

UNITED STATES NUCLEAR REGULATORY COMMISSION
REGION 1

In re: PUBLIC SERVICE ELECTRIC AND GAS CO.
LAWRENCE REITER

An Enforcement Conference was held before Loretta B. Devery, Registered Professional Reporter and Notary Public, at the offices of the United States Nuclear Regulatory Commission, Region 1, 475 Allendale Road, King of Prussia, Pennsylvania, on Wednesday, February 8, 1995, commencing at 1:30 P.M.

PRESENT:
WAYNE LANNING
JOHN WHITE
KARLA SMITH, ESQ.
DANIEL HOLODY
SCOTT BARBER
LENNY OLSHAN
MARK SATORIUS
MARK J. WETTERHAHN, ESQ.
ARTHUR H. DOMBY, ESQ.
LAWRENCE REITER

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MR. WHITE: My name is John White. I'm the Division of Reactor Projects Section Chief, Section 2A. This afternoon's meeting is an enforcement conference with Mr. Lawrence Reiter, relative to Office of Investigations' findings pertaining to issues relative to harassment and intimidation that may have been exercised by Mr. Reiter against two Public Service Electric and Gas employees.

Specifically, on December 3rd, 1992, two SRG engineers attempted to process an incident in accordance with station procedures by submitting an incident report to the General Manager, Salem Operations and the Operations Manager. The incident report questioned the qualification of commercial grade air supply pressure set point regulators which control service water flow to the containment fan cooling units.

In conversation with the SRG engineers, the General Manager, with various cooperation and advice of the Operations Manager, told the individuals to get out of his office and threatened to have them removed from the site, an action of

1 course that was interpreted by the SRG engineers as
2 harassing and intimidating.

3 Upon deliberation, the General Manager
4 wrote a memorandum to you, Mr. Reiter, the General
5 Manager of Quality Assurance and Nuclear Safety
6 Review, requesting to have the engineers removed
7 from any direct involvement with the Salem station.
8 Subsequently, further apparent discriminating action
9 was directed against the individuals, we believe,
10 when you deliberated and took some action to
11 reprimand or counsel the SRG engineers relative to
12 their submittal of the incident report and their
13 handling of the situation.

14 In conclusion, the O.I., Office of
15 Investigations' report appears to support the
16 finding that the SRG engineers were harassed and
17 intimidated by various actions directed or taken by
18 these former Salem managers, including yourself.

19 The purpose of this enforcement
20 conference is to make sure that you are aware of the
21 NRC's findings relative to this matter and to
22 solicit from you any other information, corrections
23 in our perception, mitigating factors that pertain
24 to this event.

1 With that, I'd like to identify the
2 participants as Dan Holody, Enforcement Coordinator
3 for Region 1, Miss Karla Smith, Regional Counsel for
4 Region 1. Mr. Scott Barber, Project Engineer,
5 Division of Reactor Projects. Mr. Wayne Lanning,
6 Deputy Director of the Division of Reactor Projects.
7 Mr. Mark Satorius, Office of Enforcement. And Mr.
8 Len Olshan, Project Manager, NRR.

9 If you would identify yourself for the
10 record, please, I'd appreciate it.

11 MR. REITER: I am Larry Reiter, and
12 with me is Art Dobby, an attorney, who is
13 representing me. And also in the room, at my
14 invitation, is Mr. Mark Wetterhahn, who is
15 representing Public Service Electric and Gas.

16 MR. WHITE: Do you have any questions
17 before we start in terms of what our protocol is
18 today?

19 MR. DOBBY: I have one minor
20 administrative question. Will we be provided a copy
21 of this transcript?

22 MR. WHITE: No.

23 MR. HOLODY: You will not be provided
24 while the enforcement deliberations are under way.

1 At the conclusion, if you desire a copy, you can
2 come in and make a request for that.

3 MR. DOMBY: Okay.

4 MR. REITER: Thank you.

5 MR. HOLODY: If there is any request
6 from anyone subsequent to the conclusion such that
7 the report is released, we will make it a public
8 document also.

9 MR. WHITE: With that said, then I will
10 turn this over to you, Mr. Reiter, and you can
11 discuss your perception of these events that were --
12 that our Office of Investigations has reviewed. And
13 we'd appreciate that. Thank you.

14 MR. HOLODY: Before you get -- just one
15 thing I should go over is just that, I think you
16 covered most of it, John, but we have these meetings
17 with individuals to determine whether we should be
18 taking any enforcement action against an individual
19 such as yourself, just like when we had the meeting
20 with the company this morning, with PSE&G, to
21 determine what action, if any, to take against the
22 company.

23 And you know John went over the kinds
24 of things we'd like to hear from you today, both

1 admission or denial of any apparent violation that
2 was put in our report, why these events came to
3 light, if you were ever in such a position again
4 involved in nuclear activities, why it wouldn't
5 happen again, those kinds of things. And we utilize
6 that to make a determination on what course of
7 action we might take. And I'll go through some of
8 those options that are available to us at the
9 conclusion of the meeting.

10 MR. REITER: Okay, fine. Thank you.
11 I'm happy to have the opportunity to provide my
12 insight to the actions of an incident that happened
13 on December 3rd, '92 and subsequently through
14 January of 1993. As I will explain, I don't see
15 that my actions can be construed as harassment and
16 intimidation because actually I was very much
17 supporting both Mr. Williams and Mr. Craig regarding
18 the particular events.

19 A lot of the points that I will be
20 making come from my contemporaneous Day Timer notes
21 which I take during the course of meetings.
22 Subsequent to my interview with the Office of
23 Investigations, they requested and I provided them
24 with a copy of my notes. However, I never had the

1 opportunity to see if there were any questions
2 regarding those. I also understand that O.I.,
3 subsequent again to my interview with them, obtained
4 a draft memorandum that I had written but never
5 issued. Again, I never had the chance to explore
6 those circumstances. And hopefully, we can provide
7 some information on that today.

8 MS. SMITH: Can I ask a question about
9 the Day Timer notes? All of the Day Timer notes
10 O.I. has a copy of?

11 MR. REITER: Yes.

12 MS. SMITH: You're not going to talk
13 about any additional ones other than what O.I.
14 already has copies of?

15 MR. REITER: No. I provided them
16 copies of everything that I had.

17 Perhaps the best thing would be to
18 explain the organizational structure at that point
19 in time, December of 1992. I was the General
20 Manager of Quality Assurance and Nuclear Safety
21 Review. I had five managers who reported to me,
22 four of them associated with various parts of the QA
23 organization, and Mr. Edwin Liden, who was Manager
24 of Nuclear Safety Review. Reporting to him, he had

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1 several organizations, the Human Performance
2 Enhancement System, an offsite safety review
3 organization, and the Safety Review Group at Salem
4 and the Safety Review Group at Hope Creek. Those
5 groups are in essence the ISEG, the ISEG,
6 Independent Safety Evaluation Group that is
7 required. The head of the Salem Safety Review Group
8 was William Cianfrani. As I said, he reported
9 directly to Liden.

10 A key point that I really would like to
11 make and --

12 MR. LANNING: Mr. Reiter, before you go
13 on, could you clarify who you reported to?

14 MR. REITER: I reported at that time to
15 Stephen Miltenberger, who was the Vice President and
16 Chief Nuclear Officer. I supported my Safety Review
17 engineers in identifying and pursuing their
18 concerns. I saw that it was both -- there was an
19 issue that they were raising, a technical issue, and
20 also saw that there were personality and personal
21 issues that were involved there.

22 I need to make clear that it's
23 understood that at the time of the event I had just
24 been called as a SERT manager, Significant Event

1 Response Team, to manage a SERT at Hope Creek for an
2 event that had just happened there. And that in
3 essence tied me up until December 14th.

4 When I was contacted by Mr. Vondra, I
5 immediately asked Mr. Liden to get involved. I
6 directed him to go to Vondra's office and to get
7 involved to try and resolve the issue.

8 MR. WHITE: When were you first
9 contacted by Mr. --

10 MR. REITER: I received a phone call
11 from Mr. Vondra sometime late morning on the third
12 just as I was about to leave to go to Hope Creek.
13 On my way out the door, I went into Liden's office
14 and directed him to go over to Salem and get
15 involved.

16 MR. LANNING: What was the nature of
17 the phone call?

18 MR. REITER: It was to the effect of
19 there were two Safety Review Engineers in his office
20 and there was an issue that needed to be resolved.
21 I don't recall the exact words. As I say, my focus
22 at that point in time really was on the Hope Creek
23 SERT. But I could tell from Vondra that, from his
24 call, that it's something that needed some

1 involvement, and that's why I directed Liden to go
2 over and get involved.

3 MR. WHITE: Had you ever received a
4 similar call from Mr. Vondra or another General
5 Manager relative to activities under your auspices?

6 MR. REITER: Not of this type, no.

7 MR. WHITE: Did he mention the memo
8 that he was sending to you?

9 MR. REITER: At that point in time, no.
10 No. If I can refer to the handout that we provided,
11 I'd like to go through some points there.

12 As I said, I was not available on
13 December 3rd through the 14th. When I returned from
14 the SERT on the 14th, I met with the Safety Review
15 Group and Mr. Liden to find out from them what had
16 transpired and to get a briefing from them.

17 As a result of that, I contacted Mr.
18 Vondra and asked to have a meeting with he and his
19 management team to talk to them about it, to try and
20 get their perspective. Again at this point I was
21 trying to gather information about what had
22 transpired. I met with them on the 16th of
23 December.

24 MR. WHITE: May I just interrupt before

1 you leave the 14th? Can you describe what the
2 briefing consisted of in terms of what you
3 understood on the 14th?

4 MR. REITER: The briefing at that point
5 was really my listening to the two engineers who
6 were involved and the other involvement that Mr.
7 Cianfrani had had to learn from them what had
8 transpired, what happened, why they felt it
9 happened, whatever did go on there. So it was
10 really, from my standpoint, trying to get a general
11 briefing on what had happened and what was going on.

12 MR. WHITE: How did they characterize
13 that?

14 MR. REITER: They characterized it as a
15 meeting that they felt was very confrontational.
16 They didn't understand the nature of why it had
17 degraded to what it degraded. They were concerned
18 about the statement that Vondra had made to them
19 about threatening to call Security if they didn't
20 get out of his office. They talked about what they
21 had heard as a rumor about a letter that Vondra had
22 written to me. They had not seen it. I had not
23 seen it.

24 On the 16th, Vondra told me that he had

1 written me a letter. I told him that I hadn't seen
2 the letter.

3 MR. LANNING: I'm sorry to interrupt
4 again, but did you debrief with Mr. Linden at all?

5 MR. REITER: Liden, yes.

6 MR. LANNING: Liden?

7 THE WITNESS: If I remember correctly,
8 late the previous week I may have talked to him on
9 the phone and learned what was going on.

10 MR. LANNING: But you did give him the
11 responsibility to follow up and do something?

12 MR. REITER: Yes, I did, yes.

13 MR. LANNING: But as I understand it,
14 when the time came for you to get up to speed on
15 what had occurred, you went to the individuals?

16 MR. REITER: No. I had a meeting with
17 the individuals, Mr. Cianfrani, who was their
18 supervisor, and Mr. Liden. So I met with all of
19 them.

20 MR. LANNING: Okay.

21 MR. WHITE: At that time your only
22 awareness was what Cal Vondra had told you on
23 December 3rd, and you were out of the loop until
24 December 14th; is that right?

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MR. REITER: Yes.

MR. LANNING: And so this was the first opportunity that you had to come up to speed was on December 14th?

MR. REITER: Yes. That's where I tried to learn what was going on.

MR. LANNING: And you had not been contacted by Mr. Miltenberger or anyone else prior to that?

MR. REITER: No. As I said, I met on the 16th with Mr. Vondra and several of his managers to, in essence, hear them, listen to them, get their perspective of what had transpired.

MR. WHITE: Was Mr. Polizzi a part of that group?

MR. REITER: He was part of that, yes. Based on what I learned from the meetings on the 14th and the 16th, and again on the 16th, Vondra told me he had written a letter to me asking me to remove the two individuals from the site and assign them to other duties. I told him then and I told him repeatedly throughout the next month and a half that I would not do that, that I didn't feel it was appropriate or warranted. The next --

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1 MR. LANNING: Before you leave that,
2 let me understand. Vondra was really outside your
3 chain of command, your line organization; is that
4 right?

5 MR. REITER: That's correct.

6 MR. LANNING: Why did you feel any
7 obligation at all to act upon Vondra's request?

8 MR. REITER: I felt that I owed him a
9 response, but there was no -- I felt I had to do
10 what was appropriate. And in this case I felt the
11 appropriate thing was that the individuals should
12 not be removed, that there is nothing that they did
13 that would warrant removing them from the site and
14 assigning them to other duties.

15 MR. LANNING: Did you discuss that with
16 Mr. Miltenberger?

17 MR. REITER: Subsequently, yes.

18 MR. LANNING: Help me with the timing.
19 When you received the letter, did you immediately
20 take it to Miltenberger?

21 MR. REITER: Well I first saw the
22 letter, and I think the date was the 21st of
23 December, the first time I saw the letter, I got it,
24 a copy from Miltenberger with a handwritten note

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1 from him saying, you know, give me some background
2 on this. I did not receive the actual letter until
3 I came back from Christmas vacation in early
4 January. So the first time I saw the letter was
5 just before Christmas when it arrived from
6 Miltenberger with a handwritten note on the top of
7 it asking me to give him some input.

8 MR. LANNING: So when was the first
9 time -- did you ever discuss the letter with
10 Miltenberger?

11 MR. REITER: In the course of the month
12 of January, yes. What I did when I got his note on
13 the -- it was late in the day on the 21st, I was
14 going to be out of the office on the 22nd and I knew
15 he was leaving for vacation himself. I wrote him a
16 handwritten note, indicating that I was trying to
17 work with Vondra to resolve the issue, that I would
18 not remove the individuals, that I didn't think it
19 was warranted. I left him a handwritten note
20 because he and I missed each other physically.

21 MS. SMITH: Can I just clarify the
22 dates? The company said earlier in their handout
23 that on December 22nd, you received a copy of the
24 letter from the CNO and on December 30th you

3 1 received a formal transmittal. Do those dates sound
2 right to you in the sequence of --

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3 MR. REITER: The 22nd, yes. I'm sorry,
4 the 21st -- the 22nd is when I got it from
5 Miltenberger. The 30th is when it was received by
6 my secretary, 30th, and stamped in. I was not in my
7 office on the 30th, I was on vacation, so I didn't
8 see it until after the New Year.

9 MR. LANNING: Had the contents of the
10 letter been discussed with you prior to you
11 receiving it?

12 MR. REITER: The only content was in
13 the meeting on the 16th Vondra said he was asking me
14 to remove the two individuals from the site. And I
15 told him I would not do that, that I didn't think it
16 was warranted or appropriate.

17 MR. WHITE: And that first began about
18 December 16th, that's when you first started having
19 these series of meetings with Vondra?

20 MR. REITER: That's correct.

21 MR. WHITE: Was Mr. Vondra angry or
22 hostile or upset at that time?

23 MR. REITER: I guess I would describe
24 it, again my perception, that it was an emotional

4 1 issue with him. He was not -- I guess I wouldn't
2 describe it as angry, but he was emotional about the
3 issue.

4 MR. LANNING: What was his response to
5 you when you indicated you were not going to
6 reassign these individuals?

7 MR. REITER: Merely to ask me to
8 reconsider it.

9 MR. LANNING: Did he indicate that he
10 would go to your supervisor to try to make these
11 transfers effective?

12 MR. REITER: No. We agreed that we
13 needed to continue to meet to try and resolve it.
14 And at some point during our meetings, we agreed
15 that we would try one more time and then we would
16 escalate the issue.

17 MR. WHITE: How many meetings do you
18 think you had with Mr. Vondra on this matter and
19 over what period of time, if you recall?

20 MR. REITER: Well the meetings were
21 starting on the 16th and then several meetings and a
22 number of phone conversations throughout the month
23 of January. I guess I don't recall exactly how many
24 meetings there were off the top of my head.

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MR. SATORIUS: Did Mr. Vondra ever allude to the fact that in his view, the engineers involved exhibited aberrant behavior? Do you recall that phrase?

MR. REITER: He used those words, yes.

MR. SATORIUS: What was your response to that?

MR. REITER: I told him that I didn't view it as aberrant behavior.

MR. SATORIUS: Okay.

MR. WHITE: In the series of meetings that you were having with him, was Mr. Vondra -- and I take it they were all on this topic, these phone calls and these meetings were all on this topic?

MR. REITER: Yes, trying to --

MR. WHITE: Did you perceive any headway being made at all in terms of resolution of this?

MR. REITER: No.

MR. WHITE: Why was that? Why was no headway made?

MR. REITER: Well Mr. Vondra remained adamant that he wanted the people reassigned. And I was equally -- in an equally strong position that I

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1 didn't feel they had done anything inappropriate and
2 that they would not be reassigned.

3 When I say we didn't make headway, we
4 did not make headway in that there were other
5 related issues, such as interpretation of NAP-6, the
6 incident report procedure that we talked about. I
7 got a better understanding of how he was
8 interpreting it versus the way the Safety Review
9 engineers were interpreting it

10 I think I was able to show him that
11 there was a procedure that could be interpreted in
12 different ways. But on that point, I said that as
13 far as I was concerned, the SRG engineers
14 interpreted it appropriately and what they were
15 trying to do was exactly what the procedure called
16 for.

17 MR. WHITE: Besides the meetings that
18 you were having with Mr. Vondra, were there any
19 actions, were any other activities underway to bring
20 a resolution of this matter besides the meetings and
21 phone calls with Vondra?

22 MR. REITER: No. No. I mean it was
23 between Vondra and I. We agreed that we would try
24 and resolve the issues.

4 1 MR. DOMBY: If I could clarify, did you
2 seek any assistance other than your own --

3 MR. REITER: Okay, I did go to an
4 Organizational Development Specialist in our HR
5 organization who I knew was already working with
6 Vondra and his team. I asked her advice. She
7 recommended that Cianfrani and I meet with the --
8 with Vondra and talk to him and listen to try and
9 better understand his position. She suggested a
10 joint meeting that she was willing to facilitate
11 with the parties. And she also, in listening to the
12 assessment, agreed that from her perspective she
13 could see nothing that would warrant why I should
14 reassign these people.

15 MR. LANNING: Why didn't you go to
16 Miltenberger for assistance?

17 MR. REITER: I felt it was my
18 responsibility as a General Manager to try and
19 resolve the issue first. And if I was not able to
20 resolve it at that point, I should escalate it.

21 Miltenberger was aware of the
22 situation. He got my note. We talked in January a
23 little bit about it. So he was aware of the
24 situation. He was aware that I was trying to

4 1 resolve it with Vondra.

5 2 MR. WHITE: So outside of this note,
3 the original note that Miltenberger sent you on the
4 letter, you did have a meeting with Miltenberger?

5 MR. REITER: Well it was either a
6 meeting or phone conversation. At some point he and
7 I talked about it.

8 MR. WHITE: Was Mr. Miltenberger
9 concerned about this issue?

10 MR. REITER: I think he was concerned

11 MR. WHITE: From your perception?

12 MR. REITER: I think he was concerned,
13 yes. If I can proceed with the other points in my
14 handout, on the first page, as I indicated, I felt
15 that the manner in which the people were trying to
16 use the incident report, the Safety Review people,
17 it was appropriate. I felt that they were following
18 the procedure.

19 We had some discussions both in a
20 meeting on the 16th and subsequently with Vondra
21 regarding the operability issue. And my position
22 was the same as the Safety Review engineers, that
23 the procedure requires that the operability decision
24 be made by the Senior Shift Supervisor with whatever

1 technical input can be provided to him.

2 MR. WHITE: Why did this -- from your
3 understanding from talking to your SRG people, is it
4 normal if an SRG goes on to an incident report that
5 they bring the incident report to the Operations
6 Manager?

7 MR. REITER: If I remember what they
8 told me, no, it's not normal, John. If I remember
9 what the SRG engineers related to me, they first
10 identified the issue. Mr. Williams -- Mr. Craig was
11 acting supervisor that day because Cianfrani was
12 offsite I think at some training.

13 They, before they even wrote it up,
14 they went and they talked to the Senior Shift
15 Supervisor and discussed it with him. He asked that
16 after they wrote it up if they would stop and talk
17 or give a copy of it to Mr. Polizzi, who I think was
18 covering for his Ops Engineer who was not available
19 that day. Usually my understanding the Ops Engineer
20 would get involved in making assisting on the
21 operability call. The way the SRG engineers
22 characterized it, they decided they would stop by
23 Polizzi's office on their way to the shift to turn
24 it in.

1 MR. WHITE: So before they wrote it up,
2 they talked it over with the Shift Supervisor so the
3 Shift Supervisor knew what the issue was?

4 MR. REITER: Yes.

5 MR. WHITE: Then they wrote it up, and
6 as a courtesy of some type --

7 MR. REITER: That's the way they
8 described it to me, that as a courtesy --

9 MR. WHITE: They were just going to
10 inform Mr. Polizzi that we have this matter and
11 we're going to process it, give it to your Shift
12 Supervisor?

13 MR. REITER: Right, in accordance with
14 the procedure.

15 MR. WHITE: That was their only -- in
16 your discussions with them, that was the only reason
17 to seek Polizzi?

18 MR. REITER: That's the way they
19 described it to me, yes. Moving on, some points I'd
20 like to make. I did not discipline the Safety
21 Review engineers. I didn't think that what they did
22 in any way warranted discipline. I felt that they
23 were trying to follow a procedure. They interpreted
24 the procedure in what I viewed was an acceptable

1 fashion, and I did not find fault with what they
2 were trying to do by issuing the incident report.

3 Again, repeatedly I took the position
4 that I would not pull them out of the site and
5 reassign them because of the incident, both because
6 of the nature of the incident, that it didn't
7 warrant it, and also that it would establish a very,
8 very bad precedent. Again, we highlighted from my
9 memo to Miltenberger on the 22nd where I told him
10 that I would not remove the individuals.

11 And then the last bullet there, again
12 from my Day Timer notes, this was after one of the
13 final meetings with Vondra, that he was still
14 adamant that he would not withdraw his letter and
15 withdraw his request that I reassign them. And I
16 was not going to remove the individuals.

17 MR. WHITE: Just your opinion, but why
18 do you think Mr. Vondra was so locked into that and
19 would not back away from that action?

20 MR. REITER: I guess I still to this
21 day do not understand why the incident became what
22 it was. I don't know why it was such an emotional
23 issue.

24 MR. WHITE: Did Mr. Williams or Mr.

5 1 Craig ever have other similar problems or heated
2 discussions with Mr. Vondra before that you're aware
3 of?

4 MR. REITER: Not that I'm aware of.

5 MR. WHITE: Or any other SRG engineers?

6 MR. REITER: Not that I'm aware of.

7 MR. WHITE: Are your SRG engineers
8 fairly well respected in terms of your activities on
9 the Salem site?

10 MR. REITER: I think they were
11 generally respected, yes. I had on a number of
12 occasions gotten positive feedback from Vondra. And
13 on some other occasions I had gotten requests from
14 Vondra or some of his managers asking me to have
15 Safety Review investigate something or look into a
16 particular issue. So I took that as a sign that
17 there was a level of respect there.

18 MR. SATORIUS: This might be a
19 difficult question to answer, but I'm going to ask
20 for your own view of the four people that are
21 involved here, two engineers, two managers in
22 Operations, were these easy people to get along
23 with, were they difficult people to get along with,
24 personality-wise, were they - can you shed any

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1 insights that might -- and I understand it's your
2 own view, we're not psychologists, but --

3 MR. REITER: I guess I can't speak a
4 lot about Mr. Craig, because this was really the
5 first time where I had a significant interface with
6 him. He had been part of my organization, but he
7 was two layers away from me, so I never really had a
8 lot of interface with him.

9 Mr. Williams and I had some situations
10 in a General Manager-Engineer relationship before
11 regarding some what he felt were poor performance
12 evaluations, so we had had some involvement there.
13 He's an individual who believes in his convictions.

14 MR. SATORIUS: When you said poor
15 performance appraisals --

16 MR. REITER: He was unhappy with his
17 performance appraisal and he felt that it was
18 unwarranted. So he started through the company's
19 appeal process at that point. And one of his steps
20 along that appeal was to me as the General Manager.

21 MR. WHITE: When did that occur
22 relative to this?

23 MR. REITER: This was a year or two
24 prior.

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1 MR. WHITE: This was before this?

2 MR. REITER: Yes, this was before he
3 was working in the Safety Review Group. At that
4 point in time he was part of the Offsite Safety
5 Review Organization.

6 Mr. Vondra, my dealings with him, he
7 always was a relatively calm individual. I would
8 say this was out of character from my involvement
9 with him.

10 Mr. Polizzi was, I guess I could
11 characterize it as somebody who was very emotional
12 at times. He was somebody who spoke his feelings.
13 That's probably the best way I can characterize it.

14 MR. SATORIUS: Thanks a lot.

15 MR. WHITE: Before you continue, while
16 you were -- you did not receive -- you were aware on
17 December 16th that Vondra had sent this memo to you
18 requesting --

19 MR. REITER: No. He told me he wrote a
20 letter. He didn't tell me he sent it. He told me
21 he wrote a letter.

22 MR. WHITE: You received it on December
23 22nd?

24 MR. REITER: I first saw Miltenberger's

1 copy on I think it was the 22nd of December.

2 MR. WHITE: Were your SRG engineers
3 aware of that memo?

4 MR. REITER: They were aware of rumors
5 that the memo existed.

6 MR. WHITE: Do you have a feel for when
7 they first became aware of that memo?

8 MR. REITER: I don't recall.

9 MR. WHITE: Do you know how they might
10 have become aware of that memo?

11 MR. REITER: I don't. They may have
12 mentioned it in our meeting on the 14th. I don't
13 recall specifically.

14 MR. WHITE: Okay.

15 MS. SMITH: Getting back to Mr.
16 Satorius' question, did you say how the
17 interpersonal relationships were with Vondra? I
18 know you mentioned Williams, Craig and Polizzi.

19 MR. SATORIUS: He touched all the
20 bases.

21 MR. REITER: Mr. Vondra always was a
22 calm individual, so this was out of character from
23 my interactions with him.

24 MS. SMITH: You said that about Craig

6
1 too?

2 MR. REITER: Well Craig, this was the
3 first I really interacted with him.

4 MR. OLSHAN: Prior to that, would you
5 say there was a confrontational environment among
6 the four people, the two managers and the two SRG
7 engineers?

8 MR. REITER: I don't think there was
9 regarding the two SRG engineers. As I got involved
10 in this and in spending a lot of time with Mr.
11 Cianfrani, who was the Supervisor of the Safety
12 Review Group, he told me that he and Mr. Polizzi had
13 a -- had known each other for a long time and there
14 were many times when they disagreed with things and
15 they would yell at each other and then they would
16 reach a decision and shake hands and go on with
17 business. Somewhat the nature of their
18 personalities.

19 When I hear, you know, the
20 confrontational attitudes, that's really the only
21 thing that I was aware of. And I became aware of
22 that in the course of the month of January, December
23 and January. Nothing was ever raised to me as the
24 General Manager that there was a problem.

1 MR. HOLODY: When you were General
2 Manager, how long were you in that position?

3 MR. REITER: About three years.

4 MR. HOLODY: Had you disciplined any
5 employees during that time?

6 MR. REITER: Yes. There was one
7 manager that I did follow the Corporate Positive
8 Discipline Program to a certain step.

9 MR. HOLODY: I'm not interested in the
10 name of the individual, but what was the
11 disciplinary action and what was it for?

12 MR. REITER: There was an accusation
13 that he made some inappropriate comments in a group
14 regarding a female employee. And I counseled him
15 and took it to at that point the step where he was
16 given a day with pay to go home and prepare a
17 program to improve his performance. Which he came
18 back with a program, I monitored it carefully and he
19 did in fact make some significant improvements.

20 MR. HOLODY: How about other employees?
21 This was a manager who worked directly for you?

22 MR. REITER: This was a manager who
23 worked directly for me.

24 MR. HOLODY: How about any people in

6 1 your organization being disciplined by the managers,
2 are you aware of any of those?

3 MR. REITER: I can't think of anything.

4 MR. HOLODY: So the three years you
5 were there, how many people were under you in that
7 6 time, approximately?

7 MR. REITER: A hundred to a hundred 20
8 people.

9 MR. HOLODY: So this was the only
10 instance of any of those people who were
11 disciplined?

12 MR. REITER: That I can recall.

13 MR. HOLODY: That you can recall.
14 Regarding the comment by Mr. Williams regarding the
15 deficiency system, when did you first become aware
16 that such a comment was made?

17 MR. REITER: At the meeting on the 14th
18 of December I think he related it. It was either
19 there or somewhere in the 14th, the 16th.

20 MR. HOLODY: Mr. Williams related it?

21 MR. REITER: I think he did. I think
22 that's how I became aware of it.

23 MR. HOLODY: And do you recall what he
24 specifically stated regarding it, what he said?

1 MR. REITER: His words were to the
2 effect of, as he described it, when Vondra asked him
3 to file a deficiency, a DEF, that he had used the
4 system once and he didn't think it worked and he
5 didn't trust it. Those were the words that he told
6 me he used, that he didn't trust the process.

7 MR. HOLODY: And when you drafted a
8 letter to Mr. Williams, when did you do that?

9 MR. REITER: That was sometime in
10 January. I don't recall the specific date. The
11 22nd of January.

12 MR. HOLODY: And you did not or how did
13 you view such a letter when you drafted it? I mean
14 did you -- were you reprimanding him for that
15 comment?

16 MR. REITER: I was pointing out in that
17 letter that I did not think it was appropriate for a
18 Safety Review engineer to be making a statement like
19 that, that he did not trust the process, that he had
20 an obligation if he had a problem with a
21 particular process onsite, he had an obligation,
22 particularly being the Safety Review engineer to go
23 through the appropriate processes and raise those
24 issues.

1 MR. HOLODY: So what did you expect of
2 Mr. Williams, what should he have done with respect
3 to his concern?

4 MR. REITER: You mean what do I think
5 he should have done?

6 MR. HOLODY: Right.

7 MR. REITER: If in fact he had a
8 problem with a procedure, there were mechanisms in
9 place that he should have raised those issues. If
10 he felt that a procedure such as the Deficiency
11 Evaluation Process was not timely, was not acting as
12 appropriate, he had an obligation to raise those
13 issues.

14 MR. HOLODY: To?

15 MR. REITER: Several ways. He could
16 have raised it through the -- directly to the
17 sponsor of that process who was someone in
18 engineering, I don't recall who. He could have
19 raised it through his own management. There were a
20 number of vehicles that were available to him to
21 raise those issues.

22 MR. WHITE: You had drafted that memo,
23 but what was your reason for not sending it?

24 MR. REITER: I met with Mr. Cianfrani,

7
1 one of a series of meetings that he and I had, and
2 we talked about it. And as a result of that
3 meeting, I decided that it was not appropriate, it
4 was not needed, and so I never issued the memo.

5 MR. HOLODY: Was that something Mr.
6 Cianfrani said in the meeting that convinced you?

7 MR. REITER: I don't recall the context
8 of the meeting, but as a result of that meeting, I
9 know I decided that --and I'm sure he provided me
10 some valuable input on it -- I decided that it was
11 not appropriate, that I would not issue the letter.

12 MR. WHITE: So as far as you're
13 concerned, that letter remained just as a draft?

14 MR. REITER: That's all it ever was was
15 a draft.

16 MR. WHITE: And you forgot about it?

17 MS. SMITH: But you don't remember why
18 it wasn't appropriate? Do you remember why it was
19 not appropriate to send the letter?

20 MR. REITER: Because I felt that the -
21 what I was trying to present there, that the letter
22 was probably, too strong an approach. I
23 subsequently, in another meeting with Mr. Williams,
24 I discussed it with him and told him my feelings on

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1 it. And that's where it really remained. It was
2 not a reprimand, it was providing him some feedback
3 on his performance, and that's why I provided it to
4 him verbally. I felt that was the appropriate way
5 to handle it.

6 MR. WHITE: Was there -- I'm sorry Dan,
7 go ahead.

8 MR. HOLODY: You've talked about the
9 concern you had with Mr. Williams' statements
10 regarding the DEF process.

11 MR. REITER: Yes.

12 MR. HOLODY: Can you elaborate on the
13 second concern that you had articulated in this
14 draft memo? It says that -- I guess I'll quote from
15 this draft memo from yourself, L.A. Reiter, to Bert
16 Williams, "My second concern deals with your
17 statements regarding the Quality Safety Concerns
18 Form. I understand your position as to why you
19 refer to it, however given what was the obvious
20 volatility of the situation at the time, I can
21 understand how it could have been taken as a threat
22 by Mr. Vondra. It would have been more appropriate
23 to either left that option unsaid or to state that
24 you would like to discuss the situation with your

7 1 management and ask them to get involved." Did you
2 discuss that issue with Mr. Williams?

3 MR. REITER: No, I did not.

4 MR. HOLODY: Do you believe that was
5 appropriate? I realize you didn't send this memo,
6 but what you articulated in that draft memo, would
7 that have been appropriate to do that?

8 MR. REITER: Would what have been
9 appropriate, to send this to him?

10 MR. HOLODY: What you said there in
11 that particular memo regarding this draft memo
12 regarding what your concern was with Mr. --

13 MR. REITER: Okay, the little
14 background. This item really came from the
15 statement that Vondra made that he felt threatened
16 by Williams when he made this statement. I
17 subsequently contacted Jay Bailey from the
18 Engineering Department, who was present at that
19 meeting, and I asked him if it could have been
20 construed as a threat. And he thought about it and
21 he said yeah, he could see where it could have been
22 taken as a threat. And that's probably where I
23 started to come from here. But then as I thought
24 about it, as I got feedback from Mr. Cianfrani and

2 1 subsequently thought about it some more and decided
2 it was not appropriate, it was not something that I
3 was going to issue and was not going to get into the
4 second piece of this.

5 MR. HOLODY: So you were basically
6 collecting your thoughts on paper?

7 MR. REITER: Yes.

8 MR. HOLODY: And trying to see if it
9 made sense?

10 MR. REITER: That's a very good
11 characterization. I did that a lot. I would put my
12 thoughts down and then deliberate on it and see
13 whether I felt it was appropriate.

14 MR. WHITE: When did you finally
15 meet -- and you only met with Mr. Williams I take it
16 in terms of any counseling relative to this matter,
17 what was the context of that discussion?

18 MR. REITER: I met with Mr. Williams, I
19 think it was on the 29th of January. And from my
20 notes there were three things that I wanted to
21 discuss with him. One -- and this was subsequent to
22 his filing his letter with Mr. Doherty -- I wanted
23 to discuss with him what I had learned from Vondra
24 regarding his interpretation of NAP-6 and just to

8
1 make him aware of that. I wanted to get his feeling
2 on whether, given at this point in time a lot of
3 technical issues, if I remember correctly, were
4 resolved, whether he felt that the incident report
5 was still appropriate or needed.

6 I wanted to talk to him about the idea
7 of a facilitated meeting, facilitated by the
8 Organizational Development Specialist. And then I
9 also discussed with him the fact that I didn't think
10 it was appropriate for him to have made the comment
11 he did about not trusting the DEF process. And we
12 talked about that a little bit. So those were the
13 points that I was trying to make in that meeting.

14 MR. WHITE: How did he receive your
15 comments?

16 MR. REITER: He was, if I remember,
17 fairly ambivalent about the facilitated meeting. He
18 felt that the incident report still should be filed.

19 MR. WHITE: At that time, this report
20 had still not been filed, January 29th?

21 MR. REITER: I don't think so. No. I
22 don't recall specifically, but I don't think it was.

23 MR. WHITE: Did you know what the issue
24 was in this incident report?

1 MR. REITER: Yes. There were several
2 issuses.

3 MR. WHITE: From your reading of that
4 incident report, was the issue a safety related
5 issue?

6 MR. REITER: It involved safety related
7 equipment. There was a question as to whether what
8 was installed actually in the plant was qualified.
9 And there was also a question regarding the MMIS,
10 Maintenance Information System, the information that
11 was in there, whether that was correct.

12 MR. WHITE: So the incident report or
13 the characterization of the matter that Mr. Williams
14 identified was in fact a good finding as far as
15 you're concerned?

16 MR. REITER: Absolutely, yes. It was a
17 valid issue.

18 MR. WHITE: As a QA Manager, knowing
19 that that incident report was first filed on
20 December 3rd or 4th and still had not been resolved
21 as of January 29th, and if you regard that as a
22 safety significant matter, how did you base your
23 rationale that this matter was still unresolved?

24 MR. REITER: There was technical work

1 going on by the Engineering Department,
2 investigating the qualification of the equipment and
3 investigating why what was installed was different
4 from the drawings. So there was work ongoing by the
5 Engineering Department to resolve those issues. And
6 I had gotten feedback from Engineering regarding the
7 fact that what was installed was in fact qualified.

8 MR. WHITE: So independent of the
9 incident report, your understanding was that the
10 issue itself was in fact being worked in the field?

11 MR. REITER: Within Engineering, yes.

12 MR. WHITE: Within Engineering.

13 MR. LANNING: Did Mr. Williams, Mr.
14 Craig or anybody else indicate to you that they were
15 dissatisfied with the manner in which you were
16 handling this issue?

17 MR. REITER: Subsequent to -- well the
18 first I got the feedback from Mr. Williams was in
19 his letter to Mr. Doherty.

20 MR. LANNING: Is that the only feedback
21 you received about your handling of the issue?

22 MR. REITER: I don't remember any other
23 specific feedback from Craig or Williams. I met
24 with them several times. I tried to keep them

8
1 informed of what was happening with the attempts to
2 resolve it. I told them that I was not removing
3 them from the site, that they were staying in the
4 same position and what I expected of them in terms
9 of continuing to perform their duties.

6 MR. WHITE: Did you ever meet, finally
7 meet with Mr. Miltenberger and discuss this impasse
8 that you and Cal Vondra arrived at?

9 MR. REITER: Yes, I did. And it was
10 really subsequent to the letter that was filed to
11 Doherty, Vondra and I had reached a point where we
12 were -- we had agreed we would try one more time and
13 then we would escalate it, and at the same time
14 period is when the letter was submitted to Doherty.

15 MR. WHITE: So did you ever meet with
16 Mr. Miltenberger?

17 MR. REITER: Yes, subsequent to that
18 date, the letter of the, whatever it was, the 27th.

19 MR. WHITE: Was that meeting because of
20 the letter from Doherty or was it a meeting that
21 would have been scheduled anyway relative to your
22 involvement?

23 MR. REITER: It had not been scheduled.
24 It was precipitated by the letter to Doherty.

9
1 MR. WHITE: And what was discussed at
2 that time? I take it at the time of this meeting
3 you and Mr. Vondra were still at an impasse. You
4 had not reconciled how to deal with this problem at
5 that point. What was discussed at the meeting with
6 Mr. Miltenberger?

7 MR. REITER: I don't recall the
8 specifics, but I know I talked about what had
9 transpired, what I had tried to accomplish with
10 Vondra, and the fact that we were still at an
11 impasse.

12 MR. DOMBY: If you'd like some detail,
13 maybe if Larry could review his Day Timer notes,
14 would that be helpful?

15 MR. WHITE: If he can recall, you know.

16 MR. DOMBY: Right, I'm just -- the
17 detail, sometime notes can help.

18 MR. WHITE: That's fine, sure. Let's
19 go off the record.

20 (Off the record discussion.)

21 MR. DOMBY: Just to be clear, the issue
22 you're asking about is the harassment/intimidation,
23 that's the issue we're talking about?

24 MR. WHITE: Right.

9 1 MR. DOMBY: Okay.

2 MR. REITER: Okay, on the 4th of
3 February, I, Vondra, Miltenberger and Chuck Johnson,
4 who was providing some staff assistance to
5 Miltenberger at that point, met. And my notes
6 characterize the discussion on how to close out the
7 loose ends. Miltenberger indicated that he expected
8 a written response on the deficiency by the 5th.
9 This was on the 4th. That the Station Technical
10 Manager and his involved Engineering Manager would
11 meet with the Safety Review Group to explain the
12 deficiency resolution and hopefully satisfy them on
13 closure of the technical issues.

14 We got into a discussion of the comment
15 that was made by the Salem Station Management that
16 the Safety Review Group frequently votes no on the
17 Station Operation Review Committee, SORC. And in
18 fact the comment was made somewhere along the line
19 that Craig always votes no. So he asked for some
20 information on that, which I had already asked
21 Cianfrani and his counterpart at Hope Creek to
22 develop.

23 We talked a little bit about the
24 strained relationship between Safety Review and the

1 station managers, did some brainstorming on
2 potential ways to resolve that, which included some
3 team building, Vondra withdrawing his letter,
4 parties clearly understand responsibilities, clarify
5 NAP-6, a number of items. We could not get everyone
6 to agree on all of the items as a result of that
7 meeting. And my notes show Vondra felt the only
8 thing would be discipline is appropriate for all
9 parties. So that's what transpired at the meeting
10 on the 4th.

11 MR. WHITE: You indicated you had
12 discussed strained relationships between SRG and
13 plant management?

14 MR. REITER: Yes. And then as I said,
15 we brainstormed, the four of us, on potential ways
16 to improve th t relationship.

17 MR. WHITE: Was that in the context of
18 this specific event or more global than that? Were
19 there other indications of strained relationships?

20 MR. REITER: No, it was really in
21 context of what occurred in this event.

22 MR. LANNING: Was the subject of
23 intimidation discussed during that meeting?

24 MR. REITER: No, I don't recall it

1 being discussed at all.

2 MR. LANNING: Was Vondra's memorandum
3 discussed?

4 MR. REITER: I don't recall whether it
5 was or not. It was -- yeah, one of the options was
6 for him to withdraw the letter. So we obviously
7 discussed it somewhat. I don't recall to what
8 extent.

9 MR. LANNING: How often did you meet
10 with Mr. Miltenberger? Do you have any periodic
11 meetings with him?

12 MR. REITER: We tried to have weekly
13 meetings. Given schedules, they didn't happen all
14 the time, but he and I tried to meet periodically.

15 MR. LANNING: From December to the end
16 of January, did you have any of these weekly
17 meetings?

18 MR. REITER: I don't recall whether we
19 did or not. Given the schedules in December, I
20 don't think we did, because between his vacation
21 schedule and mine and my being on the SERT team, we
22 probably didn't. In January, I don't recall.

23 MR. LANNING: Would your planner be
24 able to tell you that?

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1 MR. REITER: Yeah, if I had the
2 meeting, unless it was something that came up, you
3 know, in passing where we would sit down after
4 another meeting, at which point I probably would not
5 have noted it. But I don't recall from my planner
6 whether we did or didn't meet in there.

7 Of course, we met each week for staff
8 meetings, but they were not necessarily one-on-one
9 conversations. I guess I see January 12th he and I
10 met on another subject, preparing for a NOC meeting,
11 Nuclear Oversight Committee meeting.

12 MR. WHITE: Relative to the issue that
13 we're here to discuss, Mr. Reiter, why is it that
14 you feel, believe, that your activities, actions,
15 should not or are not a violation of 10 CFR 50.7,
16 that you did not get involved in activities relative
17 to harassment and intimidation?

18 MR. REITER: I felt that throughout
19 this whole time period I was supporting the Safety
20 Review engineers. I never questioned their
21 submittal. In fact I supported their submittal or
22 attempt to submit the incident report as the
23 appropriate action. I refused to move them and
24 reassign them. I didn't think that they had done

1 anything to warrant that and did not think it was
2 appropriate.

3 So throughout all of this, I was
4 attempting to support them and attempting to
5 reestablish a level of interface and an effective
6 interface between the Safety Review Group and the
7 Salem station management.

8 I don't see that I did anything in here
9 that in any way was negative toward these
10 individuals. I provided Mr. Williams some feedback
11 regarding his performance, i.e., the statement that
12 he made regarding the DEF process. I did not think
13 that that was appropriate for someone in his
14 independent oversight position to be making a
15 statement like that, that he didn't trust a process.

16 MR. LANNING: You may have said this,
17 excuse me, but did you hear the statement or were
18 you told that by a second party?

19 MR. REITER: I was told that by Mr.
20 Williams.

21 MR. LANNING: He told you directly that
22 he didn't trust the system?

23 MR. REITER: Yes. He related on I
24 think it was on the 14th, when they were relating

1 what happened on the third, that he told Vondra --
2 that Vondra asked him to submit a deficiency -- a
3 DEF, and he told me that he didn't trust the process
4 because he had tried it once and he didn't -- wasn't
5 happy with the results.

6 MR. WHITE: What is your assessment
7 then as to what went wrong in this case?

8 MR. REITER: As I indicated earlier, I
9 still don't understand why this particular incident
10 report resulted in what it did. I do not understand
11 why it became such an emotional issue with Mr.
12 Polizzi or Mr. Vondra.

13 MR. WHITE: Your SRGs I take it had
14 filed other incident reports in the past?

15 MR. REITER: Yes, sure.

16 MR. WHITE: That were of the type that
17 if an operability decision was made in the negative,
18 that is that required it be determined as an
19 inoperable system, you know, that had been accepted?

20 MR. REITER: I don't recall whether
21 they specifically identified anything that was
22 declared inoperable or the plant was declared
23 inoperable because of it, but yes, they submitted a
24 number of incident reports.

1 MR. WHITE: I'm sorry to ruin your
2 chain of concentration, but you were describing your
3 assessment as to what went wrong.

4 MR. REITER: Well, you know, as I said,
5 I do not understand even to this day why it resulted
6 in what it did. It was obviously something that
7 became a personal issue with some people. Why, I
8 don't know.

9 MR. DOMBY: Mr. White asked you do you
10 know what caused it. Do you have any reason to
11 believe that the substance of the concern, that is
12 the regulators and that caused this conflict as
13 opposed to the interpersonal issues causing this
14 conflict?

15 MR. REITER: Do I believe that the --

16 MR. DOMBY: Do you have any
17 observations on whether this was caused because of
18 the merits of the concern?

19 MR. REITER: I don't know.

20 MS. SMITH: Although you didn't discuss
21 the second part of this draft memo with Mr.
22 Williams, do you know if he ever got a copy of this
23 draft memo?

24 MR. REITER: As far as I know, he did

10 1 not. I had the only copy and I destroyed it.

2 MR. SATORIUS: But it did exist on
3 somebody's hard drive.

4 MS. SMITH: On Ms. Hatton's computer.

5 MR. REITER: I think my secretary had
6 it on her disk or something, but there were no other
7 hard copies.

8 MR. BARBER: One thing I was trying to
9 understand, I think you said earlier on the 16th you
10 had met with Vondra and Polizzi, and Vondra told you
11 about the letter and also about the content of the
12 letter in that he recommended that you remove or
13 reassign the Safety Review Group engineers to other
14 positions. I think you articulated that you were
15 not in favor of that approach. You disagreed with
16 that approach. This was on December 16th.

17 And yet at some time in January, it
18 appeared that you wrote a letter that had a kind of
19 a reprimanding type tone to it. I was trying to
20 understand that, the apparent difference there.
21 Because you're telling Vondra in one case that no,
22 you're not going to take action against the
23 engineers, and at some later point in time you're
24 almost reprimanding them on the record, so to speak.

11
1 MR. REITER: But the items that were in
2 that letter that I was contemplating, no way would
3 have resulted or I would have even thought of
4 removing them. It was a performance feedback. So
5 it was consistent all the way through. I would not
6 remove them. I didn't think that that was
7 appropriate. I contemplated sending them a letter,
8 a letter to Mr. Williams providing some specific
9 performance feedback. That's not anywhere close
10 to removing him from a position or reassigning
11 him.

12 MR. BARBER: Was this at all related to
13 any of the previous interactions you had had with
14 him over his past performance appraisals? You said
15 you had had some previous interaction about him
16 appealing performance appraisals due to
17 interpersonal skills. Was this building on a
18 perception that he had?

19 MR. REITER: No. In fact as a result
20 of that previous situation, he attended an
21 interpersonal skills training program. And the
22 feedback that Mr. Liden told me he was getting,
23 particularly from Mr. Cianfrani, was that Williams'
24 performance was good, that he was interacting well

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1 with people. So I felt that he had made
2 improvements in that area, and that was the feedback
3 that I was getting through Liden.

4 MR. LANNING: Have you gotten through
5 your presentation? I know we've interrupted a
6 number of times.

7 MR. REITER: If I could just touch on
8 some of the bullets on the third page. The
9 agreements with some broad criticism on the meeting
10 on the 16th that I had with Vondra and most of his
11 managers. They threw out a number of other issues,
12 particularly the SORC voting issue, and I disagreed
13 with those. And subsequent data showed that the
14 SORC voting issue was not in fact accurate in any
15 way.

16 MR. WHITE: I'm sorry, what was that
17 SORC voting issue?

18 MR. REITER: They raised the comment
19 that SRG always votes no at SORC meetings.

20 MR. WHITE: And what does that mean?
21 How did you read that?

22 MR. REITER: Well I took it for what he
23 had said. At SORC meetings, at which there are a
24 number, that the word "always" I didn't take as

1 always but as frequently, SRG would be a lone
2 negative vote. And subsequently, as we got data,
3 that was not the case.

4 At that meeting, they made comments
5 about Mr. Craig voting no. And in the time period
6 they were talking about, if I remember looking at
7 the data, he didn't attend any meetings or only
8 attended one meeting. So it was just they were
9 criticisms that were unwarranted.

10 Throughout this, I was trying to
11 address the interpersonal conflicts. I viewed SRG's
12 role as very important at the station, and was
13 trying to reestablish the relationships between SRG
14 and the station. On several occasions I met with
15 Human Resources for advice. And we highlighted here
16 some of the things that they provided to me. They
17 suggested that on a couple of occasions that we meet
18 and talk, once with Vondra alone and subsequently
19 talked about having a facilitated meeting to try and
20 improve relationships. They suggested that I
21 continually provide feedback to the SRG engineers on
22 what was going on. Good advice I've tried to
23 follow.

24 As I indicated, what I discussed with

1 Williams was feedback, performance feedback. It was
2 not a reprimand, it was not counseling. It was not
3 part of the Formal Positive Discipline Program. It
4 was strictly performance feedback.

5 MR. WHITE: Had there been anything on
6 his record because of this?

7 MR. REITER: Absolutely not. It was a
8 verbal discussion that we held, and that was it.
9 Certainly I didn't think that the -- his comment on
10 not trusting the DEF process was a protected
11 activity or me providing him feedback in any way was
12 violating 50.7.

13 MR. WHITE: Would you have made the
14 same counseling to him or the same feedback to him
15 had he made that comment absent this other issue?

16 MR. REITER: Yes. I mean if he would
17 have just made the comment to me in another
18 conversation, I would have provided him the same
19 feedback.

20 Again in summary, I do not feel that in
21 any way I was anything but supportive to the Safety
22 Review engineers. I felt they were following the
23 appropriate procedure. They were trying to do
24 their job. And in addition to the technical issue,

11 (1 I was concerned with reestablishing a good,
2 effective working relationship between SRG and the
3 plant operating staff, because of what I viewed as
4 the importance of their role.

5 MR. LANNING: Did you receive any
6 disciplinary action associated with your handling of
7 these activities?

8 MR. REITER: I was counseled by Mr.
9 Miltenberger and told that I should have escalated
10 sooner than I did. And that the quality safety
11 concern that Mr. Williams filed, that I should have,
12 rather than trying to resolve it myself, should have
13 turned it over to another organization to try and
14 resolve. And that was the result of -- that was the
15 discipline that was taken with me.

16 MR. LANNING: Nothing written?

12 17 MR. REITER: I understand there was a
18 letter written to my file. I don't recall being
19 given a letter. I recall just a verbal discussion
20 with Mr. Miltenberger.

21 MR. LANNING: Do you know if there's
22 such a letter in your file?

23 MR. REITER: I have -- as far as I
24 know, I've been told that there is. But I have not

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seen it. I no longer work at the company, so I don't even know if my file still exists.

MR. LANNING: Can you share with us the reasons for your leaving the company? Is it related to any of these events we've been discussing here today?

MR. REITER: As far as I know, it was not. Last July, there was a reduction, 50 or 60 people who were eliminated from the organization. My position was eliminated.

MR. LANNING: Isn't your position required by the --

MR. REITER: No, I was not --

MR. WHITE: His position at the time was different.

MR. REITER: At the time when I was terminated, I was Director of Process Improvement.

MR. WHITE: Following along with Mr. Lanning's question, your removal from General Manager of Quality Assurance and Nuclear Safety Review to your new position, in your perception, was that related to any of these events here?

MR. REITER: From what I was told, no, it was not. I was told by Mr. Miltenberger that

1 there were a number of moves that were going to be
2 made at the time, and those moves were Mr. Hagan
3 became the Vice President of Nuclear Operations, Mr.
4 LaBruna moved into Vice President of Nuclear
5 Engineering. And the words that Miltenberger used
6 with me was I'm going to move Swanson, who was in
7 charge of Engineering at that point, into QA Safety
8 Review. And I then became the Director of Process
9 Improvement.

10 MR. LANNING: So that reorganization
11 took place prior to December?

12 MR. REITER: No, that took place in
13 April of '93 I think was the time period, somewhere
14 in there.

15 MR. HOLODY: And you remained with the
16 company until when?

17 MR. REITER: Until July of '94.

18 MR. HOLODY: Are you currently doing
19 any activities associated with nuclear related
20 activities?

21 MR. REITER: I am currently working as
22 a management consultant. I would prefer not to go
23 on the record to discuss who I'm working for, but I
24 am a management consultant involved in the area of

1 process improvement, process reengineering. Some of
2 our clients are utilities, some nuclear utilities,
3 some non-nuclear utilities. But the work is focused
4 on business process improvement, business process
5 reengineering.

6 MR. SATORIUS: So your current employer
7 is not an NRC licensee?

8 MR. REITER: That is correct.

9 MR. LANNING: Having sat through this
10 morning's meeting with PSE&G, is there anything that
11 was said or stated that you'd like to comment on at
12 this time?

13 MR. REITER: Let me just look at my
14 notes from this morning. The only points that I had
15 noted was the reassignment and then my subsequent
16 termination, in neither case was this particular
17 incident indicated as being a reason.

18 No, I don't think I had any other
19 comments.

20 MR. LANNING: Was your past performance
21 an issue in the reason your job was abolished?

22 MR. REITER: My history of performance
23 evaluations were all good. The position of Director
24 of Process Improvement was eliminated, and I think

1 there was a general change in philosophy that was
2 getting away from the long term process improvement.

3 MR. LANNING: Did you feel that you had
4 contributions to make to the company, that maybe you
5 should have been reassigned? Or how did you take
6 this I guess is what I'm getting to.

7 MR. REITER: Well the initial reaction
8 is always one of going through dealing with the
9 anger and the feeling of hurt. Subsequent to that,
10 I viewed it as a good opportunity for me to do, to
11 move into a different field, which is something that
12 I had been contemplating for the previous year. I
13 saw the value of the reengineering and process
14 improvement work, and I saw it at work and I had
15 decided that that was really a career move that I
16 was contemplating making anyhow, and this was just
17 kind of an impetus to move me along.

18 MR. SATORIUS: So you don't figure you
19 got torpedoed by this whole --

20 MR. REITER: At one point I did file an
21 age discrimination claim with the company after I
22 had been out of work for awhile. That's been
23 subsequently in the process of being resolved. But
24 looking at it now, I am very happy with my new

12 (1 career choice. And I'm perfectly satisfied with my
2 life at this point.

3 MR. SATORIUS: Thank you.

4 MR. BARBER: A question on your
5 reaction to Mr. Vondra. Mr. Vondra, I believe on
6 the 16th, told you that he was going to send you a
7 letter that said you should remove the two engineers
8 from duty.

9 MR. REITER: Yes.

10 MR. BARBER: He told you verbally and
11 then the letter did follow. I guess primarily from
12 Mr. Miltenberger first and you subsequently received
13 a copy sometime after the New Year?

14 MR. REITER: Yes.

15 MR. BARBER: You in turn I think in
16 your earlier discussions identified the fact that
17 you told Mr. Vondra that you were not in favor of
18 terminating and/or transferring individuals. Did
19 you also respond by sending him a memorandum or
20 anything of that nature clearly articulating your
21 support of SRG engineers?

22 MR. REITER: No, I did not respond in
23 writing. And in December I had not seen his letter.
24 So I thought that he -- it was another case where he

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1 talked about it, he may have written and decided not
2 to issue it.

3 MR. BARBER: Did you feel obliged to --
4 did you even consider responding to it via a
5 memorandum? Because you subsequently did receive it
6 in January. Did you ever consider, either in
7 January or February or some other time, responding
8 to that formally?

9 MR. REITER: I don't recall whether I
10 considered writing him back. I believe I made it
11 very clear to him that I was not going to follow his
12 wishes. I was not going to remove the people. I
13 was not going to reassign them.

14 MR. WHITE: Do you have any other
15 statements or anything else you want to provide to
16 us?

17 MR. REITER: No, I don't think so.

18 MR. WHITE: Dan, do you have anything?

19 MR. HOLODY: Yeah, I guess I would just
20 summarize that you were in attendance at the meeting
21 this morning with PSE&G, but basically the same
22 process applies. We'll take into consideration our
23 investigation report, the investigation report the
24 utility did and the information you provided us

13 (1 today, and we'll make a decision on appropriate
2 enforcement, what if any action we need to take with
3 respect to you as an individual.

4 Our options are probably five-fold. We
5 can do nothing. We could issue a letter of
6 reprimand. We could issue a notice of violation to
7 you as an individual, issue a civil penalty to you
8 as an individual. We could issue an order that
9 would prohibit or restrict your involvement in NRC
10 activities or activities that would somehow be
11 related to what we regulate.

12 We'll make that decision and let you
13 know by correspondence and give you a call also when
14 it's forthcoming. If it turns out that we do
15 nothing, you more than likely will get a letter from
16 us saying that our involvement in this matter is
17 closed. If we do something, then you'll get what
18 that particular something is.

19 MR. REITER: Okay.

20 MR. HOLODY: Any questions on that?

21 MR. REITER: No.

22 MR. WHITE: As you know, Mr. Vondra
23 isn't here today, we'll be doing him on the 24th, so
24 I do not anticipate that we will come to a decision

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until after we conference with Mr. Vondra.

That being the case, I appreciate your attendance and the attendance of your representative today. It's been very helpful to us in providing the information that you did.

MR. REITER: Appreciate the opportunity.

MR. WHITE: Off the record.

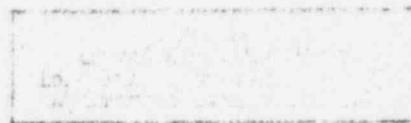
(Proceedings closed.)

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CERTIFICATION

I, Loretta B. Devery, do hereby certify that the testimony and proceedings in the foregoing matter, taken on February 8, 1995, are contained fully and accurately in the stenographic notes taken by me and that it is a true and correct transcript of the same.

Loretta B. Devery
LORETTA B. DEVERY, RPR



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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

April 11, 1995

EA 94-239

Mr. Lawrence Reiter
HOME ADDRESS DELETED
UNDER 2.790

SUBJECT: ENFORCEMENT CONFERENCE (NRC OI INVESTIGATION 1-93-021R)

Dear Mr. Reiter:

On February 8, 1995, the NRC conducted an enforcement conference with you in the Region I office in King of Prussia, Pennsylvania, to discuss the circumstances associated with your possible harassment and intimidation (H&I) of a former SRG engineer in your organization when you were the General Manager - Quality Assurance and Nuclear Safety Review. The conference was based on the finding of an NRC investigation by the Office of Investigations (OI) which concluded that you may have contributed to the H&I of the individual in support of other managers. A copy of the OI synopsis of the investigation was forwarded to you on January 11, 1995.

At the enforcement conference, you denied that you harassed or intimidated any of the individuals involved. After further evaluation of this matter by the NRC, we find that there is no basis to conclude that you took any action in support of other managers relative to removing the individuals from involvement in Salem activities, nor did you create or actively contribute to a hostile environment or engage in H&I with regard to these individuals. Consequently, the NRC has determined that no enforcement action is warranted on this matter with regard to your actions.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be placed in the NRC Public Document Room with your address deleted. A copy of this letter is also being provided to the President and Chief Executive Officer of PSF&G.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas T. Martin".

Thomas T. Martin
Regional Administrator

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