

1 MR. NOVAK: There will be no exemption. They will
2 have compensatory measures in place with licensing.

3 MR. TAYLOR: That's my understanding from the
4 regional people too, that they are satisfied that the
5 actions -- they have in fact been working with NRR and
6 interface agreements to get to this point. All the issues
7 got addressed.

8 COMMISSIONER ASSELSTINE: Good.

9 COMMISSIONER BERNTHAL: It didn't appear to me --
10 this would have been, I guess, late last summer when I was
11 out there -- it didn't look like there was a question of
12 there being great difficulty doing fixes for most of those
13 problems. It's just that there were a number of problems.

14 MR. TAYLOR: There were a number of problems. Some
15 of them got right back to the technical bases, which is the
16 reason NRR got back into the discussions.

17 CHAIRMAN PALLADINO: Okay, are we ready to go on?

18 MR. EISENHUT: The next plant is Comanche Peak, and
19 because of the significance of this plant I will make a
20 couple of comments.

21 This plant is one of those where we have an assigned
22 senior executive from NRR that has been following the
23 project, Vince Noonan. He is here with us today to answer
24 any questions.

25 Also, I should point out that Bob Martin, the

1 Regional Administrator for Region IV is here today. In fact,
2 we have been discussing Comanche Peak for the last few days.

3 This plant probably, of these 15, 16 we are
4 discussing, is probably the most uncertain as to where it is
5 going and proceeding on what kind of a time line at this point
6 in time with respect to the licensing review, and by that I
7 include the hearing.

8 It is a very complicated technical review. We
9 have an extensive number of technical issues and hearing
10 issues before us. The main issue we are addressing is the
11 QA/QC issues.

12 Our target is to have all technical questions
13 issued, technical findings, so to speak, issues we found to
14 the utility by the end of this week from all of our site
15 work.

16 Our safety evaluations addressing those, what we
17 found; what we found good, what we found bad, is targeted to
18 be issued by the end of January, and on this project because
19 of two key issues we formed two special panels. One of the
20 panels is an Intimidation and Harassment Panel that is
21 reviewing the overall substance of all of those concerns.

22 The second panel that we formed is what we call
23 a Contention 5 panel -- Contention 5 being the overall QA/QC
24 issues from the hearing.

25 The reason we formed that panel is because of the vast

1 array of different pieces of information we have on this
2 project coming as different things. The panel's job is
3 to assess the overall look at, what do we really think of
4 the status of quality on this plant.

5 That effort will not be complete with the report
6 until probably the end of February. Now, the report of that
7 group is an input to the hearing process which leads us to
8 the earliest we could see an initial decision date is on
9 the order of May of 1985.

10 Now, the plant is projected to be complete in late
11 January -- late this month. We do envision that the plant
12 will be getting completed in that time frame.

13 So, what we see is a number of QA issues,
14 recognizing that what we do is an input in the hearing
15 process. This is a major issue for us. We also, in closed
16 session, will be discussing some -- I think it's nine
17 active investigations and the review of in the order of about
18 600 allegations in this plant.

19 . . CHAIRMAN PALLADINO: Darrell, you gave me the
20 impression that there were a number of technical problems, and
21 I heard QA/QC being the category. Is that the sole category
22 or are there other technical problems?

23 MR. EISENHUT: There are other technical problems.
24 You may recall, we issued a letter totally based on our detailed
25 reviews in some areas, electrical areas we found and

1 identified problems; mechanical, structural questions. But
2 I think it's fair to say that those concerns are all clearly
3 workable. That is, they are clearly definable problems and
4 the utility can go forth and address those issues.

5 They are principally much more hardware related.
6 They are a lot more minor than the more general concern that
7 has been raised regarding QA/QC in terms of inspectors, how
8 effective was the applicant's QA program.

9 MR. DENTON: This plant probably receives more
10 management attention at the moment than any of the others
11 in this group.

12 CHAIRMAN PALLADINO: Whose management?

13 MR. DENTON: Our management. I think there were
14 over 70 individuals that have been interviewed with
15 allegations; a number of break-downs in the QA procedures
16 of this plant have been identified. We have taken a hard
17 look at what the significance of some of those break-downs
18 was and have worked hard over the past three months to address
19 all these.

20 But from a schedule standpoint, the Board won't
21 be able to consider these issues until, I think, the
22 beginning of February at the earliest. The Board has issued
23 several decisions already in related areas and I think it's
24 probably likely to be mid-summer before a decision is forth-
25 coming on this plant. It represents considerable delay for

1 this plant.

2 CHAIRMAN PALLADINO: Have the inspections and tests
3 disclosed or confirmed poor QA and construction and/or design?

4 MR. EISENHUT: Let me make a comment, and then we
5 have Bob Martin here also.

6 One of the reasons we created the QA/QC Panel, to
7 look at the overall perspective. As Harold said, we have
8 interviewed a large number of allegers. We have put
9 probably 50 man years into inspecting this facility or looking
10 at it, or re-evaluating it, and now you have to make sure
11 you relatively index the findings.

12 We have a CAT Team report on this plant. There is
13 an independent design verification the utility is conducting.
14 There is a large number of normal inspections that were
15 conducted. This plant has been audited probably every different
16 way that we have tried. This plant has got one of just
17 about everything.

18 The results are not uniform. A lot of the hardware
19 inspections are showing and have shown things not as bad as
20 some of them have shown more recently. So, the panel has
21 tried to put this in the proper perspective.

22 CHAIRMAN PALLADINO: Is the implication, some of
23 them are showing as bad as --

24 MR. EISENHUT: Some are not nearly as bad as
25 others, certainly.

1 MR. DENTON: We are not prepared to make a judgment
2 yet, Mr. Chairman, that is why we formed this panel to look
3 at all the findings by all the people on the team and to try
4 to decide what it all means. It is fair to say that, depending
5 on what specialty looked at the plant, they came up with
6 differing views.

7 So, what we want to do is try to get a more
8 balanced look at the plant, reflecting everybody's input.
9 That's the panel that won't be complete until around the
10 end of the month.

11 CHAIRMAN PALLADINO: End of what?

12 MR. DENTON: End of February.

13 CHAIRMAN PALLADINO: End of February. That is when
14 the panel would complete its report?

15 MR. DENTON: They will look at all the information
16 compiled by all the sources, and that would be the staff's
17 testimony then before the Board on Contention No. 5, which
18 is the significance of the QA/QC issue.

19 (Commissioner Roberts rejoins meeting.)

20 COMMISSIONER ASSELSTINE: Who sat on the two panels?

21 MR. EISENHUT: The QA/QC Panel is being headed by
22 Ed Jordan who is the division director in I&E.

23 MR. DENTON: It was Nelson Grace who was head of the
24 QA Department in I&E until he was moved to Region II. Ed
25 has replaced him.

1 MR. EISENHUT: And the head of the Intimidation and
2 Harassment Panel is Jim Gagliardo who is now running the
3 Chattanooga -- or shortly will be running the Chattanooga
4 Training facility.

5 MR. DIRCKS: If we can get him out of there.

6 MR. EISENHUT: If we can get him out of there. He
7 assumed the position, probably, six, eight months ago but
8 hasn't been there yet.

9 COMMISSIONER ASSELSTINE: Okay.

10 MR. EISENHUT: The panels have representatives from
11 the various offices with the advice of offices such as OI,
12 et cetera.

13 MR. DENTON: It's a very complex proceeding, a lot
14 of different players. A lot of information keeps coming in
15 on this plant and it will ultimately, I think, get before the
16 Board and get resolved by the Board.

17 CHAIRMAN PALLADINO: Any Board comments, either
18 Appeal or Licensing?

19 MR. COTTER: No. We have technically two Boards
20 dealing with it. There have been evidentiary depositions
21 last fall and we are simply waiting for -- while there are
22 some minor matters being attended to -- waiting for the
23 input from staff.

24 COMMISSIONER ZECH: But aren't these Boards pretty
25 much in session continuously out there at the plant right now?

1 MR. COTTER: No.

2 COMMISSIONER ZECH: They are not?

3 MR. COTTER: They are in session off and on.

4 COMMISSIONER ZECH: Well, I mean off and on. But
5 they are more on than off as I understand it. You've got a
6 lot of people out there. When I visited the plant not too
7 long ago, your Licensing Board was in session. I know they
8 come back and forth but it seems to me there is quite a big
9 effort going on. You have one Licensing Board involved in
10 the hearings or is it two?

11 MR. COTTER: Two.

12 COMMISSIONER ZECH: Well --

13 MR. COTTER: You were there in December. I think
14 they were dealing with the harassment issue at that time.

15 COMMISSIONER ZECH: Well, I think I was there before
16 that, I think. But it doesn't make any difference.

17 It just seems to me, just to support what the staff
18 is telling us, there is a tremendous effort going on at this
19 plant from our people, both in licensing and extra --
20 inspection of people. It is a tremendous effort. It sounds
21 like we are doing everything we can but it looks like there
22 are a lot of licensing decisions yet to be made that is going
23 to delay this plant. Is that a fair statement?

24 MR. DENTON: They are not the big design issues
25 about single failures or meeting general design criteria,

1 those kinds of debates. They tend to be details of
2 construction and whether the plant was actually constructed
3 in accordance with the application or not. So, it's getting
4 into a level of detail that normally we don't get into in
5 plants.

6 COMMISSIONER ZECH: I appreciate that.

7 MR. DENTON: That's what's taking the level of effort.
8 You have someone coming to you, telling you of a very specific
9 defect --

10 COMMISSIONER ZECH: Right.

11 MR. DENTON: -- and it requires a lot of time to find
12 out what are the requirements in this area and were they met
13 or not.

14 COMMISSIONER ZECH: Well, there is a big effort going
15 on in the inspection folks too, they are tracing down allegations.
16 As I recall, I was told that you had up to 50 people and ten
17 different groups from your various organizations in NRC
18 across the board, the region as well as the headquarters. It
19 is a tremendous effort.

20 It seems to me like, you know, it's something that
21 we just couldn't do everywhere. We certainly couldn't do it
22 in ten different plants at the same time. But I would hope
23 that we are making progress here. It's not that the effort is
24 not being applied.

25 MR. DIRCKS: I think we have made progress. To go

1 back in the history of this thing, the reason why we mounted
2 such a terrific effort is that we assumed last year, it came
3 to our attention vividly, that we were getting input from
4 many different sources on the plant. We were involved in a
5 very contentious hearing where many facts were coming out.

6 We had CAT Teams going into the facility discovering
7 new issues. We had, as Harold pointed out, IDVP efforts
8 going on. We had many allegations from the workers.

9 We decided then to pull it all together in a focused
10 agency program, and that's why we established this task force.
11 As you look at these facilities, though, with any intense
12 microscope, you are going to find a lot of problems and
13 defects -- it may be linear coordinated, the more you look,
14 the more you find.

15 We are finding a lot and as Darrell has pointed out,
16 from the many areas that we have looked at it's really boiled
17 down to essentially two now. So, at least we know what
18 the two major issues are and that's why we have these two
19 special groups looking at it.

20 We are at that point where we will come up with a
21 position on these two issues. QA is an issue that we can
22 sometimes get our arms around and we are inspecting very
23 carefully -- that's workmanship, QA and so on.

24 The issue of harassment is one of these nebulous
25 issues that it will be interesting to see how we come out on

1 it. It's very difficult to define what is widespread,
2 what is perverse and what is pervading. It's difficult to
3 define that and then say what effect that had on the plant.
4 This is going to be a very difficult issue and that's the
5 one where we have this team.

6 COMMISSIONER ZECH: Well, are we winning or losing
7 out there, you think? Are we getting ahead or falling
8 behind, or do we just stand --

9 MR. DENTON: We are definitely getting ahead,
10 Commissioner, in terms of identifying the issues. We will be
11 able to identify back to the utility very shortly all the
12 findings that this team made where we found the plant did not
13 conform to the application.

14 COMMISSIONER ZECH: So, you are making progress
15 anyway, is what you are saying.

16 MR. DENTON: I think we are making progress in
17 identifying the issues. What we are standing back looking now
18 is, what's the significance of all of this and what position
19 does the staff want to take in the hearing --

20 COMMISSIONER ZECH: Right.

21 MR. DENTON: -- in view of all the findings that we
22 have collected.

23 Vince Noonan has been working day and night on this
24 since his assignment. You might like to hear from him to be
25 sure we have properly characterized it.

1 COMMISSIONER ZECH: I think he deserves to be heard
2 from.

3 MR. DENTON: Where we stand on this plant.

4 CHAIRMAN PALLADINO: Can I ask one question that maybe
5 he will want to address. You speak of 600 allegations in
6 the write-up. Has your effort included the normal screening
7 process, the special screening process that you have used in
8 other cases similar to this?

9 MR. EISENHUT: Well, the charter was a little broader
10 than that. I wanted to make sure that the assignment that
11 Vince got was, don't try to just address 600 allegations but
12 design a program knowing full well that you are going to get
13 600 allegations or a thousand allegations and try to lay the
14 framework for addressing that.

15 MR. DIRCKS: I think that's a very important point
16 because we were trying to -- we were chasing around trying
17 to identify -- not to identify but handle the issues as they
18 were flowing in. I think the charter that Vince got was to
19 define the total package of issues down there. Unless we
20 could define the problem, we were just wasting our efforts
21 just solving the problems piecemeal. We had to get our
22 hands around that problem.

23 Vince did that and so far, I think, we are very
24 pleased with what he has done and will be more pleased when
25 we have the whole issue resolved.

1 CHAIRMAN PALLADING: Okay, Vince?

2 MR. NOONAN: Vince Noonan from the staff.

3 We have been making progress. The first thing that
4 I did when I came onto this program was basically take over
5 this thing of making sure that all the allegations were
6 addressed that we have. We have about close to 600 allegations
7 and about 70 people, allegers, involved.

8 We have been traveling. During the month of
9 October and part of November, we have been traveling over
10 the country, talking to the people making these allegations
11 and we call them "close-outs." We basically tell the
12 allegers what we have done about their particular concerns
13 and here is how we plan to resolve it.

14 That is being addressed in each SER. So, each SER,
15 then, has a section in it where we talk about the close-out.
16 That has taken a lot of time. We have spent, I know, at
17 least three sessions where we have spent at least eight
18 hours straight through talking to allegers. We might have
19 had 15, 20 people tied up in this thing. We had various
20 technical people talking. So, that has taken time.

21 We are going to get our QA/QC letter out this week,
22 and that will be the last letter where we have our findings.
23 Then, the next thing is to get our staff positions. They are
24 in preparation. We have got two -- two of the SERs have been
25 through review by the legal staff and it is now mainly just for

1 me to get them out the door. So, it's my job to get these
2 things off the critical path, so to speak and then develop a
3 dialog with the utility talking about particularly the
4 QA/QC areas, I think.

5 CHAIRMAN PALLADINO: Okay, thank you.

6 COMMISSIONER BERNTHAL: One last question. You may
7 have said this already. How many people, FTEs, if you will,
8 would you say we have assigned to that plant now?

9 MR. NOONAN: Right now we have -- at one time or
10 another, we had probably as many as 50 reviewers looking at
11 various aspects of -- the technical aspects, I would think.
12 We had six groups composed of various people. I know our
13 QA/QC group had about at least twenty people on it where they
14 went out and did an inspection. We had twenty people going
15 in a very detailed inspection on this plant.

16 MR. TAYLOR: And you should add that this includes
17 contractor support. We had to get some contractors; right,
18 Vince?

19 MR. NOONAN: I'm sorry.

20 MR. TAYLOR: This isn't just straight staff.

21 COMMISSIONER BERNTHAL: No, I understood.

22 MR. TAYLOR: We had to draw on --

23 COMMISSIONER BERNTHAL: What I'm asking is, I guess
24 not only today but I'm curious about the time profiles.
25 How many total full-time equivalent people, either by

1 contract or from our own staff in one form or another have
2 been assigned to that project, and how long has this been
3 going on that there has been this extraordinary kind of
4 assignment.

5 MR. EISENHUT: We could certainly get you that. The
6 number Vince gave you is the number of the special unit, the
7 technical review team, as we call it. That, remember now,
8 is in addition to the normal FTEs that went into doing the
9 OL licensing review and the normal effort from ELD which is
10 very significant in this case, and the normal regional
11 inspections.

12 So, if you add those together, the number is
13 considerably higher and you could certainly look at it either
14 per year, on a year basis, or to do the OL review. It is
15 far, far in excess of the number that we are budgeting to do
16 that review.

17 COMMISSIONER BERNTHAL: I guess I'd like to see
18 those data, both as a function of time -- that is, the
19 extraordinary, the extra effort that has been put into this
20 particular project.

21 MR. DENTON: We'll provide that.

22 MR. NOONAN: We'll make that data available.

23 MR. DENTON: We get into such areas as paint
24 requirements and U-bolts, and details of the plant that become
25 very controversial because of the allegations. That is what

1 usually requires us having in many cases the contract for
2 specialists who work in those areas.

3 Bob Martin is here, you might like to hear from
4 Bob also.

5 COMMISSIONER ZECH: Before Vince goes, Vince, can
6 you tell me -- I just have one quick question for you. Are
7 you making progress?

8 MR. NOONAN: That's right, we are making progress.
9 That is, I need to prove that progress right now by getting
10 things out -- what I call getting things out the door.

11 I really feel optimistic that we will get this
12 staff position, the SERs, out -- at least most of them -- by
13 the end of the months with the exception of the QA/QC stuff.

14 COMMISSIONER ZECH: Thank you.

15 CHAIRMAN PALLADINO: Thank you. Bob?

16 MR. MARTIN: Well, not to be redundant to what
17 everyone else has already said and, I think, to focus my
18 answer perhaps towards Commissioner Zech's question, I think
19 when I first came on in October as regional administrator, I
20 probably felt a much greater degree of uncertainty relative
21 to Comanche Peak. As of this juncture, I feel much more
22 confident that, yes, things are starting to converge; the
23 issues are becoming pretty well defined and I think at least
24 the course of action for the agency is becoming much, much
25 clearer as a result of the TRT and the NRR efforts in that

1 regard.

2 COMMISSIONER ASSELSTINE: Good. Did this licensee
3 have an aggressive program to identify and resolve problems
4 that their workers had identified early on, and is that part
5 of the reason why we have had to spend so much -- if they
6 didn't have that, is that part of the reason why we have had
7 to spend so much time and effort the past six months or so?

8 MR. EISENHUT: I'm not sure the verdict is really
9 in on that yet. It certainly -- what appears to have been
10 some problems just were not as well followed up as they
11 should have been. We are going to probably be having a
12 discussion of these kinds of problems with the utility and
13 we just, as Harold said in the first place, we are not sure
14 how big the problem is.

15 COMMISSIONER ASSELSTINE: Yes.

16 MR. EISENHUT: With respect to following up on
17 allegers and those kinds of concerns, it's also hard to say
18 because some of the issues really didn't turn out to be that
19 major of issues. For example, there were allegations about
20 welding deficiencies in the plant. I think there was a Board
21 ruling not very long ago, a partial initial decision, on
22 the welding which found that not to be that big of an issue.

23 We have gone back and gone the extra nine yards in
24 this project to talk to as many allegers as we can. This
25 program started off by -- it really wasn't talking to all the

1 allegers. Another way to put it is, I lowered the threshold,
2 make every effort you can to contact them if it appears
3 they have any reasonable amount of information. We did that
4 just in the face of the uncertainty. Some people we never
5 did get around to talking to. But we have gone back out,
6 as Vince said, very recently, trying to recontact people to
7 try to get as much information as we can.

8 You have got to look whether there is real substance
9 to the issues or not, to whether the utility really put in
10 effort or not.

11 MR. DENTON: And some of these allegations are
12 before the Board. So, occasionally there are instances in
13 which we are talking to the individuals and they are also
14 appearing before the Board and the issues are not always
15 one-to-one correspondence and they all have to be dealt with.

16 MR. EISENHUT: I've got to say, though, I don't think
17 the utility is pursuing a number of the issues as aggressively
18 as they should have been, but not necessarily the allegations
19 in those kinds of concerns.

20 COMMISSIONER ASSELSTINE: Okay.

21 MR. EISENHUT: But if you hear an issue that comes
22 up in the hearing, it's just a matter of style. You put the
23 issue to bed squarely, firmly once and for all because at this
24 point in the process I just don't think anyone has any room
25 for continuing dialog.

1 COMMISSIONER ASSELSTINE: Yes.

2 MR. EISENHUT: And that's the message that I have
3 been putting to the utility. So, in that framework I think
4 the utility is in fact -- has been taking steps and is
5 continuing to make steps to improve in that direction.

6 MR. DIRCKS: I think it's a factor of time. If
7 you say now, I would say they are making a very conscious
8 effort to do as much as they can to get this thing through.
9 But where we were one or two years ago, it's been an
10 enlightning process to many of these companies where many of
11 them thought they could just push these things through the
12 process and get their facilities in operation relying on
13 NRC to handle it.

14 I think across the board they have all made -- come
15 to a very hard realization they've got to go out and seek
16 problems before we find them. I think in this case they are
17 moving in that direction. I know we have had several meetings
18 with the top leadership there and you could see the development
19 as it goes along. It's not a delegated function now to some
20 vice president, you are getting the CEO now to take it on as
21 his responsibility. As soon as that happens, things happen
22 and progress is being made. That's the major break-through.

23 CHAIRMAN PALLADINO: Did you have one last --

24 MR. NOONAN: Just a very brief comment on that
25 particular issue. Just last weekend I was told by the

1 utility that they had taking the person that is head of
2 their licensing section, which is Mr. John Beck now, he
3 reports directly to the president of the company. So, they
4 have elevated those activities directly to the president of
5 the company.

6 CHAIRMAN PALLADINO: Okay.

7 MR. EISENHUT: Yes. As Mr. Dircks said, the
8 president of the company in this case is taking some rather
9 firm steps, I think, to get his arms around the problem. So,
10 it is happening at the very top level. So, we have to say --

11 MR. TAYLOR: I think that's in more contrast to what
12 we saw a year or so ago. A direct demonstration of that,
13 when the first CAT team exited down there, we had the exit
14 on site, there were really no senior members from the company,
15 on the vice president level or above, there to digest all
16 those diverse findings.

17 So, today, I think, that's a dramatic change.

18 CHAIRMAN PALLADINO: That sounds very assuring.

19 MR. TAYLOR: You know, there is a benchmark.

20 COMMISSIONER ASSELSTINE: And that happens a month
21 before they say they will be ready to get their license.

22 CHAIRMAN PALLADINO: Better than --

23 MR. TAYLOR: It's been going on, Mr. Dircks alluded
24 to a number of meetings with the company, and I think it's
25 been going on over the --

end
1 CHAIRMAN PALLADINO: I wonder if I could quote
2 Darrell Eisenhut, that time for a continuing dialog is
3 escaping us.

4 (Laughter)

5 COMMISSIONER ASSELSTINE: Yes.

6 CHAIRMAN PALLADINO: We still have to hear from OI
7 and we still have to hear from OIA. I have a meeting that
8 is supposed to start at four, but I could push it up to 4:15.
9 But that still doesn't leave us a lot of time.

10 Let me ask if the staff could select the --

11 MR. EISENHUT: Mr. Chairman, I was going to propose --

12 CHAIRMAN PALLADINO: -- out of the remaining plants
13 any particular one that ought to be identified for discussion
14 and then see if the Commissioners have any particular plants
15 they want to bring up.

16 MR. EISENHUT: Mr. Chairman, I was going to propose
17 we only discuss Diablo Canyon Unit 2 yet. Beyond that, the
18 plants are out. The earliest is Watts Bar in Mach and then
19 most of the plants stretch out in the future.

20 There is one correction I need to point out here.
21 The Perry facility, when you get way to the back of the
22 package, was in here scheduled to be complete in December 1985.
23 We discussed this with the utility's management this week,
24 I believe, and in fact, it should be July 1985.

25 That plant, there has been some debate over the