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ORIGINAL
UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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In the matter of:

STAFF BRIEFING ON THE IMPACT OF THE REMAINING
TMI INVESTIGATION REPORTS AND POSITION ON
MANAGEMENT

DOCKET NUMBER 50-289
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PUBLIC MEETING

Location: Washington, D. C.

Pages: 1 - 17

Date: Wednesday, May 23, 1984

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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

STAFF BRIEFING ON THE IMPACT OF REMAINING
TMI INVESTIGATION REPORTS AND POSITION ON
MANAGEMENT

Nuclear Regulatory Commission
1717 H Street, N.W.
Washington, D. C.

Wednesday, May 23, 1984

The Commission met, pursuant to notice at 3:30 p.m.

COMMISSIONERS PRESENT:

- NUNZIO PALLADINO, Chairman of the Commission
- FREDERICA BERNTHAL, Commissioner
- THOMAS ROBERTS, Commissioner
- JAMES ASSELSTINE, Commissioner

STAFF AND PRESENTERS SEATED AT COMMISSION TABLE:

- S. CHILK
- B. HAYES
- B. RUSSELL
- W. DIRKS
- H. DENTON
- R. LEVI

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DISCLAIMER

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P R O C E E D I N G S

1
2 MR. PALLADINO: We might start to reconvene, please.
3 We'll get started. This meeting will concern implications
4 of the OI reports from the staff's position on the issue of
5 management competence and integrity in the PMI One proceed-
6 ing. The staff is present to brief the Commission. Inasmuch
7 as the OI report on the -- report allegations is not yet
8 public, the staff will not address the -- matter.

9 However, they can address the implications of the
10 OI investigation into the allegations of harrassment TMI to
11 clean-up personnel in the OI investigation of the Luciem
12 report.

13 I'd like to turn the meeting over to the NRC staff,
14 but first let me see if other Commissioners have opening
15 remarks?

16 MR. DIRKS: I just want to remind the Commission,
17 the last time we met on this subject I also had a memorandum
18 that I sent to the Commission on this subject. We recommend-
19 ed that after the completion of the OI reports and as we -
20 and before we prepare our comments, we recommended that the
21 parties be given an opportunity to comment on the OI report.
22 This would be in line with our general procedure, the way
23 we normally do business.

24 We also said following receipt of the comments by
25 the parties then we go ahead and prepare an overall position

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1 on the implications of the various OI reports on the restart
2 decision. We haven't heard back from the Commission on that
3 suggestion. I don't know whether you're still considering
4 it or not.

5 MR. PALLADINO: Bob, the purpose in releasing them
6 just as soon as we had -- is to obtain comments and I don't
7 know if there is any particular timing in the plans --

8 MR. DIRKS: I think we recommended about a two week
9 comment period. Then, following that, we would put together
10 in final form the staff position.

11 MR. PALLADINO: I think that's planned for. Is
12 OPE representative here?

13 MR. ZERBE: Yes, we were planning to have the staff
14 comment, you know, they were having 5 days more than the
15 parties --

16 MR. PALLADINO: What did you have for the parties
17 to comment?

18 MR. ZERBE: Ten days.

19 MR. PALLADINO: Ten days. Have we set forth --

20 MR. ZERBE: We haven't -- that was maybe --

21 MR. PALLADINO: Well, let me ask the Commission.
22 I believe it's appropriate to receive the party's comments
23 on these reports.

24 MR. ASSELSTINE: I certainly do too. My response,
25 as you'll recall, to the schedule proposal was that I thought

1 that the parties should be given an opportunity to comment
2 and my concern was that the amount of time that was provided
3 under the proposed schedule was really too tight to really
4 provide opportunity for both the parties and the staff to
5 comment. Now I think what Bill is proposing though is a two
6 step process which is, in essence, the parties - other par-
7 ties comment first and then the staff comments after that.
8 That's what you're talking about which would extend the
9 schedule further still.

10 MR. PALLADINO: You had proposed --

11 MR. DIKS: I forget what time period I proposed.
12 I think it was more a comment that I just thought the time
13 period there for parties' comments was too short and the
14 response I thought was that, well, we're getting these re-
15 ports as we go along so that when you get to the comment
16 period at least you've had - the parties have had some ad-
17 vance time to look at it.

18 MR. PALLADINO: Well, let's see, you can - let me
19 see if we have agreement on getting parties' comments and
20 maybe we don't want to -- the time today, but -- that these
21 go out for comment.

22 MR. ASSELSTINE: I think we should.

23 MR. PALLADINO: Ok, I think there is agreement on
24 that and we'll try to settle within the next day or so how
25 long --

1 MR. ASSELSTINE: I think we also have to address
2 Bill's concern that perhaps the other parties could comment
3 first and then the staff could respond.

4 MR. DENTON: I think we said that's about normally
5 the way the staff does - the Agency does business. You get
6 comments and then we follow with our comments. So we can
7 leave that as an issue and, meanwhile, I think we can discuss
8 today the status - where the operation exists today. We
9 have a group within Harold's shop, under Bill Russell's
10 direction, and we have a team effort moving to prepare an
11 overall staff position.

12 MR. RUSSELL: By my count we've now completed seven
13 of the nine investigations that were in the original plan.
14 We've been reviewing them as they've come out. I put to-
15 gether some of the same members who did the review of the
16 GPUB&W lawsuit to review the findings and details and I
17 doubt if - you shouldn't expect that I would be able to
18 settle all the questions that have been raised about rela-
19 tionships and that have been raised here, but our review
20 will look at one of the implications of OI's findings with
21 regard to the competence and integrity of the management
22 that's in place today. And we intend to provide you an
23 integrated review then that would incorporate a look at all
24 the completed investigations compared against the present
25 management structure. Maybe I should have Bill just explain

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1 in a bit more detail how we're going about it. And we would
2 get that to you on about the schedule we had said in the
3 earlier memo, which was 30 days after the last report was -
4 within 30 days of the last report was our goal. So that puts
5 it around the middle of June and -- I don't know when the
6 last two investigations will be complete. And the receipt
7 of the parties' comments.

8 It may be useful to review just what
9 materials we have received from OI and what our current
10 status is. If you recall at the last meeting three OI re-
11 ports were released. One on the TMI One Ecrate Investiga-
12 tion; one on the data and RHR investigation; and a report
13 on training irregularities which was a sub-part of the Keaton
14 investigation. Two more reports have been released today.
15 One which I will characterize as the Luciem report on the
16 changes to the contractors report in the sub-set of the
17 Keaton efforts and then the one on Parks-King and Gischell
18 as it relates to harrassment - alleged harrassment on the
19 part of the company.

20 One other report, the Keaton report, we're not dis-
21 cussing because of its pending referral. Another report
22 related has been referred, which is the subject of an ongoing
23 Grand Jury proceeding. Two others are yet to go which - I
24 don't recall - Ben, did you identify these two?

25 MR. HAYES: Yes. Those two remaining investigations

1 that we hope to conclude by June would be the report of -
2 the closing report on the Harold Hartman issue, which of
3 course was litigated already by the Department of Justice,
4 and one other that I would prefer not making public at this
5 point because we do have some interviews scheduled for next
6 week and - but we do hope to conclude that. Then, of course,
7 the recent request by the staff that we look into that other
8 issue is still being evaluated by OI as to whether we're
9 going to accept that as an investigation.

10 MR. RUSSELL: The approach that the staff has for
11 these is to review each investigation report to identify the
12 relationship between the issues investigated and the restart
13 proceeding. And those issues as they relate to management
14 competence and integrity. Specifically, the issues which
15 were raised in the Commission's list of integrity issues
16 related to TMI restart and those issues that were referred
17 by NRR to OI for investigation as a part of the Keaton ac-
18 tivities. We would propose to address all of those issues.
19 Where we can close out an issue within an individual in-
20 vestigation, we will do so within that chapter of our safety
21 evaluation report which addresses the investigation.

22 Where we cannot, where there is some question as to
23 the judgment call to be made, we propose to hold those to
24 look at them in total in that there may be either a pattern
25 of individual involvement or others, such as they go across

1 investigations questions may be raised about individuals.
2 We propose only to do that insofar as it relates to manage-
3 ment competence and integrity of individuals in positions
4 responsible for operation of TMI One. Issues which would
5 relate to an enforcement matter will be reviewed separately.

6 Essentially, that is our approach. One new develop-
7 ment as a result of the issues raised by the Parks-King and
8 Gischell questions concerning what I'll characterize as
9 labor relations or labor dispute. We have augmented the
10 staff working within NRR with an individual who is a spec-
11 ialist in labor relations and is an attorney, to assist us
12 with the review of that material. I, at this time, do not
13 see a problem with completing the matters which have been
14 made publicly available or the two which have been referred
15 to Justice as far as the staff review by the middle of June.

16 I cannot commit on the two that have not been com-
17 pleted. Obviously, if OI doesn't complete those until some
18 time in mid-June, it's going to take the staff some time to
19 review them. From that standpoint there may be scheduler
20 implications of the latter investigations. The only issue
21 there is if it can be shown that there are no linkages be-
22 tween the last two investigations and a Unit One restart,
23 we may be able to do that more quickly. That is, if there
24 are no individuals involved in those latter investigations
25 and Unit One restart.

1 MR. DIRKS: I think that schedule is contingent
2 also on that public comment.

3 MR. RUSSELL: That is correct. Clearly the issue
4 of the relationship of these investigative reports to a re-
5 start decision, the staff has a view as to how those may
6 relate. If a party has a view as to how they relate also,
7 I think the staff should address that as to whether they
8 think that relationship is valid and what its positions are
9 and I would suggest that it would be important to have those
10 comments. And it would be better to address them prior to
11 issuing the staff report rather than after that and having
12 another iteration.

13 MR. PALLADINO: Do you have any preliminary obser-
14 vations based on any of the three reports you've had a chance
15 to examine, at least the ones that came out today?

16 MR. RUSSELL: I think I stated my views as my per-
17 sonal views on the matters as they related to Mr. Hawkins
18 and Mr. Porter, which I participated in the interviewing.
19 That was a case where I felt the information was going to
20 be questionable and was going to be a judgment call and I
21 felt it was best to interview those individuals directly to
22 see what their comments were, what other evidence they had
23 and I concluded, based upon my interviews with them that
24 there was no evidence that would cause me to question their
25 individual integrity or their ability to perform as manager

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1 of start up and tests for TMI One. With respect to the Parks-
2 King and Gischell matter, that's an extremely complex issue,
3 the staff has just received it. I've read through portions
4 of the report and based upon that review I concluded I needed
5 additional resources with expertise in labor relations and
6 that that was not a report that would be easily reviewed by
7 technical staff.

8 So I have obtained and with the support of Labor
9 Relations Branch, an individual to assist in that review.
10 Our reviews on the others are progressing. I don't believe
11 that we have conclusions that have yet reached the level of
12 a staff conclusion because we've not completed an integrated
13 product.

14 MR. PALLADINO: I can't say you're wrong in getting
15 consultants on -- complex issue, but I wasn't sure whether
16 you felt the evidence was strong enough so that you could
17 draw any preliminary observations.

18 MR. RUSSELL: I guess the only thing I can say is
19 that from the investigation reports I've seen thus far there
20 aren't any of them that are black and white in that they take
21 some amount of time to review, to understand and document
22 the basis for a conclusion. And I think it's important to
23 take that time to provide appropriate citation to the evi-
24 dentiary record and to the exhibits and to cite the basis
25 for a staff conclusion because I feel that whatever that

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1 conclusion is, it will likely be tested.

2 MR. PALLADINO: What I was getting at --

3 (CHATTER.)

4 MR. PALLADINO: The issue, I think, before us is
5 whether this is part of a pattern of problems on management
6 competence and integrity or whether it's among the kinds of
7 things that happen in almost any organization that have to be
8 dealt with, but -- necessarily impact on overall conclusion
9 regarding the integrity and competence and I guess that's
10 what you're trying to decide for yourselves.

11 MR. RUSSELL: That's correct.

12 MR. PALLADINO: Any other questions?

13 MR. ASSELSTINE: I guess I just have one and I
14 suspect the answer is you don't have a decision yet, but
15 let me focus on the Parks, Gischell, King investigations.
16 You've already had some of that material now for a while,
17 admittedly you just got the last chunk of it fairly recently.

18 MR. RUSSELL: Let me correct one thing. OI was
19 very close with that report and we didn't even get a chance
20 to start reading it until Thursday of last week and had to
21 send people to their offices to start reading it.

22 MR. HAYES: I think the Commissioner is referring
23 to our previous --

24 MR. RUSSELL: -- the technical issues, yes.

25 MR. ASSELSTINE: I guess what I want to do is take

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1 all of those together as a whole and ask you what kind of
2 picture you think they paint in terms of this organization.
3 Is this - do they indicate an organization that is very
4 sensitive to safety concerns and problems, feels very strong-
5 ly about adherence to procedures and requirements, encourages
6 employees to come forward with concerns and, if they do, is
7 responsive to those concerns and is not - does not take ad-
8 verse action against the employees who choose to do that?
9 Overall, looking at everything you've heard and see in the
10 Parks, Gischell, King investigations by OI, do you have any
11 kind of initial judgments, either personally or on behalf of
12 the staff about what you think of this organization?

13 Are they, by their actions, among the best perform-
14 ers that we have or aren't they?

15 MR. RUSSELL: That's a very good question.

16 MR. ASSELSTINE: And the reason I asked the question
17 in that particular way is because the staff just issued the
18 second South report in a row that would indicate that, I
19 think, this utility is among the very best in the country.
20 It ranks right up there with Northeast Utilities, Duke Power
21 and some of the other finest performers in the country and,
22 I guess, with that background any judgment at this point or
23 is that something that you have to think about more?

24 MR. RUSSELL: The issue that you've identified is
25 exactly the difficult issue we have and the question I -

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1 you're not supposed to answer a question with a question,
2 but it almost becomes one of what kind of a spotlight are
3 you using to examine and what kinds of standards are being
4 applied and I think that does relate to the kinds of informa-
5 tion that are being gathered. And --

6 MR. ASSELSTINE: We are developing?

7 MR. RUSSELL: We are developing criteria for that.
8 The organization has been learning from its past mistakes.
9 I think that the Luciem matter identifies that specifically,
10 the criticisms that were highlighted in the Luciem report
11 that were a concern for Mr. Hawkins and Porter. They, that
12 is Hawkins and Porter, recognized those. They developed
13 revisions to their procedures as to how they're handling it
14 in the Unit One start up program. They've made revisions.
15 They've learned from those. And the report I received from
16 the senior resident inspector and from others I talked to on
17 the site indicates that the start up and test group on the
18 site is performing quite well.

19 So that that dichotomy between the types of informa-
20 tion coming out of investigation reports and what does it
21 mean and how you put that in context does exist with the
22 types of performance we're seeing at the plant that's coming
23 out of South reports. And that is the sum total of informa-
24 tion that the staff is reviewing and that we will be making
25 a proposal on.

1 MR. BERNTHAL: I think the key point here is that,
2 as you pointed out, one of the difficulties in these inves-
3 tigation is that you're investigating things that were 5
4 years ago.

5 MR. ASSELSTINE: That's not true for Parks, Gischell,
6 King and that's why I asked the question in the way I did.
7 Parks, Gischell, King is not all that far in the past and it
8 seemed to me that that investigation - those investigations,
9 perhaps more than some of the others, that went back to pre-
10 TMI days would give a better reflection of this organization
11 as it exists now.

12 MR. RUSSELL: Part of the answer I'd have to give
13 though is that Parks, King and Gischell and the individuals
14 involved in that with the complexities of the interface with
15 Bechtold was related to Unit Two clean up and is not related
16 to Unit One restart except for the corporate officers and
17 their potential involvement, which you just heard about from
18 OI. And so the issues I'm focusing on for Unit One restart
19 is as it would relate to Unit One, not as it would relate to
20 how they manage Unit Two recovery activities. That is not
21 part of the scope of what I'm addressing.

22 MR. ASSELSTINE: So you're saying that the overall
23 performance of the organization as it relates to the TMI Two
24 clean up, in your view, isn't relevant other than the per-
25 formance of specific management individuals?

1 MR. RUSSELL: Only to the extent that we could if
2 there was a - either a pattern between the two or that there
3 was some corporate policy that influenced the activities at
4 Unit Two so that we could create an nexus between Unit Two
5 and Unit One. They have a different Vice President in charge
6 of each one. There is a different organizational approach.
7 There is some support that goes across, but it is, in my
8 judgment, different and so until that nexus is established
9 clearly, I would say there is a difference between the two.

10 We are evaluating that. We are considering it care-
11 fully and we will be documenting the basis for our conclu-
12 sions.

13 MR. PALLADINO: Ok. Any other questions or com-
14 ments? Are there any more presenters at this time?

15 MR. : No.

16 MR. PALLADINO: Ok. Well, we thank you very much
17 for not only this but the earlier presentation as well.
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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
METROPOLITAN EDISON COMPANY, ET AL.) Docket No. 50-289
(Three Mile Island Unit No. 1)) (Restart)

SERVICE LIST

I hereby certify that I have this day served Commission meeting transcript on Discussion of Completed TMI Investigations held 5/23/84 and Commission meeting transcript on Staff Briefing on the Impact of the Remaining TMI Investigation Reports and Position on Management held 5/23/84 on the following persons by first class mail:

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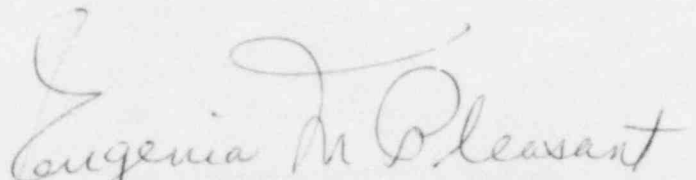
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Docketing and Service Branch
Office of the Secretary of the
Commission

Dated at Washington, D. C. this
24th day of May 1984