

1 BEFORE THE  
2 OFFICE OF INSPECTOR AND AUDITOR  
3 NUCLEAR REGULATORY COMMISSION

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5 Interview of: :  
6 :  
7 - - - - - X

8 Room 671  
9 Rodeway Inn  
10 833 North Watson Road  
11 Arlington, Texas

12 Thursday,  
13 April 10, 1986

14 APPEARANCES:

15 For the Commission:

16 GEORGE A. MULLEY, JR.  
17 Special Assistant to the Director  
18 Office of Inspector and Auditor  
19 Nuclear Regulatory Commission  
20  
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23  
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Attachment C

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PDR ADDCK 05000445  
Q PDR

Whereupon,

having been duly sworn to tell the truth, the whole truth and nothing but the truth, was interviewed and answered as follows:

MR. MULLEY: The time is 1:18 p.m. The date is April the 10th, 1986, and we are in Room 671 of the Arlington, Texas Rodeway Inn.

Present are Mr. [redacted] from Region IV NRC, George Mulley from the NRC Office of Inspector and Auditor, and Sandra Harden who is the court reporter.

I have asked Mr. [redacted] to discuss information that he may have concerning Region IV's management of the regulatory process of the Comanche Peak nuclear power station.

BY MR. MULLEY:

Q Mr. [redacted] before we start, I would like you to briefly give us a sketch of your previous experience and education.

A Okay. My name is [redacted] I started out in the nuclear business in 1959 with the Navy. ~~Spent~~ and worked with the Navy through 1965 (June).

I went to work for Virginia Electric Power Company in 1965, <sup>and worked concluding</sup> through 1975 in the operations of Surrey and the North Anna Nuclear Power Stations, ~~up through~~ Both stations are in Virginia. From 1965-1967 I worked at the CVTR plant outside of Columbia, SC. The work time counted at VEPCO.



1 In 1975, I went to work with the NRC in Region  
2 III as a reactor inspector and ~~have~~ progressed in Region III  
3 from-- and progressed in Region III from reactor inspector  
4 through section chief in quality assurance-- of the quality  
5 assurance section.

6 During my stay in Region III, also I worked  
7 three years in performance appraisal, <sup>a</sup> special inspection  
8 group doing management type inspections around the country.

9 Also, for eighteen months, I was the project  
10 section chief of special projects for Zimmer Nuclear Power  
11 Plant( 1981 - 1983).

12 In 1984, I applied for and was accepted to a  
13 position as chief reactor projects branch B in Region IV,  
14 and I've been in Region IV since that time as a branch chief  
15 (up until recently). As of the 31st of March, I am now a  
16 section chief of project section B in the/  
17 branch. ←

18 I <sup>went to</sup> work for Jim Gagliardo as of March the 31st  
19 of 1986.

20 ~~From the summer fall of 1984 through the~~ <sup>fall of 1985</sup>  
~~is the summer and fall of 1985, I was~~ as  
21 projects ~~branch~~ chief, I also worked ~~equally~~ as the acting  
22 chief of the Comanche Peak project.

23 In the fall-- late fall of 1985, Tom Westerman  
24 was selected as the chief of the Comanche Peak group, and I  
25 ~~returned--~~ ~~at~~ went to the full-time job as the branch chief

1 in Region IV. As of March 31, 1986, T. Westerman  
2 was selected as chief of the Reactor Safety Branch and  
Q Okay, thank you. I transferred to that  
branch.

3 One of the first topics that I would like to  
4 discuss is Region IV inspection report 84-32/11. I understand  
5 that you were involved with that inspection report.

6 A That's correct. The inspection was performed  
7 in August through September of '84, at which time I was  
8 involved in the Comanche Peak project.

9 ~~I said '85 earlier, it was '84.~~

10 And I was, in fact, the chief of reactor  
11 projects branch 2-- or "B" at that time and was intimately  
12 involved in the preparation of this inspection and also the  
13 final documentation and the issuance of the report from  
14 Region IV <sup>on</sup> February the 15th, 1985.

15 Q What was the purpose of the inspection?

16 A ~~The inspection purpose~~ It was a combination  
17 of a task force <sup>and Region IV</sup> inspection program that <sup>originated under</sup> ~~originally started~~  
18 ~~out under Richard Bennett~~ <sup>Baskett</sup>, but I had picked up the Comanche  
19 Peak project prior to this report being issued.

20 The purpose of the report was to look at the  
21 quality assurance program and ~~the~~ implementation in selected  
22 areas at the Comanche Peak project. It was an effort that  
23 was in parallel with the effort by the Technical Review Team  
24 out of the NRC headquarters. <sup>The TRT</sup> ~~That~~ was being performed by  
25 Mr. Noonan and his group.

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1 We looked at the-- ~~like I said~~, we looked at  
2 selected areas in the area of quality assurance: audit  
3 program, evaluating the management of that program, ~~and~~ some  
4 design control, <sup>and</sup> some procurement activities-- if I remember  
5 correctly.

6 Q What were the findings of the inspection?

7 A Again, as documented in the inspection report,  
8 we found a number of significant findings, and I'll ~~it's~~  
9 ~~easy to read them because I can't~~ don't have a total  
10 recall.

11 ~~But~~ We found that the Texas Utility Company  
12 had some inadequacies in their review of the status and  
13 adequacy of the QA program. We could not see how this had  
14 been adequately accomplished. They failed to establish and  
15 implement a system of comprehensive of planned and periodic  
16 audits, as was required, and that included audits of safety-  
17 related activities and vendors associated with the project.

18 There was a third finding that ~~was~~ concerned  
19 a certification of a vendor compliance inspector, which was  
20 a severity level 5, <sup>and</sup> ~~which~~ was not considered a significant  
21 finding.

22 Q The first findings that you discussed, what  
23 severity level were they assigned?

24 A These both-- The two findings that I discussed  
25 relative to the status and adequacy of the QA program and the



audit-- establishment and implementation of the audit  
program were given a severity level 4 ~~consideration~~ <sup>violation</sup>

Q Do you consider these findings to be significant?

A I definitely consider the findings to be significant in this particular case because the quality and the records of quality at Comanche Peak were placed in question by the efforts of the Technical Review Team out of Washington under the overview of Vince Noonan.

The failure to review the status and adequacy of the QA program and the failure to implement and audit program indicates that the licensee did not have control of his quality assurance activities, nor was he assessing the adequacy of the activities if they were there.

By not performing audits and not performing assessments, he then would not identify, at an early date, problems that would, at a later date, cost him an enormous amount of money to recover, such as, purchasing from an unapproved vendor, not auditing procedures relative to safety-related activities, such as equipment setting by Westinghouse or any other on-site contractor.

One of the specific findings in this report was the failure for us to see where they had audited Westinghouse in 1977, '78, '79, '80, and '81 on site, even though ~~they were~~ <sup>Westinghouse was</sup> involved in major equipment settings, since they

1 were the nuclear steam supply system group and had an  
2 engineering service group on site.

3 We felt that that was extremely significant  
4 in that it involved the steam generators, the reactor coolant  
5 pumps, and that type of equipment.

6 Q Do you feel that the severity level 4 that was  
7 assigned to these violations was appropriate?

8 A As the manager at that time, I think it was  
9 appropriate in that in the letter we specifically asked the  
10 licensee to include the response to this, and we gave him  
11 the choice that he could respond to this individually,  
12 (separately) or he could respond to it as part of the Comanche  
13 Peak review team.

14 We knew the Comanche Peak review team-- or,  
15 the TRT effort by the NRC was ongoing, and at that point,  
16 we felt like these findings were a part of a very large  
17 problem-- or, potential problem that had already been  
18 identified.

19 If the effort of the TRT Comanche Peak response  
20 team showed that the-- that this was a very generic,  
21 comprehensive, overall problem with the Comanche Peak manage-  
22 ment group of Texas Utilities, or TUGCO, which I think that  
23 it would have-- or, it will show because they, in fact,  
24 have the responsibility to look at that, then the significance  
25 of these particular findings will occur at that time.

1 The reason they weren't considered as a  
2 severity level 3 or higher severity level was that the find-  
3 ings indicate a potential, ~~and~~ <sup>or</sup> the significant potential ~~of~~  
4 problems. However, the problems had not been identified or  
5 were already identified by the TRT and would be included in  
6 the Comanche Peak response team action plans.

7 The ~~significance~~ of the finding, as I indicated  
8 before, would be developed at a later date, probably 1986  
9 or 1987 depending on how quickly they <sup>(TUGCO)</sup> get through the items.

10 Q During this inspection, did the inspectors  
11 develop information to indicate that Region IV itself had been  
12 remiss in the conduct of their inspections at Comanche Peak,  
13 that they had not conducted in-depth audits of TUGCO manage-  
14 ment for ten years?

15 A I think when you do an overview of the problems  
16 at Comanche as a section chief or branch chief or manager  
17 and you look at the types of findings that were being identi-  
18 fied by the TRT and by ~~the~~ by this QA inspection ~~which~~  
19 ~~the~~ (84-32/11 report) that we're talking about, I think one  
20 has to come to the conclusion, and I have come to that  
21 conclusion, that the inspection program applied to Comanche  
22 Peak was less than adequate and less than appropriate.

23 I think-- I personally feel that the reason  
24 the TRT and the Comanche Peak response team exists today is  
25 the licensee's attempt ~~(~~ And the NRC has required the



1 licensee to do this,) to recover the quality of Comanche  
2 Peak which should have been verified during the ten years of  
3 construction. It's an expensive lesson in 1986 and '87.

4 Q We had-- Or, I had learned through other  
5 interviews that possibly Region IV had not conducted a  
6 specific audit that was required by TUGCO management in going  
7 back to the corporate offices and that the lack of this audit  
8 made it very difficult for the NRC to verify whether or not  
9 TUGCO was in compliance with Criteria 18.

10 Do you recall any such corporate audit that  
11 the NRC had not performed?

12 A ~~I believe~~ <sup>was</sup> ~~Let me try to field that. I~~  
13 ~~believe that~~ <sup>A</sup> review done by the senior resident inspector  
14 and myself, in order to try to understand the status of the  
15 inspection program at Comanche Peak, ~~which was done~~ in the  
16 '84-'85 time frame, for two purposes: To-- First off, to  
17 establish the status of the inspection program, and then to  
18 use that status to modify or tailor our inspection program  
19 of Unit 1 and Unit 2 to pick up any weak areas or noted weak  
20 areas.

21 The second purpose, other than to ~~in~~  
22 ~~addition to tailoring~~ <sup>establishing</sup> ~~getting~~ the status and tailoring our  
23 inspection program, was to provide input ~~(~~ <sup>^</sup> And this was the  
24 thought at the time <sup>B</sup> and I can't respond because I'm no  
25 longer attached) ~~but the thought at the time was to provide~~

1 ~~input~~ to the Comanche Peak response team action plans in  
 2 order that the licensee would appropriately and fully address  
 3 any safety concerns that we might have or that we might have  
 4 potential concerns in that the NRC didn't inspect that area  
 5 during the ten-year period.

6 As an example, ~~maybe there was not a~~ <sup>where</sup>  
 7 was not, as you indicate, ~~I recall~~ I don't believe there  
 8 was an extensive- ( and I don't have the details with me,  
 9 but I'll try to place it in perspective.)

10 ~~We found that there wasn't~~ an extensive  
 11 review of the Texas Utility <sup>Company</sup> ~~Corporation~~ audit program,  
 12 management audit program, the management QA program by Region  
 13 IV. There was some <sup>QA</sup> inspections done, but they wouldn't be  
 14 what we'd call extensive or <sup>fully</sup> adequate.

15 Out of that particular type of information,  
 16 we then planned to tailor or modify our inspection programs  
 17 such that we could provide the most assurance of the quality  
 18 level of Comanche.

19 One of the things we looked for in this 84-  
 20 32/11 was the failure to adequately review the status and  
 21 adequacy of the QA program.

22 One of the things we found, and to repeat  
 23 myself, is that the licensee ~~neither the licensee himself~~ <sup>had not personally</sup>  
 24 reviewed the status and adequacy of the QA program ~~so that~~  
 25 ~~if we didn't do it and he didn't do it, then we had some~~

1 *then we had some*  
concerns relative to the quality of the plant based on that  
2 finding.

3 Q Okay. Did you receive any resistance from  
4 Region IV upper management when this report was issued? Do  
5 you have any information that the senior resident inspector  
6 who conducted the inspection received any adverse comments or  
7 anything like that as a result of this report?

8 A As I recall, again, since I was personally  
9 involved, the draft report came to me. As I recall, I went  
10 to the site personally and worked with the senior resident  
11 for about eight hours, *not* to take exception to his findings,  
12 but to help put the findings together and make sure they were  
13 in the proper perspective.

14 In fact, I agreed fully with the findings and  
15 actually the findings in the *final* report, in some cases, were,  
16 let's say, a little more stringent than he had first presented  
17 and naturally so, because I think the *final* office management or  
18 supervisory overview has a larger perspective.

19 And in this particular case *(for* some of his  
20 findings, he was dealing with ~~some~~ specifics) ~~that~~ after I  
21 personally had reviewed *the draft findings* from a supervisory viewpoint and  
22 a management viewpoint at that time, I felt that the findings  
23 had more significance.

24 Out of those meetings with the senior resident  
25 inspector *(obviously Shannon Phillips here)*, we developed the



1 cover letter to indicate to the licensee that we had had the  
2 particular findings, and we developed the letter that said  
3 that these violations should be and may be answered as part  
4 of the Comanche Peak response team.

5 You might note that, in fact, the licensee  
6 has chosen, through correspondence, to respond to the first  
7 two items in the Comanche Peak response team action plan,  
8 and for the third item, it was responded to separately.

9 And that's to the best of my recollection.

10 I did not receive ~~Personally, I did not~~  
11 ~~receive~~ resistance to the findings. I had made a suggestion  
12 initially that the findings be sent out with no severity  
13 level attached. And this was my position because ~~and~~ I  
14 ~~still~~ <sup>felt (and still feel)</sup> that the findings were extremely significant.

15 The significance of the finding ~~would be--~~  
16 would determine the severity level at a later date, and I  
17 personally felt that we should send the notice of violation  
18 without a severity level attached to be determined at the  
19 completion of the review plan and depending on the hardware  
20 findings or the actual problems in the plant, then at that  
21 point, we would assign the-- we would assign the severity  
22 level.

23 Upper management did not choose to go that  
24 direction, and, in fact, the report was issued with a  
25 severity level 4 attached with-- hopefully, I think, with

1 the attitude that whether the severity levels were attached  
2 then or whether the response to this report was handled in  
3 the-- with the severity levels already attached, at the end  
4 of the Comanche Peak response team review when the quality  
5 level of the site was confirmed or the level was confirmed,  
6 meaning the lack of or it was okay, the importance of these  
7 findings would then, in fact, still come out. And I would  
8 assume another enforcement package would be issued at the  
9 termination of this particular activity that could, in fact,  
10 issue those as repeat violations or violations of the same  
11 regulatory requirements with specific hardware deficiencies  
12 noted at that time. And they would be issued as a 4 or a 3  
13 or a 2, depending on the significance during construction.

14 Q At the end of 1985 when Mr. Westerman assumed  
15 your position--

16 A That was, like, October or so of 1985, I  
17 believe.

18 Q Okay.

19 Do you have any knowledge that he made some  
20 comments to Shannon Phillips, the senior resident inspector,  
21 concerning this inspection report? Comments that were--  
22 you know, that were adverse to the findings that had been  
23 written on the inspection report?

24 A No, I don't. ~~I don't-- I have not--~~

25 ~~Well, if comments were made, they weren't made in front of~~

1 me and-- You know, I don't have knowledge of the comments,  
2 no. If any were made.

3 Q Okay.

4 During this inspection, from what I understand,  
5 the inspectors asked TUGCO to provide audit reports that they  
6 had done. I understand that one contract audit report-- Done  
7 by MAC?

8 A Done by MAC; that's correct.

9 Q --was not provided and was provided at a later  
10 date.

11 A During the <sup>inspecting</sup> details of 84-32/11 one of the things  
12 that we asked for-- And again, I'm repeating. But we asked  
13 for ~~the~~ any information that the licensee had at his hand  
14 where he had, through some documented, preplanned program  
15 or any kind of program, ad hoc or otherwise, (specifically we  
16 asked for) any audits that were put together or any reviews  
17 that were put together by in-house people or by contract  
18 people-- And I can go to the details of 84-32/11 and get those  
19 words. But we asked specifically-- And the fact of the  
20 matter is we asked more than once, --for any inspection  
21 reports or outside reviews of the QA-- or, the quality  
22 assurance program.

23 At the time we did the inspection, we reviewed  
24 every piece of information that we had, and that included  
25 reviewing the NRC CAT, which is a construction assessment



team inspection or audit, <sup>the NRC.</sup> We reviewed a special inspection  
audit that was done by Region II. We reviewed <sup>the</sup> "Lobbin"  
report, which was an outside contractor of one specific area  
of the quality assurance program. And I don't remember, it  
was probably <sup>regarding</sup> design ~~or something~~.

But <sup>the utility</sup> they did not provide ~~in 19--~~ And I think  
~~this was probably 1984. And again, we asked for it in~~  
~~August or September. They did not provide any--~~ or make any  
indication to us that they had an outside audit report. It  
was a surprise to me personally, and I'm sure to a lot of  
other people, that in 1985, sometime in that time frame, that  
the MAC report which had a letter addressed to Britain,  
the president of TUGCO, I believe, or of Texas Utilities,  
that that report had been done in 1978 and had some substan-  
tial findings in it. It contained substantial findings, or  
what I would call significant findings that reflected on the  
overall quality assurance program, which is the area ~~of the~~  
~~NRC-- the group, if you will,~~ the NRC was interested in  
during the 84-32<sup>11</sup> inspection.

Q Do you feel it was improper for TUGCO not to  
provide this report when they were asked for it by Region IV?

A Yes, I do feel it was improper. I think it  
was a report done by an outside contractor, not of financial  
matters, not of matters which I personally am not that  
interested in, but it was done as an assessment of the quality

1 assurance program related to the design and construction of  
2 Comanche Peak. Certainly, it was improper.

3 Q Was any action taken by Region IV against the  
4 utility for not providing this report when asked?

5 A I do not know of any action at this time.

6 Q Do you have any reason as to why no action was  
7 taken?

8 A No, I don't at this time.

9 Q Okay.

10 Do you have anything further on this inspection  
11 report that you would like to add?

12 A I don't believe so at this moment. Something  
13 might-- you know, might come out that we can talk about.  
14 I'm hesitant to close the door on it, but if something else  
15 comes up, I'll talk about it.

16 Q Okay.

17 A At this point, I feel fairly comfortable with  
18 what we've gone through.

19 Q Okay. The second area I'd like to discuss  
20 is inspection report 85-07/05. Could you summarize your  
21 involvement with that inspection report?

22 A ~~it's--~~ My involvement with 85-- And I'll  
23 ~~say 07/05, and that's just~~ My involvement with 85-07/05,  
24 and it's a little different that 84-32.

25 In the ~~84-32/11~~ 84-32/11 <sup>report</sup> the report was

1 issued <sup>when</sup> and I was still involved with the project.

2 In the 85-07/05, the inspection-- the plans,  
3 the inspection plans, if you will, the preparation for the  
4 inspection and ~~that type of~~ in that time frame, I was  
5 involved specifically, myself and Doyle Hunnicutt and, of  
6 course, ~~through~~ Shannon Phillips and ~~the~~ [ ] I  
7 believe, was the other individual. We developed an inspection  
8 plan to look at some specific items at Comanche Peak,  
9 again with the intent of giving us a better understanding of  
10 the Comanche Peak project as a whole and to look at areas  
11 where we felt weaknesses were noted through our reviews of  
12 other information, and ~~to~~ if these weaknesses did exist,  
13 to provide them to the Comanche Peak project such that they  
14 might verify that the quality did exist or establish the  
15 quality if it wasn't able to be verified or it did not exist  
16 physically.

17 That, I think, is the bottom line on the  
18 setting up <sup>(improvement preparation)</sup> of the report.

19 The report was done during ~~the~~ April through  
20 June of '85. And as <sup>I</sup> indicated, I was involved in the  
21 Comanche Peak project through about October, 1985.

22 The report was drafted, as we normally draft  
23 a report, from the site ~~up to the~~ and then it's provided  
24 to Regional supervision and management. And it was provided  
25 by Doyle Hunnicutt through me, and it went to typing.



1 In the-- I'll indicate, maybe, in the late  
2 summer of '85, in other words, sometime after June after the  
3 report was finished-- And I would say, probably, July, but  
4 I just don't recall. But it was in that time frame.

5 Once the report was typed in draft, during  
6 the Comanche Peak project time frame now, NRC had assigned  
7 Vince Noonan as, ~~quote-unquote~~, the project director. So,  
8 he's involved in all activities of the Comanche Peak project  
9 and, as I understand it, at least in the concurrence of  
10 activities.

11 So, all inspection reports are issued with  
12 his concurrence.

13 To make sure, again if I understand it properly,  
14 that the TRT activities, if you will, and the hearing  
15 activities and the Region IV inspection activities all dovetailed  
16 together. Basically, as a project director or manager,  
17 that's his responsibility.

18 The report was drafted in the fall-- or,  
19 early fall of '85. And, in fact, was reviewed in house  
20 and then sent to-- a copy was given to the project, Vince  
21 Noonan group, if you will, and for their review and concurrence.  
22

23 As normal, I would wait for their review and  
24 concurrence through a contact. ~~and~~ After their review and  
25 concurrence, then go ahead and finalize the letter with

any comments and the report with any comments and mail the report <sup>from Region II</sup>.

During the time that it was in review by the NRC, ~~meaning basically, I think, it had been sent to the~~ off-site group, ~~a copy for review, I was, in fact, then~~ reassigned ~~to~~ in October back to the reactor safety branch, <sup>(the old reactor projects branch B)</sup> ~~which was the projects branch, and by that time we'd~~ gone to the reactor safety branch. ~~It's just a different~~ <sup>name.</sup> It was the group <sup>which contained</sup> with the engineering support inspection program.

After the October of 1985 time frame, <sup>since</sup> I happened to have been involved in this report, ~~so~~ I kept my <sup>information</sup> package, including the draft-- ~~and~~ also, my secretary had a copy of the draft --so that I might, in fact, be involved in ~~the~~ concurrence <sup>with the report.</sup> At least, ~~that~~ <sup>(</sup> I wouldn't be signing the report out because that would be done by Tom Westerman or Eric Johnson or whoever the director was at that time) ~~but~~ I wanted to be involved to make sure that our findings were being addressed properly. <sup>Because the</sup> findings were presented to me by the inspectors.

I'll just say, that's the way I normally do business.

And then, <sup>normally</sup> after I had seen the report sent out and I agreed with it and the way it was handled, then I would, in fact, have no further questions.

The <sup>final</sup> report was sent out in February, realizing that in October of '85 I no longer was associated directly. I had some people working on the project, but I was not associated directly with the project. So, between October and February, this report had <sup>apparently</sup> gone through some reviews (and I don't know anything about those. I wasn't involved in those) ← but when the report came out, <sup>and</sup> it was mailed, (and I was not involved in any changes that were made to the report) ~~I can't respond to that. But~~ I did note that the report was different from that which was in the initial draft and that which I had exited on June the 21st (in that time frame) with the utility.

~~and~~ That difference is the item that keyed my questioning my management to get the right answers and get the basis, <sup>for the change.</sup> I was not arguing, and I don't intend to argue with a report being different than that of the draft. What I asked for was the basis for the difference.

Q In what way was the final report and the draft report different?

A There were a number of differences, but I can-- I'll try to characterize them. And I have, in fact, carried this to my management, to Eric Johnson as the division director for reactor safety and projects.

What I would indicate is that there were ten



1 items of noncompliance in the draft. And again, that means  
2 that there were ten items. They could be formatted in any  
3 way, as necessary. Meaning that it could be two items with  
4 five examples, but there were ten specific violations noted  
5 in there. ~~the draft report.~~

6 When the <sup>final</sup> report went out, I saw that five of  
7 the items were reclassified as unresolved items, and five of  
8 the items continued as violations. So, my question to my  
9 management was to explain ~~could~~ ~~would they explain~~ to  
10 me the difference that made them to go from violations to  
11 unresolved items.

12 Another difference that was significant was  
13 two items in the report were missing. Now, these were the  
14 items that I checked. There are more deficiencies in this  
15 report, after I did a more detailed review, than I actually  
16 presented myself to my management. And I can point out a  
17 couple others in here.

18 Q So, there were more deficiencies in your draft--  
19 So I can understand this.

20 A Right.

21 Q There were more deficiencies in your draft  
22 than you initially thought? Or....?

23 A There were-- We identified ~~As~~ as an example,  
24 we identified ten specific deficiencies.

25 Q Right.

1 A When the draft went out-- I mean, when the  
2 report went out, the report went out with five of the ten  
3 deficiencies identified as deficiencies or noncompliance.  
4 Two of the items went away as clear. In other words, they  
5 were no longer deficiencies. Three of the items were then  
6 downgraded to unresolved.

7 Q Oh, okay. We still have the ten.

8 A Right.

9 Q Right.

10 A The total was ten.

11 And I can talk about each one of those  
12 specifically because they do need to be talked about specifi-  
13 cally. But again, ~~with the~~ (making sure that you realize  
14 that-- And it's important to me) I took each one of these  
15 to my management and asked them to handle it. And it's up  
16 to them to do what they want to do with it. After I have  
17 taken them to my management, I expect them to be able to  
18 respond to anybody as far as what they did and their basis for  
19 it being okay,

20 because some of my comments to the management  
21 were relative to the report handling and the way the inspec-  
22 tors-- the way the items were taken care of. And it has to  
23 do with management of the items, not necessarily just the  
24 technical part of the item.

25 Q Okay. Would you please go through the five

1 items that were downgraded from violations to unresolved  
2 or were deleted from the report, and if you could, explain  
3 why you thought they were a violation and the basis that you  
4 received from your management as to why they were changed.

5 A All right. Give me a second to get my notes.  
6 I have notes I made up to go through each of the items.

7 MR. MULLEY: Okay, why don't we take a short  
8 break here?

9 THE WITNESS: Okay, I appreciate that.

10 (Whereupon, there was a brief recess in the  
11 proceedings.)

12 MR. MULLEY: On the record.

13 BY MR. MULLEY:

14 Q Would you be able to go through for us the  
15 violations that were deleted or changed to unresolved items  
16 in this inspection report 85-07/05?

17 A I can go through the ones that I went through  
18 with ~~my~~ <sup>management</sup> on the inspection report, yes.

19 As I indicated earlier, the original report  
20 had ten items that were considered to be of the violation  
21 category.

22 When the report came out and I reviewed the  
23 report, the discrepancies I noted included a violation-- an  
24 apparent violation that had been issued against Criterion 3,  
25 which was design control, and the subject was lack of



1 engineering documentation providing control over certain  
2 activities. That item had been reclassified as an unresolved  
3 item.

4 The basis of this change to unresolved, I'm  
5 not-- I can't respond to that. My concerns that were  
6 presented to my management was asking for a basis for that  
7 change and what the plans were for followup and disposition  
8 of that particular finding.

9 The finding was important because the criteria  
10 and the-- regarding tolerances, levelness tolerances and  
11 shoe and bracket clearances were not included in the specifi-  
12 cation procedures-- <sup>were</sup> included in a specification <sup>and</sup> installation  
13 procedures <sup>and</sup> drawings relative to Unit 2 pressure vessel (Comanche  
14 Peak Station) installation.

15 We reviewed the work package and the traveler  
16 associated with that installation because the Unit 2 vessel  
17 installation was a question before the Staff, and we had not  
18 looked into that area. I could only respond as for the  
19 basis by actually reading the section <sup>of the</sup> report at this point.

20 I think-- I guess what I'm saying is that  
21 you will have to discuss that specifically with the individu-  
22 als involved. I was not given a specific answer to that  
23 particular question.

24 Q As to why it was being changed.

25 A As to whether or not it was considered a

1 documentation problem or whether or not there was more  
 2 inspection effort had gone on and cleared the item to the  
 3 point where they could call it unresolved.

4 Q Are you personally aware of any more inspection  
 5 effort?

6 A I am not personally aware of any, but, you know,  
 7 I would not sit here and indicate to you that there wasn't  
 8 any done because I had not been associated with the project  
 9 and there are people who could answer that question better  
 10 than I.

11 Another item relative to failure to take  
 12 corrective actions, which is an issue <sup>concerning a</sup> of nonconformance  
 13 report, <sup>The finding</sup> again was reclassified as an unresolved item, <sup>The meaning</sup> in that  
 14 <sup>Condition existed</sup> when discrepancies were identified with the clearances with  
 15 the shoes and brackets, with the construction traveler, as  
 16 it were, that Brown & Root was using to set the vessel, they  
 17 did not document those discrepancies.

18 And again, I don't know the followup or the  
 19 basis for that. ~~The reclassification of that~~ as unresolved.  
 20 And that, again, was brought to the attention of management.

21 Another item ~~deficiency~~ identified initially  
 22 <sup>regarded</sup> ~~was regarding~~ the failure to perform audits and surveillances  
 23 of the reactor pressure vessel Unit 2 installation. In  
 24 order ~~f~~ Because of the other discrepancies where they lacked,  
 25 maybe, what we would consider today strong procedural controls.

1 we asked the licensee if he had any information ~~regarding~~  
 2 that would support the activity, <sup>maybe</sup> like he had a QA surveillance  
 3 or audit team <sup>present</sup> during the installation of the reactor pressure  
 4 vessel of Unit 2.

5 Realizing that the setting of a reactor pressure  
 6 vessel happens to be one of the largest jobs outside of  
 7 pouring the containment buildings on site (it's a 400-ton  
 8 unit) and one would expect that the licensee would pay  
 9 extremely close attention to that activity since the reactor  
 10 pressure vessel is supposed to be in place for forty years)  
 11 ~~I think it was surprising to me-- I know it was surprising~~  
 12 ~~to me that they had not had quality assurance in the area~~  
 13 or had not had them <sup>(the installers)</sup> operating against documented acceptance  
 14 criteria verifying that <sup>the RPV setting</sup> it was being done properly. The  
 15 documentation <sup>reviewed</sup> did ~~not~~ show that it <sup>may not have</sup> was done entirely properly,  
 16 and the discrepancies that were noted had not had engineering  
 17 review and evaluation to show that the vessel was installed  
 18 properly.

19 As of what I know today, the item still is  
 20 deficient and needs to be followed up as an unresolved item,  
 21 or as a violation, it needs to be followed up by additional  
 22 inspection effort.

23 Again, this was brought to the attention of  
 24 management.

25 Q Now, let me ask a question concerning



1 violations and unresolved items: If there is enough  
2 information at hand to show that a certain deficiency is a  
3 violation, is it proper to change that to an unresolved item,  
4 or should the violation be written?

5 A That is a difficult question to answer, but  
6 generally speaking, if the inspector who was in the field,  
7 wrote the-- went out and performed the inspection had enough  
8 information or lack of information in front of him against  
9 the acceptance criteria which he had been provided, which,  
10 in fact, he did have and he was using an inspection module  
11 in specific areas which we had really directed him in a  
12 particular area, I would say that it would be difficult to  
13 write a violation as identified by a journeyman inspection<sup>er</sup> as  
14 an unresolved item. ~~Notwithstanding~~ if, in fact, additional  
15 information is brought out,-- ~~that~~ that is, in addition to what  
16 the man had in the first place, --he then could write it  
17 as a clear item, or he could, in fact, agree that it be  
18 reclassified as unresolved.

19 But again, that would be done by the inspector  
20 himself.

21 (Whereupon, the proceedings were interrupted  
22 by a knock at the door.)

23 A So, I guess the bottom line is the basis for  
24 reclassifying these as unresolved needs to be pursued. And  
25 that's my opinion. I did attempt to pursue that. That's a

1 management item, and it needs to be pursued. I could not  
2 specifically get the answer.

3 Q At the time you prepared the draft inspection  
4 report and approved it, in your opinion, was there enough  
5 information presented to support a violation?

6 A That's absolutely true. ~~I think that in the--~~  
7 ~~I think in the~~ Without a question, in the draft as written  
8 and again with the information that's in the inspection  
9 report, I think it's close whether or not the violation--  
10 or, whether or not it should be a violation or unresolved  
11 item. I think it could go either way, and I think that  
12 that's the inspector's and his supervisor's responsibility  
13 to work that out to their mutual satisfaction.

14 I guess my problem is that, in this particular  
15 case since the man came to me to discuss these things, then  
16 they were my concerns also because they were my findings.  
17 It concerns me that they didn't work it out.

18 Q As an unresolved item, is the licensee required  
19 to respond back?

20 A As an unresolved item, he does not have to  
21 respond at all. That's-- Again, I'm going to-- I would  
22 like to try to answer your question and not go out away from  
23 the question. But, realize that an unresolved item, from  
24 the regulatory process then is not-- doesn't require it to  
25 be included in the cover letter of the inspection report.

1 And, therefore, the licensee's management is  
2 not made aware of this particular problem unless his people  
3 bring it to his attention, which they normally don't. Or,  
4 in my experience, they didn't or don't.

5 But it's even more important because the  
6 unresolved items, then, are not brought to the attention of  
7 the NRC management either. And when we do the SALP, which  
8 is a systematic assessment of licensee performance, generally  
9 the unresolved items, in the majority of the cases, is not  
10 considered in the assessment of the licensee performance.

11 So, our own management also don't receive the  
12 information. ~~And~~ that might be represented by an unresolved  
13 item.

14 The handling of unresolved items, to me, is  
15 very, very critical, because if you carry something as unre-  
16 solved, the two management groups that can cause an item  
17 to be corrupted or cause a program to be altered or changed  
18 such that the problem will go away or not be repeated, if  
19 you will, may not ever be notified of that particular problem.

20 Q Okay. Taking the findings concerning the  
21 installation of the reactor vessel that were documented in  
22 that report, based on what you know or knew at the time,  
23 what assurance does the NRC have or TUGCO have that the  
24 vessel was installed properly?

25 A Based on the findings that I had,-- And again,



1 my inspectors and I briefed, and we briefed the licensee and  
2 exited on this particular report. --I do not have a good  
3 assurance or good feeling that-- And-- that the reactor  
4 vessel has, in fact, been engineered in the position that it's  
5 in.

6 I don't think the NRC-- And at that time,  
7 I was representing the NRC. I don't believe the NRC has a--  
8 could say that they have assurance that the vessel was  
9 installed <sup>properly</sup> and I don't believe the licensee could say that  
10 either. Until some of these discrepancies are identified,  
11 brought forward, evaluated, and other actions taken to make  
12 sure that they don't represent a generic problem with  
13 installation of major equipment *this matter appears to be open*

14 Q Now, since these items were listed as unre-  
15 solved, there's really, as far as I can see, no real pressure  
16 to do these certain actions that you think have to be done.

17 A That is correct. It'll depend on the first-  
18 line supervisor requiring special inspections-- or, followup  
19 inspections to cause the unresolved item to be determined to  
20 be item of noncompliance or clear, meaning acceptable.

21 The-- And that would occur, hopefully, at  
22 a later date, but in the near future.

23 By not writing a noncompliance item and having  
24 the utility respond to that noncompliance as lack of records  
25 or lack of data or lack of engineering, lack of corrective

1 action, as we were talking here in audits, the licensee is  
2 not in the mode of getting that into the corrective action  
3 plan in which the NRC has specified that he would perform to  
4 assure the quality of Comanche Peak. That's the bottom line.

5 The other item about the reactor pressure  
6 vessel-- And again, it will go without saying, but it's  
7 here. The reason we chose the reactor vessel-- the Unit 2  
8 reactor vessel is because it was an item in contention in the  
9 hearing, and we could not, to my knowledge,-- Again, as far  
10 as I could tell, the reactor vessel installation had not been  
11 fully audited or addressed during the 19-- let's say, the  
12 1984 time frame, and we wanted to look at it to see the  
13 status.

14 Based on the findings of the Technical Review  
15 Team where there were inadequacies in the area of <sup>coatings</sup> ~~codings~~,  
16 liner welds and other things, bolting and that type of thing,  
17 we wanted to make sure that the reactor vessel installation  
18 did not have similar problems.

19 I would indicate to you at this time, I don't  
20 know whether or not the problems are there.

21 Q Who was involved in changing these violations  
22 to unresolved items? Who in Region IV?

23 A Again, I'm speculating, but it would be the  
24 supervision and management associated with the final review  
25 and approval of that inspection.

$$\left[ \begin{array}{c} - \\ - \\ - \end{array} \right] \begin{array}{c} n \\ 1 \\ 1 \end{array} \quad \begin{array}{c} 7 \\ 1 \\ 1 \end{array}$$

and

Q

A

Q

A

Q



1 and the cover letter is dated February the 3rd.

2 A And signed out by Mr. Johnson.

3 Q February the 3rd. So, there was a period  
4 there of about four months.

5 A Yeah, I think the critical items are the  
6 inspector's signatures, if you will. And then, if you look  
7 on the concurrence on the front page, the difference between  
8 over on the right-hand-- Look on the right-hand side. You  
9 see Noonan finally signed off on 1/28 or 1/24?

10 Q Yeah. Well, he actually didn't sign this.

11 A No, it's by his representative Charlie  
12 <sup>Quahmy</sup> ~~Harney~~ (phonetically). That's what it says. And that's the  
13 way we had it set up to do. So, that's no-- I'm not  
14 questioning that. I'm just saying the date on there-- What  
15 I'm saying is: There's a lot of cases where this concurrence  
16 occurs, and that February the 3rd happens to be a mailing  
17 date.

18 Q Yeah.

19 A But that bottom-- the concurrence date is  
20 really the important date.

21 Q And it looks like everybody signed it on  
22 January the 28th. However, as I go through here, I find  
23 that H.S. Phillips, somebody signed for him.

24 A I think you'll probably find that's Tom  
25 Westerman's signature.

1 Q Right.

2 A For Phillips.

3 Q Right. Because Westerman signed for himself.

4 Johnson signed for himself.

5 A Hunnicutt signed.

6 Q Hunnicutt signed for himself.

7 A Now, see, as a matter of practice and policy,  
8 one would immediately accept the fact-- I do. This,  
9 apparently, is a problem here. But I accept the fact that  
10 when Tom Westerman signs for Phillips ~~is~~ that Mr. Phillips  
11 concurs with that signature and they've done it by phone and/  
12 or some other method. I don't know that that happened, but  
13 if they didn't concur, if it isn't with his full understanding,  
14 then that's where the problems are coming out.

15 I would indicate that we normal-- Well, a lot  
16 of times we may have, like, on a report a supervisor signing  
17 for an individual-- concurring for an individual. But  
18 again, it's the first-line supervisor's responsibility and  
19 then the second-line manager's responsibility to make sure  
20 that when, as in the case of the 84-32 report that I'm  
21 looking at, that when I sign that out that there are no  
22 disagreements within the section.

23 And if you don't do that as a supervisor and  
24 manager, you're looking for a lot of grief in the future.

25 There are dates in that 85-05/07 which make~~4~~

1 one wonder, just because of the difference in the dates.

2 Q Yes.

3 A I think the inspector signed off on the report  
4 as early as 10-85.

5 Q Right, 10-1-85.

6 I guess that was my next question. As a  
7 matter of practice, it looks like we have a couple of inspec-  
8 tors signing off on a report on the 1st of October-- the  
9 cover sheet of the report. All the pages underneath get  
10 changed. Why don't the inspectors resign?

11 A As a matter of practice because some inspectors  
12 are on other inspection trips, some inspectors are at the  
13 site, there are a lot of cases where the supervisor himself  
14 is responsible to make sure that, again, he's representing  
15 the individual, that there are no questions.

16 Now, that allows a supervisor to-- He could  
17 subvert the system. Okay?

18 Q Yes.

19 A If my supervisor did that, he would be  
20 reprimanded severely. You know, because, in fact, he has  
21 taken a GS-13's, 14's findings and has changed them. And  
22 if that man disagrees with that, then it becomes obvious  
23 that the supervisor didn't follow through adequately or  
24 designated somebody else to do it and that individual let him  
25 down.



1 I don't know those answers. I do know that  
2 that report ought to represent that signature.

3 Q Yes.

4 A I don't understand why, if a report was  
5 substantially changed-- when the report was substantially  
6 changed, as it is, I don't understand why the dates were not  
7 changed and it was not resigned by those individuals.

8 Q I guess as an indication of how substantially  
9 the report was changed, when these inspectors signed this  
10 report in October of '85, they were signing for certain  
11 paragraphs. One of the paragraphs they signed for-- all of  
12 these people signed for was paragraph 19.

13 A Okay.

14 Q Now, if you go through the report itself that  
15 was finally sent out, there is no paragraph 19.

16 A I can respond to that, but it's not the 19  
17 that's important. It's the fact that paragraph 18 was taken  
18 out and 19 became 18. And I think that ought to be pursued.

19 Q Right. And there's an indication there of  
20 just, you know, exactly how much this report was changed.

21 A Well, and look at the cover letter. I'm  
22 trying to help. I know a lot more about it. On the cover  
23 letter, you'll find out that the areas inspected, including  
24 a review of nonconformance. Okay?

25 Q Right.

1           A           I think that's what the words are. Select  
2 examination, all right. Action of the applicant on design  
3 deficiencies and plant tours.

4                   And in the report, and I'll give you a-- In  
5 the report summary, which really identifies the paragraphs,  
6 it says, "Status of review of violations, ~~of~~ <sup>and</sup> unresolved items."  
7 And a trend analysis.

8                   That no longer exists. So, there is a discrep-  
9 ancy in the report summary and that which is in the report  
10 details. And I can't respond to that. I just happen to know  
11 that that existed when I looked at it. Therefore, the--  
12 I don't know what it indicates.

13                   It indicates, I know, that the-- what was in  
14 the draft is no longer there. I'm not sure why it's not  
15 there. I would not-- And I didn't ask that specific question  
16 when I was reviewing this with-- for the concerns that  
17 ] and I had between myself and [ ]

18                   I wanted to point out, earlier you asked  
19 about the items of noncompliance, and I didn't want to get  
20 off of those.

21                   We had item of noncompliance that by our  
22 initial draft was-- Item No. 9 was ~~the~~ <sup>the</sup> Criterion 8 material  
23 traceability problem, and Item No. 10 was a Criterion 17  
24 records problem. Both of those items were cleared. They  
25 actually became acceptable.

1 And I took this to management, and I do have  
2 an answer for those two that they gave me. The answer was  
3 that subsequent inspection or subsequent provision of records  
4 by the licensee subsequent to the inspection dates--

5 In other words, obviously it was in the 1986  
6 time frame.

7 Q Right.

8 A January time frame.

9 They actually brought additional information  
10 to the inspector's attention to clear these two items. Okay?

11 And, by the way, I disagreed with that. It's  
12 okay, but there's no documentation in the record, and that  
13 means in the inspection report.

14 Also, the inspection report period ended in--  
15 the inspection report period ended in June of '85, and they  
16 brought additional information in the late '85 or early '86  
17 to clear two items of noncompliance. And it's not reflected  
18 in this report.

19 The appropriate manner, by the way,-- And  
20 I can have an opinion, by the way, --is that these items  
21 will ~~either be carried and/or carried as items of noncompli-~~ *unresolved*  
22 ~~ance~~ *items* And they would be documented as closed in subsequent  
23 inspections by the NRC.

24 What it does is it makes it-- It doesn't  
25 make the record clear. It doesn't provide a clear record,



1 and I would indicate that that's really not the way to do  
2 business.

3 Q How appropriate do you feel it is for a  
4 licensee to take five or six months to retrieve records?

5 A It's absolutely inappropriate. Retrievability,  
6 by definition, is not that he can retrieve it in any amount  
7 of time. Retrievability means that he has a system set up  
8 that makes a record retrievable in a reasonable amount of  
9 time.

10 In this particular inspection, by the way,  
11 we gave them over a week-- in the range of a week to come  
12 up with records on major pieces of equipment, reactor coolant  
13 piping and reactor vessel. The major pieces of equipment  
14 that were--

15 It wasn't like we were asking for a piece of  
16 equipment that was a small item that they, maybe, didn't  
17 pay that much attention to.

18 And the licensee could not, and did not even  
19 at the exit-- And we did exit. And you look in there, we  
20 exited with Mr. Merrick who happened to be Unit 2 project  
21 manager with TUGCO. He did not, and could not, provide the  
22 records.

23 Not in the report necessarily, and we don't  
24 normally document it as that-- Of course, we don't document  
25 the number directly ~~of~~ the people ~~directly~~ that we ask for

1 ~~The records~~  
2 ~~them directly~~, But we did go for piping records and reactor  
3 vessel records. We went to the appropriate levels of manage-  
4 ment, including Mr. Purdy who was the quality assurance  
5 manager for ASME piping ~~for him to get~~. Not that he knew  
6 where the records were, but that he was to get the people  
7 together and rally the people together to get us the records  
8 that we asked for.

9 My understanding after the meeting with my  
10 management was that, yeah, these records did show up three,  
11 four, five months later. And based on the records showing  
12 up in that time frame, they, in fact, closed these two items  
13 out.

14 As an example now, they-- by closing those  
15 two items out, they haven't addressed the fact that the  
16 records weren't retrievable in a timely fashion.

17 And to me, that, in fact, is as important as--  
18 since the records represent quality, as the fact that maybe  
19 the records did not-- they were lost, they were misplaced,  
20 they weren't in the proper storage so they weren't cataloged.

21 Part of the program requirements are that the  
22 licensee be provided-- that the licensee provide to himself  
23 and to us, by the way,-- We're doing this for him. I hope  
24 everybody realizes that. --is that the records be provided  
25 to represent the quality of that site.

The-- Really, when you clear an item like

1 that-- And on material traceability, they cleared that item  
2 also by presenting records after the fact and actually  
3 allowing the man to go to the field and look at a--  
4 apparently look underneath a hanger or something on a piece  
5 of pipe and convincing the inspector that-- And I can't  
6 question it once the inspector tells me <sup>the item is okay.</sup> But convincing the  
7 inspector three months after the fact that the item he  
8 inspected was okay. ~~That's~~ <sup>is</sup> an item that can be answered,  
9 but not necessarily by me. It's just that I have the concern  
10 with things being handled that way.

11 Q So, you think it would have been appropriate  
12 then for the licensee to be cited for nonretrievability of  
13 records?

14 A In this particular case, I specifically  
15 supported the citation for lack of retrievable records and  
16 notwithstanding that I do have some insight on the records  
17 problem at Comanche Peak that made this particular citation  
18 even more important because it represented-- our sample  
19 represented an additional problem or a further problem of a  
20 lack of records in the field.

21 The TRT identified lack of records on bolting,  
22 piping, liner plate welding, et cetera, et cetera. And all  
23 this is, is another example of records in the area-- And  
24 we have two cases that we looked at. We looked at the  
25 reactor coolant piping. There's a lack of records there.



1 site Tom Westerman assigned to put the report together.  
2 That would be the group, up to and including Tom's approval  
3 of the report. Hunnicutt's, in this case. Tom Westerman's  
4 approval and Hunnicutt's approval. And, in fact, Eric  
5 Johnson's final approval and the issuance of the letter,  
6 with the concurrence of Vince Noonan's group.

7 This signature represents-- Obviously, a  
8 manager has to assign a group of people, and ~~Henry (phonetic)~~  
9 ~~Phillips~~ happens to be the individual assigned to the review  
10 for him of Region IV inspection reports, I believe, at that  
11 time.

12 That's the way I understood it. I'm not sure  
13 that's the way it is today.

14 Q Okay. As I go through the concurrence here,  
15 as it stood at the end of January of '86, we have Phillips,  
16 then Hunnicutt, Westerman,--

17 A Yes.

18 Q --Johnson,--

19 A Johnson.

20 Q --and then Noonan.

21 A Noonan, yeah.

22 Q Now, in October when the draft went out, when  
23 you were still involved with Comanche Peak before you were  
24 transferred back to the branch position, how was that  
25 concurrence done?

1 A I'm not sure. I don't have a-- But it would  
2 be Phillips, probably Hunnicutt, Hunter-- And I'll use this  
3 as an example. And ] and probably Denise and Noonan.

4 Q Okay.

5 A That's the way it would have been in the  
6 original concurrence packet. And we could verify that in  
7 the system, but that would be the difference. Basically,  
8 Westerman took my place on the concurrence because he became  
9 the project director, and Eric Johnson, since Mr. ] had  
10 terminated ~~Eric on the work elsewhere~~, then Eric became the  
11 acting director of reactor safety <sup>and</sup> projects.

12 Q So, at the time the draft went out in October,  
13 which individuals had concurred in the draft?

14 A The original draft, as it went out in October  
15 prior to whatever changes occurred, it was-- basically  
16 concurred and signed as indicated on the front page as  
17 indicated by each of these individuals.

18 Q Okay. The front page of the report.

19 A That included Phillips, Hunnicutt for  
20 Cummings who was the senior resident inspector at that time  
21 of the inspection, <sup>Q</sup> Dale Norman who in fact-- I don't--  
22 I'm not purporting to know why Phillips signed for ]  
23 but it was in the October '85 time frame. And then, it had  
24 been approved in October by Hunnicutt, the supervisor.

25 So, when the concurrence is on front by

1 Shannon Phillips, basically it represented all those people.  
2 And then, Hunnicutt, that represented, at that time, the  
3 approval.

4 And those dates on that concurrence, as I  
5 had left it when I changed projects, would represent-- it  
6 probably was in the range of 10-2, the same as on the inspec-  
7 tion report. It might have been November or December, I  
8 don't remember. But it was in that October time frame, I  
9 believe.

10 Q So, based on that, it seems like the people  
11 who affected the changes would be Tom Westerman and Eric  
12 Johnson.

13 A I think it would be these three right here.  
14 It would be Westerman, Eric Johnson, and Noonan.

15 Q Okay.

16 A In other words, you know, you just have to  
17 realize that, in fact, the project is Region IV project and  
18 NRR-- you know, NRC project, it would be done between those  
19 three people.

20 They couldn't change the report without his  
21 concurrence--

22 Q Right.

23 A --because he signed off on it as concurring  
24 with the changes.

25 So, I don't know. Again, I'm speculating.



1 Q Let's see. Would Noonan sign off on-- In  
2 other words, he would see the draft report and then see the  
3 final-- or would he just seen the final?

4 A He probably would see the draft, and then he  
5 would see the changed draft, and then he would see the final.  
6 In other words, he would be-- I would not think that the  
7 NR-- that we would-- Well, I think-- You can ask him  
8 that, but that would cause a lot of problems. In other words,  
9 that's just not the way we do business.

10 I'm sure that this concurrence represents that  
11 he or his representative knew what was going on. Now, I'm  
12 not sure they understood the basis of it. They may have  
13 taken the words of the people here (indicating). But, you  
14 know, that's something that will need to be asked.

15 Q Did you personally have any conversations  
16 with either Westerman or Johnson concerning the differences  
17 between the draft report and the final report?

18 A The first conversation I had with them was  
19 after the report was issued on February the 3rd, and then  
20 I reviewed the report. And I set a meeting up with them in  
21 the latter part of February in his <sup>(Johnson's)</sup> office. In fact,--  
22 Well, the latter part of-- Yeah, the 25th of February of '86,  
23 we had a meeting to discuss this-- the differences.

24 That's the first conversation I had because  
25 I had noted the differences.

1 Q So, they-- Even though at the time of the  
2 inspection you were the man in charge, so to speak,--

3 A Yes.

4 Q --you had signed off on the draft report  
5 indicating that you accepted the violations as was written  
6 in the draft,--

7 A Yes.

8 Q --they made some very significant changes to  
9 the report--

10 A It appears that way.

11 Q --and didn't take the time to get your input--

12 A That's true.

13 Q --until after the report went out. And you  
14 found the discrepancies yourself.

15 A They, at no time, asked my opinion or got my  
16 input. I, in fact,-- Like I said initially, because of the  
17 way I do business, it was my work. I verified my work after  
18 the report was issued and noted some substantial differences.

19 Q Now, you were involved more or less as a  
20 hands-on involvement with the inspectors in the inspection.

21 A I think, at that time, very much so because  
22 the inspection plan was developed and approved by Doyle and  
23 myself, and I'll indicate mostly by myself. So, Phillips  
24 and [ ] and the crew-- And we can talk about the report,  
25 but they went out and did their individual sections of the

1 inspection that were basically directed and concurred in by  
2 Hunnicutt and myself, and mainly by me because I had a broader  
3 overview of what the TRT-- and I was involved in the TRT  
4 action plan drafts, and I had areas that I had specifically  
5 felt needed to be reviewed.

6 That's why we picked main coolant piping, which  
7 is a substantial finding in here that has been altered, and  
8 the way the hydro was performed on the main coolant system.

9 And also, we picked the setting of the Unit 2  
10 reactor vessel because that was a contention item.

11 Q And in the development of the draft report,  
12 did you review with the inspectors their support for the  
13 violations?

14 A I sure did. We actually got together and  
15 reviewed at the time we exited with the licensee, because, as  
16 usual, I would exit with the licensee and go through the  
17 findings in general and then any specifics on the finding  
18 itself. The licensee would direct his questions to the  
19 inspector. I don't purport to ever understand all the  
20 details of the inspection. I would like to think that I did,  
21 but if it was in the area of electrical, I would feel very  
22 comfortable or ING of operations. But in the area of NDE or  
23 welding or material traceability, then I would depend on  
24 my journeymen inspectors to be able to support that. And  
25 that's the way I do business.



1 Q So, this report, then, was changed back at  
2 the headquarters in Arlington, Texas by people who were not  
3 involved in the inspection at all.

4 A They were not involved in that particular  
5 aspect of it. I can't respond as to what they did after the  
6 fact.

7 Q And so--

8 A The basis for the changes.

9 Q And you don't know the basis for the changes.

10 A I do not know the basis for the changes,  
11 except in the two cases where they said three months or so  
12 after the fact the licensee brought records over and we  
13 accepted those records.

14 My inspector-- The supervisor said, Here's  
15 the records; accept them. And that's the way it was done.

16 I would not think that that was the clean  
17 way to operate.

18 Okay. You already mentioned the other item  
19 that in the meeting that I had with my management on the 25th  
20 of February. You mentioned the difference in the signature  
21 and dates on the report, and I did cover those with my  
22 management and indicated that, at best, that we needed to  
23 be more careful and be more sensitive to the signature and  
24 approval dates and make sure that they do represent the fact  
25 of what we had actually done.

1 I could interpret-- I could read this one  
2 way in a negative sense. And even if they didn't intend it  
3 as being negative, it could show up that way. Therefore, to  
4 me, it was not a good practice.

5 Q What was their response to those comments?

6 A It's okay. No response. Basically, we do  
7 things the way we're going to do them and the way we want  
8 to do them, and it's management's prerogative.

9 You know, I think it's just indifference maybe.  
10 So, I'm not being critical. You know, I'm just saying that  
11 was my feeling when I left.

12 The meeting we had in the office, I felt as  
13 an outsider. I felt like I was being-- and I  
14 had the meeting with the other people, Tom Westerman, Eric  
15 Johnson, Ed Barnes. Immediately, we felt like we were on  
16 the bad side of the table and they were on the good side of  
17 the table.

18 After that, I felt very uncomfortable going  
19 through the issues because I knew I wasn't going to get any-  
20 where.

21 To carry it a little further, I got word that  
22 I was-- that Vince Noonan would like to talk with me. I  
23 did, in fact, discuss it with him, indicating to him that I  
24 was considering taking the issues to my-- further levels  
25 of management, at which time on the-- oh, about a week later,

1 that was on a Friday. Probably a week and a half. It would  
2 be a week and a half later on a Monday, I went to see Mr.  
3 Martin and discuss these same issues, indicating to him that  
4 I felt he had a problem in this particular area and that the  
5 reason I gave him the basis because I didn't feel like the  
6 findings were being handled to the satisfaction of the inspec-  
7 tors and that he was to cause that to be-- he was to review  
8 that situation.

9 It was after that that I got the memo that  
10 says I have five days to put my concerns in writing. So,  
11 I wasn't very happy with that either.

12 Q Okay. We earlier talked about an Item No. 18  
13 that was deleted--

14 A Yes.

15 Q --completely from the inspection report.

16 A Yes.

17 Q What did Item No. 18 have to deal with?

18 A Again, I'll try to make a long story short  
19 because there is no short story here.

20 But one of the things that a project director  
21 does, and that's what I was doing, is to review the licensee's  
22 program, his docket, the status of violations, unresolved  
23 items, deviations, and 50.55(e)s, event reports. And if you  
24 do the event reports and the Part 21 reports, you've  
25 established the reportable items to the project that he has



1 given us, the NRC. If you review--

2 And then we review-- And again, I say we  
3 review those. And Shannon's good at this. He's a good  
4 organizer.

5 And then he reviewed-- We discussed status  
6 of the violations that had been issued by Region IV, just  
7 generally. I didn't go into the specifics because I didn't  
8 have enough time, and I didn't feel like, as a manager, I  
9 needed it.

10 Secondly, we looked at the unresolved items,  
11 which generally an unresolved item is cited against a  
12 criterion of Appendix B or some regulatory requirement.  
13 Because even the-- The reason you're in there looking at  
14 a particular area is because there's a regulation you want  
15 to verify.

16 So, what we did is we plotted those items  
17 specifically to come up with a status of the licensee's  
18 events reports, 50.55(e) and then of the violations with  
19 the idea, again, that this would be used to tailor the inspec-  
20 tion program and, if there were any areas in the TRT that  
21 weren't being looked at, that this indicated ought to be  
22 looked at, we were going to initiate special inspection  
23 efforts in those areas.

24 I'll give you an example. This review showed  
25 there was a potential problem in the area of design control.

1 The design control was specifically within the Comanche Peak  
2 response team action plan. We didn't plan on doing anything  
3 special in that area, but there was a definite lack of  
4 inspection findings and/or a lot of unresolved items, and  
5 they finally just went away, in the area of procurement  
6 and approved vendors.

7 So, we, in fact, planned on performing  
8 additional inspection effort concerning vendors, procurement,  
9 and safety-related equipment at Comanche Peak. And then,  
10 with those findings, feed those into the response-- into  
11 the quality verification program, the response team program.

12 But for some reason, a general overview of  
13 those deficiency reports, violations, and that came out  
14 of that report, disappeared.

15 Q What reason?

16 A I don't know. I have no-- That was covered,  
17 apparently, with supervisor and the inspector. I have no  
18 idea.

19 Q Do you--

20 A ~~I don't I don't~~ The information was  
21 in there, and we discussed it at the exit with the licensee.  
22 It was provided for his information so that he could assess  
23 it. And I don't really know why it would be taken out.

24 Q Would this information cause problems for the  
25 licensee?

1           A       It could identify areas of concern, and it  
2 could-- you know, in that one could construe that to a  
3 number of things. It might appear to be negative if you  
4 looked at it relative to the NRC and that we knew about  
5 certain things and yet today we have those problems. And it  
6 also would indicate that-- It would provide a negative  
7 indicator to the licensee that he, in fact, had been provided  
8 these problems in the past and the problems still exist  
9 today.

10                   And so, I could see where someone might con-  
11 strue that in that fasion. I happen to not do that. I  
12 happen to think that was data to cause us to do our job  
13 better.

14                   And let me continue. You indicated that I had  
15 a memo from \_\_\_\_\_ to Johnson dated January the 13th, '86.  
16 Realize that this is in the time frame that the report was  
17 finally issued, and it was a culmination of that effort.

18                   I, in fact, issued to Eric Johnson a memo  
19 with enclosures that took that assessment done by Shannon,  
20 Phillips, and myself at that time-- And I'll indicate it  
21 was done by us. It includes six enclosures, and each of  
22 these enclosures provides a historical amount of information  
23 or the assessments of each individual area. This was pro-  
24 vided to him January the 13th. I have not-- I have not had  
25 any feedback relative to that as of April the 10th, verbally



1 or otherwise. I don't know what's been done with it.

2 I wrote in the letter that this was provided  
3 for his information, and it was provided for them to use as  
4 they saw fit. I'm not saying that I should have gotten  
5 something in writing, but as of this day, I haven't received  
6 any verbal-- or, it hasn't even been confirmed that I sent  
7 it to him.

8 Q Now, this is pretty much the substance of that  
9 Item 18.

10 A This was the substance of the paragraph under  
11 Item 18. From the-- Parts of it. There's more in here.

12 As an example, we reviewed the inspection  
13 program implemented at Comanche Peak Station in Enclosure 3.  
14 That's none of the licensee's business. And so, this is  
15 provided to Mr. Johnson to say: "In many instances, report  
16 documentation was not adequate to demonstrate the inspection  
17 procedure was, in fact, inspected."

18 Now, that's what I would consider a weak area,  
19 and then I would go back and-- I would consider that for  
20 reinspection. Not that I would reinspect it, but I would  
21 consider that for reinspection.

22 Percentage completion, there were some ques-  
23 tions relative to that, you know, that wasn't there.

24 "The following areas may require additional  
25 inspection effort because structural steel supports"-- There's

1 report documentation that we looked at was weak. Now,  
2 Shannon looked it up, and Shannon provided me with the  
3 documentation. And so, it was a coordinated effort. But it  
4 was a good effort. I'll stick up for Mr. Phillips. He gets  
5 an "A" for this.

6 The reactor vessel, the module, additional  
7 inspection needed. The reason is because that module probably  
8 was signed off at 20 percent enclosed.

9 We used that criteria that we inspected that  
10 the inspection program be signed off and documented. And if  
11 we found out that it was signed off at a very low level, up  
12 to and including zero, or that the documentation didn't  
13 support the-- It was signed off at a hundred-percent enclosed  
14 and there was no documentation to support that signoff, we  
15 didn't-- we weren't criticizing people in the past. We  
16 weren't even going to question whether or not they did it.  
17 We were just going to repeat it just to make sure.

18 And really, there was only one, two, three,  
19 four, five, six, seven areas here that really needed to be  
20 looked at or considered for additional inspection.

21 It wasn't a big deal, but it certainly would  
22 be conservative, and it would seem to me like it would be  
23 constructive.

24 Q At this stage, getting back to that, would it  
25 be possible to do inspections to get these modules closed?

1 (Whereupon, the proceedings were interrupted  
2 by an incoming telephone call.)

3 A Your last question relative to doing post-  
4 completion inspections or post inspections in the area.  
5 That's a very difficult question. In some cases, there's  
6 no way to recover it, but there is generally a way to expand  
7 the inspections, do more inspections, do more detailed  
8 inspections. And, in fact, you can actually do concrete  
9 testing.

10 If you don't have the records to support  
11 concrete structural strength, the test coupons, you can go  
12 to the field and take core samples.

13 If you don't have records to support the  
14 compaction of the soils, you can go to the field and take  
15 core drillings and verify compaction.

16 Electrical separation, you can walk down  
17 cables.

18 Yes. We won't be able to recover the modules  
19 exactly as they would have been done if you had have been in  
20 the field observing the activity, but a program can be written  
21 to re-establish quality.

22 So, no, we wouldn't be able to do the modules  
23 as written, but we would be able to verify quality in the  
24 areas today. And that's what the verification or the quality  
25 program-- the quality-- They use Comanche Peak response



1 team. And to me, that doesn't-- That tells you what it is.  
2 They're responding to somebody told them something is wrong.  
3 What I want to call it is a quality confirmation program.

4 They are going to be able to verify quality in  
5 the areas that are identified. They'll either verify it, or  
6 they'll tear it up and rebuild it.

7 Q Well, I understand, for example, that one of  
8 the modules that wasn't completely done had to do with the  
9 installation of the reactor vessel and some of the external  
10 stuff. Now, that, I thought, had long been buried in concrete  
11 or whatever.

12 A It's been set in concrete, but there are  
13 methods to check clearances to reverify the way it's sitting,  
14 to take measurements today in most cases. Now, there's some  
15 cases where we wouldn't be able to get the data, but manage-  
16 ment would have to decide what was acceptable at this time.

17 I don't know of any-- generally, any quality  
18 that couldn't be verified, up to and including you asked about  
19 the vessel.

20 Q Right.

21 A Say, that the problem was with the embeds.  
22 In other words, steel embedded in concrete. Now, those kinds  
23 of things give you a problem, but you could actually  
24 hydraulically load those and verify that they are, in fact,  
25 capable of withstanding design loading. A very expensive

1 evolution, but if an embed failed and a cable tray failed  
2 during a seismic event and the core melted, management has  
3 to decide what they want to do. And it can be done, up to  
4 and including loading equipment up to its design load some  
5 way. Tearing it apart and rebuilding it, that has been done.  
6 If it's enough-- If it has enough safety significance, then  
7 the NRC will have to decide, as a whole. That's why there  
8 is a Comanche Peak project director under Vince Noonan, to  
9 decide what needs to be done at Comanche Peak.

10 All I was doing, all our Region should be doing,  
11 is to supplying him information, verifying that that which  
12 they are doing is what they said they were going to do, give  
13 him any new information, and then assist in helping develop  
14 the-- and establish the quality.

15 TUGCO says the plant's of quality nature.  
16 Okay, that's fine. I would too if I had all that money  
17 invested. It's our job to verify that quality for the public  
18 health and safety. We're not allowed to state whether or not  
19 the plant is of quality yet, except in the areas that we've  
20 verified or that we've established that the licensee has  
21 verified. Because concrete testing happened to be done by  
22 them and us both, then we verified that for that particular  
23 area, quality is there.

24 The thing that we didn't do, as an example,  
25 was for overall concrete where there was a mixing blade

1 question in the 85-05/07 report, we did not, in fact,  
2 verify all concrete out at the site, or we did not verify,  
3 based on the fact that there may be a generic problem with  
4 concrete. We verified it, maybe, based on some false records.

5 And I understand that the Comanche Peak  
6 response team action plan item number umpty-squat, you'll  
7 read that, and you'll know exactly why they verified it. It  
8 was verified for a specific case, and they took samples of  
9 specific concrete.

10 And I'm not saying that that's not adequate  
11 to verify the problem with the batch plant or with the trucks,  
12 but the licensee has to tell us that it was adequate or give  
13 us additional testing that shows that it was adequate.

14 Q Okay. Getting to that issue of the concrete  
15 verification and the truck mixer blades that was covered in  
16 the last paragraph of the February 3rd, 1986 transmittal  
17 letter concerning report no. 85-07/05, it talks about a  
18 violation in the report, violation 2C.

19 A And that was one of the violations that did  
20 remain, if I'm correct. Okay, go ahead.

21 Q And it assigns it a severity level number 5.  
22 And then it says, however, on the letter that, "No reply  
23 to violation 2C is required."

24 Is this appropriate?

25 A I haven't reviewed it in detail. I don't



1 believe that in that particular case it's appropriate because  
2 I know what the finding was. I don't believe it was appro-  
3 priate because the mixing blade problem affected all the--  
4 could have affected a large number of concrete trucks over a  
5 large period of time.

6 The reason they needed to respond to that, it  
7 would seem, is that they needed to evaluate that the test  
8 program that was performed on concrete had, in fact, addressed  
9 the impact of not having adequately verified the concrete  
10 mixing blades, which is a requirement of the code-- concrete  
11 code, over an extended period of time.

12 In the notice of violation as it was written  
13 in the draft, it would require that the licensee address the  
14 corrective steps which had been taken and the results achieved.  
15 That means that he has to assess the situation as it affected  
16 immediate site and the immediate-- and the past constructed  
17 site and to assure that the quality of the item, in this  
18 case the concrete, is, in fact, still valid.

19 The licensee might have to say, we have to  
20 do additional concrete boring, testing dynamic-- static  
21 dynamic testing. We may have to take concrete out and put  
22 it back in today because there's no way of verifying it.

23 But by not requiring a response, my assumption  
24 is that, in the report, that those kinds of items were  
25 discussed with the licensee, and the licensee-- and we

1 received the appropriate response to our inquisition.

2 I believe-- I think I can say that that's not  
3 in the report.

4 Q It says on the cover letter-- To defend the  
5 fact that no response is needed, it says that "Since the NR  
6 procedures have been revised to provide documented inspection  
7 of truck mixer blades, there was no abnormal blade wear  
8 identified as a result of blade inspection, and there have  
9 been consistent concrete strength and uniformity tests,  
10 no reply to violation of Point 2C is required."

11 That doesn't seem to address adequately the  
12 historical problem that we're faced with now.

13 A I don't-- By looking at that, I don't know  
14 that the test reports would substantiate that kind of state-  
15 ment. The licensee needs to determine that and needs to tell  
16 us that. And that's what the response would do.

17 We have had some special testing done, and  
18 there are test coupons performed at the site. But the  
19 licensee needs to review those and make sure that they are  
20 inclusive of this particular problem. And they would answer  
21 that particular safety concern.

22 The inspector has a concern in that area,  
23 and it may be valid. It should be pursued.

24 Q Okay. Well, to summarize Inspection Report  
25 85-07/05, the changes that were made to the inspection

1 report, the changes that were made between your draft and  
2 the final report that went out were made without your  
3 knowledge.

4 A I had not-- There was no questions asked to  
5 me. To my knowledge, that's true. I did not know that  
6 changes were made.

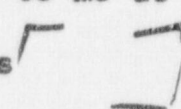
7 Q And you didn't discover the changes until some  
8 time later when you were reviewing the report?

9 A Again, when I did finally receive the report--  
10 And I don't know the exact date. It was in the-- probably  
11 in the mid-February- or, the second week in February by the  
12 time I got the report from my secretary. Then I specifically  
13 reviewed the report in certain areas--

14 And again, what I thought as critical areas.

15 --and noted the differences. And at that time,  
16 I commenced to-- I think around February the 21st, with  
17 Eric Johnson verbally and ending up in a meeting in his office  
18 on the 25th of February.

19 Q Were you given this report officially?

20 A The report was provided to me as the chief of  
21 the reactor safety branch, not to me as  I think  
22 that's officially. But it wasn't provided to me as me being  
23 part of the inspection team. I think maybe that's true. It  
24 was provided to me generically the same as any other inspec-  
25 tion report would be provided to the chief of the reactor



1 safety branch.

2 Q Just for information purposes.

3 A Yes. It's for-- because the chief of the  
4 reactor safety branch has some responsibilities relative to  
5 review of inspection report findings, generic issues, that  
6 type of thing. So, we stay cognizant as a branch of work  
7 going on.

8 Secondly, a person in this particular report,  
9 as an example,-- This or other reports. - )  
10 happens to be out of the engineering branch. I require my  
11 section chief, and that's what you'll find I did, I think,  
12 in this case. I usually put my section chief's name up here,  
13 and then he's to review } work for consistency  
14 and adequacy. Because he has to provide at least the  
15 appraisal with the man he's working for now's input. So,  
16 it's very important to look at the guy's work.

17 In this case, again, there was one engineering  
18 support inspector on there, and that's-- you know, that's  
19 the-- that would be our normal procedure.

20 (Whereupon, off-the-record discussion was  
21 held.)

22 BY MR. MULLEY:

23 Q Do you have some other areas that you would  
24 like to discuss?

25 A Right. I wanted to put two items on the record,

1 And we looked at setting of the reactor vessel, and there's  
2 a lack of records there.

3 And so, it makes it very important that the  
4 licensee include the review of records in these two areas in  
5 his quality verification program. And as it sits right now,  
6 since that item was cleared, that particular item wouldn't  
7 be the catalyst to have that happen which, in fact, I felt  
8 like it should have been.

9 Q Now, we earlier alluded to the people involved  
10 in the overall review of this report as changing. Who, at  
11 that time-- What individuals were involved in reviewing this  
12 report after you were pulled off the Comanche Peak project?  
13 Who replaced you and was responsible for reviewing this  
14 report?

15 A Well, I think the clearest path of that is  
16 that in October when Tom Westerman took over the review path,  
17 Doyle Hunnicutt and I basically left at the same time. He  
18 ended up in the safety branch and then in reactor projects.  
19 And I'd have to look at the specific dates. But basically,  
20 Tom Westerman took over the project, and he worked for Eric  
21 Johnson. Mr. [redacted] had left, and I don't know the  
22 date. But he had left and Eric then became acting director  
23 or director at that time.

24 Then the process would be the inspector, the  
25 senior resident, the-- ever who the project manager of the

1 and they're just items to make sure that the record is clear.

2           During the inspection at Comanche during the  
3 85-07/05 time frame, we had identified two items. And we  
4 actually classified them as unresolved because we needed  
5 clarification from headquarters, and those two items were  
6 removed from the report. One was noted as clear, and that  
7 had to do with a discrepancy between the commitments to the  
8 ASME code and the FSAR and the actual purchase information on  
9 the reactor coolant system piping.

10           And at the time of the inspection, the purchase  
11 documentation and the FSAR did not agree, or there was a  
12 discrepancy. And the-- It needed to be clarified, or it  
13 needed to be straightened out.

14           Subsequent to the inspection, I believe like  
15 in December of 1985 after we brought it to the licensee's  
16 attention, they made a-- they issued a change to the FSAR  
17 correcting the situation, and we attempted to follow up on  
18 the basis for that change and weren't able to, to get a  
19 basis for that.

20           That needed to be looked at further. It may  
21 be appropriate, but the written basis for it wasn't easily  
22 found by the inspector.

23           The other item was that-- concerned the  
24 method of hydro of the reactor coolant system boundary--  
25 piping boundary-- reactor coolant system boundary piping.



1 We noted that the hydrostatic testing of the piping was done  
2 at the site as a-- and included in the main hydro reactor  
3 coolant system in the late-'70 time frame.

4 The piping subassemblies were fabricated in  
5 the '76-'77 time frame.

6 The Code and our review of the Code indicated  
7 that the hydrostatic testing of the piping subassembly should  
8 be done by the piping manufacturer when, in fact, it was  
9 actually performed by the piping assembler, Brown & Root, in  
10 the late-70 time frame.

11 We saw this as a questionable practice and  
12 weren't really attempting to get a-- to say that we were  
13 right or wrong or that we were the experts. But we had  
14 carried that as unresolved to provide in writing to NRR,  
15 the Staff, the question and let that be clarified as it nor-  
16 mally would be on any question that the inspection force comes  
17 up with.

18 That particular finding, unresolved item, was  
19 removed from the report. Therefore, the question was not  
20 going to be asked.

21 When this was discussed with my management,  
22 the answer was that that practice is industry practice and  
23 it's okay. Therefore, why bother to ask.

24 And that response was not considered adequate  
25 by myself because we asked the question: Was it industry

1 practice to perform hydrostatic tests in this manner? And  
2 the answer was: Yes, it's industry practice.

3 And then we asked the question: Was it in  
4 accordance with ASME Code and could they indicate to us where  
5 it was? And they said: Well, it's industry practice.

6 Therefore, we did not have an answer.

7 When I took this to my management, which I  
8 did in a meeting in late February,--

9 Q Who is the management you're talking about?

10 A I went to Eric Johnson, and during the meeting  
11 in his office with Westerman and Johnson, we discussed this  
12 issue. And I was-- And we discussed the need to carry it  
13 as unresolved in the inspection report as is normal practice  
14 with the NRC until we get an answer from the Staff. And if  
15 the answer agreed with the way the licensee was doing the  
16 hydrostatic testing and we were provided guidance, then the  
17 unresolved item would go away as an acceptable practice.  
18 Then we'd have in writing the way they could be performing  
19 main hydrostatic testing.

20 If, in fact, the NRC said that the way they  
21 were doing business was not acceptable to the NRC and the  
22 ASME Code, then, in fact, their main hydrostatic testing of  
23 Comanche Peak Unit 1 was unacceptable-- it would be  
24 unacceptable. That was the question.

25 When I brought that question to Mr. Westerman

1 and Mr. Johnson, Mr. Johnson, in fact, indicated that I  
2 should put those in writing in a memo to him and ask head-  
3 quarters' guidance in both areas regarding the discrepancy  
4 between the FSAR and the purchase documentation for the  
5 piping and the method of hydrostatic testing.

6 And those two particular memos are in draft  
7 to be sent to the appropriate director in headquarters for  
8 resolution of those issues. But both of those issues, as it  
9 were, are no longer in that 85-07/05 report.

10 Q So, from what I understand, you're actually  
11 following up on these items to get answers--

12 A Yes.

13 Q --except there's no track record to show the  
14 public or anybody else that there was ever a question.

15 A That's correct.

16 Q So, the item is, in fact, unresolved.

17 A The item, in fact, is unresolved pending our  
18 clarification of the issue with headquarters, but it has not  
19 been, and as far as I know in my future dealings, it will not  
20 be, with the practice that, if you find an issue at a plant,  
21 you carry it unresolved at that plant, ~~and then you--~~ until  
22 it's resolved. That's not considered as ~~one would~~ as  
23 one had indicated to me, holding the licensee hostage <sup>or</sup> those  
24 types of words.

25 That, in fact, is doing the business that



1 we're supposed to be doing, verifying that the plant is,  
2 in fact, constructed in accordance with the FASR and ASME  
3 Code.

4 Q Well, isn't the unresolved item a way of  
5 tracking and making sure that something does get followed  
6 through with?

7 A If you don't carry it as an unresolved item,  
8 there are items in the Region which could fall through the  
9 cracks. And Region IV-- Mr. Martin, as an example, has, in  
10 fact, initiated an action item track system which never  
11 existed in Region IV to track anything we sent to headquarters  
12 for a position. But that's really-- And that's good to have  
13 that because it makes us ask headquarters: What have you  
14 done to this? And if they say they're going to do something  
15 in 30 days, we're going to keep asking them and we're going  
16 to track them.

17 The issue, really, is the fact that the  
18 qualified inspector at Comanche Peak-- We had two specific  
19 technical-- administrative, technical quality assurance  
20 program questions from his inspection at Comanche Peak. And  
21 when you go to look for those, you won't find them. They  
22 have been purged.

23 Q And, if it comes back from headquarters that,  
24 in fact, this is a violation of the ASME Code--

25 A If it comes back as a violation, then we would

1 have to completely reinitiate the issue generally.

2 Q And there's nothing there to cause you to do  
3 that.

4 A ~~Not unless head~~ You know, there's nothing  
5 to follow up on.

6 In the report itself, by the way, the FSAR  
7 discrepancy has been deemed acceptable by the management.  
8 Yet, that still exists-- the question still exists. It's  
9 a clear item. They didn't purge all of it; they just purged  
10 part of it. It's still there. It's wrong. Okay?

11 And then the item on the performance of the  
12 hydro, that was cleared. And the performance of the hydro-  
13 static testing has been deemed acceptable.

14 And if, in fact, headquarters comes back in  
15 either of those two cases and says it's unacceptable, then,  
16 in fact, it's just-- we've made a mistake.

17 But that's the reason to carry it unresolved,  
18 so that-- Because, really, it wasn't acceptable to me and  
19 the Staff at that time, the inspection staff, when we com-  
20 pleted the inspection, and I don't know the basis for it  
21 being acceptable. In fact, as far as I know, it's still  
22 unacceptable.

23 Until I get a response from these memos at  
24 some time in the future, I'm still not going to personally  
25 feel comfortable with those items.

1 Q Why couldn't somebody from the Region or  
2 headquarters contact the ASME people directly and ask them  
3 for an interpretation of that particular code?

4 A There's a protocol, you know, for doing that  
5 kind of thing.

6 Informally, I have a man on my staff that's  
7 a member of ASME for 32 years-- excuse me, for 25 years.  
8 He, in fact, did call ASME, and it's not acceptable.

9 Now, for that reason alone, I had one more  
10 point on the curve at least to ask the question. Now, it  
11 may be acceptable to Staff and there may be a basis, but I  
12 could not-- myself and my inspectors could not find a basis.

13 It's been accepted, as far as I know, right  
14 now because it's industry practice. And I don't know what  
15 that means. I don't know what industry practice, I don't know  
16 what the definition of that is. Just because everybody's  
17 doing it wrong, it's okay?

18 Q Seems like, to me, it's--

19 A I'm sorry. I don't operate in that ballpark.  
20 That's not the right-- Not that there's anything wrong,  
21 but that's just not the right basis. The ASME Code is the  
22 basis, and that was our acceptance criteria. If everybody  
23 speeds, then all of a sudden, it's okay to speed. I don't  
24 buy that.

25 Q Right, you're still breaking the law.



1           A           I wanted to make sure that's on the record  
2 knowing that I have been told to take care of it by my  
3 management, but we are taking care of it outside of the  
4 inspection report, which is not the normal way of doing  
5 business. And that's what I want to make sure. I don't  
6 recall that ever happening to me before, and I certainly  
7 would not require an inspector to do it.

8                   And, therefore, I obviously can't agree fully--  
9 I'm not disagreeing. I'm just saying I can't agree fully  
10 with the way we're handling it. And I think that's something  
11 that ought to be on the record and let management look at  
12 it.

13           Q           In your opinion, does there seem to be in  
14 Region IV a tendency to be either an impartial regulator, a  
15 pro-licensee regulator, or a regulator who is anti-licensee,  
16 I guess is one way of putting it. Which way do you think  
17 Region IV--

18           A           I don't think that we're objective. In  
19 Region IV, I think that we tend to be pro-licensee. I  
20 think upper level management that I've talked to in Region  
21 IV, meaning Bob Martin(- Not Paul <sup>Chel</sup>Chek). And I'm not being  
22 critical. I'm just saying Bob Martin tries to be objective.  
23 I know Bob. I've worked with him before. And I'm giving  
24 you my opinion. I don't know whether he's objective or not,  
25 but he appears to be objective.

1                   There are people below him that don't seem  
2 to be objective as they should be-- ~~as objective~~. I've had  
3 guys make excuses to me why the licensees can't meet the  
4 regulations. In fact, I carried that to Mr. Johnson and  
5 indicated that I was tired of everytime I bring an issue up  
6 that people make excuses for the licensee.

7                   If the licensee doesn't want to operate these  
8 plants in accordance with the regulations, then they shouldn't  
9 be operating. Or <sup>the licensee</sup> ~~he~~ should be doing something different.

10                  But I don't want to hear the fact that they  
11 don't have enough money because, in fact, their license says  
12 they have enough money or they wouldn't have had the plant  
13 in the first place.

14                  I don't want to hear that they don't have  
15 qualified poeple or that they don't have a training program  
16 because they've committed to all of these things in detail in  
17 some cases.

18                  Now, don't get me wrong. If they don't have  
19 a training program-- Oh, I'd like to see, personally,--  
20 Again, a personal opinion. --is that they show me how they're  
21 meeting their commitments and a schedule for getting ~~in full--~~  
22 to meet the regulations in full, ~~a better meeting of regula-~~  
23 tions.

24                  I'm having trouble with that in this Region.  
25 Therefore, my definition of the objectivity means the

1 difficulty when you bring up issues of getting that issue  
 2 handled, whether it's on environmental qualification or  
 3 training of personnel or followup of items of noncompliance.  
 4 I'm speaking somewhat generically, but it's really an overall  
 5 problem, not related to Comanche Peak but related to ~~Region IV~~  
 6 Comanche Peak is just part of it.

7 Q Talking about, for example, inspection <sup>85-</sup> 07/05,  
 8 what level do you feel these violations get dropped or changed  
 9 to unresolved and where, without basis, things get done?

10 A I really don't know. If I had been involved,  
 11 I would know, but I'm not sure. Talking with Eric and  
 12 Westerman, ~~they both~~ <sup>on February 25, 1986,</sup> Eric Johnson and Tom Westerman in the  
 13 meeting, ~~okay?~~ they were both aware of it.

14 Now, I don't know what the means. You know,  
 15 who briefed who or who did what. But, ~~you know, it's--~~  
 16 ~~I didn't--~~ I'm not sure I could separate the knowledge level  
 17 that each of them had. Tom, obviously, may have been more  
 18 knowledgeable than Eric, but I can't say.

19 Q You have been with Region IV since 19....

20 A July the 8th, 1984. I came down here from  
 21 Region III from a section chief to a branch chief position.

22 Q Okay. Do you know-- Have you noticed any  
 23 change in regulation philosophy in Region IV in the two  
 24 years you've been down here? Has it been pretty much consis-  
 25 tent for the two years?



1 A I think it's been pretty much consistent.

2 And then you ask a leading question like--  
3 You didn't ask me whether or not it was good, bad, or  
4 indifferent. But I didn't see a change.

5 And you can ask me what that means, but I  
6 didn't see a change. I have personally had difficulty from  
7 the day I got here with what I consider basic regulatory  
8 type pursuits.

9 ~~For some reason, we in Region IV-- And I'll--~~  
10 You know, it may be me, I'm not sure. I don't think so.  
11 But for some reason, Region IV has trouble addressing the  
12 issues. And the bigger the issue, the less likely it is to  
13 be addressed. We sometimes find ourselves addressing little  
14 issues and being happy, when the big issues are sort of, you  
15 know, left out.

16 I've always tried to address big issues.  
17 Some people don't believe that, and I think that's because  
18 they don't understand the issues.

19 But again, that's my opinion. Nobody's ever  
20 told me that, that I was wrong. So, when they tell me I'm  
21 wrong, then I will readily accept the criticism. ~~But Region~~

22 ~~IV has the--~~ And I'm not saying that Regions III, II, and I ~~may~~

23 ~~not have the problem.~~ The reason that Brown's Ferry ~~is at~~ TVA is ~~in trouble~~ maybe that the  
24 NRC has that problem, not just Region IV.

25 So, I'm really not trying to say Region IV

1 as much as just say generically. Region III had that problem  
2 to some extent. And because they end up with plants-- (And  
3 you can go back and review plants like Zimmer having trouble  
4 operating, and Braidwood ~~(phonetically)~~, the same kind of  
5 operation generally as Comanche Peak.

6 And Zimmer, in a situation such that the  
7 little power company lost. It's all the same. ~~Wigam~~ It  
8 could have been Waterford here, as well as it is Comanche  
9 Peak.

10 Q Is there anything that you would like to add  
11 before we conclude this interview?

12 A Well, I guess I'd like to say that I appreciate  
13 you calling me and asking my opinion, my input, my knowledge  
14 of the facts and getting this on the record.

15 And I'm here ~~free--~~ you know, of my own free  
16 will.

17 I have concerns. My concerns are as a super-  
18 visor and a manager with the NRC, not just Region IV, but with  
19 the NRC, in that the way the findings have been handled in  
20 these cases that I've described-- or tried to describe, the  
21 way management's handling findings could have, in fact,  
22 and may have, in fact, directly affected the safety of the  
23 plant. In this case, Comanche Peak. And that particular  
24 area, I think, needs to be reviewed by the NRC upper level  
25 management, or by somebody, and some corrective action may

1 be in order.

2 I ~~am not~~ I won't indicate my position in  
3 Region IV. The record will show that, and that can be  
4 reviewed by management. I think somebody could look at that  
5 also.

6 As I indicated to you before, I came to  
7 Region in '84 as a branch chief. I am now a section chief.  
8 And I'll leave the rest out.

9 But I think there are specific reasons for  
10 that, and I think somebody should look at that. It's not  
11 something that I can sit and talk about very easily. But I  
12 would appreciate somebody looking at that from a constructive  
13 standpoint, and that would be the only reason I would mention  
14 that.

15 I think that's all today.

16 Q Okay, thank you.

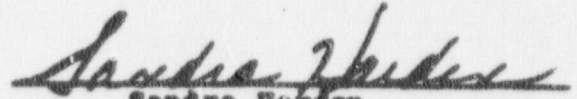
17 (Whereupon, at 3:55 p.m., the proceedings  
18 were concluded.)

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REPORTER'S CERTIFICATE

I hereby certify that the proceedings herein are contained fully and accurately in the notes taken by me during the sworn interview of [REDACTED] on April 10, 1986, commencing at 1:18 p.m., and that this is a true and accurate transcript of the same.

  
Sandra Harden  
Reporter

My commission expires: 6-4-89