BY MR. ROBINSON:

4 Q Were the items that you deleted from the
5 report safety related?

6 A Some of them could have been.

7 Q Did they, was there any relation to
8 reportability to the NRC in the items that you deleted?

9 A I don't think so, but that reportability
10 would have been determined by OQA or the line anyway.
11 We seldom make reportability determinings. If we think

12 it's reportable, we ask the people who send it, whether
13 it be OQA or line to evaluate them for reportability.

14 Q We got into that point some. You, as NSRS,
15 do not normally make reportability judgments?

16 A No. We have to make some judgments. I
17 think this might be, but we don't make the determination
18 as, and report them or tell the line to report. Closest
19 we ever came, we told them we thought they ought to report,
20 make an additional report on the thimble tube incident.

21 MR. KINDT: Here again, maybe it's obvious
22 to others, but not to me. You thought some of those items
23 you didn't include in that could have been safety related.
24 Didn't that give you some kind of concern or not?

25 THE WITNESS: Oh, absolutely. But you've

1 got to recognize what we're looking at here are things
2 that the line organization has seen, looked at, taken
3 what they thought was proper corrective action. OQA had
4 accepted this proper corrective action. So that told
5 us that people are well aware of them and have taken
6 whatever action that would have been taken if we had sent
7 them out as safety related items. And secondly, if we
8 thought it was a safety problem, we definitely would have
9 gone ahead and opened them up or done whatever is necessary.
10 We never, under any circumstances, do that. We never,
11 in any circumstances close out something or overlook
12 something that we recognize as a safety problem.

13 Now, like I say, lot of these were, had,
14 what he did was go through and compare this G spec that
15 you mentioned, which is a construction specification,
16 he compared that to AWS D1.1 and said, "You are not doing
17 in your G spec what AWS tells you you ought to do."

18 Now, anything that comes up from that
19 could possibly be a safety related item, but if you make
20 a mistake, say the AWS D1.1 says that you have a certain
21 procedure or you do something a certain way, and G specs
22 got a procedure down there that's not been signed by
23 somebody, and you go through and look and you say, "Hey,
24 that procedure is specified somewhere else by something
25 else," and you really have it, then that's mostly the

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type of stuff that we took out.

MR. KINDT: Going back to what you're saying, though, kind of capsulize, you didn't feel there was any safe problems there?

THE WITNESS: No. No.

MR. ROBINSON: Any other quesitons?

MR. STOWE: (Moves head from side to side.)

BY MR. ROBINSON:

Q Any other comments you want to make regarding that issue?

A Just want to say that since we're dealing with these things, there's a couple of points that need to be made because of all the publicity that's come out of the carbo-zinc issue.

Read all the time in the papers where NSRS, even though the employees and inspectors say that in inspecting through paint NSRS says either they didn't inspect through paint or it was all right if they did inspect through paint. NSRS has never made any one of those statements. This item was not closed out based on that. We never gave an inch on that. What we find, the basis for us closing that out was, and we were presented with records showing that, I think it's 21 or 22,000 inches of structural welds had the paint stripped from them and had been reinspected without finding one single quality

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1 defect. You know what I'm talking about when I say
2 quality. First two, the undercut or too long a weld or
3 that kind of stuff. Porostic cracking. So they didn't
4 find a single defect with over 20,000 inches of weld.

5 Now, based on that, we closed it out and
6 said the welds are probably good since we found no defects
7 in that many welds. The rest of them are probably all
8 right. We're going to close this out. The reason we
9 dealt just with quality, it's an accepted fact, I believe,
10 that you can inspect for configuration through paint.

11 Q Okay. Anything else that you want to add
12 on that point?

13 A We've talked about this comparison. Another
14 point, NSRS has never agreed with, and people seem to
15 think we have, is the way the changes are made in the
16 G spec and in the FSAR. Whenever TVA wants to take an
17 exception in their G spec to a requirement in AWS D1.1,
18 they made an SFAR change and say they're doing it different
19 We got on them about this and said that is not right.
20 If you're going to make a change, you need to specifically
21 say what that change is so that NRC knows exactly what
22 you're doing.

23 Well, they got tired of us badgering them
24 about that, so they sent a general change in, which I
25 understand NRC agreed with, that simply said that "We're

1 going to do our welding in accordance with AWS D1.1, 1972,
2 except as amended in G-29. We don't like that. We still
3 believe that they ought to, anytime they make a change
4 they ought to tell NRC specifically what that change is
5 so NRC knows what it is, and they ought to have justification
6 for doing it. NRC in Atlanta asked them if they had
7 justification. They said they did.

8 Q Asked who? OQA or --

9 A (Interposing) Asked design.

10 Q Design?

11 A So I expect someday NRC will come and look
12 and see if they have that. But just for the record, NSRS
13 is not particularly happy about the fact that they changed
14 that G spec in accordance, or changed the AWS anyway they
15 want with the G spec.

16 Q Okay?

17 A No.

18 Q All right. The next item I want to remind
19 you of your oath before I ask you this question. At any
20 point in time, and I'm going to be referring to the thimble
21 tube report, did James P. O'Riley, while he was the
22 administrator, regional administrator of Region 2, NRC,
23 I'll use the word have a discussion with you in an airport
24 somewhere regarding the use of inflammatory or "purple"
25 words in the thimble tube report?

1 A Yeah.

2 Q Would you elaborate on the nature of that
3 discussion for me, please?

4 A I was on my way to Atlanta. I'm sorry.
5 I was in Atlanta on my way to Browns Ferry, and I met
6 O'Riley at the airport, and he says, "You put out
7 a report " Yeah. He says, "Do you know Nucleonics
8 Weekly Special Edition?" I said, "Yeah, I've seen that."
9 He says, "What do you think about that report?" I said,
10 "It's a good, accurate report, done by a good man. We
11 stand behind it. It's good." He says, "Figured it would
12 be. Your reports are usually good." Says, "The
13 memorandum," I think is what he was talking about rather
14 than the report.

15 Q You mean the cover memorandum?

16 A The cover transmittal memorandum. He asked,
17 "Did you really feel that strongly or something?" I says,
18 "Guess we did. We didn't know it was going to get in
19 the paper." And he says, "You know," he says, "You need
20 to almost consider that anything you report is probably
21 going to get in the paper." Says, "Good words, nothing
22 wrong with them except purple words can get you in trouble
23 unnecessarily."

24 Q How did you interpret that comment?

25 A I interpreted that comment as, "You ought

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1 to, it's good to be strong." As you know, O'Riley was
2 always very strong. "It's good to be strong and say your
3 piece, but if it's going to be in the public domain you
4 ought to say it in a fashion that wouldn't excite them
5 too much." That's what I would have interpreted it to
6 be.

7 Q Two questions about that. One, did you
8 think that the wording in the cover letter was inflammatory
9 or too strong?

10 A Yes. If I'd known it was going to get
11 in the papers I wouldn't have wanted to put that stuff
12 out for the world to see. That was information for those
13 people to get their attention, because we thought this
14 was extremely important and was a safety issue that
15 deserved everybody's attention, and those words were put
16 in there to get their attention.

17 Q When you say those people, you mean the
18 site people at Sequoyah?

19 A Line organization.

20 Q Second question. Did this conversation
21 with O'Riley have any effect on the wording of future
22 cover letters and recommendations in NSRS reports?

23 A No, it did not.

24 Q It did not?

25 A Not to my knowledge. Certainly anything

1 that I wrote, as a matter of fact, I forgot about those
2 after a few days. I thought it was kind of funny, and
3 I may have mentioned it to people. I know purple words
4 can get you in trouble.

5 Q Did you consider these comments by O'Riley
6 kind of a friendly warning or did you consider them kind
7 of a, more of a threat?

8 A I considered it --

9 Q (Interposing) Or either?

10 A I considered it constructive criticism
11 and appreciated it.

12 Q Was it just a chance meeting between you
13 and O'Riley in the airport?

14 A Yes. As it turns out he was also on his
15 way over to the Huntsville area. I think he was going
16 to make a speech at a local ANS meeting or something like
17 that.

18 Now, let me say now, you asked me if
19 O'Riley's words to us affected the way we wrote things
20 in the future.

21 Q Knowing they were going to be in the public
22 domain.

23 A His words had no effect. Knowing it's going
24 to be in the public domain and knowing the fact that's
25 the first one got out to the public domain and realizing

1 that others may, that changed the way we wrote memorandums,
2 transmittals, anything we wrote, probably. Certainly,
3 I think twice now about what I say, and if I think it
4 needs to be said, I'll go say it in person or call them
5 on the phone and say it rather than putting in something
6 that I think is going to be in the Knoxville Journal.

7 MR. KINDT: Are you saying, though, that
8 conclusion you came up, which you just gave us here, that
9 was based not on what O'Riley said, but with your
10 experience coming out in the public?

11 THE WITNESS: Right. O'Riley's comments
12 to me had no effect whatsoever on the way I prepare
13 reports or write memorandums.

14 BY MR. ROBINSON:

15 Q But the fact of possible misquote by the
16 press or amplification by the press does have an effect?

17 A Certainly.

18 MR. ROBINSON: Do you have any other
19 questions about that?

20 BY MR. ROBINSON:

21 Q Are there any other comments you want to
22 make on that particular topic?

23 A No.

24 MR. KINDT: The only thing I'd like to
25 ask, you more or less inferred it, but I want to make

1 sure, is O'Riley didn't make any further comment on what
2 he meant by purple words, right?

3 THE WITNESS: No. I knew what he meant.

4 BY MR. ROBINSON:

5 Q The next item is a, at least to my knowledge
6 to this point, an unpublished systems liability program
7 by Vince O'Block. Evidently this program was ready for
8 publication as early as last June, and he indicates no
9 negative feedback that, you know, that you think it's
10 a positive program, et cetera. And he, and I'm just
11 wondering if you could give us an explanation as to why
12 it hasn't been issued or published.

13 A I'm not sure if it was written to be issued
14 or published. You're right when you say I think it's
15 a good piece of work. I do. I feel very good about it.
16 Last June, I don't know, I don't know what the time frame
17 was, but sometime during the summer, could have been June,
18 he made a presentation to me and a couple of other people.
19 I thought it was excellent. I went to Hugh Paris and
20 told Hugh that I'd like for him to give a presentation
21 on it and gave him a copy of it. And sometime down the
22 road, if we get to the place where we can, the Board has
23 an opportunity and we do it, we'd like to present it to
24 the Board of Directors, but I wanted to present it to
25 Hugh first, because it affects the work that he's doing

1 down there. He was very interested. He wanted to hear
2 it. We sat up two or three different dates and in every
3 case Hugh got called out to go to Washington or somewhere
4 and never made it, and we got into these employee concerns
5 so deeply that it just took a backseat to everything else.
6 And we've, you're right. We never have presented it.
7 I plan on still, the purpose of the thing, reason I say
8 I don't know whether it was for publication, the purpose
9 of that was to try to convince the line organization that
10 we needed reliability study or trending, whatever, going
11 on on a regular basis, and we were going to volunteer
12 to do a pilot program for them, and still think we need
13 to do that.

14 Nuke power has now got new management, and
15 I'm not, be in a position that, had the time to go talk
16 to them about it, and impress on them, I would like for
17 them to see this.

18 However, I have told a number of the people
19 that work directly for White that have had discussions
20 with me, that's one of the strongest points I've always
21 made to them. We have this information and would like
22 to present it as early as possible opportunity, and like
23 to see something come out of it.

24 Q Is Vince aware of your conversations with
25 White's people?

1 A I believe he is. I've talked to Vince
2 about a couple of times and told him, you know, I'm not
3 giving up on this. We've still got to get something out
4 of it, because it's a real good piece of work and something
5 that's needed. It may be that Nuke Power comes up with
6 something like this on their own. Until they do, they
7 definitely need the input of Vince, you know, his efforts
8 that he's put in there. That can be a big help to them.

9 I don't know whether, I don't know whether
10 it's a document that lends itself to being published or
11 issued, but it does need to be gotten to people to see,
12 and particular presentation, because he gives a good
13 presentation on it.

14 Q Have you made that comment to Vince, that
15 you're not sure whether it's a document that really needs
16 to be published or issued?

17 A I'm not sure I have.

18 MR. ROBINSON: You might want to talk to
19 him about it. That's about all I have. Do either of
20 you gentlemen have any further questions?

21 MR. KINDT: Just a general one, and it's
22 an opinion more or less on your part. Just in that form,
23 too.

24 In your opinion do you think there's a
25 general dissatisfaction in your staff?

1 THE WITNESS: We're still on the record?

2 BY MR. ROBINSON:

3 Q Yes.

4 A I don't really know why we have this wide
5 dissatisfaction. I guess it's been around a long time.
6 I've discussed it with people on the staff that clearly
7 indicate that we have a spectrum of disagreement on how
8 things ought to be done here so wide that I don't know
9 what we can do about it. I'm sure you've heard of
10 participative management. If you can have that, you'd
11 think this would be a good place for it to be.

12 I've tried real hard to let everybody on
13 the staff have a part in the management of this
14 organization. I don't think people appreciate that or
15 even recognize it, because anybody in this organization,
16 up to this point, at least, could come up with a safety
17 issue. There's no restrictions on them. No restrictions
18 on anything they can look at to get that. If they come
19 up with a safety issue that they think deserves attention,
20 they have freedom, at least before the employee program
21 came along, to investigate, evaluate, view it, look into
22 it, whatever extent they think is necessary. Some people
23 have taken advantage of that and done it. Other people
24 haven't.

25 We have some people that worry you to

1 death. If you don't give them something to do, they'll
2 find something. They'll go look. I've got other people
3 that lets you tell them exactly what to do. They'll
4 sit back on the things they think are safety concerns
5 and never do anything about them. They'll say, "I've
6 got a serious problem in electrical." Now, that
7 statement alone is not enough to get anything done. And
8 what I've always told them, look at any safety issue that
9 deserves it, but support it. If you say it is a problem,
10 you've got to have supporting information. A good
11 feeling or even knowledge on your part without supporting
12 that, with words, just won't fly.

13 Now, that makes some people tremendously
14 unhappy. They think if they can make a statement that
15 the voltage at Browns Ferry from the distribution panel
16 to the equipment is so low that those, that equipment
17 won't start under certain conditions, that's all they
18 need to do, and that either me or line management or
19 somebody else is going to look into all that and fix it.
20 They just don't get line management to fix things based
21 on statements. You've got to go look at it. You've got
22 to investigate. You've got to write information to
23 support it. You do that, then you're ready to go battle
24 with the line and try to get it done. Without that, you're
25 lost.

1 Now, some of our people are very unhappy
2 that the Board of Directors won't take one of their
3 statements like that, telling the line organization,
4 "Here's the problem, you fix it. You tell me how you
5 fix it." The Board won't do that. I don't think they'll
6 do it. I'm not going to ask them to do that. But if
7 they'll tell me that and bring me supportive information,
8 then I'll go to battle, and I believe that's the biggest
9 single problem we've got here.

10 The people that were in the TARS group
11 that was, that's my interpretation of the way they felt.
12 They would not or could not develop issues. I even went
13 so far as to tell the people in a staff meeting, "If you
14 have any issue which you think is a safety issue, you
15 want it evaluated and you're having trouble putting it
16 together," I said, "I'll help you. I'll get anybody
17 on the staff to help you. If you don't want to do that,
18 I'll bring in a consultant from outside to help you
19 develop that issue so we can get to the bottom of it."
20 I've not had a single taker. Yet, we've got safety issues,
21 according to them, that aren't getting resolved, and we
22 could sit here and talk for hours about the TARS group.

23 There is great bitterness throughout this
24 organization because of that group. From one side you've
25 got using the investigations group that complain

1 constantly that, "Hey, we're carrying this organization."
2 That's a very true statement. If you go look at the
3 reports that we've put out, which is the only evidence
4 we've got of our success, you'll find most of them were
5 put out by the investigation review group. Very few of
6 that group.

7 Now, they'll tell you they don't need to
8 put out reports. Their job is to sit over there and find
9 problems, and they don't get credit for what they did
10 do. So you've got a real conflict here between two groups.

11 Q But they have a format in which they can
12 put out reports to --

13 A (Interposing) Oh, absolutely. They can
14 put out reports on anything they want. And I really need
15 to give you an example here of a thing. This is going
16 to take us 15 minutes.

17 Q Well, before you get into that example,
18 just brought to mind one little re-organization situation
19 that you need to clarify, and that was the re-organization
20 that occurred after the Appendix B Asselsteine
21 presentation. At some point in time after that in which
22 Sauer, Smith, Washer and Siefken were put into, I guess
23 it's called an investigations analysis section, and to
24 my understanding were given no section, there was no
25 section leader, and as a matter of fact, to my

1 understanding, the terminology from someone was "Pick
2 yourself a section leader." Talk to me about that a little
3 bit.

4 A I'll talk to you about that. I told you
5 about the situation where we were going to double our
6 force, but then other things happened. We didn't. Okay.
7 About this same time, somewhere late December a decision
8 was made, and may have been about the time White came
9 on board, but in any event, a decision was made by the
10 highest management in TVA that the line organization was
11 going to take over the investigation of employee concerns
12 at Watts Bar. They were going to pool the groups and
13 make generic group type investigations. That this would
14 do it quicker, save time. So somewhere around the 3rd
15 of January, I believe it was either January or February,
16 anyway, somewhere in the time frame January and February,
17 this decision was made. NSRS moved their people from
18 Watts Bar. We had nothing to do. People that we had
19 borrowed from the line organization went back to the line
20 organization. This has been occurring gradually, anyway.
21 So now we've got three section leaders at Watts Bar we
22 don't have anything to do with. Sauer's from Sequoyah.
23 That's a whole different story, but we've got Sauer,
24 Washer, Smith, don't have a section. The work that they
25 were doing no longer have to do. You've got to do

1 something with them. What do you do with them?

2 Okay. You don't send them out doing
3 investigations for another section leader. That's,
4 Cissayah, the only place we had any left to do. So we
5 tried our best to come up with a meaningful work for them
6 to do until we determined what we could do with them.
7 Are we going to reduce them back to a five or are we going
8 to leave them at temporary sixes?

9 Q We, being who? You and Harrison?

10 A Me and Harrison.

11 Q Okay.

12 A Now, to be truthful with you, I left most
13 of that burden on Harrison. Probably was a little unfair
14 to him. But he was the branch chief and --

15 Q (Interposing) That's your prerogative
16 as a manager?

17 A He took the responsibility and did the
18 best he could with it. I don't know what you could have
19 done better. You probably said, "Hey, fellows, you don't
20 have a job to do. Sit down here and decide what we're
21 going to do with you." Rather than do that, we put them
22 in a group, said, "We want to give you as meaningful work
23 as we've got. We want you to review test reports. Want
24 you to look at responses that come in, determine the
25 adequacy of it, and meantime we'll try to decide what

1 to do."

2 Now, as far as the, I think the word was
3 "elect yourself a leader." Again, that burden was put
4 on Harrison, and he sort of did that. His logic there,
5 if I understand it right, and then I'm sure you can talk
6 to him about it, was anybody you put in charge of this
7 group, somebody else is going to have a complaint. If
8 they elect their own leader, then they can't have a
9 complaint about that.

10 Now, we, to be totally honest with you,
11 it's come to the point that neither Harrison or I can
12 manage this organization in a normal way of managing.
13 We, I'll speak for me. I am flat scared. Anytime I say
14 anything or do anything, it's probably written down and
15 kept to a point in time when I can't remember the exact
16 way I meant that, and then they can say it was meant anyway
17 they want to mean it.

18 Q Well, I just have, once again, to remind
19 you of your oath. The connection of putting those
20 individuals in that section was strictly because they
21 were former section leaders, and in your mind you
22 couldn't put them back out in the field doing normal
23 investigations as opposed to any connection or retaliation
24 for the Appendix B situation with Asselsteine?

15 A There's no retaliation intended or even

1 thought of by me. There's no retaliation necessary.
2 There's nothing to retaliate for.

3 MR. KINDT: Was the motivation for not
4 putting them back in the field and investigations --

5 THE WITNESS: (Interposing) We would have
6 had to have them working for another M-6. It would have
7 been, in their opinion, as stated in their previous
8 complaint, a demotion and harassment.

9 BY MR. ROBINSON:

10 Q So it was based upon the fact you felt
11 they would feel they were being further harassed that
12 you didn't do that. Is that what you're saying?

13 A That's right. I didn't do it because I
14 didn't want to appear to be harassing them. You know,
15 if you've got sixes and you send them out working for other
16 sixes, and they're no longer supervisors, that could be
17 a basis for saying this was harassment, whether it's
18 intended or not.

19 MR. KINDT: One other thing I wanted to
20 follow up on. You said Sauer was another matter as far
21 as working. What did you mean by that? That he was
22 brought in here?

23 THE WITNESS: I meant that Sauer was not
24 one of the section supervisors at Watts Bar. He was a
25 section supervisor at Saquoyah.

1 BY MR. ROBINSON:

2 Q So what was the reason you pulled them
3 from Sequoyah? Because as I understood you, there was
4 still activity going on at Sequoyah.

5 A That's correct. Bob was attempting to
6 supervise a group of investigators down there. He had
7 gotten involved with a management review group at
8 Sequoyah. He was involved with so many things that in
9 my opinion he could not do the responsibilities assigned
10 to him in the area of investigations. There was a large
11 backlog of investigation reports that has been completed
12 for Bob to review that he never seemed to be able to do.
13 And every Monday morning I had to go up and give a status
14 to the Board of Directors, and for many times there there
15 was one or two or none of the investigation reports getting
16 out, and they knew there was a backlog right here in this
17 office of about 30 reports that had been prepared but
18 not reviewed. We moved Bob so that he could attend to
19 his other activities at Sequoyah and not be involved with
20 the investigations and approval of those reports and he
21 could do his other things and we get somebody else to
22 do those supervising investigations and review of reports.

23 MR. KINDT: To follow up on one statement
24 you made a little bit earlier, then, weren't you afraid
25 by taking that action that he would interpret that as

1 further harassment?

2 THE WITNESS: You've got to understand
3 at this point -- wait a minute. I don't believe at this
4 point in time Bob had filed any suit or any complaint
5 with the Department of Labor. I had, that was the biggest
6 surprise that he did. Bob, we knew Bob would be unhappy.
7 As a matter of fact, we told him we's going to do that
8 and we knew very well he's going to be unhappy. We also
9 knew we had to get those reports out and Bob just
10 couldn't do it.

11 Now, Bob will have another story. He'll
12 say we assigned him other stuff so he couldn't get that
13 done. I don't see it that way. It was a management
14 decision, and he couldn't do all the things that he was
15 committed to do, some of which was not assigned to him
16 by NSRS, but he'd taken on his own, appeared to be good
17 work to be done. So we let him do it. But he couldn't
18 do everything that he had assigned, as evidenced by the
19 fact that the procedures or reports were not getting out
20 after a long period of time.

21 MR. KINDT: I'm just curious in
22 retrospect, knowing what's happened, would you still go
23 on with this decision?

24 THE WITNESS: Yes. I don't think I had
25 any choice but to go with that decision.

1 MR. STONE: One question about salary and
2 management review group. Is that, did you assign him
3 that group or how did he get on that group?

4 THE WITNESS: I'm not sure I know exactly
5 how he got on there. I think, I know I got a call from
6 Herb Abercrombie asking he be on the group, told me Bob
7 wanted to be on the group. Told me it would be a big
8 help to him, and Bob was doing a lot of good things for
9 him. And we wanted him to get started up like anybody
10 else. I don't mind him being on there, but he can't be
11 a voting member. He cannot make decisions about what
12 line organization is doing and then have NSRS come in
13 and review those decisions. So I let him be on the group
14 as a nonvoting member.

15 BY M.R. ROBINSON:

16 Q Let's take it from the other aspect. Do
17 you think if you had taken away his membership on the
18 management review committee plus all the other things
19 he was doing that had not been assigned by NSRS that he
20 could have adequately handled the review and getting out
21 of the investigation reports?

22 A This has to be a personal perception on
23 my part. I don't believe he could have gotten out the
24 reports even then.

25 MR. ROBINSON: Okay. Does anyone have

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any additional questions?

MR. KINDT: (Moves head from side to side.)

BY MR. ROBINSON:

Q I don't have any additional questions.
You want to make any final comments?

A No. You've got the statement under oath
that I did not intimidate or harass any of these
individuals because of what was said to Asselsteine or
any information to Asselsteine.

MR. ROBINSON: Okay. That's all I have.
It's 11:25, and this completes the interview. Thank you.

(Thereupon, the interview was terminated.)

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:

KERMIT W. WHITT

DOCKET NO.:

PLACE: KNOXVILLE, TENNESSEE

DATE: APRIL 10, 1980

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

(sict) Dorothy D. Banks
(TYPED) Dorothy D. Banks

Official Reporter

Reporter's Affiliation
Smith Reporting Agency



UNITED STATES
 NUCLEAR REGULATORY COMMISSION
 OFFICE OF INVESTIGATIONS

STATEMENT

Location Georgia Power Company Atlanta, Georgia	Case No. 2-85-031
Name of Person Interviewed James P. O'Reilly	Time 1:30 P.M. Date MAY 21, 1986

I, James P. O'Reilly, hereby make the following voluntary statement to Larry L. Robinson who has identified himself to me as an Investigator with the U. S. Nuclear Regulatory Commission. I make this statement freely with no threats or promises of reward having been made to me.

Back in the late summer or early fall of 1984, when I was the Region II Administrator of the Nuclear Regulatory Commission (NRC), I became aware of a Tennessee Valley Authority (TVA) internal report, written by TVA's Nuclear Safety Review Staff (NSRS), pertaining to an incore instrumentation thimble-tube ejection incident at TVA's Sequoyah Nuclear Plant, when it was highlighted in national newspapers. I obtained a copy from TVA of this NSRS report, identified as NSRS Report No. 1-84-12-SQN, dated August 1, 1984.

Based on your questions, I can recall having many meetings with NSRS management while I was NRC Regional Administrator. These, of course, were not all related to the Sequoyah thimble-tube incident. Some of these meetings centered on the effectiveness and importance of NSRS and organizational relationships. I also recall personally requesting NSRS attendance at many significant meetings on problems that the TVA operating staff might not have requested NSRS to attend. Region II had a high opinion of NSRS and, on occasions, specifically requested investigations by them in appropriate problem areas. There, as I recall, was a growing regional concern that conflicts and frustrations ^{between NSRS and TVA} with the operating staffs were growing in significance and that NSRS was not receiving appropriate management support.

In the above context and based on the facts we knew at the time, I and the cognizant Region II staff, believed that the report was a good report but that it exaggerated the negative performance of the TVA operating staff. The exaggeration was not considered to be a significant issue. I do not specifically recall a chance meeting at the airport with Kermit Whitt, a senior aide to Mr. Culver, the Director of NSRS, at the Atlanta Airport, sometime after Region II obtained the thimble-tube report; however, I assume that a chance meeting took place and that I may have commented or was asked to comment on the report. I frequently use the expression "purple words" and that phrase could have been used. If the phrase was used, it would have been used in a constructive manner. When I define

Initials of Person Making Statement



UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF INVESTIGATIONS

STATEMENT

(Continued)

"purple words," I mean the use of descriptions, depth of comments, adjectives, adverbs, and scope of activities that describe a given event more negatively than the facts of the actual event, or situation, dictate. The words "purple words" could also have been used by others in describing reports of the incident. I do recall phrases like "parboiling workers". I believe that particular phrase was used in some newspaper accounts.

I do not specifically recall, but it is quite likely that at one of the above meetings with NSRS, that Mr. Kidd, a senior aide to Mr. Culver, was present. I may have commented on that report, or was asked to comment, and used the phrase "purple words." If the phrase was used, it would have been used in a constructive way.

I wish to strongly reiterate my advocacy of NSRS as a large, experienced, independent nuclear safety staff, reporting directly to the Board. NSRS was a strength of TVA. I would never even try to inhibit reporting in any way.

END OF STATEMENT

I have read the foregoing statement consisting of Two handwritten/typed pages. I have made and initialed any necessary corrections and have signed my initials at the bottom of each page. I fully understand and have discussed the statement with Investigator LARRY L. ROBINSON. This statement is the truth to the best of my knowledge and belief.

SIGNATURE:

James P. O'Beilly
NAME

Subscribed and sworn to before me this 21ST day of MAY, 1983 at:

ATLANTA, GEORGIA

INVESTIGATOR: *Larry L. Robinson*

AUTHORITY: Section 161c AEA 1954 as Amended

WITNESS: *J. C. Leahy, Executive Secretary*
NAME/TITLE

EXHIBIT 44
Page 2 of 2 Page

Initials of Person Making Statement

OR

page 2 OF 2