

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PILOT PROGRAM EVALUATION PANEL

U.S. NRC
Two White Flint North, Room T2-B1
11545 Rockville Pike
Rockville, MD

Wednesday, July 28, 1999

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

P R O C E E D I N G S

[9:00 a.m.]

1
2
3 MR. GILLESPIE: I would like to welcome everybody and
4 apologize -- we forgot name things in front of everyone, and so, maybe
5 we'll kind of just go around and everyone can introduce themselves and
6 their affiliation, and then we'll kind of go through -- one of the big
7 questions was -- early on, I think everyone had asked, is this like
8 ACRS, and the answer is yes, we are, which puts some obligations on us
9 as a panel and also gives us some freedom to be able to write reports,
10 and I emphasize kind of the obligation end up front, because it's real
11 and it's there, and so, I want to make sure, after this morning, that
12 everyone knows what they've kind of been thrown into a little bit.

13 We're going to have OGC coming down?

14 MR. THADANI: Yes.

15 MR. GILLESPIE: We asked OGC and SECY to give us some sense,
16 since we are set up as an advisory committee and with both the baggage
17 that goes with it and, quite honestly, the freedom that goes with it,
18 and one of the questions that came up earlier is, if we set ourselves up
19 just a committee, by way of background, if it's a group of people who
20 are just meeting, we would have only been able to staple together
21 everyone's individual views and supply that as if there was really no
22 committee at all and there was no interface and give and take.

23 So, one of the freedoms that we got by setting ourselves up
24 as a committee was the ability to have open discussions, the ability to
25 have diverse views, and hopefully the ability on at least some points to
reach consensus, which was what we critically would very much like to
have.

ANN RILEY So, we'll go around the table, introduce ourselves and our
& affiliations, and then I'm going to ask OGC to give us a few words on
ASSOCIATE S, LTD.
Court the --
Reporters
1025 MR. SZABO: No, I don't have anything to add to what you
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

said.

MR. GILLESPIE: Oh, okay.

Frank Gillespie, and I'm with NRR.

MR. LIEBERMAN: Jim Lieberman with the Office of Enforcement.

MR. BROCKMAN: Ken Brockman, Region IV.

MR. WRIGHT: Gary Wright, Nuclear Safety.

MR. WIGGINS: Jim Wiggins, Region I.

MR. BARNES: George Barnes, ComEd.

MR. BAJESTANI: Masoud Bajestani, TVA, Sequoyah.

MR. GRANT: Geoff Grant, Region III.

MR. MALLET: Bruce Mallet, NRC, Region II.

MR. LOCHBAUM: Dave Lochbaum, Union of Concerned Scientists.

MR. FLOYD: Steve Floyd, Nuclear Energy Institute.

MR. CHASE: Jim Chase, Omaha Public Power.

MR. GILLESPIE: And Dave Garchow.

Why don't we just cover the roles of some people who are here?

First, let me ask -- we had a test of the e-mail system, and we tried to send out about two days ago a copy of the revised criteria, which kind of sets the scope of what the panel has been asked to look at. Did everyone on the panel receive those revised criteria? No. Okay. That means we have to work on our group e-mail address, and the thing is, over the internet, you don't know whether someone got it or not. So, now we'll start putting please respond back on the bottom of them, just to make sure that the e-mails worked.

MR. THADANI: If anyone didn't get the message, please leave

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

your e-mail address with me, so I can make sure that we have a correct address.

MR. GILLESPIE: We'll confirm everyone's e-mail address and mailing address. If it's something very bulky, we'll Federal Express it

1 out.

2 Mohan Thadani is what's called the designated Federal
3 official. Has everyone seen a copy of the bylaws of the committee? You
4 have to have bylaws, and it describes what the designated Federal
5 official is.

6 Basically, from the start of the meeting to the end of the
7 meeting, we'll all work for Mohan. He has the task of kind of keeping
8 us straight and on track.

9 I'd like to introduce Heidi Hahn. I think most people at
10 this table have seen Heidi before as a facilitator. We would like to
11 benefit from her also as potentially a facilitator for this group.

12 So, she would particularly -- and one of the things we're
13 going to put on the table is the process by which we may want to govern
14 ourselves relative to developing consensus.

15 Noticing requirements -- we do have to notice the meetings.
16 We try to notice them more than the minimum 10 days in advance. We
17 generally -- and this time we put out a press release saying we're going
18 to have the meeting and what the scope of the meeting was and what the
19 panel was, and in that Federal Register notice, we generally will --
20 we're going to allow for public participation at the end of the day.

21 We will ask members of the public who have a desire to say
22 something if they would tell us in advance so that we could schedule
23 some five or 10 minutes at the end of the day to allow for other
24 presentations.

25 And those are kind of -- I wanted OGC to keep me straight --
kind of the ground rules. If anyone doesn't have a copy of the bylaws,
they're really pretty straightforward. We have some, I think,

ANN RILEY available.

&

ASSOCIATE
S, LTD.

Other documents are our charter, and the thing that got sent
Court out two days ago was the draft revised pilot program criteria, and now
Reporters

1025 let me just touch upon very quickly the -- the charge from the

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

1 Commission for the group, basically, is -- and this is different than
 2 you would have seen in the Commission paper, 99-007A, and I think you'll
 3 see that the criteria -- success criteria are slightly different. Let
 4 me touch upon that.

5 The original criteria in 007A, which was in a -- just to
 6 baseline everybody, we sent kind of a care package out which had -- it
 7 was very thick. It had two Commission papers. That was only to ensure
 8 that everyone had the current copy of kind of the basic documents.
 9 There's no expectation you should carry those to every meeting, but we
 10 did want to make sure everyone had everything. So, that's why that went
 11 out.

12 In 007A, there was criteria. About a third of the criteria
 13 left the decision as to whether the criteria were met or not to this
 14 panel.

15 What we recognized when we were setting ourselves up as an
 16 advisory panel -- that was really a -- whether the criteria is met is a
 17 line judgement, really, on the part of the staff.

18 It's not an advisory committee's role to make an independent
 19 decision that the staff would then use in a dependent relationship.

20 So you will see in the revised criteria, I think the most
 21 significant change is that it is the staff that's accumulating
 22 information and it is the staff that will make a finding, and then what
 23 we would be passing on would be the relevance of the information they
 24 have gathered, does it make sense, have they synthesized it correctly,
 25 and is their conclusion that the criteria is met logical and acceptable?

So, we would be -- our scope is kind of fixed by the
 criteria, and I'm going to leave an invitation out later for this

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court as to whether we agree with the criteria.

Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

Are there additional criteria we'd like to recommend? Is

1 there additional information that we would like to see?

2 And the staff will be giving us a presentation, basically,
3 on what they're going to accumulate and how, and NEI is also giving us a
4 presentation later on what information they're looking at that's
5 different -- potentially different from the staff's.

6 So, we probably have a product out of this meeting which
7 would be some sense of do we think there is additional criteria or an
8 additional criteria needed? Does this make sense?

9 And Jim sent me an e-mail yesterday which I totally agree
10 with, and Jim, you want to put your concern about what was missing from
11 this criteria on the table?

12 MR. WIGGINS: Do you want to do it now?

13 MR. GILLESPIE: Well, what I'd do is give people something
14 to think about, so as the staff is talking, everyone is kind of --

15 MR. WIGGINS: Well, I must admit that I didn't really -- I'm
16 Jim Wiggins from Region I. I'm the Deputy Regional Administrator. I'm
17 also the Executive Forum Chairman, part of the Transition Task Force
18 that works with Frank and the NRR staff.

19 I will admit, getting the criteria, I didn't exactly know
20 what you wanted us as a PPEP to do with it, but I just scanned it and
21 came up with some brief comments.

22 I think I had a problem with the continued use of this
23 resource savings of 15 percent as a potential success criteria for the
24 pilot.

25 I would rather see -- I guess the comment I had is,
although, in general, you could step back and say, yeah, doing what
we're doing ought to end up with some resource savings, just by nature

ANN RILEY
&
ASSOCIATE
S, LTD.
Court ought to be some overall savings criteria, but to put a percentage in as
Reporters
1025 a success criteria on a go/no-go consideration for the pilot, I think,
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 is not the right thing to do. I think you just do the pilot, assess the
2 end, get the answer on the resources, and then just evaluate it that
3 way, don't put a criteria against it.

4 There's a 25-percent criteria in the package that looks at
5 differences site to site on particular inspections. It's the time it
6 takes to do a particular inspection. Does it vary more than 25 percent
7 site to site, region to region? That might be all right. I just
8 wondered whether the 25 percent -- how that number got arrived at.

9 I think most of us that have done inspections know that, if
10 you try to do the same inspection at varying facilities, you're going to
11 get a relatively wide range of time or effort that's needed to complete
12 those things, and in particular, the more effective the licensee's
13 organization is overall, it tends to be very -- more -- easier to get
14 the work done.

15 The less effective the licensee's organization really is,
16 the less well-organized, for lack of a better term. It tends to cost
17 more to get just the facts needed to complete the inspection and get the
18 evaluation done. So, I wondered where the 25 percent came from, and I
19 was wondering whether that was broad enough to accommodate the
20 site-to-site differences between licensees.

21 You know, I made some comments that -- this is probably just
22 trivia -- there's some issues in there that are probably good for the
23 staff but are unnecessary with us. It has to do with certain internal
24 management information system items, RITS and RPS.

25 RITS is manpower reporting. There is certainly a fees
issue, but I don't know that this panel needs to get too involved in the
accuracy of RITS reporting. It sounds like the line should be able to

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

take care of that, and I don't know that this panel ought to focus on
whether the fee billing gets correct or not.

RPS is just an internal system we use to schedule
inspections. I'm sure we don't need to get involved in that here.

1 That's a mechanics issue. That's really a regional issue.

2 And the last one is probably the most important one, so I
3 left that for last.

4 We ought to, as part of the pilot, I believe, look at a
5 criteria that's quantitative, if it could be, but at least qualitative,
6 that seeks to examine whether the summation of the work, meaning the PIs
7 and the inspection areas, under the cornerstones, when you roll all that
8 up, we should come to a conclusion that we are doing enough work in that
9 area.

10 We ought to almost run the evaluation all the way up to the
11 top of the framework.

12 Now, where does that comment come from?

13 If you look at what's going on actually out in the field, in
14 the inspections, what's occurring in the inspections, inspectors are
15 asked to do the inspection procedures, and licensees get to see that
16 firsthand, and that's for sure, so you can see some of that, but when
17 the inspectors come back, along with developing the report, the
18 inspectors are filing an individual feedback form that eventually ends
19 up in Frank's shop.

20 That feedback form asked a number of questions that talk
21 about the do-ability of the inspection procedure, but it also asked a
22 question about whether the procedure satisfies the objectives.

23 Depending on how you ask the question of objectives, you can
24 get two completely different answers.

25 If you ask the inspector a narrow question, ask the
inspector to respond to this question, do the inspection steps, satisfy
the objective articulated in the inspection procedure, you get one

ANN RILEY answer. Let's say you can get a yes answer on that.

&
ASSOCIATE
S, LTD.

Court ALARA inspection. You have an objective to make sure that there is an
Reporters

1025 ALARA program in place and effectively implemented. Let's just say
Connectic

ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 that's the objective.

2 An inspector can look at an inspection procedure, can walk
3 his or her way through it, and then reach a conclusion, yes, that's an
4 effective ALARA procedure, and can answer the question in a feedback
5 form with a very high score on that question about whether the objective
6 is satisfied.

7 That isn't the only question in this program that needs to
8 be examined in the pilot.

9 If you take that inspection, add it to the rest of the
10 inspection areas in that particular cornerstone, add it to what PIs
11 exist, someone needs to stand back, the group needs to stand back and
12 said, all right, is this really enough, is it really looking at the
13 right things?

14 In other words, we need to quality-check the framework.

15 It's not doing it. I don't think it's doing it, in
16 practice. I don't think that's the kind of feedback that's coming right
17 now. I don't believe the staff is at the level where they're doing
18 that. It more or less is the simple answer.

19 It's a long drawn-out thing, but basically, where you come
20 down at is we're taking for granted that the framework is exactly right
21 and it's not being challenged in the pilot, and I don't think that's a
22 premise that we ought to adopt right now.

23 We ought to expect that it's right, but we ought not to
24 blind ourselves to the possibility that there's a hole in it or that
25 we're doing things that we ought not to be doing.

MR. GILLESPIE: Okay.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Jim just whispered in my ear. He said I don't have the
criteria. Does everyone have the draft criteria? If not, let's go
ahead and give it out. Anytime I feel like I'm talking too much, I'm
going to ask someone else to talk, even if it's not on exactly this
topic. Jim had a good point, and now we'll give out the criteria, maybe

1 give people some time to read it.

2 MR. BARNES: Are these the ones that were changed?

3 MR. GILLESPIE: Yeah. If you got the e-mail, then you
4 should have gotten it, but some people didn't get the e-mail.

5 I think I touched on earlier the difference between this
6 criteria and the criteria that appeared in 007A, but I think comments
7 like Jim's comment apply to 007A also, and it also applies to this new
8 set.

9 So, I'm going to get back to part of the bureaucracy,
10 because we're getting it out of the way rapidly, which is good.

11 One of the decisions we have to make this afternoon is
12 frequency of meetings, and what I mean by frequency of meetings is, once
13 we hear from the staff and industry on how they're going to accumulate
14 and what information they're going to accumulate, then we as a panel
15 have to decide who else would we like to have talk to us to maybe get
16 our own insights or to confirm the insights that are coming from either
17 industry or the staff as time goes on.

18 So, I've suggested to both NEI and the staff that they need
19 to talk about how they're going to accumulate information to make a
20 judgement against these criteria and maybe any suggested criteria we
21 have after today that might need to be added on and what schedule
22 they're on, so that we could have a perspective of how often and when we
23 need to meet as a group.

24 Location of meetings -- do all the meetings need to be here?

25 No.

Would it be advantageous to meet by site for a meeting? We
need to make some of those decisions. Or in a different location, like

ANN RILEY & ASSOCIATES, LTD. Court Reporters
1025 Connecticut Avenue, NW, Suite 1014 Washington, D.C. 20036
(202) 842-0034

in a more central location like Chicago or something else, and what
would we get out of that? Is it really beneficial? Do we really expect
to get a different audience or different feedback?

I don't know, but I'd like to offer that that's a decision

ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1025 Connecticut Avenue,
NW, Suite
1014
Washington
n, D.C.
20036
(202)
842-0034

we have to make, is location of meetings.

I would suggest that, if one of the feedbacks this panel would like is feedback from inspectors, to hear directly from some inspectors in the region, then they may warrant holding a meeting near a region or in a region and in a region or near a plant if we'd like to get some feedback directly from people from the plant, other than the people on this panel.

For the State of Illinois, I'd like to say we're kind of looking at kind of somewhat of a leadership role, and the State of New Jersey has expressed a lot of interest in this program. They're the other state, and they're not represented here.

There was a lot of public interest in our meeting we had up at Salem-Hope Creek, and there may be a reason to hold, then, a meeting from a state perspective.

So, what I'd like to ask is, when you think about this, think about would you like to call the -- are there other states that should be involved?

So, frequency and location of meetings, we need to decide today, so we can all get our calendars fixed, going out to probably about January.

The staff is going to try to have a report to the Commission by the end of January.

So, we should have whatever conclusions we're having, hopefully, by about mid-January, so that it can go into the staff paper and go up, and as an independent committee, our report is our report. There's no noodling by any hierarchical organization it.

MR. GARCHOW: You're suggesting this report, then, will be

ANN RILEY like an attachment?

&
ASSOCIATE
S, LTD.

MR. GILLESPIE: Yeah. It's kind of a convenient way to make

Court it an attachment so that Mohan doesn't have to write a separate
Reporters
Commission paper.

1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Also, I think it would be fair to give the staff, and the industry, by the way, an opportunity to see the report in preparation for what's going to the Commission to address the concerns, I mean just kind of my sense of fairness, but again, that's something we need to decide this afternoon or later this morning.

Distribution of transcripts and other information -- I'm kind of sensitive to this one, I'll say, from a public point of view. If there is a particular group or sub-panel that we'd like to invite in to speak, like a group of three reporters or if there's other groups besides UCS -- I've been working with Paul Leventhal on the safeguards area, which is another group that has an interest in this area.

If we would want to suggest that a panel of three of those groups or three reporters or something like that would come, of knowledgeable people, and talk to us about public perception, because several of these deal with public perception, we might have to be sending them information in advance.

What we do is we could set them up in a mailing list and make sure that they got transcripts, copies of inspection reports directly mailed to them, so that if we ask them to come in and address this like in October, that they'd have a knowledge base directly and they're not going to the public document room, hunting around for things, and that way, we'd get a knowledge.

That kind of thing is very doable, so I'd like to throw that on the table, to think about how we make sure we get a reasonable representation of all views.

Formation of subcommittees -- do we want to form subcommittees? For example, if it would be desirable to hold something

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

like around Salem-Hope Creek, it need not necessarily be the whole panel. The panel has a decision to make on that.

It actually could be three or four of us that would go up.

The only restriction is on how much Mohan's available,

1 because even subcommittees need a designated Federal official to keep us
2 straight and square with the rules and transcripts.

3 So, subcommittees are perfectly allowable. The subcommittee
4 would then come back or write a brief report to the rest of the
5 committee on what it heard. That's something, again, that we decide,
6 and we have the freedom to do that.

7 Mohan, approach to report generation? Do you and Heidi want
8 to talk to that now or think about it a little more?

9 MR. THADANI: I could talk to that a little bit now.

10 MR. GILLESPIE: As Chairman, I'm the one they hang if we
11 don't generate a report, so I'm trying to keep in mind what the end
12 point is and how do we get there.

13 Mohan?

14 MR. THADANI: Each member can write whatever, in part or on
15 all the matters that are discussed, and feed them to me, and what I'll
16 do is to combine everybody's inputs into a composite, by separating them
17 out into topics, and send them back to the members to review and
18 comment, and also to see if we can get some kind of a voting arrangement
19 of which version or which combination would be best, acceptable to the
20 group, and send that back to me.

21 I'll have a clean copy made and sent to everybody for
22 another comment. All this can be done by electronic e-mail.

23 MR. GILLESPIE: Actually, we may employ Heidi, to a large
24 extent, to help us with this, because there's iterations that would go
25 back and forth, but what we'd be offering, then, to the group is, as the
designated Federal official, between Mohan and Heidi, it would be kind
of a pivotal point in distributing information.

ANN RILEY The restriction is they can't change, add, delete. They can
& compile, recommend that these two things sound alike, could people focus
ASSOCIATE S, LTD. on which one they like better, and kind of steer us towards a consensus.
Court Reporters
1025 Connecticut
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

would be to come to a consensus where consensus is achievable, and where it's not, that's perfectly fine. Then we'd have minority views.

Now, this is a little different than -- that's one way of approaching it or offering that kind of as a service to get where we need to be.

Another way would be that we look at all the criteria -- and we'll have a chance to read it, we'll take a longer break so everyone can read the criteria -- and split them up and have people on the committee in charge of one or two of the criteria and generating that part of the report, but I'm trying to be somewhat protective of appreciating you being on the panel and of your time and also a certain sense of orderliness to have a central clearinghouse for everything to keep going out to everyone through.

MR. BROCKMAN: What I hear you say is Mohan can't, per se, write parts of the report. Somebody here is going to have to take ownership for consolidating those comments and reaching that decision.

MR. GILLESPIE: No, he can consolidate the comments and he can suggest changes.

MR. BROCKMAN: Yeah, but who then decides?

MR. GILLESPIE: The group has to decide. It's a consensus report.

MR. BROCKMAN: I see that being very challenging, electronically, all over the country.

MR. GILLESPIE: And that will bring me to the item that's not on here, and I realized this last night, and I'm glad we're going to have kind of a shorter agenda today, because we do have something that's not on the agenda, and that's what's our opinion -- first letter report

ANN RILEY & ASSOCIATES, LTD. Sam Collins is what's our opinion of the criteria, and what I'm afraid I did is, when we set this -- and I'll take the blame for this -- when we set the agenda up, it was set up in like traditional government mind-set of people coming in and giving presentations, and what was not
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

necessarily left on it was discussion time for give and take, and I think, clearly, in the future, we need discussion time for give and take of the people at the table.

We can put an issue on. Someone may be -- and this is -- may take a lead in the discussions, and I think different people may want to then take a lead for different criteria in the discussions, so that we could kind of leave the meeting with something close to at least a compilation that we could turn into a draft electronically, versus starting completely from scratch and giving Mohan the challenge of trying to develop a consensus from scratch.

So, one of the things I realized I didn't do on here was discussion time, and I think everyone realizes ACRS -- and that's kind of what we're modeled after a little bit -- you know, they leave a half-a-day on Fridays to hash out what the letter is going to say.

They take very seriously the consensus-building of the opinion, and so, that's a consideration we have to have for future meetings, that we can't chock-a-block a meeting with just presentation, we have to leave sufficient time for discussion, so that we can leave that with at least some sense of a draft that we get pasted together, and then we would try to take that and circulate it around.

MR. MALLET: Frank, let me ask something. I'm Bruce Mallet from Region II.

I understand each meeting we have, we're going to have minutes, and Mohan is going to do those. When you talk about reports, you're talking about when we have a special recommendation we want to make to the staff? I mean at what point do we do this?

I understand, when it's all done, we make a report of what we -- recommendations for the pilot program, but anything else would be a special issue like determining if the criteria is correct -- it's not necessarily on everything we discuss.

MR. GILLESPIE: No, no, no, no, no.

ANN RILEY & ASSOCIATES, LTD. Court Reporters 1025 Connecticut Avenue, NW, Suite 1014 Washington, D.C. 20036 (202) 842-0034

1 MR. MALLET: It's only when we're making a recommendation on
2 something, right?

3 MR. GILLESPIE: And that's one of the things we would have
4 to decide. Is it worthy of -- in the letter that would cover the topics
5 -- and this is kind of like an organizational meeting initially.

6 In the letter that would come out of this meeting, since
7 we're using these criteria -- and that's why I wanted Jim to speak,
8 because he had given this some thought -- is we really -- we should have
9 an opinion that would go into that letter, so it's like a letter report,
10 as to whether these opinion -- these generally fit the bill.

11 Do we have a suggestion for an advisory? Do we want to
12 advise the staff that the criteria miss a little bit and they need to
13 work on something?

14 MR. MALLET: I think, during the meeting, if you establish
15 that -- like today, you've established that --

16 MR. GILLESPIE: Yeah.

17 MR. MALLET: -- we need to make a recommendation on these
18 guidelines, then I think it's clear, and when you go back, you won't
19 have comments all over the place, they'll be to that issue.

20 MR. GILLESPIE: Right. And that's why I said that up front,
21 because that wasn't on the agenda, but I think this afternoon's session,
22 we may, in fact, need to focus on a discussion of what do we think of
23 these criteria, are they generally the right criteria, are they good
24 enough?

25 The overall finding of the system works is kind of missing
from the criteria, which was Jim's point, and so, those are things that
would be in a letter report that we would put together and put out after

ANN RILEY the meeting.

&
ASSOCIATE
S, LTD.

It would also be included as an attachment to our final

Court report.
Reporters

MR. LIEBERMAN: Frank, thinking about what this report's

1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

going to be looking at, obviously you're going to be focusing on the criteria.

MR. GILLESPIE: Yeah.

MR. LIEBERMAN: But I assume there may be some other things, views we might have on where the program could be beefed up or changed, improved, just general things about making this as effective a program as possible.

For example, details on inspection reports -- should there be great detail, less detail, and things of this sort. That doesn't really go to criteria of success, but it goes to making a more effective and better program.

MR. GILLESPIE: That's within our realm. The only thing I feel that the Commission set for us was a minimal. Once the criteria are established, the minimum we owe the Commission is an opinion on those criteria. That's a minimum, not a maximum.

But we need to try to fill that minimum first, and then other insights gotten from information that -- and discussion that takes place -- I think we owe that, also. So, I agree with you, Jim, and use of facilitators, which is Heidi's job over here -- we're kind of approaching this, depending on what we decide -- it's kind of a delphi process or a consensus-building process, whether we do it by way of a meeting or do it via e-mail, and we need to make some decisions on how long our meetings, how short our meetings, what's the product after each meeting, and Heidi's got experience in this, and I don't, that's why I'm stumbling, but I think we could use some guidance to keep us moving, relative to -- when we start getting on a point, and I think, in other meetings, people have heard Heidi say, okay, now we're beating the dead

horse, and I'd like to take -- I personally would like to take advantage of her, because I don't want to play the role of mediator. I want to be a participant in the discussions, and so, that kind of allows me to be a participant in the discussions, too, if that makes sense to everybody.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 Okay. I'm worn out. I think I've got the administrivia out
2 of the way.

3 Comments.

4 The other thing is I think I didn't leave in the agenda was
5 enough free time for breaks and stuff.

6 Dave, I don't know how much you know George and the other
7 people here, or they know you, but you are here as a person.

8 The bylaws do say that, with written notice, substitutes are
9 allowed, but I would suggest that, for consistency, whenever possible,
10 we should try to have the same people participating, because if we do
11 use a lot of e-mail and we're trying to get information out and --
12 anytime the staff gives me something or I know they're doing something,
13 I'm going to try to get it out in the mail as soon as possible to
14 everybody, that that consistency -- and what we're in is a six-month
15 sprint -- will be lost.

16 So, I am going to suggest strongly that participants try to
17 be consistent coming and participating, but I wasn't that restrictive --
18 we had to have bylaws, so Mohan did a nice job finding a general set of
19 bylaws that left us enough freedom to do whatever we want.

20 MR. LOCHBAUM: I have one comment on the bylaws. There is a
21 second page that talks about closed meetings.

22 MR. GILLESPIE: Yeah.

23 MR. LOCHBAUM: Our policy is not to attend closed meetings.

24 MR. GILLESPIE: Then we won't have any.

25 MR. LOCHBAUM: I don't expect any coming up.

MR. GILLESPIE: No, I didn't mean that literally. I mean
that's okay.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court sample.
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

What we did was we took -- was it GSA, Mohan?

MR. THADANI: It was a sample bylaw, and we followed the

MR. LOCHBAUM: I thought safeguards might come up, but we

1 just can't participate in those.

2 MR. GILLESPIE: And that's okay.

3 Let's ask. Do we have a consensus that we'll have all of
4 our meetings open?

5 If we enter into anything that contains safeguards
6 information, requiring a closed meeting and making sure everyone has a
7 clearance, we'll stop.

8 Our first consensus.

9 That's why we're having transcripts taken of every meeting,
10 and the transcripts -- by the way, you may not know it, but we have a
11 web-page. All of our documentation, at least that we can put on it,
12 we're going to try to have it actually on the web-page.

13 MR. THADANI: John Szabo and Susan Fonner are here from OGC.

14 So, they're ready to give their views on what's proper and what's not.

15 MR. GILLESPIE: I've just kind of put some general things on
16 the table, but it's going to be important to come to -- this is not --
17 these are not trivial consensus to start off with, so we all know what
18 the rules are we're governing ourselves under, like having public
19 meetings. There won't be any executive sessions.

20 MR. GRANT: What's consensus? Is that unanimous?

21 MR. GILLESPIE: Consensus is unanimous.

22 MR. GRANT: Okay.

23 MR. GILLESPIE: We are allowed to have non-consensus
24 minority views, but I am very much hoping that we will not set this up
25 as a vote process, although there is a section in there that says we're
allowed to take votes on things, if at all possible, and minority views
are okay.

ANN RILEY MR. GARCHOW: That may be very appropriate, to have minority
& views, because to get to a consensus, we'll end up with the least
ASSOCIATE S, LTD. Court offensive thing that we can all agree, and that would be very
Reporters 1025 invaluable.
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. GILLESPIE: Yeah, and that's what I wouldn't want to
2 water down, so that's a good point, Dave. So, that's why I'm saying I'm
3 kind of enthusiastic about minority views, because it shows a diversity
4 of discussion brought into the thing.

5 MR. GARCHOW: If we're an advisory panel, then whoever is
6 making the final decision needs to hear those views.

7 MR. GILLESPIE: Yes. See, it's their fault.

8 MR. SZABO: I'm John Szabo. I'm in the Office of the
9 General Counsel, and I serve, in many ways, as what is known as an
10 ethics counselor, as well, so I provide advice to employees and managers
11 about the rules on standards of conduct and the conflict of interest
12 laws.

13 What's unique about this committee is that the non-NRC
14 members are not appointed as what is known as a special government
15 employee. Other advisory committees in this agency are appointed.

16 The non-NRC members, as I understand it, are representatives
17 of groups or entities. So, therefore, you're not subject to the
18 conflict of interest laws and rules.

19 But I think I just want to mention that what you should know
20 is that NRC employees are subject to a group of regulations that are --
21 each one of them has -- these are government-wide rules, and there are
22 certain conflict of interest laws, as well.

23 Our office, the Office of General Counsel, was designated by
24 the Commission to serve as advisors to employees and others, as well,
25 who are interested in these rules, and one thing, if nothing else, I'd
like you to all know is that, if there are any questions regarding the
ethics rules, please feel free to call me in the General Counsel's

ANN RILEY Office.

&

ASSOCIATE
S, LTD.

Court
Reporters

1025

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

The important thing all members of this committee I think
should know are the rules on disclosure of non-public information.

If you receive any proprietary information or drafts of

documents that have not been released to the public, they should be only -- should not be released to anybody outside the agency unless you have permission.

The other thing all members should know is that the rules require that -- to respect the Government property; Government facilities are only to be used for Government purposes.

For the non-NRC members, I think they should understand that, with respect to relations with the NRC members of the committee and other NRC employees, they're subject to a group of rules.

For example, they can't accept gifts from what are known as prohibited sources, and a prohibited source would be a licensee, a contractor, or anybody who has interests in the work of the NRC.

They're also subject to laws about restrictions on seeking employment. So, for example, in your dealings with members of the committee, you shouldn't be discussing a job.

They're also subject to post-employment laws, which means that, after they leave, they can't be representing certain entities back to the Government on certain matters.

So, that's the main thrust of what I wanted to bring to your attention, and I'd be happy to answer any questions now, or any that come up later, you can always call me up.

MR. GILLESPIE: Thank you, John.

One of the interesting points, in setting up this group, it's a different kind of group, and it doesn't -- ACRS are paid, so they're special Government employees. So, the first comment -- John came back when we were setting this up, or Susan, and said, look, everyone has to fill in a financial disclosure form, because they may

ANN RILEY & ASSOCIATES, LTD. Court Reporters 1025 Connecticut Avenue, NW, Suite 1014 Washington, D.C. 20036 (202) 842-0034

ANN RILEY & ASSOCIATES, LTD. Court Reporters 1025 Connecticut Avenue, NW, Suite 1014 Washington, D.C. 20036 (202) 842-0034

Bruce?

MR. MALLET: Frank and John, the issue on disclosure of documents that are not public at this point in time -- I would presume that the rules we're going to go by in this panel are, if we have something like we just brought out, this draft of the new success criteria -- and it's not public yet -- I would assume that it's going to be made public as a result of the minutes of this panel, therefore it fits into -- it's not a draft document we're handing out, correct?

I'm not a lawyer, so that's not very good logic, but you understand what I'm saying.

MR. LIEBERMAN: We talk about e-mails, draft reports -- there's going to be numerous documents that might be exchanged that's not in the meeting.

Now, the question is what do we do with those? Should we assume everything that we communicate among ourselves is going to be public or is public or should be public to have a better discussion and exchange of ideas until we have a final product? I think the group has to decide that.

MR. WIGGINS: Would they not be subject to the general FOIA provisions? At some point in time, these drafts become publicly-available if they still are retained and exist, right? Maybe I'm wrong. We would not necessarily have to publish all the prior drafts. Maybe that's a detail we didn't need to worry about.

MS. FONNER: That's something I'm going to address in a few minutes.

MR. GILLESPIE: The question is about the rules of the Federal Advisory Committee Act. Let's bring Susan up right now.

ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1025 Connecticut Avenue, NW, Suite 1014
Washington, D.C. 20036
(202) 842-0034

Please feel free to call John. He's been extremely helpful and very accessible, and so has Susan.

But I think what Jim's saying is there's a decision we have to make, and I think Susan will enlighten us now. If the law makes a

1 decision for us, we don't have to make it.

2 MS. FONNER: Right.

3 MR. GILLESPIE: We just have to follow it.

4 MS. FONNER: Okay.

5 We understand that all of you who are not full-time
6 Government employees that are in this group represent another entity,
7 not just yourselves. If there is -- if, in any way, that's mistaken,
8 you should inform John.

9 The fact that a person is a individual contractor doesn't
10 fall into that category of representing another party. In other words,
11 representing yourself is not representing another party for purposes of
12 the rules John was talking about.

13 I'm going to go briefly over some of the purposes of FACA,
14 and I'm doing this, even though it may seem like a waste of time,
15 because it will make the rules that I tell you about more understandable
16 to you and hopefully more memorable.

17 We have already determined that this is a Federal Advisory
18 Committee Act group, and that's because it was established for the
19 purpose of formulating advice to the NRC.

20 The underlying purposes of FACA is to let the public know
21 what advice the Government gets and who it gets it from. It also is a
22 measure to control costs.

23 At the time that FACA was first enacted -- that is, the
24 Federal Advisory Committee Act -- there was a perception that the cost
25 of such committees had gotten out of control and also that nobody knew
who was giving the Government advice about what.

The salient points of FACA are openness -- that involves
meeting openness, permitting the public to attend open meetings, and

ANN RILEY
&
ASSOCIATE
S, LTD.
Court public.
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

making the documents that the committee deals with available to the

public.

1025 Sometimes, as you were discussing before, you can close a

meeting. When you close a meeting or withhold a document from the public, you have to be able to point to a specific legal provision that allows you to do that.

Sometimes it's very important to be able to withhold a document or close a meeting. I would not prejudge that at this point, even though I know you were trying to get a consensus on that.

This is because things do come up that will surprise you. For example, proprietary information may be made available to you that the owner of that proprietary information does not wish to have made public, and you may agree that this should not be made public.

Basically, that's a decision that the agency makes, as to whether it will use the exemptions from openness.

The same thing is true of a meeting. If you have -- and I'll use proprietary information again as an example. If you have a meeting that you have a session at that involves discussion of proprietary information, you can close that session.

It doesn't mean the entire meeting has to be closed, but you can close that session, and if the owner of the proprietary information does not want it to be made public, you should think very carefully as to whether you're going to discuss that document at an open meeting, or the information in it, because by doing that, it may result in being considered a release of the document to the public, and if it's a release of the document to the public, you may not longer be able to protect the document, and I'm sure that whoever provided the document, the owner of it, will not be happy.

Other areas that come up frequently are invasion of privacy.

Occasionally -- I think it would come up very rarely for a committee

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Like this -- there is a necessity to talk about an individual. Perhaps you want to have a new person represent an entity that's represented here, and if you want to know about that individual, their background, their education, their work experience, all kinds of

1 things, under the -- both the Sunshine Act and the FOIA, you can close
2 such a meeting and protect any documents that provide this information.

3 You mentioned safeguards. Classified information is
4 included in this.

5 There is one thing that does not come in under both sets of
6 rules that can cause some concern, and that is -- let me step back for
7 one moment, please.

8 Documents are -- can be withheld under the Freedom of
9 Information Act, or FOIA. Whether a meeting can be closed comes under
10 the Government in Sunshine Act.

11 Government in Sunshine Act was not originally enacted for
12 FACA committees. It was enacted for meetings of heads of agencies that
13 are headed by collegial bodies like the NRC.

14 But when the FACA was written, they decided to use the same
15 set of rules, so they adopted the Sunshine Act exemptions for closure.

16 The reason I mention this is because, under the FOIA, you
17 can withhold a document, because it's pre-decisional, but you cannot
18 close a advisory committee meeting, because it is discussing
19 pre-decisional matters.

20 So, if you came to a point where this was a problem, I think
21 your DFO, or executive officer -- I don't know whether you're going to
22 have an executive officer -- would have to call our office, and we would
23 have to discuss it to see if we could find another basis on which to
24 close such a meeting.

25 As you know, each meeting that you hold is required to have
minutes taken. These are required to be detailed minutes, but one can
substitute a transcript -- in other words, have the meeting discussion

ANN RILEY recorded and then transcribed.

&
ASSOCIATE
S, LTD.
Court
Reporters

But this has to be done for each of your meetings even if
you have a closed session.

1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Now, the minutes have to be made public. If you have a

closed session, you can excise that, but you have to come to the Office of General Counsel to get approval of having a session closed.

When the minutes are transcribed or are -- the detailed minutes or a transcription -- your chairman has to certify that they are accurate, and they have to be made available to the public, with the possible exception of a discussion that was closed.

With that, you have to have all documents that were prepared for, by, or with the advice of this committee. Sometimes physically that's not possible, but to the extent that it's possible, they should be with the minutes themselves.

If they're not with the minutes themselves, you have to have some indication there of where they can be found.

So, when you talk about do we have to provide our e-mail messages, for example, well, let's say your DFO sends you all an e-mail message about a subject that's going to be deliberated at a meeting. That is something prepared for you.

You're going to have sessions at which you're going to talk about preparing drafts of documents which will later be provided, say, to the NRR. Those drafts, technically, are something prepared by this committee, and you cannot simply discard them.

So, you have to think carefully, when you accept items, distribute items, or prepare items, about whether you are willing to have these go with the minutes.

In some cases, you may want to withhold them, and if we can find a FOIA exception for that purpose, you can withhold them, but it's something you have to keep in the back of your minds as you communicate with each other.

ANN RILEY & ASSOCIATES, INC. In addition, you might -- you should be aware that meetings are not only when all the people who are members of the group are sitting together in one room talking to each other face by face. A telephone session can be a meeting. A exchange on the internet can be a meeting. A
1025
Connecticut
ut
Avenue,
NW, Suite
1014
Washington,
n, D.C.
20036
(202)
842-0034

meeting, e-mail exchanges.

One has to look at the individual situation in cases like that, but remember, it isn't just sitting around the table like you are doing now that makes a FACA meeting.

MR. BARNES: I have a question for you on that. Certainly, the industry representatives may have reason to discuss some of these issues, some things that are going on during the process. Does that constitute a meeting?

MS. FONNER: Discuss with whom? Among yourselves?

MR. BARNES: Among ourselves.

MS. FONNER: In other words, it's the members having a discussion. That could be a FACA meeting. In other words, what you're really talking about is a little subgroup getting together and having a discussion about matters relating to the work of this committee. That is covered by the FACA.

MR. BARNES: We'd have to look at that. Certainly between the pilot plants, there are discussions going on in terms of things that are happening that are germane to what we're going to be talking about here.

MR. GILLESPIE: This is an important point.

Each of us here has another role outside of this committee, which actually is dealing with the same material the committee is dealing with, and therefore, the pilot plants, which is a unique group of which Jim and Dave and George are all members of -- I know for a fact they have an every-other-week phone call, not as members of the committee but just in their normal jobs, but it's still talking about the same stuff.

ANN RILEY What do we do? Keep us honest.

&
ASSOCIATE
S, LTD.

Court this committee are getting together to discuss -- especially a group
Reporters
1025 that you've just designated, you know exactly who's going to be in that
Connectic

ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 group, and they're getting together to discuss a matter that is under
2 the consideration of this committee, or will be, that is likely to be a
3 FACA-covered meeting and consideration will have to be given as to how
4 many formalities we go through with a group like that.

5 Generally, I think that our big committee, which is the
6 ACRS, does not necessarily keep detailed minutes of each of that type of
7 meeting, but we have to be aware of the FACA implications of such a
8 meeting.

9 Now, if you're talking to people you are representing,
10 outside of this group, that's not a FACA meeting. That's not a meeting
11 of members of this group.

12 Remember also that, when we're talking about documents,
13 we're talking about something that is in a -- some form that can be
14 retained in transcription. An oral conversation is not a document, but
15 it may be result in a meeting.

16 MR. GILLESPIE: Everyone kind of has to do their day-to-day
17 work, too. It's a distinction -- I'm trying to get it crisp so we're
18 not being overly restrictive.

19 If they're doing it as members of this committee,
20 specifically getting together as a group as members of this committee,
21 it's clearly, then, that that's FACA.

22 If they're doing it because of their jobs, not because
23 they're on the committee --

24 MS. FONNER: If they're talking to the group that they
25 represent, which are not members of this committee, that's not a meeting
of members of this committee, even a subgroup, but there are some
exceptions, and I'll just go over them very quickly.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. LIEBERMAN: Is there any quorum requirements for a
meeting?

MS. FONNER: There's nothing in the statute, and I didn't
see anything, I don't think, in your bylaws. I just went over those,

1 the draft bylaws, quickly this morning.

2 MR. LIEBERMAN: Could we develop bylaws that provide for
3 quorum requirements?

4 MS. FONNER: You could. There's nothing to prevent that.
5 It would have to be a decision of this group.

6 I just wanted to give you one more little bit of information
7 about FACA meetings, what's a meeting. There are some exceptions to
8 what's a FACA meeting.

9 For example, where you have a group of people, like the
10 members of this committee, or a subgroup, getting together simply to
11 collect information, you go to a pilot plant and all you're doing there
12 is collecting information about how the pilot plant is operating, that
13 is not a FACA meeting, okay?

14 Let's say that you have a meeting at which you invite
15 members of the public to speak, you folk just want to listen and hear
16 what these members of the public have to say, and you let them get up
17 individually, one by one, and speak their piece, and that's what the
18 meeting consists of, and that could be some managers of pilot plants are
19 invited to come in and simply speak their piece, individually, about
20 some views they have on a subject that you're entertaining. That is not
21 a FACA meeting, so long as you folks, then, don't engage them in a
22 discussion of, well, what should we do on this subject. But you can
23 listen.

24 MR. GRANT: I've got a couple of problems.

25 Case in point, George and I sat down at an exit meeting last
week, in the course of business, as the pilot plant, I'm the DRP
division director, and at least part of the conversation gets around to
ANN RILEY feedback on, you know, what would be appear to be success criteria. We
& can't consider that a FACA meeting.
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MS. FONNER: I'm not sure I understand exactly what
happened. How many people were involved?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. GRANT: From this group?

MS. FONNER: Yes.

MR. GRANT: He and I.

MS. FONNER: Just the two of you.

MR. GRANT: Yes.

MS. FONNER: And what you were talking about, the subject you were talking about?

MR. GRANT: Well, the purpose of it was the exit by the senior resident inspector for the inspection period at the plant, but under the new pilot program, again, the discussions of some of the very things that are in this success criteria, the determination process --

MS. FONNER: When you say discussing them, what do you mean? Were you trying to develop something that went beyond discussing what are the criteria?

MR. GRANT: Look for feedback.

MS. FONNER: Look for feedback from each other?

MR. GRANT: Yeah.

MR. WIGGINS: We are -- as regional managers, we are each individually charged with interacting with folks like Dave.

If I were to visit Artificial Island, I'm expected to talk to Dave about things that involve a myriad of issues, including getting feedback on NRC activities, and I would ask him how are things going, and I'd get more precise, considering his station's in the pilot program. I would tend to get very, very, very precise in terms of what's his perspective on how the inspections are being carried out and whether, from his perspective, he's seeing what he expected to see as he understood the program.

ANN RILEY That I'm doing as my normal role, and he's responding in his
& normal role, and let's be honest, that information is not going to get
ASSOCIATE lost on either of us as we come in and do these meetings.
S, LTD.
Court Reporters
1025 The large majority of the people sitting at this table are
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 sitting on a fence and have feet on either side. We have a normal work
 2 life that we would do this anyhow, and then we have this, and if we get
 3 too tied up, then we're not going to be able to do either correctly.

4 MS. FONNER: Well, usually, we make decisions about
 5 situations like this on a case-by-case basis, but what you just said to
 6 me sounds like you're talking to one person, and that person is
 7 providing you with some information about what's going on, which, as I
 8 said, does not constitute a FACA meeting in any case. It may be giving
 9 you the individual views of the party that he represents.

10 Just don't get into a conversation about, well, how do we
 11 think this problem should be resolved, because that's the situation --

12 MR. GRANT: That was my first example. This way, there was
 13 another NRC member, and the four regions get together on a weekly phone
 14 call on Friday and very specifically talk about things like the success
 15 criteria and how to solve it, whether it's the right criteria from a
 16 staff position.

17 MS. FONNER: These are all NRC employees.

18 MR. GRANT: Yes.

19 MS. FONNER: Full-time NRC employees.

20 MR. GRANT: Right.

21 MS. FONNER: Well, a FACA meeting is never constituted of
 22 all full-time Government employees.

23 MR. GRANT: Okay.

24 MR. GILLESPIE: I thought this was going to be the
 25 straightforward part of the meeting.

MR. GARCHOW: Jim and I are wearing three hats. We
 represent our utilities, we also represent this body that we were asked

ANN RILEY & ASSOCIATES, LTD. Court Reporters
 1025 Connecticut Avenue, NW, Suite 1014
 Washington, D.C. 20036
 (202) 842-0034

MR. FLOYD: Of which I'm the chairman.

1 MR. GARCHOW: Of which he's the chairman. So, I routinely
2 interface with pieces of this committee by e-mail, voice-mail.

3 MS. FONNER: On the same subject?

4 MR. GARCHOW: On exactly this subject.

5 MR. GILLESPIE: Exactly. Everyone's prejudice is the reason
6 we wanted to bring everyone together in this committee.

7 MS. FONNER: I understand that, but what I am dealing with
8 is not the merits of that idea, but what is the result of all these
9 cross-interactions.

10 Now, I've given you a number of exemptions that one can use
11 to avoid the application of the FACA.

12 MR. LIEBERMAN: You said that a FACA meeting can't consist
13 of just Federal employees.

14 MS. FONNER: Only full-time Government employees, right.

15 MR. LIEBERMAN: Okay. Can a FACA meeting exist of just
16 industry employees, with no Federal representation?

17 MS. FONNER: Yes, it can if they have been designated as
18 members of this committee.

19 MR. GARCHOW: I'd say this is going to be very difficult.

20 MS. FONNER: And they're discussing, of course, matters of
21 interest to this committee.

22 Now, the question you have posed is really a very difficult
23 one.

24 It's very clear that you're here because of your expertise
25 in -- with respect to each of the different entities that you are
working with, but off the top of my head, if you're going beyond stating
the individual views of your individual entities or the exchange of

ANN RILEY, Information, I'm having a little difficulty with what you just told me,
& ASSOCIATE and I'm going to have to think that through further.
S, LTD.

Court MR. GRANT: When, Frank, you were first contemplating this
Reporters kind of committee, I brought up the point that we probably need a staff
1025 Connecticut

ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 lawyer for these very questions. I don't know if we have designated
2 counsel to attend all these meetings and advise us on these things. Do
3 we?

4 MS. FONNER: We don't normally attend the meetings
5 themselves for the very reason that you can see here, is that it is
6 extremely difficult to make an instantaneous decision on a lot of issues
7 that come up, and what invariably happens is that, if you do that,
8 somebody wants an instantaneous answer out of you.

9 We just can't operate that way, because it doesn't give you
10 good advice. So, unless there was an outstanding reason for us to
11 attend one of your meetings, we would prefer not to.

12 MR. GILLESPIE: These meetings are easy, because we're
13 keeping transcripts, and we all know we're here, and we're kind of
14 obeying all the rules.

15 MS. FONNER: Right.

16 MR. GILLESPIE: So, having a lawyer at these meetings is
17 probably not necessary.

18 We've probably gone as far as we can on this, but let me
19 offer --

20 MR. GARCHOW: Well, we have to get to some solution.

21 MR. GILLESPIE: -- a crisp criteria and ask, Susan, if you
22 could at least think about this, because I don't know that it's legal,
23 but I'm trying to say it logically.

24 Whatever someone would do in the normal course of their
25 normal job, which is not intended to, in any way, influence this
committee, whatever they were doing before we established this
committee, that they need to continue to do to earn a paycheck, and

ANN RILEY
&
ASSOCIATE
S, LTD.
Court -- I'm being generous in that statement, but if they're getting together
Reporters
1025 specifically to talk about what opinion they collectively are going to
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

bring to the table here, to this committee, that's clearly in, I think, FACA purview.

MS. FONNER: But that's exactly what I'm hearing they would like to do.

MR. GILLESPIE: I know Dave is on another committee. They may be talking about material for the pilot plant that's the same material we're going to look at here, but they're talking about it from their position as a pilot plant, not from a member of this committee.

MR. BROCKMAN: And that's the entity he's representing.

MS. FONNER: I understand that, but what we're talking about are resolution of issues that come before this group, that you're going to have to provide advice on.

That's the function of this group, and what I'm looking at is the worst-case scenario, where several people who are members of this group get together to try to exchange views and come to some deliberative decision about what's the best way of approaching this very issue that's before this group.

Now, maybe it's part of their job to do this -- address this very same issue in another context, and that is something that I just cannot answer standing up here right now.

MR. BROCKMAN: Susan, I think a key thing to realize is we've got them here as representatives of the other group. They have to be allowed to be a member of that group to gather the information and the recommendation that that group wants them to represent.

MS. FONNER: I am not suggesting that they can't gather all the information they want. Remember, I said a meeting for the purpose

ANN RILEY gathering information alone is not a FACA meeting.

&
ASSOCIATE
S, LTD.

Court of the group that they represent, that's fine, also, but that isn't --
Reporters
1025 this goes beyond that, the way I understand it.

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 This is a number of people getting together who are members
2 of this group to try to work out among themselves how do you -- that's
3 what I heard.

4 MR. BROCKMAN: Yeah, but I don't think -- I think they're
5 members of another group and what you've got is a cross-pollination.
6 Many members are co-members of the group.

7 MS. FONNER: And they happen to be dealing with the same
8 issues in both groups.

9 MR. BROCKMAN: But they're still coming together as the
10 group they're representing, with other people there, too.

11 MS. FONNER: Well, what I cannot answer right now is whether
12 one can shift the hats in that way for FACA purposes.

13 MR. MATTHEWS: To the extent that they're representing the
14 NEI task force for this committee, they can get together as the NEI task
15 force to deliberate among themselves. They're representing that group.

16 So, those internal discussions of the task force that you're
17 doing under the auspices of NEI, it would seem to me you're talking
18 within your own group that you're representing.

19 I'm sorry. I'm John Matthews, NEI Task Force.

20 MR. GILLESPIE: I would like to give Heidi a chance to say
21 something, and then I'd like to give Susan a breather.

22 MR. MALLET: I believe that what I've heard you could
23 capture maybe a half-a-dozen examples to where I believe we could give
24 those to Susan and she could give us a ruling on them. You know, you
25 could use the one that Geoff used.

I interact with Masoud, because he's a pilot plant, and at
least if we know that they're going to encompass most of the

ANN RILEY
&
ASSOCIATE
S, LTD.
Court saying, well, gee, I can't talk to Dave, I can't talk to Masoud.
Reporters

1025 MR. GILLESPIE: The intention is stymie -- but we do need an
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

opinion -- to stymie communication.

MS. FONNER: That's fine, and I think the idea of coming up with some scenarios would be very helpful. I will review the scenarios, I will do the best I can with them, so that I can -- I don't make a determination, I give advice.

MR. MALLETT: I will be glad to get with Ken and Geoff and Art today, and we'll come up with the scenarios we think would cover the NRC activities.

MR. FLOYD: We'll do one for NEI.

MR. MALLETT: So, by the end of the day, we could have a set.

MR. WIGGINS: We need to try to keep this simple. God forbid that we try to use some practical reasons in this, but practically, I think the only reason exposure is if the members that are sitting at this table are meeting together without others to talk about business, about what position they want to take on this committee.

I could run into Dave, and if it's Dave and me and five others who aren't here and we're just talking about how things are going in the pilot plant, that should be okay, but if Dave and I got together privately to discuss what kind of theory we would concoct to spring on this committee to make it go the way we decided it wanted to go, that's clearly off-base, and as long as we agree not to do that --

MR. GARCHOW: You just got rid of all the industry participation.

MR. GILLESPIE: In most cases, as long as we discuss the rules of operation we're under, as long as we're open about it, we tend to be okay, as long as we're open about what we're doing.

MS. FONNER: That depends on what you mean by open.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. GILLESPIE: The public understands what the participation is, who we are.

Heidi?

MS. HAHN: We're doing two things that I think we should not

1 do.

2 One is that we're developing the scenarios that we just said
3 we were going to take off-line, and so, I think we should make the
4 decision of who is going to do them, by what time, what format,
5 etcetera, but take it off-line.

6 The other thing is we're making Susan's determinations for
7 her. So, let's not do that either.

8 I have two questions.

9 One is do you need -- in addition to the scenarios that
10 we've said that we're going to get you, do you need any additional
11 information from this group?

12 MS. FONNER: Well, only if I see -- once I see the
13 scenarios, I might ask some questions, but at this point, it's been too
14 vague for me to ask further questions.

15 MS. HAHN: Okay. And then the other question is do we need
16 discussion of the implications for this group now, before we see a
17 determination?

18 For instance, if an industry caucus is not allowed, does
19 that have implications for whether the industry folks -- how they choose
20 to participate?

21 MR. GARCHOW: What kind of implications?

22 MR. GILLESPIE: We'd dissolve the committee.

23 MS. FONNER: Okay.

24 MR. GILLESPIE: The committee can't exist without industry
25 participation. I mean they're a major stakeholder.

MS. FONNER: Well, that's why I asked what kind of
implications. Was he saying we would withdraw?

ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1025 Connecticut Avenue,
NW, Suite 1014
Washington, D.C.
20036
(202) 842-0034

MR. GILLESPIE: We'd go back to the Commission and say we
can't meet because of this.

MR. BROCKMAN: It's not an unreasonable result.

MR. GILLESPIE: Let's do what Heidi said. Maybe we'll take

1 a little longer break.

2 Let me ask this.

3 Jim, go. I didn't mean to cut you off.

4 MR. LIEBERMAN: What you're suggesting is we break into two
5 subgroups 'nd have separate meetings.

6 If we have a meeting, if these things are meetings, what
7 does it really mean? Does it mean you have to notice these meetings?
8 Does it just mean you have to write down Joe spoke to Bill on a given
9 date? I mean do you have to have a lot of detail?

10 Are we creating a problem, or is there a simple solution.

11 MS. FONNER: You either have a FACA meeting or you don't.
12 If you have a FACA meeting, you have to have an open meeting, you have
13 to have notice to the public.

14 MR. GILLESPIE: We need examples for Susan to be able to
15 look at so that we understand that people can continue -- I'm optimistic
16 -- people can continue to do the job they're paid to do, versus this
17 voluntary committee, for the purposes of doing that and not necessarily
18 undue influencing this committee, and we need some scenarios.

19 MS. FONNER: I think that we're sort of going around in
20 circles now. So, my suggestion is that you get the scenarios to me, I
21 will take a look at them, and I'll give you my advice.

22 MR. GILLESPIE: Okay.

23 Let me suggest that we take a break and ask two things.

24 One, come up -- the two groups break up and come up with
25 scenarios, of which we'll then get back together again, and let's just
present the scenarios. We're not making a decision on them, but just so
we know what the scenarios are.

ANN RILEY And then, Mohan, you will get them, then, to Susan, because
& she's going to need some time to look at them.

ASSOCIATE
S, LTD.
Court Let's assume success and that we continue to meet so that
Reporters we'll pick up some schedules.

1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 The other thing is I would like, if we take a little bit
 2 longer break, so you can just sketch down some scenarios -- they don't
 3 have to be perfect but where you're coming from so we can get that
 4 process rolling -- is could everyone take some time to read the draft
 5 criteria, and let's see if, before lunch -- one thing we should get is
 6 -- these are draft bylaws, by the way, and if we do want to get -- are
 7 they good enough? Do we have a consensus that the bylaws are good
 8 enough, and then -- or do we want to change it?

9 I think we would go to the extreme to try to keep everything
 10 open, and we can just say that and leave the bylaws the way they are.

11 So, we need to kind of have -- I'll call it approval of the
 12 bylaws.

13 Everyone needs to become at least one read-through familiar
 14 with the criteria before the staff comes on at 11 and starts discussing
 15 what information and what their schedule is, and then NEI comes on right
 16 after lunch to discuss what information and what they're looking at, and
 17 they put some separate criteria, quite honestly.

18 I think that they're going to be presenting some more, and
 19 then this afternoon, give some hard thought to the idea of
 20 subcommittees, meetings in different locations, and meeting sequencing.

21 It's a program that's going on, and there is a thought that
 22 you have to let some things happen before there's anything to review,
 23 and also, the length of meetings in the future.

24 Is one day going to be enough, is two days, and also the
 25 idea of who do we want to get besides the staff and NEI to come in and
 give us insights as to their perspectives against these criteria, and
 then, the final thing at the end of the day is can we come to a

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

consensus on the criteria, what recommendation we want to -- it's the
 staff criteria, but do we have comments on it?

With that, I would offer a break until 11, until the staff
 comes on.

1 MR. GARCHOW: I think we ought to figure out today the
 2 approach we're going to take to get the deliverable so we all walk out
 3 of here -- I'm sort of a project manager-type -- we walk out of here all
 4 understanding the approach, so that everything we do, once we agree on
 5 the approach, your planning of subsequent meetings, what we do per sub,
 6 who we talk to, all have to get bounced off to make sure we're moving
 7 from point A to B, so we don't end up holed up in some hotel in the last
 8 week starting a report, which I have this vision of.

9 MR. GILLESPIE: That's very much what we're going to try to
 10 avoid.

11 MR. GARCHOW: So, I'd like to think that we could agree on
 12 how we're going to be successful and what success looks like, and then I
 13 think what we would do between now and January to be successful would
 14 just sort of fall out.

15 MR. GILLESPIE: Okay.

16 With that, does it make sense, that we take a little longer
 17 break right now, until the staff comes on at 11, give people a chance to
 18 look at the criteria, the two groups to come up with the scenarios that
 19 keep us honest, and I think logic will prevail, by the way, I really do.

20 Okay.

21 [Recess.]

22 MR. GILLESPIE: Lacking a court challenge and an
 23 interpretation otherwise, I think we do need to continue, and I am
 24 optimistic that logic will prevail, despite the law, and what I'd like
 25 to do is -- I know Steve has a scenario.

Would the group like to just let Steve read the scenario?

Then what I'd like to suggest is -- and Jim, you are working

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connecticut
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

on one from the NRC point of view -- and just read it so everyone knows
 what Mohan is getting, and what I'm going to suggest is that Mohan and I
 will work, then, off-line with our General Counsel and get back to
 everyone, so that we don't tie everyone up on trying to solve a problem,

as Heidi says, that we just can't solve here.

Steve?

MR. FLOYD: It's real short. I think this sums up -- it's probably the most significant part of it, so without going into a lot of other examples, this one probably captures everything.

The scenario is that three members of the Pilot Plant Evaluation Panel, all non-Government, also participate on an NEI task force on the oversight process that includes 15 other non-Government members.

The NEI task force was specifically formed to identify and develop positions on issues directly related to implementation of the new oversight process. This includes an evaluation on how well we think the success criteria is being met.

The NEI task force convenes through both meetings and conference calls, and then we posed a question. Would it be acceptable if the three Pilot Plant Evaluation Panel members represent both the NEI task force and their utility?

MR. LOCHBAUM: I don't think that's the right question, though.

MR. GILLESPIE: Okay.

MR. LOCHBAUM: The question is can you serve on that without it being a FACA meeting, when you appear at the NEI meetings?

MR. FLOYD: Well, that's what the scenario is for. This was sort of a side-bar question.

MR. GARCHOW: Because of these four members, does that make the NEI task force a FACA meeting?

MR. GILLESPIE: That's the implied question, but we can be

ANN RILEY specific.

&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. GARCHOW: The point is we're not Government employees.

MR. GILLESPIE: Okay. Thank you.

Geoff? Ken?

1 MR. BROCKMAN: We've got a couple of things that we're going
2 to give Susan.

3 One is just to give reiteration on talking about the
4 internal communications that we've got that are pure Federal NRC
5 members, the weekly transition phone calls, division director
6 counterpart meetings, executive oversight forum meetings. We'll get
7 that, once again, put on the table for what that is.

8 Another issue that we came up with are the public workshops
9 that are going on. We're soliciting a lot of feedback. If we have
10 another round of those, do those constitute -- let's get that identified
11 right now, because you're going out to all member stakeholders and
12 asking for input.

13 I don't think it will be a problem, but let's get it --

14 MR. GILLESPIE: The situation would be that members of this
15 panel would participate in public workshops whose focus is the
16 solicitation of feedback.

17 MR. BROCKMAN: I believe that's information-gathering.

18 Then the third thing are the interactions that we have with
19 the licensees in the conduct of normal business, be that exits for
20 inspection activities, be that management meetings, be that activities
21 within the enforcement arena.

22 Typically, they're for gathering information to effect and
23 implement the current inspection program and they're gathering of
24 information to identify points of conflict and suggests for improvement,
25 are required by the management directive.

It goes back to the staff, and some specific sub-examples
within that, especially within the enforcement area, are going to be the

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

activities that we'll have ongoing with licensees in phase three of the
significance determination process, which definitely gets into a lot of
feedback in the application and also with respect to clarifications on
different performance indicators.

1 While it's not the SDP, you're still going to get a lot of
2 discussions as to how those clarify and where those come out.

3 So, we'll have all those available for her to give comments.

4 MR. GILLESPIE: I'm going to just make a suggestion, if we
5 can consolidate that down. OGC is not going to deal well with -- if the
6 focus is NRC interactions dealing with enforcement --

7 MR. BROCKMAN: Let me try to consolidate it.

8 MR. GILLESPIE: Consolidate it down a little bit.

9 MR. BROCKMAN: Yes.

10 MR. GILLESPIE: Okay.

11 If Ken covers that, any other comments? Half of us is
12 industry interface, too.

13 MR. BROCKMAN: Yes. It's our interface with the industry,
14 as opposed to your industry-industry.

15 MR. GILLESPIE: I'm going to suggest that, once Ken gets
16 that written up, we'll type up what Steve gave us, and what we'll do is
17 we'll test our e-mail distribution, with return receipt requested via
18 e-mail so that if we don't get something, we'll give you a call and try
19 to get our e-mail system working so we can be able to get stuff out and
20 have it queued up for you.

21 Okay. If that makes sense, then we can move on to the next
22 thing, which would be what the staff's doing relative to their criteria
23 and coming to conclusions and developing information.

24 Tim?

25 MR. FRYE: I think a copy of the slides I'm going to use
were handed out, and also, everyone should have a copy of the draft
revised success criteria, which provides some more detail, and that's

ANN RILEY what I'll be talking to.

&

ASSOCIATE
S, LTD.

Court
Reporters

1025

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

Good morning. My name is Tim Frye, and I work in the

inspection program branch of NRR. I'm a member of the transition task
force that's responsible for developing and implementing the new

1 oversight process, and I'm also the coordinator for the pilot program
2 that's currently in progress to exercise the new process prior to full
3 implementation.

4 Joining me in the back, unfortunately for me, are Bill Dean,
5 who is the chief of the inspection program branch, and Alan Madison, who
6 is the transition task force leader, along with several of the other
7 task leads, and what we're going to try and do is present how the
8 results and data are being generated during the pilot application and
9 how we're going to collect these -- this data and analyze it to support
10 the evaluation for full implementation.

11 As most of you probably know, six-month pilot is in
12 progress. It commenced on May 30th. The objective of this pilot
13 program is to exercise the new processes, collect lessons learned and
14 feedback, and revise the processes prior to full implementation, as
15 necessary.

16 MR. CHASE: Could I ask a question?

17 MR. FRYE: Yeah.

18 MR. CHASE: If we have comments on the success criteria that
19 you're going to go through, should we save those for the afternoon
20 session?

21 MR. GILLESPIE: What I'm going to suggest for the afternoon
22 session is that -- I'm going to ask Heidi to lead us through criteria by
23 criteria and that we collect our comments very specifically, so that
24 that becomes a product that we could then turn over to the staff, if
25 that's acceptable to everybody.

 MR. FRYE: Okay.

 Success criteria were established to evaluate the results of
ANN RILEY the pilot, to determine whether the new processes provide and assure
& ASSOCIATE that plants continue to be operated safely, enhance public confidence,
S, LTD. Court increase -- improve the effectiveness and efficiency of regulatory
Reporters oversight, and reduce unnecessary regulatory burden, as appropriate.
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MS. HAHN: Tim, I'm going to interrupt you again.

I think it is appropriate, however, if you have questions for clarification, what did you mean by, that you bring them up right now.

MR. CHASE: Not why is this a success criteria. That was my question.

MR. FRYE: Okay.

MR. GARCHOW: When you said it was a six-month pilot, you meant nine-month pilot, correct?

MR. FRYE: No, it's still a six-month pilot. It is still scheduled to end the end of November. Full implementation has been delayed until April 1, 2000, and that's going to allow us more time to evaluate the results of the pilot, make the improvements that we deem necessary, complete training.

MR. GARCHOW: But by definition, for the pilot plants, they're not going back to anything else.

MR. FRYE: That's a good point. The pilot plants, assuming not catastrophic failures or big problems that come out of the pilot, stay in the new processes. That's a real good point.

MR. GILLESPIE: Does everybody recognize the staff put itself in an untenable position originally that we were going to have an overnight approval from the Commission and we were going to write a report on it overnight, also, and that became untenable.

MR. FRYE: The data that is generated and the results that come out of the pilot program will be evaluated by these -- as described by these success criteria, and they'll be used by the staff, along with the input from this panel, the public, and the industry, to evaluate the readiness of the new processes for full implementation.

ANN RILEY
&
ASSOCIATE
S, LTD.

Court
Reporters

1025

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

We've talked a lot about how these criteria were published in a Commission paper, SECY 99-007A, and they actually were revised after that.

1 The criteria that's currently in place for the pilot were
2 published in the -- in attachment one, which was the pilot program
3 guidelines, which was part of a May 20th memo from Sam Collins to the
4 four regions to implement the pilot program.

5 So, that is the success criteria that's on the books.

6 What you have in front of you is draft success criteria that
7 reflects some revisions and additions that we've made since that time
8 that will be published in the next week or so as a revision to the pilot
9 program guidelines.

10 So, once we finalize these -- and part of that finalization
11 is your input from this panel -- we'll be publishing them in that
12 manner.

13 That memo that you should see in a week or so would be from
14 Bill Dean to the four regions, very similar to the May 20th memo that
15 started the pilot, and that's the kind of distribution, and it would be
16 sent to the pilot plant licensees, same distribution that the original
17 memo was received.

18 I guess just -- I think I already said this already.

19 What I want to do today is go over the revised success
20 criteria, try to explain what it is we feel is important to measure, how
21 we're going to measure it, and there's a lot of them.

22 There's 22 success criteria. So, it's going to be at a
23 pretty high level, so we will address any questions that you might have.

24 I want to point out the changes we've made and why we've
25 made them.

I guess, as just a little bit more background before I get
started, the way we developed the success criteria is we tried to -- for

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Each of the major processes, we tried to come up with things that were
important to measure to address the four high-level objectives that I
talked about -- maintaining safety, enhancing public confidence,
improving efficiency and effectiveness, and reducing unnecessary burden,

regulatory burden.

So, that's why the success criteria is set up that way, and in addition to the individual processes, we recognize that there was NRC information management systems that we had to address to measure if they're ready to support the new processes, and then, at the end, we realized there was some bigger picture overall issues that we wanted to evaluate during the pilot, and so, we developed success criteria for those. So, that's why they're set up the way they are.

PI reporting -- we do have two success criteria for PI reporting, and what we're trying to do is -- one is for accuracy and one is for timeliness.

For the accuracy one, what we're trying to see is can the PIs be reported accurately, in accordance with the guidelines, and some of the data we're going to -- a question?

MR. BARNES: If you could tell us, how many of the indicators right now are there some issues with? There are some indicators that there's some -- outside of here, there's some work going on.

MR. FRYE: Maybe the easiest thing to do -- that's a good question, because for a lot of these criteria, we don't have a lot of data yet, but for a handful of them, PI reporting, PI timeliness, the inspection procedures, which I'll get into a little bit, we do have some data, and it is our intention for all these success criteria but for those in particular to get some metrics in place now to track how we're doing throughout the pilot.

To answer your question specifically, we do know there's a lot of issues about PI accuracy out there, a lot of issues and

ANN RILEY questions, so we're trying to get that metric up and running right now, & ASSOCIATE in the next week or so, so we can demonstrate how we're doing with the S, LTD. Court PI accuracy.

Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. BARNES: I know that, as you come in, we look at each

1 PI, as we go through the inspection, and that kind of stuff, but I mean
 2 this is a pretty important piece here, and the criteria in terms of
 3 reported accuracy by the industry is defined as do we have the reporting
 4 guidelines well established.

5 As a panel, it seems like a nothing indicator, but really,
 6 there's a lot behind the scenes right now that needs to get resolved
 7 fairly soon.

8 MR. FRYE: The idea, just like you said, behind this success
 9 criteria and the metric we're going to establish is to accumulate the
 10 results of all the verification inspections we're going to be doing, the
 11 efficiencies the industry identifies on their own, and where we see
 12 problems, that's the point of the success criteria, is to see where
 13 we're having problems, which PIs, in particular, we're having problems
 14 with, and address those.

15 Probably the easiest way to talk about those first two
 16 criteria, because this is one we're trying to get up and running right
 17 away, is to show the type of metric we're trying to pull together, and
 18 this is an example, but what we want to do, we're trying to measure the
 19 accuracy for each PI.

20 So, what we're going to try and do is document the errors
 21 that we're seeing, and that data is coming from PI verification
 22 inspections that the inspectors are doing, and that's part of the pilot.

23 As part of the pilot, we're going to verify each PI at each pilot
 24 plant.

25 Independent verification by the task force -- what that
 means is that the task leads for the pilot are going to be going out and
 doing some independent verification, and the last one is discrepancies

ANN RILEY that the industry notes themselves and revises the PIs for.

&
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connecticut
 Avenue,
 NW, Suite
 1014
 Washington
 n, D.C.
 20036
 (202)
 842-0034

MR. CHASE: What do you mean by the task leads?

MR. FRYE: The PI task lead that will be going out.

MR. CHASE: To the pilot plants?

1 MR. FRYE: Right. As an independent effort to look at the
2 PIs and do a little bit of independent verification. So, that's another
3 source of data we would get on PI accuracy.

4 But the idea is to look at the number of errors that we're
5 seeing for each PI, and the success criteria is that, by the end of the
6 pilot -- probably an example is the best way to do it.

7 Say, for example, right now, for safety system failures, we
8 know we have three or four plants that are having trouble with that PI.

9 Okay.

10 That indicates it's probably a programmatic procedure
11 problem that we need to address, we need to look into it and resolve.

12 If we get to the end of the pilot and we get down to just
13 one plant out of the nine plants that have a problem with the PI, we're
14 still going to address that problem, but it indicates it's not a
15 programmatic or procedure or a process problem.

16 So, that's the way the success criteria are set up.

17 MR. BARNES: So, the plan is to true it up before we get to
18 the end.

19 MR. FRYE: Right.

20 MR. BARNES: Okay.

21 MR. GARCHOW: I notice you didn't have success criteria
22 around are the PIs right, did we get what we wanted out of our PIs?

23 MR. FRYE: That's a real good point, and it goes to Jim
24 Wiggins' point that he made earlier in the day, and that's probably the
25 third important measure that we're concerned about with PIs, but we do
address that.

We figured the best place to put that -- we have criteria

ANN RILEY under assessment that says -- and it really goes to Jim's question.

&

ASSOCIATES WE'll get to it, but I'll talk about it right now.

S, LTD.

Court
Reporters

1025

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

The criteria is are the PIs and the inspection results
giving us adequate indication of licensee performance and do they

1 provide assurance that plants are being operated safely?

2 So, that's the big picture question that we are addressing,
3 and we'll use that as success criteria to answer the question, are the
4 PIs telling us what we thought they should be?

5 MR. FLOYD: Tim, when you use the word "accurate," I assume
6 you mean -- in my mind, it's two perhaps different categories of
7 accuracy.

8 One might be the licensee and the NRC both understand the
9 mechanics of the performance indicator, but due to sloppy
10 record-keeping, there's examples being missed that aren't being
11 accounted for. That's one case.

12 Another case, though, might be interpretative differences of
13 opinion between what is supposed to be captured and what isn't supposed
14 to be captured, and I'm wondering if it would be useful to capture in
15 your chart some way to make a distinction between those two, because I
16 think that tells you two different insights.

17 MR. LIEBERMAN: One is the capability of collecting the
18 information. The other is the performance, how a licensee goes about
19 collecting it.

20 MR. GARCHOW: Even with the new process, even with the
21 plants not in the pilot, they're going to have to go back and select
22 some data.

23 This first example is actually more realistic. Some of
24 these we were not ever collecting before, or we were collecting
25 something similar, that you're massaging data to meet the new criterion.

To the extent the people kept records of that detail on
things that weren't required to be kept as records before, we're finding
problems in the pilot plants with the historical.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

So, I believe, on a going-forward basis, once we clear what
the reporting guidelines are, our accuracy in either definition will be
pretty good. It's only in that information going back to try to

1 assemble like three-year rolling averages or two-year rolling averages
2 back before this process was even conceived that we're running into some
3 problems.

4 MR. FRYE: I think, for accuracy, we're actually looking at
5 both, but those examples -- we're not trying to make the distinction
6 this success criteria.

7 MR. CHASE: If you get to the end where you have not an
8 accuracy problem but an interpretation problem, will that count as not
9 reported?

10 MR. FRYE: Well, yes, it would. You know, whatever the
11 cause is, we want to identify it and address it.

12 MR. GRANT: That gets to my question. It's broadly stated,
13 but the success criteria -- what does that mean, eight of nine plants
14 accurately -- that means 100 percent, no disagreement between the NRC
15 staff and the individual pilot plant and nothing is reported
16 inaccurately. But it has to be eight out of nine of the pilot plants.
17 Do I understand that's what you mean?

18 MR. FRYE: Yeah, that's the intent.

19 MR. GRANT: So, no open questions. If there was an open
20 question --

21 MR. FRYE: Well, no open questions about whether some data
22 should be included in the PI -- that would be an accuracy question.

23 MR. GRANT: Okay.

24 MR. BAJESTANI: Have you finalized the number of the PIs, or
25 there's still some work being done to develop more PIs on other areas?

MR. FRYE: The set that we're going to go to full
implementation with is finalized.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court work on developing performance indicators.

Reporters
1025

Connectic
ut

Avenue,
NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. BAJESTANI: So, these PIs that we got is finalized.

MR. MADISON: The task force is continuing to develop --

As we've, I think, said in the past, we'll bring those,

1 we'll test those, maybe not during the pilot, but we'll do some
 2 verification and validation work, we'll bring those to our public
 3 meetings that we discuss with industry, NEI, and the public, and we may
 4 add those sometime during the pilot or sometime after the pilot program
 5 for full implementation.

6 We're looking specifically in the area of shutdown, fire
 7 protection, and for an unreliability indicator.

8 MR. CHASE: Alan, if you add those during the pilot program,
 9 would the new ones count in the success criteria?

10 MR. MADISON: It would not be our intent to count those in
 11 this, because they will be too new.

12 MR. GILLESPIE: Would it be fair to say that, for the
 13 purposes of evaluating the pilot program, the set that we have now is
 14 frozen?

15 MR. MADISON: Yes.

16 MR. BAJESTANI: That's really what my question is.

17 MR. GILLESPIE: Now, we may want to consider later having
 18 the staff brief us on what the changes are later on.

19 MR. MADISON: Definitely.

20 MR. GARCHOW: Is it part of this panel to bring forth and
 21 have some discussion on some recommended changes to the current existing
 22 PIs as the pilot plants are finding what they may not be getting or they
 23 may not be giving us the information that we're looking for?

24 There's a lot of issues that are out there that the pilot
 25 plants are uncovering, and I believe that it would be appropriate for
 this panel to pass some judgement on those.

MR. GILLESPIE: I think so.

ANN RILEY
 &

ASSOCIATE
 S, LTD.

Court I could. I'm just wondering if the criteria might be a little too tight
 Reporters

1025 and whether you may want to restructure it somewhere, and here's my
 Connecticut

ut
 Avenue,

NW, Suite

1014
 Washingto

n, D.C.

20036
 (202)
 842-0034

I want to let Tim go on.

MR. FLOYD: One last point I'd like to make on this one, if

1 point. There's actually 19 indicators and 13 units in the pilot
 2 program. That's 247 PIs being reported monthly in the pilot program.
 3 Failure on one out of 247 PIs puts you right at the threshold of not
 4 meeting your eight out of nine.

5 MR. GILLESPIE: Hold that thought. We're having this
 6 afternoon's discussion now.

7 Tim, I'm going to ask you to go as rapidly as you can.

8 MR. WIGGINS: What you currently have in this success
 9 criteria, when you're focusing on accuracy, looks at two points, looks
 10 at, one, what I would call mechanics, can the licensee execute the
 11 mechanics and collect data and track it and report it in a timely way
 12 that's accurate? Second has to do with interpretation. Is the rules
 13 for what is or isn't something that triggers one of these consistently
 14 understood between industry and the NRC? I think it's important that we
 15 get real specific on that point.

16 MR. FRYE: Just very quickly, on this criteria, we need --
 17 for reasons of supporting getting data published publicly and supporting
 18 the assessment process, the guidance is that all the PIs reported by
 19 each plant on the 14th day following the quarter, or a month for the
 20 pilot, so that's very important, and we need to have assurance that we
 21 can get all the PIs in a timely manner. So, timeliness is another
 22 criteria and would be captured on the last column there.

23 The next section is the inspection program, and the first
 24 criteria has to do with planning. We do have a new process, new
 25 procedures.

The first criteria is can the NRC plan inspection in a
 timely manner to support the assessment process, and so, we'll be

ANN RILEY collecting data about how we'll be tracking the inspection follow-up
 & letters that are published to see if there is a holdup, if the planning
 ASSOCIATE S, LTD. Court of inspection is holding up getting out these letters.

Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

MR. MALLETT: Is that only having to do with timeliness of

1 that plan, or does that have to do with the quality of that planning, as
2 well?

3 MR. FRYE: That's a good question, because we added -- I
4 don't think I mentioned this, but the hand-out you got on the actual
5 details of the criteria, the stuff that is underlined is what has been
6 added or changed, and you'll see that one thing we added there is a
7 statement that -- going to quality somewhat -- that all the required
8 procedures are planned.

9 So, it's not only can you get a plan out but can you
10 actually get all the procedures you need to do in the next six months,
11 say, into the plan?

12 So, we did that in. We recognized we weren't addressing
13 that point.

14 So, that's our criteria for planning.

15 MR. WIGGINS: You may want to address this in the afternoon,
16 but what does that -- I feel like asking the question, what does that
17 prove? We can demonstrate to you that we can do anything like that if
18 that's the only thing we want to do. We can do that.

19 MR. GILLESPIE: We have a consensus that that's an afternoon
20 question.

21 MR. WIGGINS: Okay. I'll bring it up this afternoon. It
22 won't go away.

23 MR. FRYE: Again, just very quickly, we felt it was an
24 important thing to measure, because we had a whole new inspection
25 program, and we weren't sure how difficult it would be to plan the
inspections. So, we wanted to monitor it and measure success in that
area.

ANN RILEY The next one, are the inspection procedures clearly written
& ASSOCIATE that they can be consistently conducted, and that's an important one.
S, LTD. Court It's one that Jim Wiggins had comments earlier, and we actually have
Reporters two ways that we're going to measure that.
1025 Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 The first is we will look at the resources, and we've
 2 established our criteria that we're looking to see if -- across the
 3 sites, if a given inspection procedure can be conducted with a
 4 consistent amount of resources, and that would be an indication of how
 5 well the procedures -- how clear they're written.

6 Question.

7 MR. GRANT: Does that mean within 25 percent of -- you're
 8 going to average -- for a particular module, you're going to average all
 9 the hours and then see if any one was a blip of greater than 25 percent
 10 above that, not -- this isn't relative to the hours that were originally
 11 estimated for each module.

12 MR. FRYE: Right. We changed the words a little bit,
 13 because the original words said 25 percent of each other, and we
 14 realized that that wasn't clear what that meant.

15 So, it's within 25 percent of the average, and we do feel --
 16 there's nothing scientific about 25 percent, but we do feel that, if
 17 procedures are within the 25-percent band, that does account for
 18 differences in licensee performance and inspector -- the inspectors
 19 doing the procedures, but if you add two or three plants that are
 20 outside this band, that's telling you something about the procedure
 21 quality. So, that's why that criteria is set up that way.

22 There's also another part of that criteria that I'll mention
 23 real quickly.

24 We are getting feedback on all the procedures, and we ask a
 25 lot of questions about are they clearly written, are they meeting their
 objectives. The procedure feedback forms we're asking all the
 inspectors to fill out -- there's a numerical rating and there's also a

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

MR. LIEBERMAN: We have success criteria for each of these

1 criteria. Is there a success criteria for all the criteria, like all
2 these criteria have to be successful, or most of them, or is that going
3 to be a subjective issue?

4 MR. FRYE: I think it's a subjective issue. That is a good
5 question.

6 MR. GARCHOW: We're not going to make this a numerical item.
7 We're trying to develop a process that gets us away from coming up with
8 a number. An assessment should probably not be a number grade based on
9 assigning and averaging points.

10 MR. GILLESPIE: In fact, subjective is okay.

11 MR. THADANI: Well, I'm concerned about the metrics.

12 MR. FRYE: We're not pre-destined to meet any of these, they
13 weren't written that way. A lot of people have complained that, you
14 know, it's not likely we'll meet any one of these criteria. That's
15 okay.

16 The point of these criteria is to point out where the
17 problems are at during the pilot and to help us identify whether it's an
18 isolated problem, and we're going to go fix all the problems, but
19 whether it's an isolated problem, it's misunderstanding or whatever, or
20 if it's a programmatic or procedure problem, which we need to address
21 before full implementation.

22 I'll just throw up another graph real quick here.

23 For this criteria -- we do have a lot of data for this one,
24 too, and there's a metric, and this is the last page of your hand-out.

25 This is an example of the metric that we're trying to set up
for the resource comparison, and this is for the routine resident
inspections, and we'd be looking at tracking the hours, and this would

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Show the results of that success criteria and the deviations from the
average if we're meeting the criteria, and so, this is one of the other
metrics that we would hope to get up in the next week or so, because we
have the data there.

1 We have two months' experience with doing a lot of these
2 procedures.

3 The third bullet, less NRC resources are required to provide
4 adequate oversight of licensee activities through inspection -- what
5 we're trying to do there -- and we did make a change to that one, a
6 little bit of a change, describing -- clarifying how we're going to do
7 it, but we're trying to look at all of the resources applied for direct
8 inspection effort, and that's the baseline and initiative inspection to
9 follow up performance issues and reactive inspection, and compare those
10 resources to the current program, with the goal that we feel they should
11 be less, the way the program is set up.

12 We can't say how much less they should be, but they should
13 be less.

14 So, we're looking and we're making that comparison, and what
15 we'll be doing is we'll be taking all the direct inspection resources
16 for the pilot plants, comparing them to the rest of the regional average
17 during the pilot, then also comparing the pilot plants against
18 themselves for the resources they had that were applied before the
19 pilot.

20 So, that would be the two comparisons we're doing.

21 MR. MALLETT: Tim, I gather from that that's looking at all
22 the resources and not looking at it by inspection procedure.

23 MR. FRYE: Right. It's just a direct inspection effort
24 number.

25 MR. WRIGHT: It's just the inspection hours?

MR. FRYE: Right. These are inspection hours. We do have
another criteria that goes to overall resources, which would include
assessment, enforcement, prep, and doc.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. BROCKMAN: How do we factor in if inspections weren't

completed? The allocated hours were used and the inspection is only
60-percent done.

1 MR. FRYE: Well, I guess we'd be assuming that the -- I'm
2 trying to make sure I understand your question.

3 MR. BROCKMAN: We have taken inspections of -- 100-hour
4 inspection, and we've got 150 hours allocated to the inspection, because
5 we felt that might be right. So, we go up there and do 150 hours, and
6 my inspectors come back and say I'm 70-percent done, in 150 hours I
7 could not get the inspection done.

8 The validity of your database to make any conclusions --

9 MR. FRYE: That's a good question. I don't know the answer
10 to that right now.

11 MR. BROCKMAN: If they're done in 60 hours -- I've told them
12 to come home in 60 hours if they're done late, but if it didn't get
13 done, they've got to report we're not done. So, you've got to have a
14 valid database to operate off of, and that database is suspect.

15 MR. FRYE: I think we're going under the assumption that
16 we're going to do the inspection to meet the objectives of the procedure
17 and --

18 MR. BROCKMAN: That's not the guidance we're operating
19 under.

20 MR. MALLET: Let me make a suggestion. How are we going to
21 solve it here?

22 MR. BROCKMAN: The issue has to be addressed. There's a lot
23 of ways to fix it, but we're going to have to address that.

24 MR. GRANT: Tim, it looks like you might be comparing apples
25 and oranges in this particular one, and let me make sure I understand
it. We're going to look at the resources that we spend in DIE under the
program and compare it against the current inspection program.

ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1025 Connecticut
Avenue,
NW, Suite
1014
Washington,
D.C.
20036
(202)
842-0034

We're being much more precise in today's program, in the
pilot, on just capturing inspection hours. The old program, lots of
stuff was captured under the hours expended at a site, including
assessment. I'm trying to understand if you're making a good comparison

1 at this point. Do I understand this right?

2 You're going to look at just inspection hours?

3 MR. FRYE: Right.

4 MR. GRANT: And in the old program, also.

5 MR. FRYE: Uh-huh.

6 MR. GRANT: Recognizing that that probably included more
7 than just inspection activity.

8 MR. FRYE: I guess we'd have to consider that. That's a
9 good point.

10 MR. GILLESPIE: I'm going to ask, if you could, write these
11 down, so we don't forget them, because these are good points for this
12 afternoon, and we go through these criteria by criteria this afternoon,
13 these are excellent, excellent considerations for the staff then to go
14 back with, and my fear is that we're talking -- if you say it, please
15 write it down so we can bring it up again.

16 I don't want to take a chance on losing any of what's going
17 on right now.

18 MR. GARCHOW: I guess, even though these are draft, I just
19 have to ask them, does this represent the consolidated region and
20 headquarters position, because it almost sounds like we're getting some
21 internal review being done here.

22 MR. GILLESPIE: They're taken off the mantle of their
23 previous position. This is the staff's best shot today, and that's what
24 we have to be concerned with commenting on. So, yeah, if some of this
25 comes up, that's okay.

MR. GARCHOW: I'm not saying it's not okay. I'm just
wondering if this is going to be radically different once it gets

ANN RILEY through the rest of the internal agency reviews.

&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. GILLESPIE: We owe Tim our comments as a group.

MR. FRYE: It was a good draft coming in this morning.

The fourth bullet is one we added.

1 It goes to the timeliness of issuing inspection reports and
 2 updating our plant issues matrix which documents the inspection
 3 findings, and originally, we were kind of measuring that indirectly, but
 4 we changed some of the other criteria that were measuring it indirectly,
 5 and we realized this is an important item that we want to make sure we
 6 can do, because again, it supports getting current inspection
 7 information out publicly, in conjunction with the PIs, and then those
 8 two things go together to make an assessment. So, it's really a measure
 9 of how well we can get the current inspection findings out.

10 MR. MALLETT: When you say can we support the written, you
 11 mean issue?

12 MR. FRYE: That's a good correction. It should say issue.

13 MR. LIEBERMAN: Just generally or 100 percent?

14 MR. FRYE: This one's 100 percent.

15 MR. LIEBERMAN: To be successful under this, it has to be
 16 issued within three days.

17 MR. FRYE: Well, in accordance with the guidelines, which
 18 excludes major team inspections, all the routine inspection reports,
 19 we're looking to get -- because again, there's a concern that, if we
 20 can't do that, then we're putting information out that's less timely
 21 than we want.

22 MR. GRANT: That is a good point you just brought up,
 23 though. You have that as a metric, but there are team inspections that
 24 are being done in the pilot, and those would have 45 days allowed.

25 MR. FRYE: The last bullet for an inspection program --
 again, this goes to a comment Jim made earlier this morning, but this
 bullet goes to are the scope and frequencies of the program procedures
 adequate to address their intended cornerstone attributes or objectives.

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court the individual procedures, but we want to see whether they are meeting
 Reporters
 1025 the intent, the original objectives in the framework, and we'll be --
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

the data we'll be getting for this is the feedback forms.

There's a specific question on there that asks -- question three on the inspection procedure feedback forms -- that asks is there something that is risk-significant that wasn't included in the inspection? That would be a source of data for this success criteria.

MR. GRANT: What is the success criteria? What's your metric?

MR. FRYE: There is no metric. It's very qualitative. We'll be relying on a survey also to get this information, and it's addressing each input we get and making a decision on it. There's nothing quantitative we can do for it.

That's it for the inspection program.

One of the other changes from the original success criteria that is in the pilot program documents is we pulled the significance determination out and made it its own section. It was buried in an inspection program. And we also added a success criteria for the significance determination process.

The first criteria is can the significance determination process, or SDP, be used in a timely manner to categorize the inspection findings, and the way we're going to measure it -- we've set up some metrics for that, that phase two evaluations can be completed within a certain number of days and phase three evaluations can be completed in a certain number of days, if you're familiar with the process.

So, that's our new measure, which has changed from what it was previously, and this is one that was almost an indirect measure of inspection report timeliness. Our original thought was to see whether this significance determination process was holding up inspection

ANN RILEY & ASSOCIATES, LTD. Reports, as these issues were trying to be run through the process. So, we realized that wasn't a good measure. So, that's why we changed it.

Court Reporters The second bullet, can inspection findings be properly assigned safety significance in accordance with the guidance?

1025 Connecticut Avenue, NW, Suite 1014 Washington, D.C. 20036 (202) 842-0034

1 What we're doing now is we've established in the agency an
2 operational support team, and what they'll be doing is they'll be doing
3 an audit of all the findings that are generated and inspection reports,
4 and we'll be looking at LERs and we'll be looking at any feedback we get
5 about issues that might have been screened out but an inspector said I
6 didn't think that was appropriate.

7 So, that would be our source of data, and this team will be
8 doing an audit to independently verify that the conclusions were right.

9 MR. WIGGINS: You might not want to address this now, but I
10 noted that, when you look at the significance determination process,
11 this is the NRC deciding that it can work its system predictably.

12 But there's another party involved in this. If you look at
13 the process, you know, licensees are also going to have to be or at
14 least are allowed the option of working themselves through it. What
15 we're not examining is, in the success criteria, any measure of
16 consistency between outcomes.

17 Where I'm going is, one of the things that could be viewed
18 as a problem in the future would be if we consistently or at a high
19 frequency -- and I won't define high -- end up at loggerheads between
20 the NRC and the licensee with regard to what significance we think the
21 issue is.

22 Not only will it cause us to expend a lot of effort to try
23 to resolve the inconsistency, but the nature of how we have to reach the
24 resolution, in that we do things in a relatively open frame review,
25 could really shoot public confidence in the heels here, as you see this
dialogue -- and depending on, you know, which letter you decide to read,
you get a different view of what's going on.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. LOCHBAUM: I think that would boost public confidence.

MR. FRYE: That's a real good point. I'd have to think

Court about it, but I'm not sure if we capture that aspect of the process.

MS. HAHN: What we'll do this afternoon is go through the

1 criteria one by one, and then, also, when we look at the areas, go
 2 through and say are there things that should have been captured in that
 3 area that are missing, so bring that point up again.

4 MR. GARCHOW: Tim, are you going to be here this afternoon?

5 MR. FRYE: Yes, I plan on it.

6 MR. GARCHOW: Good.

7 MR. FRYE: The third one, which was a new one that we added,
 8 addresses an issue that's come up over the last -- since the pilot
 9 started, actually, but during the pilot, we'll actually be using two
 10 risk analyses to assess inspection findings, both change in core damage
 11 probability and change in core damage frequency, and we have a question
 12 right now which one's the most appropriate methodology for evaluating
 13 inspection findings.

14 So, since we decided we were going to do this, we developed
 15 a new success criteria that documents the fact that we will be doing
 16 this review and evaluation, and you know, we have to make a decision on
 17 it, and what we'll be doing is we'll be just comparing -- for each issue
 18 that comes up, comparing the results between the two, and we're also
 19 considering a historical significant issue review that would complement
 20 that.

21 So, that's what we'll be doing to address that criteria.

22 MR. LIEBERMAN: Will the determination be based on a
 23 comparison?

24 MR. FRYE: Right now, I believe the position is that change
 25 in core damage frequency is the correct methodology for making -- but
 we're going to review it. We're going to compare those results against
 change in core damage probability results, and what we're saying is,

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connecticut
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

Based on those results, we'll determine if delta CDF is right. That's
 really all it's saying.

MR. GILLESPIE: This is an interesting question that I think
 we need to deal with this afternoon, and it's on the average versus the

1 risk at any given time, and it's an interesting public confidence kind
2 of question, and it's actually being dealt with in different venues.

3 Maintenance rule is another place that this same question
4 has come up in the past, and that deserves, I think, some discussion
5 this afternoon, from a public confidence point of view.

6 MR. GARCHOW: And some good definitions.

7 MR. GILLESPIE: And some good definitions.

8 MR. FRYE: The next process is assessment. We have four
9 criteria for that, and the first one is a timeliness issue, and what
10 we're trying to see is if we -- and this is really the mid-cycle
11 assessment that will be performed at the end of the pilot, whether we
12 can have that assessment meeting and get the product out in a timely
13 manner. So, we'll be tracking that.

14 The second bullet is can the action matrix be used to take
15 appropriate NRC actions in response to the indications?

16 We'll be tracking throughout the pilot the indicators that
17 we are getting, the range of actions that the action matrix would
18 specify, and the actual actions taken in response to the indications,
19 and we're looking for discrepancies, if there are any instances where we
20 felt that the action matrix part of the assessment process isn't giving
21 us appropriate actions and with justification provided there's a
22 deviation from the action matrix. So, that's what we're trying to
23 measure with that criteria.

24 MR. GRANT: What do you mean by the action required?

25 MR. FRYE: It's action taken.

MR. GRANT: Okay.

MR. GARCHOW: The action matrix is sort of written like it's

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

guideline, right, and the intent was the regional administrator and
their staff would be able to look for appropriateness. I think what
you're trying to capture is how many occasions and what was the basis
between the deviation from the action matrix and that which was actually

done.

MR. FRYE: In the action matrix, obviously, we want to readdress its setup.

MR. WIGGINS: That speaks to whether the matrix is literally or is it something else.

Does it tell you the top end of the action you should take, recognizing that there's actions below that top end, or does it tell you precisely, if A and B, then you have to do C and nothing less, and I don't know where that ever ended up.

I know what the region's points of view are, which you can well imagine. Regions, by nature, want flexibility in these type of things, at the same type recognizing that you want some type of a constraint overall. You're recognizing you want to have a constraint.

MR. GARCHOW: And you would want some predictability.

MR. WIGGINS: That's the issue. It's whether you need to have predictability and what's the most important part of that predictability. It depends on what the real concern is. It's an afternoon issue, but it's a good point.

MR. FRYE: All right.

The third bullet -- and I already talked about this a little bit, it's really our big picture program, is the program, the combination of PIs and inspection findings, giving us adequate indication of licensee performance and providing assurance that plants continue to be operated safely, and we'll be relying on feedback we get on our feedback forms, for example, and stakeholder surveys that we're planning on doing to collect instances where someone felt that, you know, although we did this new process as written, something was

missing, we failed to look at something, there was an indication of a performance problems that the process wasn't picking up on.

The fourth bullet, are the processes being consistently implemented across the regions? We'll be looking at the outputs of the

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 process, the conduct of the meetings, the letters that are generated,
2 and we'll be doing a consistency comparison.

3 Those are the bullets for assessment, and again, a lot of
4 these things -- we are working on a metric that we can populate
5 throughout the pilot.

6 I already put up the ones that we feel we can get in the
7 short term, because we have the data. A lot of these things, obviously,
8 we don't have the data yet, and we'll be working in the next month or
9 two to get additional metrics up, and some of the assessment ones would
10 be a good example of another one we can get going.

11 On enforcement, we have one success criteria. We want to
12 ensure that enforcement actions that are taken are consistent with the
13 findings that are generated from the SDP and that we take the data that
14 the SDP audit team is looking at -- and the Office of Enforcement would
15 be doing an independent review to determine that, with this finding,
16 with this rating that came out of the SDP, was the right enforcement
17 action taken and was it taken consistently?

18 So, that was it for enforcement.

19 On information management systems, these are generally
20 internal to the NRC, but they're important to measure.

21 The first one is can we get our data out in a timely manner
22 so that it's readily available to the public, and what we're saying is
23 we want to be able to get a current set of performance indicators and
24 the current plan issues matrix are on the external web so they're
25 available and easily retrievable within 30 days of the end of a
reporting period, and that's monthly right now for the pilot. It would
be quarterly for full implementation.

ANN RILEY
&

MR. CHASE: You do it then quarterly?

ASSOCIATE
S, LTD.

MR. FRYE: Well, when we get to full implementation, it's a

Court quarterly process that we're doing. For the pilot, it's going to be
Reporters
1025 monthly.

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. CHASE: If we provide you the TI data, how long do you
2 have to get it on the web?

3 MR. FRYE: Thirty days.

4 MR. CHASE: Even if it's quarterly.

5 MR. FRYE: Right.

6 MR. CHASE: Okay.

7 MR. FRYE: The second bullet -- this is, as Jim mentioned,
8 again, earlier this morning, our budget and time tracking systems, which
9 we call RITS -- are they ready to support the new processes?

10 We're trying to develop a set of new codes, because we have
11 a lot of new processes in place. We want to verify that the new codes
12 are in place and they're being properly used by the staff. So, we'll be
13 not only tracking are the codes in place, but we'll be, on an auditing
14 basis, seeing if they're properly used.

15 And the third one, NRC information support systems, such as
16 the Reactor Programs System, or RPS, and other similar modules -- are
17 they ready for full implementation, and these are just, again, internal
18 data analysis and collection systems, and what we'll be doing is --
19 we've already done this -- we've identified, for each of these modules,
20 the changes we need to make, and we'll just have a table that shows the
21 change that's required to be made, when it's scheduled to be
22 implemented, and then is it actually implemented.

23 MR. MALLETT: I have a question. On that last one, that
24 implies that there's other systems besides the RPS.

25 MR. FRYE: It's not limited to RPS.

MR. MALLETT: Have we defined those other systems?

MR. FRYE: Yes.

MR. MALLETT: Do you have a list of them?

MR. FRYE: Yes.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Last, our four overall criteria -- they don't pertain to any
particular process.

1 The first one, which has changed since it was published --
 2 and we're still working with the wording, but what we're trying to
 3 measure is have we identified what it takes to prepare inspectors and
 4 managers to implement the new processes?

5 What we want to do is assure ourselves that we have
 6 identified -- whether it's training, on the job -- formal training, on
 7 the job training, whatever it takes to prepare a person to implement the
 8 new processes -- have we identified all those needs and have we
 9 incorporated those needs into a program that will be implemented before
 10 full implementation, to have some assurance that, when we're ready to
 11 fully implement, people are ready to do it.

12 The second bullet, are the new processes more efficient
 13 overall, and that is -- and we say they are if the resources required
 14 for all of oversight, not only inspection but assessment, enforcement,
 15 preparation activities, documentation activities -- we've set a criteria
 16 that's 15-percent less than the current program, and that's -- what
 17 we'll be doing is we'll be collecting the resources, apply it to the new
 18 processes during the pilot, and again comparing them to the regional
 19 average for the plants that aren't in the pilot and then comparing plant
 20 -- pilot plant to itself before the pilot, a resource comparison.

21 The third one, do the new oversight processes remove
 22 unnecessary regulatory burden, as appropriate? Very qualitative.

23 It would be based on the feedback we get, and again, we're
 24 developing surveys that would be conducted at the end of the pilot to
 25 get that kind of input from the public and the NRC staff and the
 industry.

And the last success criteria, does the new process result

ANN RILEY assessments of performance that are more understandable, predictable,
 & consistent objective, again very qualitative based on the feedback we
 ASSOCIATE S, LTD. get and that we'll be soliciting through surveys.

Court Reporters
 1025 Connecticut
 Avenue,
 NW, Suite
 1014
 Washington,
 D.C.
 20036
 (202)
 842-0034

That's all of them.

1 MR. GILLESPIE: Okay, Tim. Thank you. And you were within
2 two minutes.

3 I do appreciate the panel allowing him to be within two
4 minutes.

5 I'd like to suggest that there's two topics we need to cover
6 this afternoon.

7 One is go through these criteria, because I feel very much
8 that we owe the staff some advice in capturing the thoughts -- some of
9 the thoughts we got this morning. So, I'd like to suggest that we put
10 that first on the agenda.

11 The second is our own planning for what topics we'd like to
12 cover, who we'd like to hear from, and when, relative to in the future.

13 If we have to do that via e-mail because we run out of time
14 today, I would suggest that that's easier to do, the scheduling piece,
15 via e-mail and maybe develop that long-distance, than it would be to get
16 this advice to the staff, which the staff needs kind of right away,
17 because they'd like to finalize the criteria. Does that make sense to
18 everyone?

19 So, we'll do this -- we'll hit the criteria right away, and
20 then we can figure out what we do meeting-wise later, even if we need
21 another meeting on meetings.

22 We allowed an hour for lunch. Is an hour too much?
23 Forty-five minutes enough? Or we'll just keep it an hour?

24 MR. LOCHBAUM: Or work right through lunch.

25 MR. GILLESPIE: I don't want to work right through lunch.

MR. LOCHBAUM: I didn't figure you'd go for it, but it
sounded good.

ANN RILEY MR. GILLESPIE: The lunch room is right downstairs. Can we
& get back here at quarter of? Does that sound all right. Okay. At a
ASSOCIATE S, LTD. Court quarter to one, we'll meet back here.

Reporters

1025

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

[Whereupon, at 12:05 p.m., the meeting was recessed, to

reconvene at 12:45 p.m., this same day.]

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

A F T E R N O O N S E S S I O N

[12:51 p.m.]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. GILLESPIE: We're probably going to need to declare a quorum. Since we don't have quorums, whoever is here is the quorum, I guess, and that's probably okay to keep us running on time, and I'm going to ask Tom to go ahead and start.

We'll probably just have kind of a general rule that if you don't get back from lunch on time, you miss the beginning of the afternoon.

MR. FLOYD: And you're not allowed to ask questions.

MR. GILLESPIE: And you're not allowed to ask what you missed.

MR. HOUGHTON: My name is Tom Houghton. I'm working at NEI on this assessment process and I've been involved with it since about the middle of last year. I guess what you'd like me to do is talk about what NEI is doing, both with the pilots in the industry and issues and areas where NEI could provide information to you in your meetings as you address the success criteria.

So what I really did was just tried to make a list of the things we're doing and some of the products that we have, interfaces we have, and answer your questions about that.

Starting from the top, we do have an NEI member web site, a member-only web site, at which we've provided most of the information that's been available or linked to the NRC web site page to get documents and NEI-9902 is the guideline for reporting and counting the performance indicators. That guideline does not include any of the assessment process, per se, or any other information possessed in NRC's

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

own documents.
The guideline was developed over a number of months and as
questions arise about the guideline, the way the issues are being
handled is that they're being asked about, so they're being asked of the

1 staff, and we are meeting on a biweekly basis and we're reviewing the
2 issues as they come up and we're developing frequently asked questions
3 and answers, which have been agreed to in public fora.

4 So those frequently asked questions bring up many of these
5 issues that arise about how do you count things or what does this mean
6 or is there an error in this part of the guideline, et cetera.

7 So that's our member web site, which we are keeping
8 up-to-date. I think the frequently asked questions will be something
9 that you all will want to seek copies of.

10 In terms of the pilot plants, we hold meetings every other
11 week and usually the following day we have a public meeting with the NRC
12 to discuss common issues.

13 We've been developing training materials for the pilot
14 plants, both orientation and working towards more detailed training. So
15 that both the pilots and the industry eventually will be prepared for
16 the program when it goes into full force.

17 The pilots are sharing their programs and procedures that
18 they're using for how they report the performance indicators. So that
19 information is being shared between the pilots. Issue resolution, we
20 are bringing up issues as they arise and bringing them to NRC.

21 Workshops, we'll be having a workshop on the 12th and 13th
22 of August on the significance determination process, which is a public
23 meeting, at which the NRC will be instructing the pilots.

24 MR. MADISON: Providing presenters.

25 MR. HOUGHTON: Providing presenters to the public meeting to
discuss how the significance determination process works. And the rest
of the industry -- it's a public meeting, so the public and the rest of
industry, there is room for them to observe.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

We're collecting the performance indicator data at this
stage, pretty much in an Excel spreadsheet type format, and then we're
sending it on to the NRC. So that information is available. And we

ourselves are working on some success criteria for this pilot program. That's part of the discussion that I left this morning, it's going on today, and there will be more -- we'll share more information with you on that.

Yes, sir?

MR. BARNES: Does NEI have an agreement, some kind of an agreement with the NRC on this new process, to consolidate the feedback? Is there a formal objective that NEI has to provide that feedback to the NRC, as an industry rep, or is this just something that we're just doing? I'm just asking.

MR. FLOYD: It's not a formal agreement.

MR. HOUGHTON: It's an oral agreement.

MR. FLOYD: If I can help. I think it really takes two forms. One is on the frequently asked questions, we actually did develop a process whereby if members of NEI or the industry identified questions about the performance indicator manual or the program, we'd post them on the web site, so other people know the question has been asked. But then we have actually worked out an administrative process with the NRC staff for getting their concurrence on what the proposed response is.

Then when we have that concurrence, then that response is posted on the web site.

MR. BARNES: Okay. Because going through the information that I was given on the panel, it doesn't really mention that, that that will be the avenue for industry. A couple of us talked about this the other day. In the information that was sent out, it says that feedback and comments from the licensee should be recorded on the regulatory

ANN RILEY, Impact report, NRC Form 649, or equivalent.

& ASSOCIATE So what I'm asking is, and I guess it's a general question, S, LTD. Court does that have that feedback should come to be formally considered by a Reporters license? I'm confused.

1025 Connecticut Avenue, NW, Suite 1014 Washington, D.C. 20036 (202) 842-0034

1 We've got an NEI process that, you're right, it's ethical
 2 and certainly we ought to consider it, but then we have this other piece
 3 in here that says this is what the licensee should do. Which ones do we
 4 see, which ones do we evaluate? We, the panel. We, the panel.

5 MR. GILLESPIE: I think the panel can only evaluate that
 6 which is in the public forum. So only that which has been transmitted
 7 to the staff. So if NEI, through whatever mechanism, gets it to the
 8 staff so that it's in the public document room and in the public, we can
 9 only deal with what the public sees.

10 MR. MADISON: We're basically duplicating those questions
 11 that are coming into NEI, being duplicated and being included in our
 12 list of frequently asked questions, that are also in our public records.

13 MR. BARNES: Is anybody filling out -- there's been a few of
 14 these inspections. Is anybody filling out this Form 649 or are we
 15 saying that the NEI form is the correct one?

16 MR. JOHNSON: Well, that's not for the licensees to fill
 17 out.

18 MR. MADISON: The reg impact form is filled out by NRC
 19 personnel, but it's based upon and we have received comments from the
 20 licensees.

21 MR. JOHNSON: Verbal feedback.

22 MR. MADISON: Verbal. The NRC personnel then fill out that
 23 form.

24 MR. GILLESPIE: Okay. We have an internal process in the
 25 NRC that requires any NRC manager who goes out to fill in this form.

MR. BARNES: Right.

MR. GILLESPIE: They're actually required to ask the
 licensee's opinion on how we're doing our job and he fills that in on
 the form and then submits it. So it's only NRC people submitting this
 Court and it's his articulation of what he thinks he was told by the licensee.

MR. BARNES: Right, and that's in the first paragraph.

1 That's all I was asking. It does have some guidance for the licensee to
 2 do this stuff, and I was just wondering if that was just going to come
 3 to us. What you're telling me is it's going to go to the staff and it
 4 will all be put in some format and we'll get it back.

5 MR. GILLESPIE: And then the staff has to give it to us.
 6 That way, it's open and in the public forum. Make sense, Mike?

7 MR. JOHNSON: Yes. If I can just say a few more words about
 8 something that is probably real clear. As Mike said, it's feedback on a
 9 whole bunch of things and we have gotten some forms from feedback
 10 received from licensees and I think that form is part of the process,
 11 but we also factor it over to the transition task force. So it serves a
 12 couple of purposes.

13 MR. BARNES: I think that answered the question.

14 MR. HOUGHTON: Another area in which we're sharing
 15 information among the pilot plants is the area of inspection feedback
 16 forms, where we are sharing information on what happened during the
 17 inspection and what the inspection process, how it went, what issues
 18 came up, what questions came up, such that the other pilots all have a
 19 greater learning experience from the inspections, the pilot inspections.

20 MR. WIGGINS: Just to clarify. Is that from the inspected
 21 entity's point of view? There is an NEI brokered process, where the
 22 pilots are providing feedback on what's happening at the inspection and
 23 the exit.

24 MR. FLOYD: We've developed a standard form of questions
 25 that we are asking the inspected plants to respond to after each
 inspection module is completed.

MR. WIGGINS: So that's NEI's.

MR. FLOYD: That's NEI, right.

MR. GARCHOW: Jim, just to be clear, though, what I think

ANN RILEY
&
ASSOCIATE
S, LTD.

Court the pilot plants have agreed to do, that isn't being done in isolation,
Reporters

1025 so at least at Salem-Hope Creek, we're providing that input to the
Connectic

ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

senior residents, because they're tasked with providing the same input.

So I don't think we giving them the forms, but after an inspection exit, we provide the same feedback, because it gives us a form.

Like you mentioned earlier, the inspectors are asking us, it gives us a common language to provide that feedback consistently across inspections by using the NEI form.

MR. WIGGINS: I just wanted to make sure I understood.

MR. FLOYD: And these inspection feedback forms come to the NEI task force. They review them and identify any significant issues that they think need to be brought up at the biweekly meetings with the NRC on the process.

MR. WIGGINS: And if I could backtrack one step to the success criteria on your slide. The pilot group is looking at developing success criteria and measuring something against it. Is it measuring NRC performance against it or industry performance against it?

Is the criteria industry oriented or NRC oriented?

MR. FLOYD: It's both.

MR. GARCHOW: It's process oriented. Trying to evaluate the process. Not a whole lot different, actually, some differences, but similar type approach that we heard Jim present, just the words are different, because it was crafted by different people.

MR. WIGGINS: Okay. And do you know what the end -- what will become of this if you bring it all the way to fruition?

MR. FLOYD: We will -- well, we will probably make it available to this committee, once the task force agrees that that's what they think is the right set of criteria, and for certain we'll share it with the NRC staff at one of our biweekly meetings after it's finalized.

ANN RILEY & ASSOCIATES, LTD. Subject came up and we looked at the NRC success criteria and we thought it was too prescriptive. It didn't fully measure the success of the Court Reporters program. So they've thrown out some ideas on ways to measure complete
1025 Connecticut
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 success of the program, which is a little beyond what the NRC has put
2 out.

3 MR. GARCHOW: It doesn't reflect these latest changes,
4 right, Jim?

5 MR. FLOYD: No.

6 MR. GARCHOW: Because we hadn't seen these latest changes
7 until today.

8 MR. HOUGHTON: Okay. Also, at the inspection exits, the
9 pilots are reporting on the resident's comments at the exit. At some of
10 the exits, the residents have explained how they came to the decisions
11 they came to on significance determination process, which is very
12 helpful for people to understand the thinking and the logic and it
13 expands their own understanding of how the process works.

14 We've done several surveys so far. We did a public survey
15 where people were asked, men and women on the street were asked what do
16 you think about this new process, and those results have been shared
17 with the staff at one of our biweekly meetings. We also surveyed both
18 the pilot plants and a sample of the other plants and asked them
19 questions about the old process, both in terms of whether they thought
20 various attributes were effective and the importance of those
21 attributes, and that survey -- those survey results were shared with the
22 staff and there is anticipation that we would do a post implementation
23 survey, as well, to see the change, if there is a change in the attitude
24 towards the regulatory oversight process.

25 Some of those attributes are things like is it risk
oriented, is it effective, does it focus resources in the right areas,
et cetera, about 15 questions.

ANN RILEY MR. LIEBERMAN: Tom, in the surveys of the public, do they
& ASSOCIATE have an understanding of the old system and the new system?
S, LTD.

Court MR. HOUGHTON: Not --
Reporters

1025 MR. FLOYD: Maybe I can help a little bit. The way the --

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 no. The general public doesn't have a very good understanding of any of
2 this, to be honest with you.

3 MR. LIEBERMAN: That's why I asked the question.

4 MR. FLOYD: Now, what was done was that typically the way
5 these surveys have to be done for a lot of industries, not just ours,
6 where the general public doesn't have much awareness of what's going on,
7 is they're given a fact sheet which kind of summarizes what was the old
8 process like and what are the features of the new process, and then
9 they're given an opportunity to read that.

10 They actually get asked some questions first to kind of test
11 their general overall understanding of what's going on in the industry
12 and some issues. Then they're given that form and then they're allowed
13 to read that form and then they ask them some additional follow-up
14 questions.

15 MR. LIEBERMAN: These are face-to-face.

16 MR. FLOYD: These are face-to-face. They interviewed 100
17 people in four cities, I believe it was, scientifically selected
18 locations and stuff.

19 MR. BROCKMAN: To the mall.

20 MR. FLOYD: The mall. Probably. And as Tom said, we've
21 shared those results with the NRC staff.

22 MR. HOUGHTON: Biweekly public meetings with the NRC staff
23 has been a big focus of the program. As issues come up, they're
24 discussed. These frequently asked questions are discussed. Issues
25 about PIs and potential future PIs are discussed and that will continue.

I think while it's our understanding that we won't change
any of the PIs during the pilot process, there will be areas where

ANN RILEY Clarification is needed and there will be areas where other PIs will be
& suggested for follow-on.
ASSOCIATE
S, LTD.

Court The process -- if you're not aware, the process we followed,
Reporters that was followed when the original PIs were developed, was that PIs
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 were suggested, data was collected, where available, and analysis was
 2 done by ourselves and then the staff did an independent review and
 3 usually checked against their databases, et cetera, for developing the
 4 thresholds and the PIs.

5 That's a key issue in any revision to a PI or any new PIs,
 6 that there be a robust look at data and where the thresholds are set.

7 Lessons learned. There were a lot of lessons learned coming
 8 out of the biweekly meetings and we've talked about and we will be
 9 talking about what's needed for industry implementation. I think that's
 10 an agenda item tomorrow to begin talking about, what do we need to do,
 11 what does industry need to do to be successful with the program in terms
 12 of training and understanding and culture change, and how do we make
 13 that a success, which I think is part of one of your issues, is will the
 14 people be ready for that new program.

15 MR. GRANT: A quick question on this chart. You mentioned
 16 that NEI was developing success criteria, also. Is that success
 17 criteria just for the industry or is that something that you are going
 18 to bring forward in one of these meetings and work out with the staff?

19 I'm just trying to figure out how that plays in with what we
 20 got this morning from the staff. Are we going to be presented two
 21 different ones and asked to choose? Are we commenting on both or are we
 22 only going to comment on the staff as a FACA, as the PICA?

23 MR. GILLESPIE: I think just going back to kind of the
 24 premise of why the Commission said go ahead and put this committee
 25 together is we have to pass on what the staff's are. If the staff
 chooses to take this draft in the next couple of weeks and make it final
 and include other aspects from the industry, that's the staff's

ANN RILEY decision. So we need to focus on the staff's criteria.

&
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

MR. GRANT: Is that taking place?

MR. FLOYD: Not yet, because we haven't shared the success
 criteria with the staff. As Tom mentioned, they have a meeting today,

1 which is trying to develop and finalize that.

2 MR. GRANT: So I guess my question becomes why would we
3 spend any more time on the staff's, if they're still in development and
4 discussions with NEI.

5 MR. GARCHOW: Or they haven't been reviewed totally by the
6 NRC yet.

7 MR. HOUGHTON: I think the staff is going to have its own
8 success criteria.

9 MR. GRANT: Is this an iterative process? We have the
10 staff's best today, but I hear the NEI is going to be meeting with them
11 publicly to discuss their view of success criteria, which may then
12 modify the staff's.

13 MR. GILLESPIE: But the staff's may be modified by some of
14 the comments we give them after, too. So I think there is at least one
15 iteration where everyone gets their input back in to the staff and then
16 they'll be getting something out to us.

17 MR. FLOYD: That's correct. I don't know how else to deal
18 with it.

19 MR. GRANT: It's going to be two iterations for us. We're
20 going to do this again after we see what gets changed, if anything.

21 MR. GILLESPIE: If anything.

22 MR. GRANT: Right?

23 MR. GILLESPIE: Yes.

24 MR. CHASE: I would think you, without the other input,
25 would get two iterations, because then the staff would come back with
some supplements, if we change any of these success criteria.

MR. GRANT: So maybe three iterations, then.

ANN RILEY
&

ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. GILLESPIE: No. I think we can get -- the staff doesn't
have time to do this three times. Tom?

MR. GARCHOW: Hold on, Tom. I think we ought to clear up
this point, because we never clear up anything. We've got to decide,

are we rebuilding the success criteria at this committee?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. GILLESPIE: No.

MR. GARCHOW: You just addressed that, and I don't think we ought to. That's not what we're doing.

MR. GILLESPIE: The staff has a set of criteria on the table. This is the criteria they're putting forward. We need to pass on what is our opinion of that criteria.

MR. GARCHOW: In general, are you heading in the right direction, appears to be sound, touches all the bases.

MR. GILLESPIE: As generally specific as we can get, but let's let Tom finish and then let's go through them criteria by criteria. If there are specific comments, we should give them specific comments.

MR. FLOYD: Right.

MR. GRANT: That's fine. My only point was it sounds like there is a significant interaction between NEI and the staff which hasn't happened, that's all.

MR. GILLESPIE: No. We're not going to go through and re-order NRC success criteria.

MR. HOUGHTON: That's not the intent. The intent is for us to decide, from our point of view, is the program a success and is it worth pursuing. We think it is right now, but we need to be able to say and prove to ourselves that this program is a good program and worth doing.

Industry support, I mentioned our web site, training materials, workshops, we'll be having a lot more workshops as we move toward full implementation.

ANN RILEY & ASSOCIATES, LTD.
PI data collection at other plants. There are other plants on our plant assessment task force who are also doing performance indicators and there is another industry organization working with us that is also doing performance indicators. So those are being reported
1025
Connecticut
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 at, let me guess, 40 or so of the units in the country are already
 2 getting the experience on the PI side; not on the inspection side, but
 3 on the PI side, they're already learning the lessons of how to do these
 4 PIs and the nuances and looking at themselves with a new mirror to see
 5 what their performance is like.

6 So the knowledge is spreading and they're using a consistent
 7 approach.

8 MR. GARCHOW: Tom, you might want to mention, also, those
 9 plants, many of them are using their existing LERs and trying to run
 10 them through the significance determination process.

11 MR. HOUGHTON: Yes.

12 MR. GARCHOW: Just to get used to using at least LERs as an
 13 input to that process.

14 MR. FLOYD: I might just add, on that point about the data
 15 collection at the other plants, we really wanted to do this and actually
 16 wanted to share the results with the NRC, but due to an OMB restriction,
 17 we couldn't do that, because there is a requirement that we can't
 18 collect, on a voluntary basis, and provide the agency with data on more
 19 than ten plant sites.

20 So what we agreed to do was to --

21 MR. GARCHOW: How did you know that? You don't want to
 22 embarrass the Federal Government.

23 MR. FLOYD: No, no, no. I'm not trying to embarrass
 24 anybody. What I'm saying is that -- we can, but we can't give you the
 25 direct results. So all I wanted to -- my only point in saying this was
 that we want to be able to give the agency the insights that we get and
 the lessons learned from collecting that other data. So that's what is
 being given, since we can't get the data directly. We're not trying to
 embarrass anybody.

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

MR. HOUGHTON: There will be a meeting between pilot plant
 CNOs and EDO next week, which will probably provide more interesting

1 information for this panel. The PI evolution, there are a number of
 2 things going on. There are efforts to try to accumulate all the PI data
 3 through INPO, through the EPICs, equipment performance something
 4 something, which is a database system for analyzing components and there
 5 was a meeting last week to begin to start to commence to try to put all
 6 that data through one database.

7 As I said, as I mentioned earlier, any new PIs or any
 8 evolution of PIs is going to have to be very careful about measuring
 9 what the thresholds are using the principles and guidance laid down for
 10 the initial set of PIs.

11 There needs to be value-added determination if we add PIs.
 12 That's an issue that we're concerned about that any performance
 13 indicators that are added add value to the assessment process and not
 14 just be additional performance indicators.

15 And there is an effort, I'm sure most of you are aware,
 16 underway in Office of Research on risk-based performance indicators and
 17 their implications in that area for how many PIs there are and how they
 18 change. I don't think there's any -- I think the goal is at least in
 19 2001, for any performance-based PIs.

20 The second page there I had listed some issue areas that
 21 have come up to date. I don't think I'll talk much about them. There
 22 have been errors in PI submittals and people are learning as they go
 23 along what we're reporting. It is a learning process.

24 So I think you will find that there will probably be more
 25 errors in reporting at the beginning of the process than there are at
 the end of it. It may be something to look at in terms of your error
 rate in your success criteria, is you would expect errors in the

ANN RILEY Beginning.

&
 ASSOCIATE
 S, LTD.

Court in data that we reported to INPO, sometimes by people that are no longer
 Reporters

1025 with their organizations. So when we find them, we report them, but I
 Connectic

ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

MR. GARCHOW: We're finding errors back two and three years

1 think that that problem will go away, because if we're convincing
 2 ourselves that the data we're collecting about current performance is
 3 accurate, it will all sort of work out.

4 But many of these PI discrepancies have been based on data
 5 two or three year old information.

6 MR. HOUGHTON: Cross-cutting issues. One of the success
 7 criteria we probably will be interested in is how well we're all able to
 8 stick with the basic principles of the assessment process as it began,
 9 which was that we're objective output result oriented and if the outputs
 10 are successful, then we will not need to go into in-depth process
 11 review.

12 That particularly is a difficult thing to do in the human
 13 performance, corrective action and safety conscious work environment
 14 areas, where it's very difficult to make measurements. The principle
 15 that was expressed in the beginning was that we'll look at results
 16 first; if results are not successful, then we do root cause analysis and
 17 then go into the causes of issue.

18 So that's a hard one. It's a hard one for everybody, I
 19 think, and it will play a key role in the success of this program, if we
 20 can be disciplined in sticking with that principle.

21 The significance determination processes, because there is
 22 more than one, the reactor one is the more elegant. The others are more
 23 flowchart-based, and there are still some questions being worked out in
 24 some of those, I think, particularly, I think, in the safeguards area,
 25 there are some questions that remain in SDP.

Unless you have questions, I will let you get on to the
 success criteria. Thank you.

ANN RILEY MR. GILLESPIE: Thanks, Tom. There was a panic at lunch and
 & let me put the panic on the table. That's to be clear that we are an
 ASSOCIATE S, LTD. Court advisory committee. We are not here to redesign the system. I want to
 Reporters get that out. I got it from a number of -- a whole bunch of different
 1025 Connecticut
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

1 people, people who are at the table, people who aren't at the table.

2 But we do have an obligation to make sure that all the
3 issues that need to be considered are considered.

4 Heidi, do we need a five-minute break or are you ready to
5 get going?

6 MS. HAHN: Ready to get going.

7 MR. GILLESPIE: Okay. Keep in mind, we're not redesigning
8 the system. What we want to do is make sure that the success criteria,
9 if success is determined, reasonably represents success. That if it
10 says that it passes, that it does pass and all the issues are
11 considered.

12 MR. BROCKMAN: You brought up this morning the question of
13 whether we wanted to use Heidi.

14 MR. GILLESPIE: Yes.

15 MR. BROCKMAN: I would think, before we use Heidi, we ought
16 to just very quickly confirm that we want to use Heidi within the -- and
17 get that captured, so whatever you need to do process-wise, also, for
18 the --

19 MR. GILLESPIE: All we need to do is decide. I'm going to
20 propose that we use her as the facilitator to give all of us an equal
21 amount of discipline and she'll say things like we'll talk about that
22 later in the afternoon.

23 MR. BROCKMAN: Yes, I agree.

24 MR. GILLESPIE: I need the discipline, I don't know about
25 you guys. Okay. With that, Heidi.

MR. WRIGHT: I just want to clarify our charter. Our
charter is to provide an opinion on the staff's success criteria. Our

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

charter includes comparing the data coming in against that success
criteria and give our opinion whether we think the staff is properly
evaluating that.

MR. GILLESPIE: Yes.

1 MR. WRIGHT: But we're not going to independently evaluate
2 that ourselves.

3 MR. GARCHOW: I don't see how we could.

4 MR. WRIGHT: Okay.

5 MR. GILLESPIE: We can't, and maybe what we need to do, and
6 hold that thought, is really fine tune what we think we can achieve.

7 MR. WRIGHT: And the other part is in the document, it
8 indicates that we're to provide an opinion on the oversight process. Is
9 that really part of this chart or not, based on what we see from the
10 pilot program? That's my interpretation of what it says.

11 MR. GILLESPIE: And I think that's in the -- there is one of
12 the criteria, actually, I think it's under assessment, is that broad
13 criteria. I think we'll achieve that, but it's a good point. We cannot
14 independently duplicate everything that the staff and NEI -- we can't
15 digest all the information, the thousands of hours that are being
16 digested.

17 This is part of where you were coming from, is a crisp
18 statement of what questions we're going to answer. That's probably
19 worthy of an additional meeting, I'm going to suggest, because right now
20 I'd like --

21 MR. GARCHOW: That ought to be more sooner than later.

22 MR. GILLESPIE: More sooner than later, and that's -- what I
23 would like to do is maybe save the last 15 minutes of the day to talk
24 about the next meeting, because, Gary, I think you're right, we need to
25 know the target we're shooting at and it has to be fairly precise.

MR. WRIGHT: It has to do with various documents, as you
read the charge.

ANN RILEY MR. GILLESPIE: And I think we need to crisp that up. Right
& Now, I'd like to put it on the table and let Heidi take us through some
ASSOCIATE S, LTD. Court discipline, so that our report from this meeting would be our opinion of
Reporters the issues that are either hit or missed or need to be addressed.
1025 Connecticut
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

We're not trying to solve the question. We're only trying to make sure the question is on the table item by item. So we can supply that to the staff so that as they iterate to go from draft to final, they will have everyone's thinking involved.

MR. GARCHOW: We're providing input. We're not necessarily expected to keep score, to have all that input accepted, but our role is to provide crisp input.

MR. GILLESPIE: Okay. Heidi, whip us into shape.

MS. HAHN: It's after lunch, Frank. Actually, that segue is a good one, because I think it stresses the importance of providing the feedback that you want on the success criteria, which may include consider additional criteria.

If I read the charter, it says evaluate the program against the success criteria, which kind of says, at the very last meeting, we shouldn't be bringing in other sources of information that are not tied to those criteria. So getting clear soon, I think, is the goal here.

What I have done here, actually not very well, because some of the markers leaked, was to just make up one overhead per criterion and where I had jotted notes about things that people had already brought up, I stuck them on there, so we wouldn't have to necessarily go over them again.

So what I would like to do is just run through each one of the criteria and then, at the end, go through the whole sections to see if things have been missed. So comments on each individual criterion first, and I just saw a note on this first one.

The first one, the two comments that we already had was to be sure that the two different definitions or interpretations of accuracy were captured. I think Tim's answer to that was, yeah, they are, but it's not necessarily written down explicitly.

Then there was a question as to whether the intention is that all of the PIs be reported for all of the plants or eight of the

ANN RILEY & ASSOCIATES, LTD. Court Reporters 1025 Connecticut Avenue, NW, Suite 1014 Washington, D.C. 20036 (202) 842-0034

1 nine plants. So that was a clarification question, but I also read kind
 2 of a sense of disbelief that it was 240-some things that had to be
 3 exactly accurate by the end.

4 Other things on this one?

5 MR. LOCHBAUM: I think the criteria should be all nine
 6 plants.

7 MR. GRANT: Yes, I agree. The question is why not, my
 8 question is.

9 MR. FLOYD: I can think of several reasons why not, but.

10 MR. BROCKMAN: But wording it this way, you get into the
 11 thing, I mean, what's the difference -- I mean, okay, one plant can't
 12 report any of them right, you met the criteria. I got two plants that
 13 miss one. That's whole -- due to a subtly -- a whole difference in what
 14 you've got going there, but I didn't meet the criteria there.

15 MR. MALLET: Let me suggest, though, we aren't going to
 16 solve it, but I think we just pose this back to the staff.

17 MR. BROCKMAN: As questions on it.

18 MR. FLOYD: I have a question on the wording of it that may
 19 help. I don't know. One could read this that eight out of the nine
 20 plants must be capable of reporting all 19 performance indicators
 21 accurately or one could read this to read that you're going to take each
 22 of the 19 PIs and the success will be for each of the 19 PIs, eight out
 23 of the nine plants have to be report it accurately. I don't know which
 24 it is.

25 MR. FRYE: The last one you said is the intended.

MR. FLOYD: That's the intent, okay.

MR. GARCHOW: Because you're looking at the PI, not the --

MR. FRYE: The PI basis, what's the accuracy rate.

MR. LIEBERMAN: The real issue, I think, is the capability.

ANN RILEY
&
ASSOCIATE
S, LTD.

Court Reporters
1025 of view and from just the way the system is designed?
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 Accuracy, I think, is really a misleading term. There may
2 be some licensees who don't have the will to do it. That doesn't mean
3 there is not the capability to do it, and the success of the program
4 should be based on is it capable.

5 If you can do it, then I think that would be the success
6 criteria. The fact that one or two licensees, for whatever reason,
7 doesn't follow through, doesn't mean it's not a good program.

8 MR. GARCHOW: And the pilot plants are as motivated as any.

9 MR. LIEBERMAN: In theory, they should do it, should be
10 motivated to do it, but if some manager, whatnot, or first line
11 supervisor fails, that shouldn't mean the program isn't good.

12 MR. FLOYD: I think the other issue is some of the PIs are
13 pretty much self-revealing or self-counting and you would expect them to
14 be very accurate. Some of the other PIs, which have some very
15 complicated, relatively new definitions associated with them, I'm not
16 sure it's reasonable, over a six-month pilot process, to expect that all
17 the possible interpretative issues that might come up are going to be
18 identified.

19 I think you're going to see those for years. That's been
20 the experience of WANO, with a number of their complicated indicators.
21 They've been going on for ten years and there isn't a year that goes by
22 that you don't run into interpretative problems.

23 MR. LIEBERMAN: And 50.72 was reportable.

24 MR. FLOYD: That's right.

25 MR. LOCHBAUM: But on the flipside of that, if ten percent
of the participants in a volunteer program which will be best of the
best, because they're the ones that wanted to do it, can't get it right,

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

and you roll it out next year nationwide, why would the public have any
confidence that you have something that's useful. It should be 100
percent.

MR. GRANT: Particularly so, if the major part of the

1 program is based on the assumption that the PIs are accurate and tell
2 you something.

3 MR. GILLESPIE: Let me suggest that -- trying to get to
4 wording that Heidi can put down and we can actually put in a report.
5 We've so far said that there needs to be a distinction between
6 capability and accuracy and we've said, so far, that 100 percent of the
7 plants should be capable.

8 Now, another question on the table is if 100 percent of the
9 plants are capable, and I think that has to be a 100 percent --

10 MR. FLOYD: Right.

11 MR. GILLESPIE: -- how do you measure accuracy? Something
12 Steve brought up earlier was this 240-plus indicators and is accuracy --
13 at what temporal point in the pilot project?

14 MR. LIEBERMAN: What does accuracy mean? Does accuracy mean
15 that the data the company had is accurate by the agency? Does it mean
16 that data itself is accurate?

17 MR. BROCKMAN: Does it mean the performance indicator is
18 appropriately crisp and well enough defined to ensure there is an
19 understanding of what is to be reported, which is the other side of the
20 coin.

21 MR. GARCHOW: The capability, is it capable of being
22 reported.

23 MR. BROCKMAN: Yes, but it's not the capability of the
24 licensee. It's the capability of the performance indicator to be
25 explicit enough to gather the information it's intended for, which could
be an evolutionary process, also. That is, I think, what you're talking
about on interpretive issues.

ANN RILEY MR. FLOYD: That's exactly it.

&
ASSOCIATE
S, LTD.

Court under the presumption that the PIs are accurate, are perfectly
Reporters understandable, well defined, everybody understands them.

1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. LIEBERMAN: Understandable is probably the term we might
2 want to use. Is it capable and is it understandable?

3 MR. GRANT: But what does capable mean?

4 MR. BROCKMAN: Does the licensee have a process to collect
5 and submit, in an accurate manner, given what they understand, is what I
6 would say is their capability, too.

7 MR. GRANT: So you would say, then, that any deviation from
8 that would be some sort of random human error.

9 MR. LIEBERMAN: Is it physically possible to measure the
10 unavailability of equipment? Can you do that? Obviously, you can. So
11 you should be capable of doing that. Do you understand what's
12 unavailability? Is everybody applying the same standard for what's
13 unavailable?

14 MS. HAHN: I'm actually going to address the question to
15 Tim. Have you heard enough of this discussion to understand what this
16 issue is that you're being asked to address on this indicator?

17 MR. GARCHOW: To consider.

18 MR. FRYE: I think so.

19 MR. GILLESPIE: Okay. Let me try to summarize it again.
20 There's two questions. There is use of the word capability and
21 accuracy. I'm kind of in agreement with David, 100 percent of the
22 plants should be capable of doing this. That's a given.

23 MR. FLOYD: That's a given now, because it --

24 MR. GILLESPIE: Otherwise we wouldn't be trying. That means
25 we're focusing on accuracy. What does accuracy mean? It needs to be
more -- we need to give the staff our concern. We don't need to fix it
for them.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. MALLET: That's my issue.

MR. GILLESPIE: So is the concern that the term accuracy

needs to be better defined, so it's clearly understood?

MR. GRANT: That's true, too, but I think what David's point

1 was, capable is one thing, but I think the point is that it has to be
2 100 percent accurate, also.

3 MR. FLOYD: I disagree with that. I don't think that would
4 be a reasonable success criteria. Let me give you an example. I think
5 it depends on what's the outcome.

6 If I have an indicator that, say, a threshold is set at five
7 percent unavailability for a piece of equipment, if an inaccuracy in
8 reporting the data causes a licensee to report the unavailability as 2.7
9 percent when it should have been 2.8 percent, that's not a material
10 difference, but it is inaccurate, but it doesn't change the performance
11 indicator result in terms of its significance as to what action is going
12 to be taken as a result of it.

13 So I think you need to have some acknowledgment of that.

14 MR. GRANT: But it's clearly indicative of a process that's
15 not working. If that should have been the answer.

16 MR. LOCHBAUM: If Tim said that they're going to evaluate
17 these on a PI by PI basis, then if a specific PI comes out that even one
18 plant can't get that PI right, then that PI needs to be looked at,
19 because next year the rest of the plants are going to try it and that PI
20 -- there might be something fundamentally wrong with that PI.

21 MR. GILLESPIE: Can we capture somehow what Dave just said?

22 MS. HAHN: You have a transcript.

23 MR. GILLESPIE: Good. Dave, you just went -- you took it
24 one step further. You started addressing the cause for the inaccuracy.

25 MR. LOCHBAUM: Right.

MR. GILLESPIE: And I think -- and, Steve, you jumped to
enforcement space right away here on this.

ANN RILEY MR. FLOYD: No, not enforcement space, just what's the
& significance of the inaccuracy, whether it's a meaningful difference.
ASSOCIATE S, LTD.

Court MR. GILLESPIE: The intent here is that they should be --
Reporters they should be capable and accurate, they should be accurate. If the
1025 Connecticut

ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 cause for the inaccurate item is a math mistake that someone made, I
 2 mean, it was really a random error, then there is far less concern with
 3 saying we have a failed system, than if there is some fundamental flaw
 4 in interpreting what it is.

5 Dave, I think you were getting to what's the cause, a little
 6 bit there, what was the cause of the mistake. So we need to be able to
 7 tap through.

8 Tim, did that make sense?

9 MR. FRYE: Yes.

10 MR. GILLESPIE: Mike Johnson says no.

11 MR. JOHNSON: It does make sense, but I don't want to make
 12 any more out of this than we ought to. To measure accuracy is fairly
 13 simple. We know what the guidelines are, the licensees, the pilots know
 14 what the guidelines are. Simply, we're going to keep track of each PI,
 15 we're going to apply the guidelines. We have PI verification
 16 inspections, we're going to keep track of every instance where PI
 17 verification inspection indicates that a PI that was reported had to be
 18 changed, should have been changed, was not reported accurately.

19 We're simply going to look at that and make a call as to
 20 whether that PI was reported accurately or not.

21 Now, we might not have gotten the threshold exactly right,
 22 maybe our success criteria, where we say eight of nine plants, that
 23 maybe there is some issue of whether it should be eight of nine or nine
 24 of nine, maybe we should look at 100 percent, not 100 percent of the
 25 PIs.

Your call, but the issue of measuring accuracy, in our
 minds, is very simple.

ANN RILEY
 &

MR. GILLESPIE: Okay.

ASSOCIATE
 S, LTD.

MR. BAJESTANI: Accuracy goes really with the guideline

Court that's provided for every PI. Just the industry experience, the INPO
 Reporters

1025 indicators, PIs, took ten years really, that we -- the industry, the
 Connecticut

ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

1 utility will provide certain PI data, we say, okay, here is what our
2 number is, we look at the way that INPO looked at it, we come up with a
3 slight difference.

4 Okay. You call that inaccuracy. When you look at it, it
5 took us ten years really to resolve all these discrepancies. So if we
6 jump in and say, look, we're going to get 100 percent accuracy out of
7 all these PIs, I think that's going to be a mistake.

8 MR. BROCKMAN: And, Mike, I want to take your challenge just
9 a little bit, look at a different side of what you said. I agree. The
10 accuracy, the way you're going, binary, it's a yes/no. But the insights
11 you gain from that are significantly different. If I have theoretically
12 a licensee, a group of licensees out there who do not have the data
13 available to set up the background basis for a PI, then I may have a
14 problem with being able to implement that PI.

15 If I have a PI that is not understandable, that the terms
16 about it are questionable and, therefore, I'm getting some no's on
17 there, until they understand it, but as soon as understanding is there,
18 oh, sure, we can do this, and that's an entirely different reflection as
19 to whether the program is successful and can be implemented the way it's
20 currently designed.

21 So I think you've got to have more than just the binary it
22 was right or it was wrong to be able to make an assessment on the
23 program and its viability as a pilot.

24 MR. JOHNSON: Yes, and I didn't mean to indicate the simple
25 binary. We'll have a lot of information, but we'll have not just what
was wrong, but we'll have why it was wrong, and looking at the data,
you'll be able to decide whether it was an individual licensee, whether

ANN RILEY was a particular PI.

&
ASSOCIATE
S, LTD.

Court to measure this particular success criteria that we'll have about the
Reporters
1025 accuracy. Again, the discussion has been very helpful. All I'm

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 suggesting is that the question isn't accuracy. The question is the
2 threshold, the success criteria that we apply to that accuracy that
3 comes out the back end, whatever that measure is.

4 MR. BROCKMAN: So what I would hear you say, to look at what
5 a PI normally is, is if, in fact, all the PIs are reported accurately,
6 you're operating on the presumption then that it's okay. If they don't
7 meet the criteria, then you've got the data to look at to do the
8 analysis to determine what is this saying and all that would do, if you
9 don't meet the criteria, is say, okay, we need to look at it and reach
10 that determination qualitatively, subjectively or whatever other method
11 we've got.

12 MR. JOHNSON: Absolutely. For example, for every PI that
13 gets changed as a result of the licensee sending in an update, they send
14 in that updated PI, they also send in a comment that explains why that
15 update was made. We have a lot of information about things that shed a
16 light on the accuracy of a PI.

17 MR. GARCHOW: And we make safety-related, other decisions
18 here in the regulatory process based on reasonable assurance. We'll
19 never get to absolute assurance of 100 percent of anything. So to put
20 those kind of words even in this framework is inconsistent with some of
21 the other framework where reasonable assurance is the standard.

22 So I think what Mike just described provides more than
23 enough of a rest of reasonable assurance once you have the data to look
24 at. I mean, I think to try to get any more than reasonable based on the
25 collection of facts is going to be very tough.

MR. GILLESPIE: Let me throw a different word on the table
-- consistency.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court to if one plants reads the directions and does the formula one way and
Reporters

1025 another plant reads the directions and does the formula a different way,
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. LOCHBAUM: They all use the same ones?

MR. GILLESPIE: No, no, no, no. Consistency of -- this gets

1 but both could be reasonable interpretations, then it's an
 2 inconsistency. It doesn't deal with accuracy, because each plant
 3 believes it's reporting accurate information.

4 But there is an inconsistency that the staff and the
 5 industry have to work on to make sure that we have apples and apples and
 6 apples.

7 Is the thing that's missing from this really not this whole
 8 of write-up, because as Dave said, capability we know is there, 100
 9 percent of the plants can do it, if they want to, and we believe they
 10 want to.

11 MR. BROCKMAN: Are the PI definitions acceptable and
 12 understandable?

13 MR. GILLESPIE: Is it consistent? Does there need to be
 14 something that -- does consistency need to be addressed? Is that really
 15 where we're going with this?

16 MS. HAHN: I think that was what we discussed earlier, and
 17 there's two definitions of accuracy that people interpret the thing the
 18 same way. That was what was being addressed.

19 MR. GILLESPIE: So we move on to the next one. Where are we
 20 on this one and what is it -- in somewhat of a concise statement, we'd
 21 like to leave on this for consideration.

22 MR. BARNES: Well, we know we want to change it to nine out
 23 of nine. That's what we're recommending.

24 MR. GILLESPIE: Nine out of nine should be --

25 MR. BARNES: Capable of doing this.

MR. GILLESPIE: And accurate.

MR. BARNES: Providing the information.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.

20036
(202)
842-0034

MR. GILLESPIE: What about the staff's proposal of eight out
of nine for accuracy on a PI by PI basis?

MR. LOCHBAUM: I don't think it's good enough. I think it
should be 100 percent.

1 MR. BROCKMAN: I'm going to follow David. By the end of the
 2 program, we should be up to that point where -- now, that doesn't say I
 3 have 100 percent today. By the end of the program, we should be -- or
 4 we should look -- because all it does, it doesn't say you failed, it
 5 says now it needs to be looked at. This raised the question to go in
 6 and do analysis, which I think was what Mike was saying, also.

7 At that point, yes, we would want to look and see where is
 8 the corrective action. We're not getting a consistent reporting on it,
 9 so the question is asked and that's a reasonable thing to do at that
 10 point of the game, ask the question, if we can't be there by the end of
 11 the pilot.

12 MR. GARCHOW: Right. I can buy into that.

13 MR. FLOYD: I agree with that approach.

14 MR. LIEBERMAN: Because if we fail all these criteria, that
 15 doesn't necessarily mean the program is bad. What it means is the
 16 specific program we have needs to make some adjustments and it may need
 17 some fine tuning.

18 MR. GARCHOW: We may find nothing wrong with any of the PIs.

19 MR. GILLESPIE: Does someone want to capture the kind of
 20 focus point sentence? Suggestions?

21 MR. BAJESTANI: Is that by the end of the pilot program, the
 22 accuracy should be nine out of nine.

23 MR. CHASE: But you talked about what -- disagreeing between
 24 the staff and the licensee on whether it's, planned or unplanned, at the
 25 end of the pilot, that's still ongoing.

MR. BROCKMAN: My thought as to how that would resolve
 itself, let's say we come up with another one and say we didn't meet the
 criteria. We've looked at it, we went into it and we found out it was a

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

further definition problem, which has now been clarified and we do not
 feel it jeopardizes the program, or we could go in there and say we
 found a major hole that does cause this thing to be a major problem.

1 So just because you don't meet a criteria when you do your
2 analysis, you may still come up and say it is significant, it is not
3 significant and we can live with this.

4 MR. CHASE: I think we'll see, as we go along in the future,
5 we'll have disagreements on whether a PI did or not --

6 MR. LIEBERMAN: And if there is still that disagreement at
7 the end of the pilot program, then we don't necessarily have success,
8 that is a common understanding for this criteria.

9 MR. GILLESPIE: Let's say it a different way. What if it
10 was eight out of nine, with the exception needing to be described and
11 justified? No? Okay. Nine out of nine.

12 MR. LOCHBAUM: Or ten out of nine.

13 MR. GILLESPIE: Ten out of nine would be good.

14 MR. LIEBERMAN: By the end of the pilot program, each PI is
15 capable of being reported and there is consistency in reporting. And
16 that's --

17 MR. GILLESPIE: And that's nine out of nine.

18 MR. LIEBERMAN: And if it's not, you have to do root cause
19 to figure out what issues have to be adjusted.

20 MR. BROCKMAN: And how does it impact the program.

21 MR. GILLESPIE: So let's give Heidi a concise statement.

22 MR. GARCHOW: First, do we have consensus on Jim's point?

23 MR. BROCKMAN: Yes.

24 MR. CHASE: I'm uncomfortable that a year from now, two
25 years from now, we may still have disagreements on whether to call a PI
a hit or not. We may have it by the end of this pilot program, so we
may not have nine out of nine.

ANN RILEY MR. BROCKMAN: I think it leads to that, once again, not
&
ASSOCIATE making this criteria does not flunk the program, say the program is all
S, LTD.
Court dead stuff. What it did do is say this criteria, there is a problem
Reporters
1025 here that we need to look at and identify what's the impact, is this a
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 showstopper or is this just a further refinement of the definition.

2 It could be either one, but it needs to be looked at if we
3 don't have the consistency in reporting that Jim is talking about.

4 MR. GILLESPIE: So what we're saying is lacking nine out of
5 nine, some additional work needs to be done.

6 MR. BROCKMAN: It needs to be looked at and clarified.

7 MR. FLOYD: Prior to --

8 MR. BROCKMAN: Prior to institute-wide implementation.

9 MR. FLOYD: If you put it that way, that's okay.

10 MR. GILLESPIE: So by the end of the pilot, nine out of nine
11 plants --

12 MR. GRANT: So we're going to delay implementation if we
13 can't resolve our definitions of PIs? Is that what the recommendation
14 is?

15 MR. FLOYD: I can't imagine we're going to come up with
16 unresolvable items, I really don't. What happens is you come up with
17 an interpretive issue and then you make a ruling on what it is and then
18 you educate people on that and that one goes away and then another one
19 surfaces. That's going to be an evolving process.

20 MS. HAHN: I have a proposal from what I've heard. By the
21 end of the pilot, nine of nine plants are capable of providing PI data
22 consistently. So that's they have the systems, consistent with the
23 definitions. And if not, root cause, which I put in parentheses, not to
24 imply the full-blown process, but review of the reasons for that is
25 required.

MR. LOCHBAUM: I think accurate should be before PI data,
providing accurate PI data consistently.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. GILLESPIE: The word accurate.

MS. HAHN: Is everybody okay with that?

MR. BROCKMAN: I've got one last question with respect to
this overall subject. Do we have -- maybe we better capture it

elsewhere. Do we ever have captured in here that looking at it from the overall aspect, that the PI data just generally gives us what we want? Was that under assessment?

MR. GARCHOW: That's the same question for the inspection program. They want them to gather their own criteria.

MR. GILLESPIE: Moving on to the next topic.

MS. HAHN: Nobody has flights tonight?

MR. GILLESPIE: We'll move more rapidly now probably.

MS. HAHN: The second PI reporting question is the one having to do with timeliness. Do we have comments for the staff on this one?

MR. CHASE: I've got one comment. The pilot plants are submitting the PI data monthly, within 14 days. When we go to full implementation, we're going to be submitting the PI data quarterly within 14 days. Is this a good measurement? We're going to take three months worth of data and submit it, or will we have just one month within 14 days, also?

MR. GARCHOW: You have to submit it monthly. You have to submit for each month, even though you report it quarterly.

MR. FLOYD: Only on some of them.

MR. GARCHOW: That's right. There's a few --

MR. FLOYD: Most are.

MR. CHASE: So my question is, is this an accurate assessment.

MR. MALLET: If I understood your question, I may be rephrasing it wrong, so you tell me, was that the definition of due date there, does that mean monthly or quarterly and does that fit with your within 14 days.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. CHASE: My understanding is -- well, I'll rephrase that again. Implementation of some of the PIs will have to be submitted quarterly, within 14 days. Right now we're submitting all the PIs every

1 month within 14 days. So is this an accurate assessment of success of
2 the PI program?

3 MR. FLOYD: And if I can paraphrase your issue, as I
4 understand what he's saying, and you can check on me, what he's
5 questioning is since they only have to assemble and collect a month's
6 worth of data and they have 14 days to do that, is it an accurate test
7 of the program when you're going to have to do that on a quarterly basis
8 and try to digest three months worth of information and verify it to
9 submit it also within 14 days. Is it a good check, that if you can do
10 monthly data in 14 days, does that mean you can do quarterly data in 14
11 days.

12 MR. BROCKMAN: If I assume the utility is going to gather it
13 each month and all they have to do is divide by three on there, I don't
14 think that's an additional factor that will take more than 14 days.

15 MR. GILLESPIE: I'm going to suggest that the 14 days isn't
16 in here. And this is asking can PI data results be submitted by the
17 industry in a timely manner. They can, and by the end of the pilot
18 program, all PI data is submitted by each pilot plant within one
19 business day of the due date.

20 And if there's additional negotiations that need to go on
21 about the due date, that's a different criteria. This is saying if the
22 NRC and the industry and everyone agrees on a specific due date, can it
23 get delivered within 14 days.

24 I'm going to suggest that this is a good test of what it's
25 testing, but this is not locking in the 14 days in any way. If that
changes, it changes.

MR. GARCHOW: If this works and we meet this criteria, it
ANN RILEY may not give you a perfect insight into what you can do quarterly. If
& you didn't meet this criteria with what we're doing now, you'd probably
ASSOCIATE S, LTD. Court really want to take a look at whether you could be successful quarterly.
Reporters

1025 MR. BROCKMAN: If you can't do this, your capability to do
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 quarterly is truly challenged.

2 MR. GARCHOW: So I think this gives us a meaningful piece of
3 information, but not a go-no go.

4 MR. GILLESPIE: We're not trying to redesign the system.
5 We're focusing on what this is intended to test, and it's the ability to
6 submit within a set deadline, and I think this is probably pretty good
7 at that.

8 MR. CHASE: But if you can't submit it within the due date,
9 talking the 14 days, is it a true measure that you can't submit it
10 within the due date for quarterly submittal?

11 MR. GILLESPIE: I think the industry and the staff have to
12 work that piece out later.

13 MR. GARCHOW: Don't know the answer.

14 MR. GILLESPIE: If going to full implementation requires a
15 reconsideration because it's more data, I think that's something between
16 the staff and the industry.

17 MR. CHASE: Mike's got a question.

18 MR. JOHNSON: We were trying to measure the 14 days. The
19 due date is 14 days after the end of the quarter. We really did want to
20 know if the plant -- if the plant could go through and collect the data
21 and go through their internal control processes, get it in the system
22 and get it in to the NRC, with our computer structure, within one day of
23 that 14 day requirement, we're interested in whether that 14 days is the
24 right amount of time or enough time. We really weren't trying for the
25 14 days.

MR. GARCHOW: For the quarterly.

MR. JOHNSON: Well, yes. For the quarterly, we just saw the

ANN RILEY
&
ASSOCIATES
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

monthly as a test for that. There are some simplifying assumptions
there that it would be no more difficult to do them quarterly.

MR. GILLESPIE: All I'm saying is this is within one day of
the current agreement for the pilot plants, because this is trying to

1 measure success of the pilot plants to do that.

2 Whatever gets negotiated later, because I know Harold Ray is
3 trying to get it out to 30 days, because he says he can't do it and no
4 one can go on vacation and there's a lot of other things going on. This
5 group I don't think can predict the outcome of future discussions.

6 So I'm agreeing with you, Mike.

7 MR. BROCKMAN: What it does give me is -- this gives me
8 confidence that it is a test of can the program deliver what the staff
9 and the industry negotiate.

10 MR. GILLESPIE: Yes.

11 MR. JOHNSON: Can I just say one other thing? I'm not sure
12 how we get those insights if this group doesn't pass on whether 14 days
13 -- I mean, we really -- we weren't going to -- we didn't have a means to
14 revisit this, the appropriateness of the 14 days outside the pilot
15 process. This is all we had.

16 And some folks have said that the pilot is not a true test
17 because pilots can put extraordinary attention and focus to meet the 14
18 days that we can't live with as we go to full implementation, but we
19 don't know that either. This is an experiment, if you will, and this is
20 our criteria to measure whether 14 days, under this experiment, is
21 reasonable.

22 So to the extent it's not, we'd even know it, because that's
23 what we were --

24 MR. GILLESPIE: That's okay. Then what we need to, as a
25 group here, is make the suggestion to the staff that this has to be
clarified to ensure that we're doing -- that this criteria is doing what
you want.

ANN RILEY The other thing is this committee should not be making the
& de facto independent decision. We should be reviewing the criteria that
ASSOCIATE the staff is making judgments to and right now I'm just doing a literal
S, LTD. Court Reporters
1025 reading of what this says.
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. BROCKMAN: Or differently, let me put a different spin
2 on it. I think one of the things we may want to do is look at, within
3 an overall criteria, does the program need to have a capability, when
4 it's all over and done with, to be able to report data within 14 days.

5 And the committee can make a finding on that, yea or nay, as
6 to what is the appropriate reporting timeliness that needs to be
7 associated with the program overall and then let the staff negotiate
8 with the industry on that.

9 But this is what they're giving us for a criteria. That's a
10 separate thing, I think, as opposed to this criteria, as to what, in
11 fact, we think is an appropriate -- our recommendation on what should be
12 an appropriate reporting.

13 MR. GILLESPIE: Yes, then it's a different criteria.

14 MS. HAHN: Right. I think you're proposing a new criterion
15 about PI reporting.

16 MR. BROCKMAN: Not really. I'm not even reporting PI
17 reporting. I'm reporting on the program. Should we make a
18 recommendation on when the program is over and done, what we think is
19 what the final reporting window should be? It has nothing to do with
20 the current pilot program. This is talking about full implementation,
21 separable issue.

22 MS. HAHN: I want to take you back to your charter, though,
23 which says whether or not the success criteria have been met. So if
24 that's an area that you want to make a recommendation on, then I would
25 suggest somewhere in here crafting a criterion that gets that on your
agenda.

MR. GILLESPIE: Let me suggest, so we can keep moving, that

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

literal reading of this criteria says can they do it in -- measure
whether it can be done and is it within one day. I'm just literally
reading the words and looking at the statistics that are going to be
collected.

1 The comment would be, based on staff input here, if the
2 staff wants a criteria to address the viability of the 14 days, then it
3 needs another criteria for that.

4 MR. MALLET: Or clarify this.

5 MR. GILLESPIE: I'm not going to try to tell the staff how
6 to do it. But that's a different criteria than -- this is just testing
7 the capability to do it within a day, in 14 days, albeit, Jim, by
8 extraordinary means.

9 So the suggestion would be if the 14 -- if the viability of
10 the 14 days to be tested, another criteria is warranted. Would that
11 make sense?

12 MR. FLOYD: Sure.

13 MR. GILLESPIE: And if they don't want to test the 14 days,
14 that's okay, too.

15 That gets us to the next topic.

16 MR. GARCHOW: How do we close this out? What do they come
17 back with? I'm Tim and I've got the assignment of coming back. What
18 does he come back with?

19 MR. GILLESPIE: Tim has to figure out, does he really --

20 MR. FRYE: I understand that the comment is to consider the
21 need to measure whether 14 days is viable. That's what I heard.

22 MR. GILLESPIE: Yes.

23 MR. GARCHOW: How about evaluate whether it's viable and
24 then bring back to this committee the results of that evaluation?

25 MR. GILLESPIE: If you want to.

MR. GARCHOW: Survey or whatever.

MR. GILLESPIE: I'm being very serious. If you don't want a
ANN RILEY criteria to determine whether the 14 days -- if this is not a critical
& element in the success of the program, then don't put it on the list.
ASSOCIATE
S, LTD.
Court All I'm saying is they need to make a choice.

Reporters

1025

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

MR. WIGGINS: Well, the notion, the idea of timely submittal

1 would be keyed to making the program work, as a top to your notion. It
 2 looks like I'm emphasizing the obvious.

3 It sounds like there is a bit of an experiment in this in
 4 terms of what's the right amount of time needed. Let me suggest that
 5 why don't we just keep it as it is. What you're talking about almost is
 6 something that you ought to rack up as an overall assessment, not that
 7 we achieved or didn't these, weigh the costs.

8 And it's not just what it costs the NRC. It's what it costs
 9 everyone engaged in the enterprise or this industry. If we have a way
 10 of examining -- I guess let me change the we.

11 If the staff has a way of examining the overall costs with
 12 industry, somewhat of a tying up a bunch of loose ends, then I'm sure
 13 that's a key element to moving forward with the full implementation of
 14 the program and I'm sure the Commission would be interested in knowing
 15 that. I think I would be interested in knowing that, but I'm more --
 16 I've been kind of pushing this -- kind of more holistic assessment in
 17 the end.

18 It may be qualitative in nature, but now that we did all
 19 this, what do we feel? The resources to ask that question. Industry
 20 could say, well, we did it, but we had to move mountains in order to get
 21 this to work. The staff can say, well, okay, we understand that, we
 22 could slip it seven days and it wouldn't hurt our program that much, as
 23 long as people who represent other segments, people who aren't involved
 24 in industry and NRC, as long as they think that that's not an
 25 unreasonable amount of time to have the data in the ether somewhere, I
 think you can do that.

MR. MALLETT: Let me make a suggestion.

ANN RILEY
&

ASSOCIATE
S, LTD.
Court
Reporters

1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. WIGGINS: I'm getting kind of hung up on success

criteria, because it sounds like we're almost discussing evaluation
 criteria, not success. Unfortunately, though, we've labeled it success
 criteria through SECY papers and most practical people are going to want

1 a go-no go gauge on this. So we have to be careful about that.

2 MR. MALLET: My recommendation would be the point Jim just
3 made about what does it cost, a later success criteria we have about did
4 it remove unnecessary burden.

5 MR. WIGGINS: There you go, the overall assessment.
6 Exactly. Thank you.

7 MR. LIEBERMAN: Frank, can we change the title from -- get
8 rid of success criteria? Because it really is --

9 MR. GILLESPIE: Evaluation.

10 MR. LIEBERMAN: -- the wrong term.

11 MR. GILLESPIE: We can make that suggestion, certainly. If
12 we change it from success criteria to -- if there is a consensus that
13 that's a more true representation of this. I don't know that it changes
14 anything, but if it helps.

15 MR. GRANT: Absolutely it helps, because the implication is
16 that if you fail to succeed in one of these, you have failed.

17 MR. GARCHOW: Exactly.

18 MR. GRANT: As opposed to evaluate significance, what the
19 tradeoffs are or anything else.

20 MR. GILLESPIE: The suggestion then is that we would
21 recommend to the staff that the success criteria title be changed to
22 evaluation criteria.

23 MR. GARCHOW: Exactly.

24 MR. GILLESPIE: In order to eliminate the perception of a
25 go-no go, so we have a reason for the --

MR. WIGGINS: A go-no go specific criterion. Go-no go on
any specific criterion.

ANN RILEY MR. GARCHOW: Frank made a comment after lunch that there is
& going back. So really the purpose of this is are we evaluating the
ASSOCIATE S, LTD. Court right stuff, so the right corrective actions could be put in place for
Reporters
1025 what we find or what the NRC finds, such that the program will be
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 successful when it gets implemented in the industry.

2 So it really has nothing to do with whether we're going
3 forward or not and everything to do with us, as a panel, evaluating the
4 robustness of the staff's review of this pilot program to make sure that
5 this evaluation criteria shakes out all the issues or most of the issues
6 that would prevent this from being appropriately implemented across the
7 industry.

8 I think that if that's our focus, this becomes a little
9 easier, in some respects.

10 MS. HAHN: I'm going to move us along. We've spent 40
11 minutes on two and we've got 20 to go.

12 MR. GARCHOW: Now we determine what exactly we do, and it
13 should speed it up.

14 MS. HAHN: Have you met these guys before, Dave?

15 MR. WIGGINS: We sat across the table before.

16 MR. MALLET: Heidi, I have a recommendation. Where you put
17 the first bullet on quality of inspection plan, I want to clarify that
18 further, that we ought to be measuring the recommendation, we ought to
19 put in some measure of did the planning process focus on risk, as well
20 as you've already got timeliness in there. But did it actually focus on
21 --

22 MR. GRANT: Do you mean the program or do you mean the
23 actual activities? The program is, by definition, supposed to be based
24 on risk, right?

25 MR. BROCKMAN: That's the premise it's designed to.

MR. MALLET: But the -- well, I don't want to debate it, but
I think the actual planning process leaves a lot of room to select

ANN RILEY activities and systems and components based on risk, but I've found
& already in the pilot program and our experience in Region II, some
ASSOCIATE S, LTD.
Court people don't always use that.

Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. GRANT: But you're not talking about --

1 MR. MALLET: I think that's a measure of the pilot.

2 MR. GRANT: But you're not talking about scheduling the
3 actual inspection activity. You're talking about what is actually
4 accomplished.

5 MR. MALLET: All I'm talking about is this criteria here
6 seems to be only measuring was the scheduling done timely and was the
7 planning done timely. There ought to be something that measures did we
8 really do what we said we would do, did we focus on risk.

9 MR. LIEBERMAN: Did you schedule a good inspection versus
10 just scheduling an inspection.

11 MR. MALLET: Exactly.

12 MR. GRANT: I'm confused. You've only got one inspection.
13 You've got the module and you've got to schedule it in this week or in
14 that week or that week. Them's your choices. You don't modify the
15 module.

16 MR. GARCHOW: I think Dave's point is what equipment you
17 choose to -- he's saying that some of the people may not be choosing the
18 most risk-significant equipment at the station. It's the implementation
19 of that scheduling. So there is no baseline criterion in this baseline
20 program, as it's written right now, to look at that aspect.

21 MR. MALLET: I can take a person that didn't plan it and
22 they do it timely and they can go out and look at all the wrong things
23 with all the procedures. I've seen them do it.

24 MR. BROCKMAN: I would think that's captured in the last
25 bullet on this first page. Are the scope and frequencies of the
baseline inspection procedures adequate to address their intended
cornerstone interviews.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.

20036
(202)
842-0034

MR. MALLET: Maybe.

MR. WIGGINS: I think the question is these criteria versus

getting more to -- I guess you could look at question about is the
program set up right. Another one is was it executed. Is that what

1 you're getting at? Was it executed? Some of this is execution and some
2 isn't.

3 The second bullet is more of an execution question, also.

4 MR. MALLET: Let me clarify that. I think what you're
5 saying is what I was trying to get at. The procedure says you use the
6 senior reactor analyst, you use the REM documents and whatever to select
7 your components and activities. What are we doing to measure that a
8 person actually did that? It tells them to do that, but what are we
9 doing to make sure they actually did that by the process?

10 MR. WIGGINS: So the suggestion is the staff needs to
11 consider a criteria that would examine the quality of execution of the
12 program.

13 MR. CHASE: Let me ask a question. Don't they sit down at
14 the planning stage for the six-month inspection activities and go
15 through the REM document and identify those areas that they're supposed
16 to be looking at for risk?

17 MR. MALLET: No.

18 MR. GRANT: No, that's just the scheduling meeting.

19 MR. WIGGINS: The inspection procedures are scheduled. The
20 choice of the systems, structures and components that would be looked at
21 are more or less left up to the lead inspector to determine with his or
22 her supervision.

23 MR. BROCKMAN: There could be insight that comes out of the
24 PPR which provides and which is fed to the people developing that
25 inspection that this would be a good topic to go on. But it's not a
given.

MR. WIGGINS: For instance, you wouldn't a priori discuss
ANN RILEY what system you're going to do this line basis evaluation on at a PPR
& ASSOCIATE necessarily. You might decide a family of systems. You might decide,
S, LTD. for a number of reasons, you're more interested in instrumentation and
Reporters control systems than mechanical systems, and you get more focused as you
1025 Connecticut
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 get closer.

2 As you get closer to the actual inspection, you're more and
3 more focused on exactly what it is you want to look at.

4 MR. MALLET: You know what confuses things further for
5 myself is maybe with a pilot, you set up a program, and I'm talking
6 about implementation and maybe that's not to be assessed in a pilot, but
7 my concern, as a panel member, is that we have a culture shift to make
8 with people in selecting some of these things and I've seen some people
9 already in the pilot go around the system and still look at what they
10 want to look at and not have it be risk-significant.

11 MS. HAHN: It may be more appropriate to capture this one
12 under the fifth one that talks about the scope and frequency. However,
13 it is still, I think, a different question that you're asking. The
14 scope of the procedure could be fine, but what happens in reality could
15 be very different. So you're asking are people really doing what the
16 scope suggests that they should do.

17 MR. GARCHOW: Just add some words, is the scope and
18 selection of areas to be looked at, just add a few words or suggest that
19 they add that they put some more criteria around that and then let's
20 move on, if we have a consensus that there is a hole or a little bit of
21 a hole or a lack of clarification in that fifth bullet that Bruce
22 brought up.

23 MR. WIGGINS: Or elsewhere.

24 MR. GARCHOW: Just consider it somewhere.

25 MR. WIGGINS: My point is just put something to advise the
staff they should put something in there that gets more to the quality
of execution in the inspection.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. LOCHBAUM: I think the second bullet kind of addresses

MR. WIGGINS: It gets to a piece of it.

MR. LOCHBAUM: Because if the inspection procedures are not

1 clearly written so that somebody goes out and inspects something that --
 2 a component that's not risk significant, it looks to me to be a fault in
 3 the procedure.

4 MR. WIGGINS: The way I read that, Dave, is you have two
 5 inspectors trying to interpret the same set of line items in the
 6 inspection procedure; does one go a hell of a lot deeper than the other;
 7 would one -- you know, people are still different in terms of how they
 8 see the words and one person will look at it at some level and another
 9 person will go to a different place or a lot different level.

10 That's always been the hardest thing to levelize in an
 11 inspection.

12 MR. GARCHOW: How are we going to get after the management
 13 issues we might want to consider, too, because why someone doesn't do
 14 anything, to Bruce's example, could be absolutely nothing wrong with the
 15 procedure, not that that would happen at our facilities.

16 MR. GILLESPIE: Let me ask Heidi.

17 MR. GARCHOW: It happens all the time, right, because you're
 18 dealing with people.

19 MS. HAHN: I think that we've captured this point. So I
 20 guess my question is, are there additional points on this first issue.
 21 Yes, Steve.

22 MR. FLOYD: I have a point on this one that I think applies
 23 to many others, so we don't need to be repetitive. When we talk about
 24 timeliness in terms of issuing something like the six-month inspection
 25 look-ahead letter within four weeks and the assessment and lots of other
 issues are related to timely, I'm not sure it's a good test to have a
 timely criteria for the agency to be able to issue a report for only

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court 66 plant sites.

1025 So I'm not sure it's a good measure of whether or not you're

Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

1 going to be successful when you have to roll it out industry-wide.
 2 Maybe a better criterion, and I'm just throwing it out, would be you
 3 need to evaluate perhaps what is a reasonable number of person hours
 4 that it takes to get this report out and then evaluate whether or not
 5 you can issue these reports within that reasonable amount of person
 6 hours, and then that tells you how many person hours you need for the
 7 entire agency when you roll it out for 66 sites.

8 MR. GARCHOW: That's a good point.

9 MR. WIGGINS: Again, trying to use past experience, we just
 10 did it with the last PPR cycle. We all had a -- you know, that PPR had
 11 to issue a letter with an inspection plan. We had to complete all the
 12 planning. We had to all get it done by -- for everyone, in this fixed
 13 period of time.

14 We all did it in a different schedule. We were probably the
 15 last, in Region I, but we all need the one month or some defined period.

16 So I was surprised that we wouldn't get a comment in here, we've got to
 17 do nine out of nine PIs, why can't the staff show they can schedule
 18 inspections nine out of nine -- or do we only want an 89 percent success
 19 factor for the staff. I think this is a mechanics issue and I think we
 20 can do it.

21 I think that that's -- if you can't make it on all of them,
 22 there is something going wrong. That means there is something about how
 23 you're -- again, this is a mechanics issue. There is something about
 24 how the mechanics are working or not working that's stopping you from
 25 being able to get out the answer.

So maybe nine out of nine is a more appropriate evaluation
 criteria and we ought to be able to do it -- I think we can do it on all
 of them, we can do it on these.

ANN RILEY
 &
 ASSOCIATE
 S, LTD.

MR. BROCKMAN: There is a difficulty in the nine out of nine

1025 Court on this one as opposed to what we did, if we were to suggest that for
 Reporters
 the first one, because we've got a continuing evolution of data being

Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

provided on the PI reporting. So you can see an evolutionary.

Some of the inspections we're going to be doing are going to get two shots at them. There is no evolution going on. That's going to be a challenge. I think it's a good thing to send to the staff.

MR. WIGGINS: This says, though, you do your planning and execute -- it doesn't even talk about executing the plan yet, but planning and issue the planning document within four weeks of the end of whatever -- whenever --

MR. BROCKMAN: I was looking down into the next one, I apologize. I agree with that.

MR. GRANT: Then you've got to go back and say we've suggested to the staff that this be evaluation criteria. If you can't meet nine out of nine, then it needs something to be looked into and evaluated as to why and maybe it was a unique circumstance.

MR. WIGGINS: Whenever we've got to do two sites, if I can't get that covered, when I've got to do 14, I'm going to have a real loaded problem. Nine out of nine, we should impose that on ourselves.

MR. BROCKMAN: It's not saying you've failed if you can't do that, it just needs to be evaluated.

MR. GILLESPIE: Where are we?

MS. HAHN: We're on the second bullet under --

MR. GILLESPIE: Did we just finish the first one and it's nine out of nine?

MS. HAHN: Yes.

MR. GILLESPIE: Does everyone feel comfortable with that?

MR. BROCKMAN: Yes.

MS. HAHN: The comment that I had captured previously on --

ANN RILEY and I think this was Jim's point early this morning -- that the 25
& percent may not be enough -- may not be allowing enough variability
ASSOCIATE S, LTD. Court given that you already know that there is a great deal of site to site
Reporters variance.
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. BAJESTANI: I think that's what we ought to do, also,
2 not because of the site variance, the inspector knowledge, how familiar
3 he or she is with the site, if they're going back and forth to the same
4 site, they know exactly what to do.

5 If you send the same inspector to another site, you're going
6 to get a complete different result, just based on the fact that they're
7 going to have to spend more time.

8 MS. HAHN: Jim did say that this morning. I just didn't get
9 it all in my shorthand.

10 MR. GILLESPIE: But is this a reasonable evaluation
11 criteria?

12 MR. BROCKMAN: You're going to do a lot of analysis, because
13 there's so many inspections that are one and two -- if you've got two
14 inspections being done and they vary by more than 25 percent of the time
15 it takes to do the inspection of each other, by definition, they're not
16 going to make the criteria. You could run the math.

17 If I've got a 20 and a 40-day inspection, let's say, the
18 average is 30, and they're both out. I'm doing it on a data set of two.

19 We're really going to get driven by small number statistics on this
20 thing. We're not going to have a database to be able to do this anyway
21 and set it up with a plus or minus.

22 It's going to cause the staff a whole bunch of problems.

23 MR. FLOYD: Maybe you could only do it for those for which
24 it is intended to run the inspection module at each of the nine plants.

25 MR. BROCKMAN: It's great for the residents, but for the DRS
inspections and what have you, they have a very small database and it's
really going to be a challenge.

ANN RILEY MR. GILLESPIE: Tim, help us out on this one. We need --
& ASSOCIATE See, we kind of need to understand the thought process of the group that
S, LTD. Court put this together.
Reporters

1025 MR. FRYE: Okay.

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. GILLESPIE: You have the engineering procedure which is
2 going to be carried out at one plant in each region, so it's only going
3 to be carried out four times.

4 MR. FRYE: Right. Actually, I think we're not going to see
5 the -- we were looking at a similar analysis being valuable. Why you're
6 not going to see the same progression for the routinely performed
7 procedures throughout the pilot, where maybe there is a big spread and
8 you make some changes or you evaluate why you have the big spread and
9 they should come closer in line, you only get three or four shots at it.

10 So you don't get that insight, but the same type of analysis
11 should apply.

12 MR. GILLESPIE: You just dealt with infrequent. You just
13 defined for us routine performance inspection procedures. You just said
14 the infrequent ones weren't what you were thinking of when you wrote the
15 words routine down. Is that true?

16 MR. FRYE: Well, that's stated in the criteria. That is
17 similar, that an analysis will be assessed for less frequently performed
18 procedures.

19 MR. GILLESPIE: Okay. So you've got a restriction on the
20 words routine. What you've got is a panel here that's reading your
21 literal words and routine is an engineering procedure that's only done
22 four times.

23 MR. FRYE: No.

24 MR. GILLESPIE: No. That's what you're hearing.

25 MR. FRYE: Then maybe routine needs to be the periodic.

MR. GILLESPIE: So there is a comment here that routine
needs to be clarified, it needs to be more precise.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. FRYE: Periodically performed procedures.

MR. BROCKMAN: Every procedure is performed periodically.

MR. GILLESPIE: I'm not suggesting to rewrite it here. I'm
just saying for clarity, because what you've got is a group of people

1 reading your exact words and I think we're getting an understanding of
2 what you meant by it.

3 MR. FRYE: I think the next sentence goes on to explain for
4 further clarification.

5 MR. BROCKMAN: But I think there is value to be gained in
6 looking at this, gathering the data even for the two's, the three's and
7 the four's that we've only done and looking at it and, once again, if
8 I've found them to have a broad spread --

9 MR. FRYE: You'd want to look at it.

10 MR. BROCKMAN: You'd want to look at it and reach and find
11 out is there a flaw in there. So that's what needs to get communicated.

12 I think the words need to be changed similar to what we're going to do
13 with the PIs, but you could keep this number if you do that for every
14 one we're going to do, but realize that you're going to go into it and
15 do an analysis on it if you've got a spread that big, because you've got
16 an indication of inconsistency.

17 MR. GARCHOW: So the criteria is some measure of spread and
18 you can define what that is, to assure that there's no generic issues
19 that could preclude industry --

20 MR. BROCKMAN: The same way we're dealing with the PI issue,
21 I think, would be the thought I would give.

22 MR. GARCHOW: So we'll hear that maybe in one of their
23 subsequent trips here and pass judgment on the third one.

24 MR. BROCKMAN: I think that's what you were trying to get
25 at.

MR. FRYE: That would imply that we didn't meet any of these
criteria. I don't know if we have to keep saying it over and over

ANN RILEY again.

&
ASSOCIATE
S, LTD.

Court Why don't we just agree that maybe you need to add a footnote at the end
Reporters

1025 or something that says this is evaluation criteria and if it's not met
Connectic

ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. FLOYD: I think this is going to come on many more.

--

1
2 MR. BROCKMAN: Or generically, just look at every one of
3 them and make sure they're projected in a non-binary fashion. Get it
4 out of the thing. If you don't make this -- and just go back and relook
5 at all of them just to capture the words so that it projects a -- if
6 it's outside of this evaluation or a footnote, whatever is the right way
7 to do that.

8 MR. GARCHOW: Good.

9 MR. GILLESPIE: So this criteria, the way it's written, came
10 out okay.

11 MR. WIGGINS: The way we currently understand it.

12 MR. GILLESPIE: The way we currently understand it is okay.

13 MR. FRYE: Can I make a comment?

14 MR. GILLESPIE: I wouldn't, Tim. I'd take yes and say
15 thanks.

16 MR. FRYE: I'll be as brief as I can. This is -- again,
17 this is a two-part criteria. We're looking at the resources, that was
18 the first measure, and the second measure was collecting the feedback
19 and the numerical ratings that we're getting on the procedures and do
20 some sort of evaluation on those. This is a two-parter and I don't
21 think you discussed the second part of it.

22 If everyone is happy with it, I'll put my hand down.

23 MR. GRANT: I don't know what the criteria, the metric is,
24 and it's elsewhere in there, too, they're going to evaluate the feedback
25 parts. If we're just saying this is just evaluation, and I'm not sure
what conclusions they may or may not draw or what they'll do with them
or anything like that.

ANN RILEY The other ones are pretty specific and you can say, okay, I
& understand that evaluation criteria. I don't know what the staff is
ASSOCIATE S, LTD.
Court going to do with the answer when they get it, but at least you
Reporters understand the criteria.
1025 Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 This is just saying you're going to take the information out
2 of the evaluation forms and somehow --

3 MR. WIGGINS: They're all numerical ratings and they'll have
4 evaluation commentary. I would suggest giving the staff a little leeway
5 in this one, because I don't know how they're intending to do it. What
6 I would do is work both ends of this and do the statistical thing,
7 throwing the high plant out, and see if you've got this range issue, is
8 that an issue. Then you take a look at the comments to see if the
9 answer comes out to be consistent.

10 Now, if you've got a bunch of inspectors saying they can't
11 understand the procedure, it doesn't matter that they hit the 25 percent
12 gate, there is something around.

13 MR. GRANT: I don't disagree. I just --

14 MR. WIGGINS: You'd have to have both answers to be
15 consistent, hit the gate and the inspectors say they can understand
16 what's going on, and that gives you the go criteria.

17 MR. MALLET: And there is a question on the form that says
18 is the procedure clear enough. That's pretty easy to evaluate.

19 MR. FRYE: That's why it's part of the quality --

20 MR. WIGGINS: It will be interesting to hear the discussion
21 on the end.

22 MS. HAHN: Okay. The third criterion for the baseline, the
23 comment that I got from this morning was are we going to break out the
24 non-inspection hours from the current reporting.

25 MR. BARNES: Say that again.

MS. HAHN: Are we going to try to break out the things that
aren't actually inspection hours in the current reporting system?

ANN RILEY
&

ASSOCIATE
S, LTD.

Court comparison. Are there additional comments on this one?

Reporters
1025

Connectic
ut

Avenue,
NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. FLOYD: Make sure it's an apples to apples comparison.

MS. HAHN: Right. Make sure it's an apples to apples

MR. CHASE: I agree with that one.

1 MR. GARCHOW: Did you capture that, Tim?

2 MR. FRYE: No.

3 MR. GARCHOW: On the fourth bullet, just when you're
4 comparing the man hour resources, just make sure, when you do that,
5 you're comparing the same prior to the same as the pilot. So the man
6 hours are apples to apples, if the inspection hours.

7 Make sure --

8 MS. HAHN: The comment was this morning that the currently
9 being collected inspection hours in the core have stuff in them that's
10 not actually inspection and that you need to extract that to make it a
11 fair comparison.

12 MR. BROCKMAN: Data that's currently in the data that you're
13 going to say is the current core. So if you're taking pure inspection
14 and comparing that to the aggregate of everything that just happens to
15 be in RITS at the moment, you're comparing apples, but it's fruit
16 compote.

17 MR. FRYE: I'm not sure how we can --

18 MR. BROCKMAN: Then the other point is we also need to make
19 sure that if inspection hours are being reported on the pilot are for
20 only partial completion, that you've got a way to bring that into a
21 proper perspective, and that's an if.

22 MR. DEAN: Within the current program, you collect
23 assessment hours under different RITS code, we collect prep and doc
24 under different RITS codes. I'm not sure that I see that there is an
25 issue or not. I don't know if I understand the issue.

MR. GARCHOW: If you're think you're comparing apples to
apples, now be able to show that when you come back with your data that

ANN RILEY
&
ASSOCIATE
S, LTD.
Court Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

It's apples or apples, or if it's not apples to apples, just go make
sure that you need to massage the data somehow to get it close to apples
to apples, that you can. If you do that and can explain that when you
show us the data when you come back. There may not be a problem here,

1 that was just some insight.

2 MR. GRANT: Not to put too fine a point on it, but the issue
3 is really we'd be much more attentive to inputting into the pilot
4 program RITS data than perhaps we've been in the past and, therefore,
5 you run the risk, and there is -- there are activities that are done
6 under the umbrella or DIE that are probably not going to be captured
7 under the new program as pure inspection activity.

8 MR. BROCKMAN: We're putting the liability on what we're
9 currently doing with plant status, where a lot of that is not captured.

10 MR. GILLESPIE: So the criteria is okay, but we've kind of
11 got to caution to make sure that when you're looking at numbers, that
12 the numbers are comparable.

13 MS. HAHN: And that the numbers are reflective of what it
14 would actually take to complete the entire inspection.

15 MR. GARCHOW: Or the projection of that.

16 MS. HAHN: Okay. Rolling right along here. The fourth
17 bullet, inspection reports and plant issues matrix updated in a timely
18 manner. I didn't record anything on that one this morning.

19 MR. LIEBERMAN: Should there also be something about the
20 quality of the detail on the reports versus just the timeliness of the
21 reports?

22 MR. GRANT: That would be good, but I'm not sure how we
23 measure it today.

24 MS. HAHN: I have a suggestion here, if I can take off my
25 facilitator hat and make a suggestion, that inspection reports and PIMS
have somewhat separate processes and maybe shouldn't be in the same
criterion.

ANN RILEY MR. GILLESPIE: This criteria is really a reflection that
& says, NRC, continue to carry out your program the way it's actually
ASSOCIATE S, LTD. Court written in the management directive today. It's not measuring any
Reporters change.
1025 Connecticut
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. BROCKMAN: Does the new program force us to change the
2 way we're currently doing business? You're right. Can we do -- can we
3 live up to what we've currently got? That's all this is really saying.

4 MR. GRANT: With one exception, and that is the team
5 inspection, which is the engineering design inspection, currently we
6 have a 45-day inspection report period. Is the intent that this change
7 that?

8 MR. DEAN: No. We talked about that.

9 MR. BROCKMAN: Right. But I'm just saying this criteria
10 says 30 days.

11 That was Bill Dean.

12 MR. CHASE: I would suggest that the first sentence, that
13 the word written be change the issues. I know you captured the second
14 sentence, but maybe.

15 MS. HAHN: I didn't get that.

16 MR. CHASE: The first one should be written issue.

17 MS. HAHN: That's right.

18 MR. GARCHOW: Nothing exists today that you could readily
19 grab onto.

20 MR. BROCKMAN: I think, from what I've heard of everything
21 else, that the quality is going to wind up really being captured by all
22 the surveys that are going out to everybody afterwards, did it meet its
23 goals, was the assessment accurate. I really think that issue will be
24 captured in that activity which is already scheduled.

25 MR. GARCHOW: That's a good point. Can someone address
whether that "if" is coming to pass? I agree with you that we've always
had trouble gauging quality. You never know where to start. If you try

ANN RILEY do it internally, you don't know how to do it, but you can get it
& back through stakeholder feedback.
ASSOCIATE
S, LTD.

Court Is there something in place that is going to have us get
Reporters that? If we're taking stakeholder surveys, are we asking in those
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 surveys whether folks are getting the information they believe they
2 need?

3 MR. GRANT: Well, not that they need, but consistent with
4 the program as defined. Some people may want information that the
5 program is not going to give them.

6 MR. CHASE: These surveys, do they also survey the inspector
7 who writes the report? I've got certain guidelines that I understand
8 that he has to write the report to and he may not like those guidelines
9 the way they currently are.

10 MR. BROCKMAN: I can answer from how we're implementing it,
11 and I believe how all the regions are from the DRP director viewpoint,
12 that we are trying to gather information which I will call the marginal
13 insights which would pretty well capture that stuff that didn't quite
14 make it or what have you and did that cause a concern.

15 So I'm capturing that information, I believe the other -- I
16 know --

17 MR. GILLESPIE: I think we're dealing here with kind of an
18 internal management problem more than anything else, because now what's
19 happening is we've got the regional people talking among themselves.

20 MR. BROCKMAN: I agree.

21 MR. GILLESPIE: Which is okay, but inspection reports are
22 written today and inspection reports, in essence, contain the same
23 information tomorrow and I think that's kind of an ongoing effort.

24 I don't know that it's an extraordinary thing to have to put
25 in here.

MR. GRANT: This program wasn't aimed at making --

MR. GILLESPIE: Inspection reports. When we get to

ANN RILEY assessment, though, the idea of what's available to the public and what
& the public sees and is that good enough, I think is --
ASSOCIATE
S, LTD.

Court MR. GRANT: But there is a significant change in the way the
Reporters report was written under the old process to what's coming out now, a
1025 Connecticut

ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 significant change.

2 MR. CHASE: The normal resident inspector report was ten to
3 15 pages. The one we just got was about four pages.

4 MR. BAJESTANI: But there should be somebody to review some
5 of these inspection reports to make sure they're consistent.

6 MS. HAHN: We're solving the problem.

7 MR. GILLESPIE: Yes, we're solving the problem. Do we want
8 to give the staff some advice that they need to do something? That's
9 the real question on the table.

10 MR. GRANT: Not in quality, I don't think.

11 MR. GILLESPIE: And quality. Okay.

12 MR. LOCHBAUM: On the significance determination process,
13 there are things that are 120 days to complete a phase three. How does
14 that 120 days fit in with the 30 days from the end of the inspection
15 period? It seems longer.

16 The significance determination process says that the phase
17 three evaluations for inspection findings will be completed within 120
18 days and yet this criteria says that the inspection reports will be
19 issued within 30 days of the end of the inspection period.

20 MR. BROCKMAN: The obvious answer is inspection report would
21 go out and there is still an open item or an unresolved item still to be
22 then followed up and brought to clarification in a future report when
23 you were done with that.

24 That's what is going on. We may want to re-look at are
25 those dates good, but that's what is going on.

MR. GARCHOW: It's typical of what we're throwing out even
in the existing process, where there's issues in inspections that are
open items.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court with escalated enforcement.
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. GILLESPIE: There is actually a similar way that we deal

MR. LIEBERMAN: You mean as an apparent violation.

1 MR. GILLESPIE: Yes, as an apparent violation, and then it
2 goes through a process. So for the more severe issues, I think it's in
3 a parallel path or a similar path.

4 The next one, are scope and frequency of baseline inspection
5 procedures.

6 MS. HAHN: And we talked in the first baseline question
7 about, assuming the scope is adequate, are people executing per scope,
8 so I just kept that here again.

9 MR. LIEBERMAN: Something about adding selection to process
10 to that phrase. Selection process and frequency.

11 MR. BROCKMAN: No. It's the scope and frequency of the
12 procedures and it's the selection within the procedure. It's not really
13 the selection of the procedure. But that concept of what we were trying
14 to get about -- I think Richard brought it up.

15 MS. HAHN: And I think we have it adequately captured. I
16 just wanted to remind people that it was captured.

17 MR. GILLESPIE: But this is where we put it.

18 MS. HAHN: This is where we put it.

19 MR. GILLESPIE: Okay.

20 MS. HAHN: Are there other issues on this one?

21 MR. GILLESPIE: Okay. Next.

22 MS. HAHN: Significance determination process. I didn't
23 have anything on this very first.

24 MR. LOCHBAUM: The time seems very long for something that's
25 reported quarterly. The phase three evaluations can take up to a
quarter to evaluate. So you're going to be out of phase between PIs and
these inspection findings, when and if they're ever evaluated. That
seems like that could be a problem.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. GRANT: I would agree with you on the times are long,

but if they're two days long, you could get out of phase if it goes over
a quarter. So I don't like -- I do agree with you on the aspect that I

1 think it's a real long period of time; maybe not for the phase three,
 2 but I would think that for the staff to really look at evaluating how
 3 long these times should be, especially for the phase -- when you get up
 4 to the phase one and two parts, those do seem to be very long, because
 5 the phase two, we're supposed to be able to get out and have documented,
 6 to my understanding, in the report.

7 Then the phase three will go through the extended period of
 8 time. This seems to be in direct -- be a challenge to being able to get
 9 a report out with a phase two documented in it. So I would think that
 10 would be something they need to go back and look at the times on those.

11 MR. GILLESPIE: So what we've got is a -- I'm going to kind
 12 of, I think, say the same thing. So we have a phasing problem, with
 13 phase two being -- phase two decisions or evaluations need to be
 14 consistent with the timing of getting out a report. That would be kind
 15 of the comment that we'd be giving the staff.

16 Let me throw a different thing on the table. If there is a
 17 significant safety issue, we don't want to miss it and you don't want to
 18 wait three months before you get it on the table.

19 MR. BROCKMAN: No arguments.

20 MR. GILLESPIE: Is that question a different criteria or is
 21 it really addressed within this one or does it need to be addressed at
 22 all? I'm coming at what you said, David, from -- saying we're going to
 23 take 120 days to figure out if something is really broke bad doesn't --

24 MR. BROCKMAN: Was there anything that just hung around so
 25 long that it was totally inappropriate?

MR. GILLESPIE: Yes.

MR. LOCHBAUM: part 21, you only got 60 days.

ANN RILEY MR. GILLESPIE: Okay. But I'm suggesting that might be a
 & different criteria.
 ASSOCIATE
 S, LTD.

Court MR. GARCHOW: So the current pilot process, these are the
 Reporters times that we've put out as guidelines.
 1025

Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

1 MR. LOCHBAUM: We'd kind of like to have the things done
2 during the pilot testing, too. Some of these -- we may not get the
3 evaluations till after we're done.

4 MR. BROCKMAN: Right on target.

5 MR. GRANT: What is the current plan for -- once you have an
6 exit, to complete the time process, to go through the SDP process? Is
7 it these times here?

8 MR. GILLESPIE: Mike Johnson.

9 MR. JOHNSON: Our expectation is that by the time you issue
10 the inspection report with your issues, you will have done the phase
11 two. That's what we're trying to imply. Now, the phase three we
12 recognize will take longer and our guess was 120 days, I guess, was the
13 right answer. I'm sorry, 90 days for most of them, and a few went
14 beyond that because it requires other folks to get involved.

15 That was just our first guess and to be honest with you, we
16 haven't exercised these --

17 MR. GRANT: Not to give the solution, then, the practice is
18 different than the evaluation factor here, that maybe you ought to just
19 reword this to say that 90 percent of the phase two evaluations are
20 completed prior to issuance of the report and then put a metric on phase
21 three. That probably ought to be something more like 30 days.

22 MR. GILLESPIE: I'd like to suggest that the metric on phase
23 three has to take into consideration the fact that we're already through
24 two phases and, therefore, we may have an issue of safety significance.

25 I'm not trying to fix it for you guys. That's a question that I think
has to be put on the table.

MR. LIEBERMAN: We have to meet with the licensee.

ANN RILEY
&

ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. JOHNSON: It gets into the time window that makes it
such that you wouldn't want to make it --

MR. LIEBERMAN: If you just had a different criteria that's
worthy of putting in, anything that proceeds past the phase two, the

1 interface with the licensee will take place -- I'm not trying to pick
 2 the time, Mike. You just described the process that deals with my
 3 concern of safety. It gets the safety issue on the table in a far more
 4 timely way than this would imply that we're going to wait 120 days.

5 MR. GARCHOW: It depends whether it's a large issue.

6 MR. LIEBERMAN: Yes, and that's what I'm saying. There
 7 needs to be a relationship with the phase three analysis, some interface
 8 with the licensee, and --

9 MR. GILLESPIE: Well, we're not going to do it here. You
 10 guys just have to consider it. That's all we're asking.

11 MS. HAHN: Other issues with this first SDP criterion? This
 12 is a really good one.

13 Okay. This was where this morning the question was raised
 14 of whether, in this criterion, or there needs to be a whole separate
 15 criterion, for looking at discrepancies between the NRC's SDP results
 16 and the licensee's SDP results.

17 MR. BROCKMAN: I wanted to bring up a point. I think this
 18 criterion is going to have problems with it, because it's a
 19 self-fulfilling prophecy. Within the agency, we have weekly meetings
 20 and decide what the answers for each of these are. So by definition,
 21 doing an audit afterwards, we'll come up with the same decision as we
 22 had all the people get together to begin with.

23 So looking at getting an independent or comparing against
 24 the industry or something like that provides a different perspective
 25 than us going back and repaneling.

MR. GRANT: But wouldn't we just take the results of the SDP
 panel?

ANN RILEY & ASSOCIATES, INC.
 1025 Connecticut Avenue, NW, Suite 1014
 Washington, D.C. 20036
 (202) 842-0034

MR. BROCKMAN: We're looking and saying 95 percent were properly categorized by the SDP. We ran through the whole panel. Of course, we've -- are you saying that we would take the initial one by the inspector and compare that against panel --

1 MR. GRANT: That's how I read it.

2 MR. FRYE: We are looking at the things that are white,
3 yellow or red. There is some truth to what you're saying, but the
4 majority of the stuff we're trying to look at is stuff that got screened
5 out of things that were green, and those are things that the regions are
6 doing on their own. They're not coming to an oversight panel. So there
7 will be some independence in that audit.

8 MR. BROCKMAN: Okay. I just wanted to make sure that what
9 we're not doing is having them go back and re-look at what they've
10 already done.

11 MR. LIEBERMAN: So that's really the phase one checking in
12 phase one.

13 MR. FRYE: Yes.

14 MR. GILLESPIE: Could we make it clear here that what we're
15 testing is false negatives? That's what you just said, Tim.

16 MR. FRYE: Right.

17 MR. GILLESPIE: You're testing for false negatives, and
18 that's a very important criteria for the SDP. We never want to see a
19 significant safety issue get through and listed as insignificant and not
20 get to the other steps. I'm just, as a panel member, expressing that I
21 think false negatives is an important piece to put in here.

22 And I would suggest that it be explicit as to what this is
23 testing. Does that make sense to anyone else?

24 MR. BROCKMAN: Yes.

25 MR. GILLESPIE: Good.

MS. HAHN: Other comments on this criterion? I didn't
capture anything on --

ANN RILEY MR. GARCHOW: Let's go back. Whenever I see no instances,
& that really gives me -- it doesn't give you a whole lot of room to do
ASSOCIATE S, LTD. anything, because it's completely digital. I think we go back to that
Court Reporters other comment that we made, that where there was a difference, that that
1025 Connecticut
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 burden is on Tim and Mike to come back and say that they understood the
2 difference and --

3 MR. FRYE: There were no replies for all these things.
4 There is an evaluation as to why.

5 MR. LIEBERMAN: Risk-significant were not screened out.

6 MR. GILLESPIE: I think what we're saying is that there
7 needs to be a contextual paragraph on what these criteria are being used
8 for.

9 MR. GARCHOW: Or don't put in the "no." Just say that at
10 the end of the pilot, differences were or did occur, it's understood and
11 evaluated.

12 MR. GILLESPIE: And that's that contextual paragraph that we
13 talked about before that has to go along with the changed title.

14 MR. FLOYD: What's the next one?

15 MR. GILLESPIE: All right. Who wants to start the next one?
16 Could somebody start out by explaining the difference between delta CDF
17 and delta CDP? Otherwise, I can't even begin to evaluate the question.

18 MR. BROCKMAN: Alan Madison is going to tell us about that.

19 MR. GRANT: It's instantaneous risk versus average.

20 MR. MADISON: Basically, that's what it is.

21 MR. WIGGINS: It's a practicality. If you have a site that,
22 let's say, has two diesel generators and an inspection activity finds a
23 problem with diesel generator number one that existed for some known
24 period of time or one that will even postulate, would you have to
25 consider the fact that during that period of time, the licensee, as part
of normal business, took the other diesel out of service for things that
could include a tear-down, have it on the floor in pieces.

ANN RILEY Under CDF, the answer is no, because that tear-down time is
& ASSOCIATE assumed in the underlying analysis where you look at availability and
S, LTD. Court reliability.

Reporters

1025

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

Under CDP, you would. You could come up to some

1 significantly different answers, depending on whether you -- how you
 2 consider -- at least that's how I understand it. There are some other
 3 rules involved that make the differences less significant, and it now --
 4 it then flies -- it then sets up a fairly important change from the way
 5 we used to do business to the way we would do business under the CDF
 6 mentality, because you would not ask that question.

7 You would not worry about realities, what appear to be
 8 realities from a deterministic point of view.

9 MR. MADISON: But this significance determination is for
 10 assessment purposes with the SDP process. We're looking at delta CDP,
 11 that response arena.

12 MR. WIGGINS: That's a recent change.

13 MR. MADISON: That's a recent change.

14 MR. WIGGINS: This is evolving.

15 MR. MADISON: That delta CDP, as far as what our concerns
 16 would be in event response arenas, where the instantaneous risk to the
 17 public for an event. But for delta CDF, for performance appraisal,
 18 performance assessment, we would stay with delta CDF.

19 MR. MALLETT: Let me raise an issue here that bothered me by
 20 this one. The second SDP, and I'm not going back, the second SDP issue
 21 asks the question in the pilot of can inspection findings be properly
 22 assigned a significance rating in accordance with the guidance.

23 This, to me, is a part of that. This is the methodology for
 24 how you get to that and I'm not so sure we should use as a success
 25 criteria the methodology how we got there. It ought to be accurately
 predicted in there.

MR. GRANT: I guess I look at it differently. This is a
 fundamental question that underlies the SDP process. I understand what
 you're saying, but I think it still needs to be in there, because the
 only way you're measuring in number two is did something go through SDP
 that shouldn't have, given the rules of the SDP, as it is now.

1 MR. MALLET: I see, okay.

2 MR. GRANT: That's how I would have it.

3 MR. BROCKMAN: It would appear to me that this success
4 criteria is can we make up our mind how we're going to do it.

5 MS. HAHN: Are the rules the right rules?

6 MR. MALLET: And it shouldn't be CDF or CDP or something
7 like this.

8 MR. WIGGINS: Just by virtue of Steve's question, it makes
9 you wonder if this panel is really the right panel to make this choice.

10 MR. BARNES: If it's a good criteria. I say it isn't
11 because it doesn't ever give you what success is.

12 MR. WIGGINS: Then we just made the choice, unless I
13 misunderstood what you said. I don't know that I would feel -- I would
14 -- although I was able to repeat something that some smart people who
15 were trained for two years told me, that doesn't mean I could translate
16 that into field implementable instructions.

17 In other words, I don't know if I could calculate something
18 that I just told you conceptually what the terms meant. See what I'm
19 saying? I don't know if anyone around here on this panel can do that,
20 maybe Dave can, but I don't know if any of us -- well, how can we sit
21 and judge this.

22 MR. LIEBERMAN: This is a policy issue.

23 MR. GARCHOW: But our evaluation criteria, this policy issue
24 would have to be resolved and be resolved in a manner that makes sense,
25 prior to us going live for all the plants.

MR. WIGGINS: And now I get lost in this conundrum about
what are we doing. Maybe you're right, as an PPEP, we might want to

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Hear how did this get resolved and try to make a view whether it sounded
like it was sensible, a sensible resolution.

MR. GILLESPIE: Let me put something on the table.

MR. WIGGINS: But is this a success -- no -- an evaluation

1 criteria for the program.

2 MR. GILLESPIE: Let's see what the staff's opinion is of
3 what you just said.

4 MR. DEAN: I'll speak first. I tend to agree with the
5 comment that was made here by this gentleman, that this really is not a
6 success criterion. If this is an issue that's on our plate and it's
7 something that we are going to address because it rears its head in all
8 sorts of aspects of this in terms of assessment, enforcement,
9 significance determination process and so on, and so in that way, it's
10 integrated into the overall fabric of the program.

11 But is it success criteria? Probably not.

12 MR. GILLESPIE: Would we have a consensus that while this is
13 not a success criteria, the difference between, I'll call, current risk,
14 the risk of the moment, and average risk does need to be addressed by
15 the staff as a policy issue?

16 MR. GARCHOW: Yes.

17 MR. GILLESPIE: But this is not necessarily a success
18 criteria for the pilot program.

19 MR. GARCHOW: Agreed.

20 MR. GILLESPIE: But I'm not --

21 MR. WIGGINS: It's an issue that needs to be decided.

22 MR. GILLESPIE: Yes. I think it's a policy issue.

23 MR. WIGGINS: That's where I get caught up in this thing.
24 It's certainly a decision that you'd like to -- that we ought to shoot
25 for deciding before we implement. So in a certain sense, it is an
interesting go-no go gate for execution of the program.

MR. GRANT: In its most basic form.

ANN RILEY MR. GILLESPIE: Before we get to saying -- it's not clear
& that it's in its more basic or -- this is, I think, supplementary.
ASSOCIATE S, LTD.

Court MR. GRANT: No, no. It's a fundamental question. Okay. Is
Reporters the regulator regulating average risk over a course of a year or
1025 Connecticut

ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

instantaneous risk as found?

1
2 MR. GILLESPIE: And what I want to suggest is that our
3 comment would be that this is not an evaluation criteria, but a policy
4 issue that needs to be decided within the program -- before
5 implementation.

6 MR. LOCHBAUM: And as a part of that policy issue, as you
7 kind of said it took smart people two years of training to understand
8 this, the general public probably doesn't have that training. So when
9 you start using things like this to downplay inspection findings, the
10 public gets lost at the get-go.

11 So if you're going to use this kind of approach in your
12 oversight process, you need to do a better job of explaining what it is
13 and how it's working, because this just doesn't do it.

14 MR. GILLESPIE: A good comment, because NEI, on one of their
15 surveys, found that the use of the word risk, no matter what context you
16 put it in, was a negative use and didn't necessarily transfer
17 understanding.

18 MR. FLOYD: Like the safety focus.

19 MR. GILLESPIE: Yes, or how many ways can you get decay heat
20 out. Well, we can do it six different ways and six is better than one,
21 but there's other ways that -- and that's a communications piece and I
22 think that's something that the staff is diligently trying to work on,
23 how do we say this so it's understandable in conveying things.

24 So focusing on this one, our comment here is that this is
25 not an acceptance criteria, but it is a policy issue which should be
resolved -- addressed.

MR. DEAN: Mike's whispering in my ear and his concern is

ANN RILEY that we believe that this is an issue that we want this panel to weigh
& ASSOCIATE on.
S, LTD.

Court MR. GILLESPIE: We'll ask you what you'd like us to weigh in
Reporters on, but today we're just focusing on what are acceptance criteria or, if
1025 Connecticut
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 you would, evaluation criteria, Bill. So I'm not putting you off,
2 because I think this is a critical discussion. This is worth a separate
3 discussion.

4 MR. DEAN: I know as we're developing other aspects of the
5 program, I think, as the pieces come together, you can see how the staff
6 is intending to deal with CDF versus CDP issues, and I think when you
7 see the integrated bullet.

8 MR. GILLESPIE: I don't want to put it down, but the
9 suggestion is that we revisit this when the staff has a better focus or
10 more information later.

11 MR. LIEBERMAN: But the second bullet under assessment is
12 basically does the action matrix -- is it appropriate for licensee
13 performance and depending on how you determine risk, it's going to
14 determine where you are in the action matrix.

15 So there is a relationship.

16 MR. BROCKMAN: If the criteria is can we use the matrix,
17 that's different than is the matrix proper, and getting delta CDF/delta
18 CDP will get the matrix proper, and we're not trying measure can we use
19 the matrix.

20 MR. MALLET: And I would make the suggestion here that the
21 recommendation would be to change this to is the SDP matrix proper, and
22 you may have the policy question of delta CDF versus delta CDP, you may
23 have another one over emergency preparedness, another one over in
24 safeguards and security. I think it's broader than just this question.

25 MR. BROCKMAN: And that would probably encompass the CDF/CDP
issue.

MR. MALLET: It might.

MR. GARCHOW: Yes, it would.

MR. WIGGINS: It's, by nature, embedded in the decisions you

ANN RILEY
&
ASSOCIATE
S, LTD.

Court have to reach now, too. In the second bullet, you have to kind of first
1025 decide what ground rules you're going to use first and have them

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

consistently articulated so everyone is using the same ground rules.

MR. GARCHOW: You chose to bring this one forward under the SDP, but there's issues that are out there with individual performance indicators today that are issued that we chose not to bring forward under the PIs and, in my opinion, this is just another issue that's out there being worked on by the staff.

MR. GILLESPIE: But I think we've got the IOU sitting here and our suggestion to the staff is this is not a criteria for evaluation of success, but is a policy issue to be addressed and we will revisit with you later, once you get the thinking a little bit more.

MR. MALLET: And I would still like to get the recommendation in that the evaluation criteria ought to be is the SDP the correct one. If you tell me number two is not that question, then

--

MR. GRANT: I think what you've got is this issue is going to drive in number two under the SDP and number two under assessment. The action matrix. Both -- this feeds both of those.

MR. MALLET: Then I'm comfortable with the recommendation.

MR. GILLESPIE: We're talking about number three, though.

MR. MALLET: I know we are. But back on number two, I think -- I'm trying to get that concept back in here.

MR. GILLESPIE: Can inspection findings be properly assigned to safety significance, could get you into instantaneous versus average risk.

MR. MALLET: Exactly.

MR. GILLESPIE: Absolutely. And that's the policy issue the staff has to address that really hasn't been fully --

ANN RILEY
&

ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. GRANT: But as number two and both of those are

currently written, it's taken saying can you take the document that's

currently there and properly use it and then the separate issue is, is

the guidance that's currently in those documents the right guidance, and

1 that's the one that really captures into the CDF/CDP as the primary --

2 MR. MALLET: I'm suggesting number three be changed to a
3 broader one that says is it the right process.

4 MR. GRANT: I'd add it as a separate issue.

5 MR. GILLESPIE: What would be the success criteria for that?

6 MR. WIGGINS: What are you trying to suggest? Are you
7 trying to suggest a litmus test, an overall evaluation --

8 MR. MALLET: When I read three, the delta CDF and delta CDP,
9 I said wait a minute, that's just a methodology we picked. The real
10 question is, is that the right methodology, does it get you the right
11 answer you're looking for.

12 MR. GILLESPIE: What I'm suggesting here is, though, not as
13 an acceptance criteria, but what you've just said is a policy issue that
14 needs to be addressed and settled.

15 MR. MALLET: I understand that, Frank. What I'm saying is
16 there is more than just delta CDF and delta CDP used in the SDP process.

17 MR. GARCHOW: That's correct.

18 MR. MALLET: There is a security process, there is the
19 emergency preparedness process, there is a rad controls process. And I
20 don't see -- if you tell me number two just asks the question of did
21 they use the guidance, I think the pilot program needs to have a
22 question answered, is the process right, in all those cornerstone areas.
23 That's all I'm suggesting.

24 MR. GARCHOW: And we have a basis for that, Tim, because
25 when we were working through the process, we took a look at historical
data and then the analysis division, I don't remember your acronyms,
where you had a body of data where you went and put through the SDP

ANN RILEY
&
ASSOCIATE
S, LTD.
Court the SDP as risk-significant.

Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

What you would do is probably present some data to say,

1 okay, to the extent that there is any during the pilot, run it through
 2 the same drill from the previous guidance and say you got to the same
 3 spot, because that was the basis that we used to validate the SDP
 4 process, so you had a methodology to do that going ahead.

5 MR. MALLET: I wasn't trying to solve the problem. I'm just
 6 saying I think there is something missing, in my view.

7 MR. GILLESPIE: I want to challenge Bruce here and say what
 8 if we take a ten-minute break and what would be good is if we could have
 9 a brief sentence to focus on, because I'm --

10 MR. MALLET: I've given it to you three times. Is the SDP
 11 accurately predicting the significance?

12 MR. GILLESPIE: But that's a question, but how would you --
 13 is there a consensus that's a valid question?

14 MR. BROCKMAN: And the same with the action matrix, they're
 15 truly the same question for both of them.

16 MR. GILLESPIE: The recommendation here is that the staff
 17 should consider these comments and if it's something that you can't come
 18 up with the metric, that's okay, too.

19 MR. BROCKMAN: Don't want to rebuild it, but is it something
 20 we need to look at.

21 MR. GILLESPIE: You got it, Bruce, on the list. Let's take
 22 a ten-minute break, if that sounds okay with everyone.

23 [Recess.]

24 MR. GILLESPIE: I feel like we owe to the staff a complete
 25 set to go through, so I'm going to suggest anyone who can stay, who
 doesn't have a plane to catch, please stay and we'll continue and finish
 what we can.

ANN RILEY Those people who can't or if we can't proceed more rapidly,
 & Because we're only halfway through, then we're going to have to work out
 ASSOCIATE S, LTD. something where hopefully you could e-mail your opinions on the final
 Court Reporters one. But that's much more difficult, because a lot of the value is in
 1025 Connecticut Avenue,
 ut NW, Suite
 Avenue, 1014
 Washington, D.C.
 20036
 (202)
 842-0034

1 the give and take right here at the table.

2 So I'm going to press us to try to move forward as rapidly
3 as possible and if we could come to a conclusion, even though we all
4 have an opinion on something, that it's worded about as best it can be
5 worded, let's just get to that point, say it and move on to the next
6 one.

7 MR. GARCHOW: So given that, Frank, at quarter till you're
8 going to stop that process and say let's talk about the next meeting.

9 MR. GILLESPIE: Let's talk about the next meeting.

10 MR. GARCHOW: From 15 till to four, so that people that have
11 4:00 -- that have to get out of here to catch planes and trains.

12 MR. GILLESPIE: Yes.

13 MS. HAHN: Steve has further guidance, and I really liked
14 it, which was that anything which was the least bit off subject be
15 classified as a morning discussion, because that's how long we be here
16 if we follow those rules. That was Steve, yes. He's met me before.

17 Okay. The first question under assessment, can the
18 assessment process be performed within the scheduled time. I didn't
19 have anything captured from this morning on that.

20 MR. BROCKMAN: Nine of nine.

21 MS. HAHN: Right.

22 MR. BROCKMAN: Next.

23 MR. MALLETT: It's almost faster.

24 MS. HAHN: Seriously, that's it?

25 MR. BROCKMAN: Yes.

MR. BARNES: I bring this up because it hasn't been brought
up, but there is an issue of the compression factor that we've done here

ANN RILEY and we haven't really normalized what would be an annual schedule, a
& normal baseline schedule. You know what I'm saying? It hasn't been
ASSOCIATE S, LTD. Court Reporters
1025 skewed based on --
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. BROCKMAN: You're looking at how to do quarterly metrics
2 in 14 days --

3 MR. BARNES: I'm saying if we're in a six-month pilot, we're
4 compressing a lot of the inspections into that timeframe and the
5 question is whether the results come back skewed because of that.

6 MR. GRANT: I think we decided the best you can do is that
7 this is going to tell us something about this. If you can't do this,
8 you know you can't do the other. It won't necessarily say the other is
9 --

10 MR. GILLESPIE: The management projection will have to take
11 place later, what does this take, how much did we take, do we have
12 enough people to get the job done.

13 MR. GRANT: Like doing all inspection reports on the same
14 day, that's what is going to happen in the future.

15 MR. BARNES: I think just acknowledging that is this the
16 proper way.

17 MS. HAHN: And that applies to all the timeliness criteria.

18 MR. BARNES: Right. The second assessment criterion, we had
19 the word change from action required to action taken, from this morning.

20 MR. LIEBERMAN: And no more than one.

21 MR. GARCHOW: Well, we talked about that's the common
22 footnote, right? Any deviations we're going to have to understand and
23 they'll be evaluated on their own --

24 MR. BARNES: Zero, with the deviation paragraph.

25 MR. GARCHOW: Right.

MS. HAHN: Right. So it's the same footnote.

MR. GARCHOW: And corrective actions thought to be fixing

ANN RILEY the problem, whatever caused that.

&
ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic
ut

Avenue,
NW, Suite

1014
Washingto
n, D.C.

20036
(202)
842-0034

MR. GILLESPIE: And I think the staff covered it with their
Court parenthetical, with the zero. Next one?

MS. HAHN: This one was all over the place. What that says

1 is adequacy of framework, which was Jim's point from this morning that
 2 we're looking at individual PIs and individual inspections, but we're
 3 not looking at the big picture.

4 MR. WIGGINS: Like I said, believe me, I just scanned this
 5 thing when I first made the comment, I didn't study it. So the stem of
 6 this is what I was talking about. I'm not so sure I can sign up to the
 7 underlying version about how it's going to get done. It has to do with
 8 what I think is happening in the feedback forums and what isn't
 9 happening, and I don't understand the stakeholder surveys and I just
 10 don't know what that means. I don't know who the stakeholders are and
 11 what the surveys are and how they're being surveyed and what questions
 12 are being asked.

13 MR. GARCHOW: So the question on the table, Tim, is what did
 14 you mean by stakeholder surveys, who is being surveyed, at what
 15 frequency, has that been developed or is it under development.

16 MR. FRYE: It's internal and external stakeholders and we're
 17 developing -- we have the concept right now, but it would be near the
 18 end of the pilot, we would be surveying the NRC staff, surveying
 19 licensees and the public and this question along with a bunch of other
 20 questions, because that is for some of these other criteria.

21 MR. GILLESPIE: Let me focus. If we have general agreement
 22 that the question is the right question, but the question is, it's not
 23 clear that the underlying section is necessarily going to answer the
 24 question.

25 MR. GARCHOW: It's the as measured by.

MR. GILLESPIE: And I think that's an okay comment. I think
 it's saying that it's the right question, but it's not clear from the

ANN RILEY
 & ASSOCIATE
 S, LTD.
 Court deal with that.

Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

MS. HAHN: Other comments on this one?

1 MR. GARCHOW: And you're going to come back with your
2 revised measurement scheme in addition to surveys, right? It's the as
3 measured by portion of this, and this is the fundamental question that
4 makes us either work or not work.

5 MR. JOHNSON: Can you give us a tip?

6 MR. GARCHOW: I'm not allowed to.

7 MR. GILLESPIE: Mike, let me try -- I'm going to say what
8 Jim just -- what we kind of just had a little sidebar discussion, which
9 we should probably try to avoid. A way to do this, in a perfect world,
10 would be you'd run two parallel inspection programs at the same facility
11 and compare the results. We don't have enough people to do that; in
12 fact, we are not doing that.

13 It may not be achievable then to directly answer this
14 question. It's just not clear from the words that are here whether this
15 is taking surveys and stuff lacking a whole lot more detail that isn't
16 here. This is going to get --

17 MR. FRYE: I can add that -- it isn't reflected in the
18 words, but, again, we'd be using the surveys to ask very specific
19 questions, whether there were aspects of licensee performance or things
20 that were risk-significant, but weren't being adequately captured by
21 this new process.

22 MR. GILLESPIE: And that's okay and what we're trying to do
23 is leave you with the discretion that you've got the right question --

24 MR. GRANT: It's a criteria and we leave it to the staff to
25 --

MR. GILLESPIE: It's just not clear from reading the words
that says you're going to evaluate feedback forms, that that's going to
achieve answering it.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. GARCHOW: We asked for it, so we need to go back and
restudy it, and the answer may be there is no clear 100 percent criteria
that you can get and then it's going to have to be based on some

1 professional subjective expertise and I'd look if there are any issues
 2 or events at pilot plants, whether that when you pulled the string, you
 3 got some learnings out of it that maybe you should have got from PIs or
 4 the baseline, and be able to just talk about those. That may be as far
 5 as you're able to go.

6 MR. JOHNSON: Thanks for the answer, Dave.

7 MR. LIEBERMAN: In your surveys, are you going to ask for
 8 specific examples or is it just stories?

9 MR. JOHNSON: We want specific illustrations of the points
 10 made in all of the circumstances.

11 MR. GILLESPIE: Pressing us to move along, so we can finish
 12 so people can do what they need to do.

13 MS. HAHN: The next one, I didn't capture anything from this
 14 morning. It doesn't mean nothing was said. I just didn't write it down
 15 if it was.

16 MR. CHASE: I've just got one question. Who would do the
 17 review and evaluation, would that be headquarters that would do that
 18 review and evaluation? The last bullet under assessment.

19 MR. BROCKMAN: An evaluation of the outputs of the
 20 assessment process.

21 MR. BARNES: Generated by each region. But who is going to
 22 get that?

23 MR. FRYE: The staff, just like all the other ones.

24 MR. GARCHOW: That's like you were doing for 50.59 for a
 25 while, remember, you had that little panel that was just doing a little
 check to make sure there was consistency across the regions. When I
 read that, I sort of envisioned that you were going to do some things

ANN RILEY similar.

&

ASSOCIATE
 S, LTD.

Court
 Reporters

1025

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

MR. BROCKMAN: Mike, you'll get into a self-fulfilling

Court prophecy again. You've got to have something that's independent,

whether they come out and look at it and keep their mouth shut, to see

1 where it was going to get to and be able to reach that assessment and
 2 they're going to have to sit through the process and see if they got
 3 there.

4 MR. WIGGINS: No. Ken, I disagree with you here. Maybe,
 5 maybe, this is looking for consistency of -- I would assert it's looking
 6 for consistency of outcomes or outputs.

7 MR. BROCKMAN: If it's consistency across the regions, I
 8 agree with you, Jim, you don't need to do that. That can be done from
 9 afar. But if it's looking for accuracy within the region, the region's
 10 capability to take the data and reach the right decisions, then somebody
 11 is going to have to sit there and observe it.

12 MR. WIGGINS: That's somewhat covered by the prior objective
 13 of trying to make sure the action matrix, that the whole thing hung
 14 together. It was part of the one before, frankly, but that's a very
 15 holistic point of view.

16 Did it all come up after a reflection of licensee
 17 performance -- indication, rather -- licensee performance and did the
 18 agency react correctly to that indication. That's the \$64,000 question
 19 in this whole exercise.

20 Anyhow, I would assert the staff knows how to do this, they
 21 did it the last PPR, the interim PPR cycle, they did it there. They
 22 went to each of the regions, they saw all the things, all the products
 23 you got, industry got, they saw them first and I think they came out
 24 relatively consistent.

25 MS. HAHN: Enforcement. Again, I didn't capture anything on
 that one. Jim, do you have anything to say about that one?

MR. LIEBERMAN: It's pretty simple, because we're looking
 three NCV, white NOV, it should be one to one here.

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

MR. LOCHBAUM: This doesn't say anything about timeliness of
 enforcement actions, which has been a problem in the past.

MR. LIEBERMAN: This should flow with the inspection and

assessment process. They should be together.

MR. GRANT: I think your data has been mainly on escalating enforcement activity. The vast majority of this is going to --

MR. FLOYD: It's going to be a determination of the significance using the SDP.

MR. LIEBERMAN: That's right. Once phase three is completed and the report is issued on phase three, that will have -- if it's white-yellow-red, NOV, if it's not, NCV. They should be the same document.

MR. GILLESPIE: We've already asked the staff to consider the timeframe on the 120 days on the three's. Is there any comment we'd want to give them here relative to consistency with the previous comment?

MR. GARCHOW: I agree. Whenever we go live with all the plants, this all has to be sort of tied up together and where it's written down and predictable.

MR. LIEBERMAN: So why don't we have something that the timeliness of enforcement action is consistent with the timeliness of the assessment process?

MR. GARCHOW: That would be a solution.

MR. LOCHBAUM: What about the ones, like the willful or deliberate, that may not --

MR. LIEBERMAN: That's really outside the --

MR. LOCHBAUM: It's outside the pilot?

MR. LIEBERMAN: It's not covered by the process.

MR. GILLESPIE: That kicks into the other half.

MR. MALLET: I agree with David's comment that they need to

ANN RILEY Look at something regarding timeliness and let's not fix it for them.

& ASSOCIATE Let them come up with it.
S, LTD.

MR. GILLESPIE: Okay.

MS. HAHN: Any other issues?

Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. LOCHBAUM: I guess the methodology here was determined
2 by an independent review by Office of Enforcement. Is that really
3 independent?

4 MR. LIEBERMAN: Only from the point of view that OE is
5 involved in all the greens.

6 MR. LOCHBAUM: But not in the reds and yellows or whatever
7 the other colors are.

8 MR. LIEBERMAN: OE will be involved in the white, yellows
9 and reds. I don't think we need the word independent. The data is the
10 data and we're --

11 MR. GILLESPIE: So strike independent. Get just a second
12 review. It's a second review.

13 MR. LIEBERMAN: The data speaks for itself.

14 MR. GARCHOW: That's essentially a digital process now.

15 MR. GILLESPIE: We talked about false negatives in a
16 different -- so is it important to take the word independent out? Does
17 that give a false impression? Is that our comment?

18 MR. GARCHOW: Yes.

19 MR. BROCKMAN: From what we were talking about beforehand,
20 and that's making sure that lower level things or really higher level
21 things didn't fall through, those things that OE wasn't involved with,
22 it's still very valid. If they hadn't been involved with those that
23 typically are down at the --

24 MR. WIGGINS: But Dave raised a good point, though, in the
25 use of the vocabulary, sometimes we as the staff grow independent around
a little bit looser than we mean. When we mean independent, we mean
that some organization typically within the NRC that's not directly

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

involved in the activity, and that's not the way others outside of us
would view it.
So a review by OE says what it is, don't call it
independent, you don't -- staff would not have to address the

1 independence question. You get -- the real premise is, is OE the one to
2 do it and if we can reach consensus that that's true, then let's move
3 on, because I don't know that this discriminates all that much, because
4 it's talking about the ability to move your way through the process.
5 It's a mechanics issue.

6 MR. GILLESPIE: Okay. We're moving on. Good. Information
7 management systems.

8 MS. HAHN: Somebody this morning gave us the opportunity to
9 zip through these --

10 MR. WIGGINS: That was me.

11 MS. HAHN: Thank you, if other people agree with you. That
12 the PPEP doesn't necessarily care about these success criteria.

13 MR. FLOYD: I do have a question on the first one.

14 MS. HAHN: Okay.

15 MR. FLOYD: What do you mean by the end of the data period?
16 I'm a little confused. It says would be available on the internet
17 within 30 days of the end of the data period. To me, the end of the
18 data period is the end of the quarter that reports the data, so this
19 would be 16 days after the licensees submit the data, but I thought I
20 heard Tim this morning say, no, it's 30 days after the data becomes
21 available to the NRC.

22 So just a clarification as to which is intended.

23 MR. FRYE: Thirty days from the end of the quarter.

24 MR. FLOYD: Thirty days from the end of the quarter.

25 MR. FRYE: Right.

MR. FLOYD: Okay. So 16 days after the --

MR. FRYE: Right.

MR. GARCHOW: Nine of nine.

MR. FLOYD: Yes, and it should be nine of nine.

MR. GARCHOW: That's just what we've said we all ought to be
able to do. Just relative to the computer systems, we would say you

1 have a criteria and we're going to assume you're going to have them met
2 before you go live.

3 MR. LOCHBAUM: What information is going to be available on
4 the web sites? The performance indicator data, the plant issues matrix.

5 Are the inspection reports themselves going to be available?

6 MR. BROCKMAN: Inspection reports would come up as they came
7 up. They're really not tied to the PI report periods.

8 MR. WIGGINS: That's a very good question, at the moment.
9 Now, some people back here said uh-huh. That's because you know that
10 that's, in fact, happening.

11 MR. FRYE: That's because we're working on making that
12 happen.

13 MR. LIEBERMAN: In ADAMS --

14 MR. WIGGINS: These won't be in ADAMS necessarily.

15 MR. LIEBERMAN: The inspection reports.

16 MR. WIGGINS: These will not be in ADAMS necessarily. The
17 reports on the occurring inspection periods are not going to be on
18 ADAMS. We don't go to ADAMS for a while. In order to get an inspection
19 report on the web right now, the regions have to transfer it to Region
20 III and Region III puts it on the web, as I understand it, and it's only
21 done for a focused set of plants.

22 MR. LOCHBAUM: Could these pilot plants be made part of that
23 focus?

24 MR. WIGGINS: I never asked the question about whether they
25 were or not. Kind of the PAOs have been running that. So we just need
to confirm it, that's all.

MR. JOHNSON: And you won't see that for the first round,

ANN RILEY & ASSOCIATES, LTD.
It's not going to be at the end of this week or early next week, because
Jim is right, we haven't worked that bug out yet. But they -- that's --
Court we intend to put inspection reports on.

Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. BARNES: Before the end of the --

1 MR. JOHNSON: Before the end of the pilot.

2 MR. LOCHBAUM: I think related to this would be not only is
3 the information available to the public, but perhaps if it's
4 understandable to the public. There ought to be some way, maybe surveys
5 or something, to evaluate if the public understands what all this means.

6 MR. FRYE: That's a very good point. I think we've got that
7 as one of the overall criteria, the new processes or objectives.

8 MR. LOCHBAUM: That would be the only criteria we'd need.
9 We could throw out all these other ones and just go with that one,
10 because that covers everything.

11 MR. GILLESPIE: What Dave said puts us on the table on this
12 one. Are the assessment data and results really available and
13 understandable to the public. That's a change in that first sentence
14 question that we're suggesting. Then the criteria on how you do that,
15 you need to think about that, and that may fit in with surveys and other
16 things you're doing that get integrated together.

17 Okay. Does it make sense?

18 MR. GRANT: I don't even know -- again, I'm just putting my
19 NRC hat back on, how to get understanding by the public. I don't know
20 what that means. Who is the public, how do you begin to figure that
21 out, what educational level do you assume the public has to understand
22 technical people?

23 MR. GILLESPIE: I'm going to offer that the staff would then
24 get the opportunity to define who their public is and how will they
25 survey it. It actually may be -- is it four different reporters or
journalists who report to the public? Although it's indirect, who
typically follow nuclear issues. Can they get what they need to do
their job to report to the general public? That could be a criteria.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

But I think we need to let them -- I'm saying I think they
have the opportunity to define how you would do it.

MR. GARCHOW: This is not new. We have addressed the issue

of --

1
2 MR. GRANT: Talking about inspection reports, you're going
3 just beyond the PIs.

4 MR. WIGGINS: I wouldn't cross-wire too many things. The
5 major topical heading here is information management systems. I'm where
6 Dave Lochbaum was earlier this morning, in my head, at least, but I'll
7 go with the staff on this one. What you're discussing really is the
8 last bullet, but maybe the as determined by feedback surveys and
9 whatever needs more sharpening in terms of adding some more specific in
10 terms of the -- what are we really eliciting feedback on.

11 For example, we will solicit specific input on a broad range
12 of issues including bla, bla, A, B, C, D, E, and then you can bring the
13 understandability in there. Maybe that would make it a little bit more
14 -- we wouldn't cross-wire an MIS function with some overall --

15 MR. GILLESPIE: Then the idea -- are assessment data results
16 understandable by the public, we would move then to the last overall
17 one, but to be specific, so we don't lose the thought of what you put on
18 the web, just putting it on the web doesn't make it believable and
19 understandable.

20 MR. WIGGINS: Just specifically, I'd just go on and add an
21 additional sentence, we will survey on a broad range of topics,
22 including, and then you can put everything you want to get information
23 on there, the clarity of the inspection reports and --

24 MR. GARCHOW: All you're asking here is have we built the
25 infrastructure to get the stuff on the web, yes, no.

MR. WIGGINS: Here is an MIS function. It's a mechanics,
can you get it from point A to point B, can we do our --

ANN RILEY MR. GARCHOW: Nothing that -- do people understand or catch
& that, but like you just mentioned.

ASSOCIATE S, LTD.
Court MR. GILLESPIE: Dave, does that make sense to you, that we
Reporters put it in both?
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. LOCHBAUM: That's fine.

2 MR. GILLESPIE: We'll be explicit with it.

3 MR. LOCHBAUM: That's fine.

4 MS. HAHN: And I've got it captured here.

5 MR. GILLESPIE: Good. Then we'll skip the MIS section and
6 basically refer to it that it's an internal NRC question that really
7 this panel is --

8 MR. WIGGINS: Not going to spend a lot of time on.

9 MR. GILLESPIE: Good.

10 MR. WIGGINS: Overall.

11 MR. GILLESPIE: You guys are good.

12 MR. LIEBERMAN: We're not done yet. Keep on trucking.

13 MR. GILLESPIE: The first one of overall.

14 MS. HAHN: I didn't have anything captured from this
15 morning.

16 MR. WIGGINS: Well, I'll give you a couple. Just to give
17 kind of a sense, maybe three things and then we can argue each of the
18 three. The idea specifically about how events would be addressed and
19 whether the response to events appears to be sized correctly to the risk
20 attached to the event is probably inherent in some other of these, but
21 isn't specific, and maybe that ought to be an area that gets specific
22 treatment, if you know what I'm talking about.

23 The second general area is -- and maybe we could have a
24 debate on -- someone mentioned that the cross-cutting issues are left
25 unaddressed or would be better, I guess it was the NEI presenter, would
be best left in the background.

I'm not totally convinced of that, particularly the
corrective action cross-cutting issue, but to a certain extent, the
human performance and probably the tertiary -- the third one would be
the safety conscious work environment.

I don't know if we should do anything in that. And then the

1 last one is probably maybe more of a PPEP issue than it is a staff
 2 issue. Even before we heard the NEI thing, I was curious about there is
 3 nothing in here in our criteria that really speaks to the industry's
 4 readiness to accept the program. There is a substantial burden that
 5 industry has under this new program and we ought to at least measure
 6 whether we can have some reasonable assurance that industry --

7 MR. GARCHOW: And we can do that by asking the NEI to come
 8 back and give us a presentation on why they believe the industry is
 9 ready and capture that in our report somehow.

10 MR. WIGGINS: For instance, I think it falls apart if -- you
 11 know, our inspectors go to your plant managers and try to discuss
 12 things, it's almost a -- very simply, it could be a breakdown of the
 13 vocabulary issue.

14 We could be yet discussing, well, we think there is a delta
 15 core damage probability issue here and if the plant manager doesn't
 16 understand more than that, he has about the same understanding you and I
 17 have on this thing, that could be a problem. I think maybe we ought to
 18 hear from industry, this panel ought to hear from industry whether it
 19 thinks it's ready to move forward.

20 MR. GARCHOW: And that would be the same as the first bullet
 21 on this overall. I mean, it's going to be hard, the criteria, we're
 22 going to win this by the pound and it's going to be a subjective
 23 judgment. NEI will come in and say, oh, but the industry is done, we'll
 24 pass a subjective judgment. I would see the staff coming in under
 25 bullet number one and saying these are all the change management type
 things we did for our internal staff and here is why we think we're
 ready. It would be the corollary presentation we'd ask NEI to make.

ANN RILEY
 &

MR. WIGGINS: Exactly.

ASSOCIATE
 S, LTD.

MR. FLOYD: I have a question about the survey that's made

Court
 Reporters

1025
 Connectic

ut
 Avenue,

NW, Suite
 1014

Washingto
 n, D.C.

20036
 (202)

842-0034

reference to in the first one here, as to how you're going to measure
 success of the first bullet.

1 That preparation effectiveness survey, who is that intended
2 to be given to, just the NRC or NRC and the industry?

3 MR. FRYE: This is just the staff.

4 MR. FLOYD: Just the staff.

5 MR. FRYE: Well, it's an NRC staff bullet. That's the focus
6 right now.

7 MR. FLOYD: I would recommend you extend that to the pilot
8 plants to give yourself insights from their perspective, do they think
9 the people that came to their plant site had a good understanding of the
10 process, as well, as an indication of do they think the NRC did a good
11 job of training their personnel.

12 MR. BROCKMAN: That's already data that's coming in.

13 MR. GILLESPIE: But this isn't a criteria. This is a
14 process and something the staff has to do. It's a pilot, it's good
15 information, it's a pilot and what the pilot is trying to test is were
16 we ready to go and if we weren't, what do we have to go to full
17 implementation.

18 MR. GARCHOW: There you go.

19 MR. GILLESPIE: But this is not structurally testing did we
20 call the safety issues safety issues, did we look at the right stuff,
21 did we assess it the right way.

22 MR. BROCKMAN: That's a good point.

23 MR. GILLESPIE: So I'm going to suggest that this one is
24 not, in fact, a criteria. It's something the staff needs to do.

25 MR. BROCKMAN: It has nothing to do with whether the pilot
was a success. It has everything to do with how quickly we can expand
it out.

ANN RILEY MR. GILLESPIE: How quickly we can expand and that's kind of
& the next step and it's beyond what we should be looking at. I'm being
ASSOCIATE S, LTD. Court kind of radical here, but is that --
Reporters
1025 MR. MALLET: I agree with that.

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. GILLESPIE: General?

2 MR. GARCHOW: I agree.

3 MR. BROCKMAN: If we weren't, it will have manifested itself
4 in numerous other criteria.

5 MR. GILLESPIE: In fact, it should show up above.

6 MR. MALLET: Let me ask one question, though, and I hope it
7 doesn't get us in a long discussion on that. Is one of the criteria we
8 wanted to measure the training we go over to give to inspectors, was
9 that adequate and could you give that same kind of training? Was that
10 one of the objectives of the pilot to answer that question?

11 MR. GILLESPIE: I think the objective of the pilot is could
12 the inspector do as expected of him. If the root cause of him not being
13 able to do it was he didn't get enough training, now we're in root
14 cause, we're in --

15 MR. MALLET: I agree.

16 MR. CHASE: Training is a method or criteria that manifests
17 itself --

18 MR. MALLET: I don't disagree with taking it out. I agree
19 with taking it out. I'm just making sure that we cross -- have we
20 promised in the past we would evaluate whether the training we gave
21 during the pilot was adequate.

22 MR. GILLESPIE: If the reports are timely and they contain
23 all the information and we've assessed all the information correctly and
24 we've put out our schedules and the public loves it, if we've done all
25 that right, then I don't want to change the training.

So indicative in the other criteria, these are higher level
criteria, is --

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. MALLET: What you're saying is it will lead us to that

MR. GILLESPIE: I think so. Good. Next one.

MR. WIGGINS: We need to revisit the one I put on.

MS. HAHN: Yes.

MR. WIGGINS: If we're not going to ask the staff, then we don't need to ask industry either. It's either relevant or it isn't. Now it gets back to what are the real objectives of the pilot and what's the next step. Are we saying, based on the pilot, we're ready to implement full or are we saying, based on the -- the pilot demonstrates that the system, with some adjustment works, now we need to put another transition into full implementation.

MR. GILLESPIE: I think it's --

MR. WIGGINS: Because then we all ought to decide that that's a question in that transition period.

MR. GILLESPIE: I think it's the latter, Jim. I think it's what we learn from the pilot and plus the adjustments that get evaluated out of it gets you to full implementation.

MR. WIGGINS: Is that what the Commission understands? Some of what they've been saying would suggest that's okay, particularly when you hear people saying, well, we're expecting adjustments.

MR. GILLESPIE: Actually, I believe that's why we got the extra three months to evaluate the information, that it wasn't instantaneous that you --

MR. WIGGINS: So we would have to say staff and industry readiness becomes less a pilot issue and more of a full implementation issue that needs to be dealt with specifically during the transition period and it's not used to gauge -- it's not going to be used as a test of success of the pilot or an evaluation criteria for the pilot.

MS. HAHN: Right.

MR. GILLESPIE: I think I agree with that, yes.

ANN RILEY & ASSOCIATES, LTD.
 Business oriented and except for the last one, it met an objective that Court was in there about better information to the public and understanding.
 Reporters
 1025 Connecticut Avenue, NW, Suite 1014 Washington, D.C. 20036 (202) 842-0034

MR. BARNES: When I read all these, they all came across as

But the one I saw missing was the first one about ensuring

1 that the plants operate safely. I didn't see one in here that really
2 told me that overall this process ensures that the plants are being
3 operated safely, and that was the number one objective of the process,
4 besides the fact about efficiency and unnecessary, and, again, I don't
5 know what unnecessary regulatory burden is.

6 MR. CHASE: Doesn't that come out underneath assessment in
7 the last --

8 MR. BAJESTANI: The last bullet actually does have it.

9 MR. BARNES: I understand, but I'm just -- I'm looking at
10 overall and most of these are tied to the objectives, these bullets are
11 tied to the objectives for the process, except for one for safety.
12 That's all I'm saying. I can match them up with the objectives, except
13 for the one that says ensure that plants continue to be operated safely.

14 MR. LIEBERMAN: Doesn't the third bullet under assessment
15 say that --

16 MS. HAHN: The third bullet on assessment.

17 MR. BARNES: Maybe we should leave it under overall.

18 MR. MALLET: What if we captured your comment by saying --
19 we ask the staff to make sure that the process we have in here that is
20 predicting safety -- we think it is by this third one under assessment,
21 but --

22 MR. BROCKMAN: I think there are several others that get
23 there, too, like are the scoping frequencies and the procedures adequate
24 to address their intended --

25 MR. BARNES: Consistency, every objective is addressed in
overall, every major objective except that one. That's all I'm saying.

MR. MALLET: And you're saying that maybe this one --

ANN RILEY
&

ASSOCIATE
S, LTD.

Court
Reporters

1025
Connectic

ut
Avenue,

NW, Suite

1014
Washingto

n, D.C.
20036

(202)
842-0034

MR. BROCKMAN: That's probably a good insight on the

Presentation.

MR. GILLESPIE: The suggestion is that the overriding
strategic objective of safety needs to be specifically addressed. Would

1 that do it?

2 MS. HAHN: There is an optics issue with the --

3 MR. GILLESPIE: And it's not the individual cornerstones,
4 but there is a level in the framework above the cornerstones. It's the
5 next level up. There's reactor safety, radiation protection, security
6 and safeguards.

7 MR. GARCHOW: On the efficiency issue, I think we need to --
8 I don't think that's going to be easy to do. There is a premise going
9 in that if you did this at some point in the future, it would be more
10 efficient, but I don't believe that if -- like any new process, change
11 management would tell that you're going to probably go into a slight
12 period of inefficiency before you would gather any efficiencies anyway
13 and probably the pilot process only touched a piece of that.

14 When you get into 66 different plants, it's going to be --
15 you're going to go through that same little loop of a little decreased
16 efficiency until you get to increased efficiency. So I would recommend
17 we strike that out of this evaluation. I agree with Jim.

18 MR. GRANT: We do know that some plants are skewed in the
19 resources that they're applying to them during the pilot. We are trying
20 to pack a little bit in in some cases. So that comparison may not be
21 valid.

22 MR. GILLESPIE: Mike, Bill, Tim, you guys want to -- the
23 Commission had a sensitivity on this -- the old wording of this one,
24 also. I think what we're saying is the regulatory oversight process is
25 more -- have the potential for being more efficient overall. Now, if I
throw in the word potential, that would indicate that this may not be
necessarily measurable as part of the pilot.

ANN RILEY It may be, but it may not be.

&
ASSOCIATE MR. GARCHOW: But if it's potential --

S, LTD.
Court MR. GILLESPIE: I'm just putting -- it's a question on the
Reporters table, because of the things you've heard, monthly reporting.

1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 MR. DEAN: And if the data indicates that we would have to
2 perform some of those issues.

3 MR. GILLESPIE: I think you'd have to explain them. So this
4 would be something that would deal with the potential be more efficient
5 rather than trying to be definitive.

6 MR. DEAN: Remember, though, what we're trying to do in this
7 evaluation criteria is evaluate the program and if we have a standard
8 out there and we don't meet that standard, we have to explain why we
9 didn't meet it. And these all may be inputs to --

10 MR. GILLESPIE: And I can live with that. I'm just trying
11 to make sure you're getting feedback to say are all these things being
12 considered, and you're saying that would have to be your explanation why
13 it likely wouldn't show numerical 15 percent decrease.

14 MR. DEAN: Exactly.

15 MR. GILLESPIE: But you'd be using these things to go in and
16 say, but it has the potential to do it when we stretch it out in full
17 speed.

18 MR. GARCHOW: You're going to assess this process ongoing
19 even after full industry implementation. So you'll start to see some of
20 these gains at that point in time.

21 MR. JOHNSON: That's another part of the answer itself, but
22 many of the success evaluation criteria are -- we're not going to know
23 by November or December, we won't know if public -- we won't know
24 anything about public comments, necessarily, we won't know about safety,
25 necessarily.

But you really have to do this for two or three years before
you have some real answers for some of the things that we're asking.

ANN RILEY But this is just our first cut and we'll continue to evaluate it.

&
ASSOCIATE
S, LTD.

Court this, and enforcement programs are projected to be about 15 percent less
1025 Reporters than currently required, and I'm putting in the word projected, Bill,

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 suggesting that, to cover all the things that everyone just said,
 2 because this is not going to be -- I don't have a sense that this is a
 3 straight numeric, because of monthly reporting and monthly digestion of
 4 data and all that stuff.

5 Would that make sense? Would that kind of deal with --

6 MR. GARCHOW: I don't know what's driving it from the
 7 Commission, I don't have that insight, but as far as taking the pilot
 8 program and begin with this panel, take data from that and project or
 9 even see what we did, I mean, it's going to be nearly impossible.

10 MR. GILLESPIE: I'm trying to soften it because I'm agreeing
 11 with you.

12 MR. GARCHOW: If you have another -- if there is another --

13 MR. WIGGINS: What he's referring to is the 15 percent
 14 exists in both Commission papers and at least the last Commission
 15 meeting, the answer coming back from the Commissioners is be real
 16 careful about this; you do the program, you do what's right, and the
 17 numbers come out where they are, you look at the numbers and make a
 18 judgment. Everyone expects that end to end this should be less. That's
 19 the expectation.

20 MR. GILLESPIE: What if our suggestion is take --

21 MR. WIGGINS: But don't use it as a litmus test on whether
 22 this thing is right or not.

23 MR. GARCHOW: We may not have enough data by November, to
 24 Mike's point, to even make a judgment. So I'd start softening them up
 25 that there may not be a judgment.

MR. BROCKMAN: Maybe you want to look at doing all the
 criteria or just do an analysis on what is there, let's do an
 evaluation, and, Frank, as you said, how it can project the implications
 you're going to see out of that, because you've got a lot. If you did a
 sensitivity on this thing, you've got a lot of things that are impacting
 this inspector familiarity, et cetera, et cetera, et cetera.

1 MR. GILLESPIE: One more set of wording, but then can
2 revisit it and finish, but because people have to get airplanes, I do
3 have to get our last agenda item on the table, which is when do we meet
4 next. Then let's return with whoever can stay a little longer.

5 So my suggestion is that the last phrase be, and I'm not
6 going to ask for consensus on this until we maybe come back, enforcement
7 programs are projected less than currently required. Implement
8 inspection systems are projected less than currently required.

9 Not tied to a 15 percent and, Bill, it's your explanation,
10 projected means this to this, this to this, this to this, this to this.

11 MR. DEAN: And I think my answer would probably be, well,
12 we'll wait until after the first full year implementation and really
13 refine this assessment.

14 MR. GILLESPIE: And that's okay, too. That's okay, too. So
15 the suggestion would be to soften it to something that may appear
16 doable, that people could -- okay.

17 If that sounds good, then let me get to the next topic.

18 MR. BROCKMAN: Christmas week looks free.

19 MR. GILLESPIE: Calendars. A couple of things we didn't
20 really get to today. Do we want to have subcommittees to do certain
21 things? What kinds of information, who do we want to invite in?

22 MR. BROCKMAN: We talked about meeting locations and that
23 also feeds into other --

24 MR. GILLESPIE: And not to try to rush us into the last ten
25 minutes, because I think that's difficult to do, because it warrants
more thought and discussion to that.

If we had had it all done, I wouldn't suggest an August get
together again, with a real focus on how do we conduct ourselves through
the next four months, plus how do we -- as Dave suggested earlier --
project management to do a report.

If this is what the report should look like and we need that

1 by January, then what information do we need from who.

2 MR. BROCKMAN: August is right because we've also got to get
3 the feedback back from the staff here as to what they've done with that,
4 so that we know where --

5 MR. GILLESPIE: Does an August meeting sound then
6 appropriate to deal with a lot of the planning process and maybe
7 feedback from the staff on this, kind of a more limited meeting?

8 MR. CHASE: I think it's very appropriate. We've only got
9 four months.

10 MR. GARCHOW: So we better have anchored the plan for the
11 plan and how we're going to get this deliverable and make that meeting
12 that of a problem-solving meeting, but a process of how we're going to
13 get there meeting.

14 MR. MALLET: Just be careful. You have, at least for NRC,
15 several meetings in August, like our counterpart meeting.

16 MR. GILLESPIE: That's why I'm asking.

17 MR. MALLET: The 24th, 25th, 26th.

18 MR. GILLESPIE: First, there is a meeting in kind of the
19 near future to deal with this and then there might be a lull. We've got
20 to let some things happen.

21 MR. BROCKMAN: I don't want to be gone anymore than I
22 already am. If I were going to say something and give staff a chance to
23 put their decks together and get back, I'd try to pick a one day
24 somewhere the week of the 16th.

25 MR. GILLESPIE: To make progress and have -- do we have
alignment that an August get together is warranted?

MR. GARCHOW: Yes.

MR. CHASE: Yes.

MR. GILLESPIE: Then what I would ask is if everyone could

ANN RILEY
&

ASSOCIATE
S, LTD.

Court give their schedules for August to Mohan, as you're going out the door,
Reporters

1025 or e-mail it. What we'll try to do is quickly tomorrow get where the
Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

overlapping days of availability our best effort might be.

MR. GARCHOW: I see that as racked with complete impossibility on his part. So we're just going to have to pick a week and make the commitment and we'll adjust what we're doing to be there.

MR. GILLESPIE: Or give us a week when you potentially feel you could commit. The other thing is, I would say also think longer-term schedule. We are going to have to generate a written product, hopefully not for a week in a hotel room, in January.

I would suggest thinking of maybe a two-day meeting in January to get final information and do a product. Then what do we want to do in December, November, October, and who do we want to hear from?

MR. GARCHOW: Let's decide -- that's why this meeting needs to be in August, like the second or third week. Can we agree on some day in the second or third week?

MR. GILLESPIE: Third week in August?

MR. BROCKMAN: I'd like to focus on the third.

MR. BARNES: What day is that?

MR. BROCKMAN: The week of the 16th through the 20th.

And then let him assign the date and just make a commitment to be here.

MR. GILLESPIE: Is that reasonable for everybody?

MR. BAJESTANI: The 16th, 17th and 18th is okay for me, the 19th and 20th are not.

MR. GILLESPIE: We're going to keep transcripts. If you're not at a meeting, we'll be happy to supply you with the suitable reading of the transcript and it's kind of informal, so the views can still come back at the next time.

ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1025 Connecticut Avenue,
NW, Suite 1014
Washington, D.C.
20036
(202) 842-0034

MR. LOCHBAUM: We don't get bounced under the bylaws, though, for not showing up?

MR. GILLESPIE: No, you don't get bounced. We'll make the best effort at kind of a majority vote on your availability.

1 MR. BARNES: Are we adjourned?

2 MR. GILLESPIE: No. What I want to say is for those who
3 have to catch airplanes, if you could quietly pick up your stuff and
4 leave, and for the rest of us who are willing to maybe stay for another
5 half-hour or so, there are only about four more bullets to go through.

6 MR. BARNES: How long does it take to get to Reagan from
7 here?

8 MR. GILLESPIE: Are you taking the metro? Better plan an
9 hour.

10 MR. BROCKMAN: At this time of the day, you better plan an
11 hour and 15 minutes. It's busy.

12 MR. BARNES: My only question is how do we define
13 unnecessary regulatory burden.

14 MR. GILLESPIE: For those who are willing to take the
15 punishment and stay behind for a few more bullets, let's kind of keep
16 this -- this is getting to where we need to be.

17 MR. BROCKMAN: Let's take two minutes and let everybody get
18 out of here.

19 [Recess.]

20 MS. HAHN: I heard one question about this, which is what is
21 unnecessary regulatory burden.

22 MR. BARNES: That was my question.

23 MS. HAHN: Dave, I don't think the people in the back are
24 hearing this conversation, in part because they're not paying attention.

25 MR. GILLESPIE: Let's review -- we're on the second bullet
from the end, do the new oversight processes remove unnecessary
regulatory burden as appropriate from the licensees. The measure is

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

they do, based on a review of feedback obtained from the NRC, the
industry and the public.
MR. LOCHBAUM: I was just commenting that when the NRC
imposes a new regulatory requirement, they have to do a formal analysis

1 under 50.109 to remove the regulatory burden. It seems like it can be
2 done just on a less formal basis.

3 If the question is definition of unnecessary regulatory
4 burden, it looks like you should go through a similar analysis, perhaps
5 not quite as formal, but a comparable type analysis.

6 MR. LIEBERMAN: But what is the purpose of the source of the
7 burden, the requirement or whatever it may be?

8 MR. LOCHBAUM: Estimate what the impact on the licensees are
9 as far as what it costs them, so you can quantify the burden, somewhat
10 subjective.

11 MR. LIEBERMAN: But in this process, we're talking about the
12 change in the inspection program, what the old inspection program cost
13 versus the new inspection process, I guess what the old assessment
14 process cost versus the new assessment process.

15 MR. GILLESPIE: The old enforcement program versus the new.

16 MR. BROCKMAN: The action matrix versus the enforcement
17 program is probably the key.

18 MR. GRANT: Your assumption is that there is going to be a
19 reduction. The goal is to reduce unnecessary regulatory burden, which
20 may be fully filled by --

21 MR. GILLESPIE: Let me put a comment I heard this morning,
22 that this was kind of a negative bullet. It says remove unnecessary
23 burden. Is it a more positive -- the way Chairman Jackson used to say
24 it is -- she used to say there is burden connected with regulation; it's
25 the appropriate burden should exist.

MR. LIEBERMAN: So you would say does the new oversight
process provide the appropriate burden?

ANN RILEY MR. BROCKMAN: No. Appropriate regulatory interaction,
& intervention, oversight, whatever you've got in there, but that's really
ASSOCIATE S, LTD. Court what you're talking about.
Reporters

1025 MR. WIGGINS: We've addressed it about four different ways
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 across this.

2 MR. GILLESPIE: Is it compatible with the safety
3 significance?

4 MR. WIGGINS: We've addressed it in about four ways in terms
5 of trying to decide whether the program is right-sized or not. Maybe
6 I'm wrong here, but our industry folks have had the lead, but I -- maybe
7 I was laboring under a false understanding. I thought most of the
8 regulatory burden, most of the real regulatory burden we put on industry
9 was in our unpredictability, in their view, and our processes that were
10 less than fully visible to everyone.

11 So therefore, they could say that they were unpredictable.
12 They couldn't -- and actually you could kind of capture it in the last
13 one. The process is understandable, predictable, consistently
14 implemented, then that will be what everybody started this with, this is
15 how we started this activity.

16 MR. LOCHBAUM: There is also the part of non-cited
17 violations, they claimed that was a burden. So that there's already
18 been some things done to address some of those issues.

19 MR. WIGGINS: We can get into opinions about the hearts of
20 things and you can talk to various people to get different views.
21 That's certainly something that was doable and, I would offer,
22 relatively easily doable, but really the burdens, I was always under the
23 impression, were a lot higher-end things.

24 A plant operates for two years and then shuts down for three
25 because of regulatory issues that finally come to -- in our view, came
to fruition; in their view, they would say that they couldn't see it
coming.

ANN RILEY MR. LIEBERMAN: Picking up on Frank's idea, is a burden
& associated with the new oversight process appropriate to achieve the
ASSOCIATE S, LTD.
Court agency's safety responsibility?
Reporters

1025 MR. WIGGINS: The only reason we're addressing it, frankly,
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 is because it was one of the criteria, and now we've got ourselves
2 forced into addressing the criteria, right?

3 MS. HAHN: I guess I'm hearing two things. One is should we
4 reword the criterion to say is the burden appropriate. The other one
5 suggests to me do we want this as a criterion at all.

6 MR. WIGGINS: The staff didn't really give us, frankly, a
7 lot to deal with in terms of how we at least wanted to measure burden.
8 So I'm just suggesting a way out of the box is to merge the last two
9 bullets together, because if you -- if you sign up to the direction I'm
10 going, then making the process more understandable, predictable and
11 consistent has the dual effect of making it more effective, making it
12 potentially more efficient, as a multi, it does everything.

13 It makes it more effective, it has the potential for making
14 it more efficient. It removes unnecessary burden, because it's
15 right-sized to begin with and people understand what's happening to
16 them, and you could debate the public confidence, because you get
17 stakeholder input and survey input and whether the public understands it
18 and is willing to accept it as a reasonable regulatory strategy for the
19 industry, it all kind of does that, it seems.

20 So we don't worry about how did you measure burden and what
21 did you think was a burden versus not. I mean, we can get in all kinds
22 of bizarre discussions there.

23 MR. BROCKMAN: Going back to what we just said on trying to
24 package these things, the major premise is we were given the answer to
25 reduce the unnecessary burden, increase public confidence and what have
you, and we just decided we needed to reemphasize the reactor safety
one.

ANN RILEY It would appear, from a packaging viewpoint, still overall
& ASSOCIATES say we've got to hit each one of those in its own bin as something
S, LTD. Court that needs to be done.

Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Now, the criteria that we're using may already be totally

1 captured within all the other things we're doing and you finesse it that
 2 way, saying you add all these things up, you look at them, and yeah,
 3 it's appropriate burden.

4 I don't think we lose anything in recasting it to
 5 appropriate burden as opposed to the non-negative. I like that, but if
 6 we're going to package it, I think we've got to package it to answer the
 7 four overall questions that we're trying to address.

8 MR. GILLESPIE: Let me say it maybe just a different way, so
 9 we're not saying rewrite this criteria, is that there's -- that the four
 10 overriding criteria that the agency has put forward of maintain safety,
 11 et cetera, et cetera.

12 MR. LOCHBAUM: Donner, Blitzen and --

13 MR. GILLESPIE: Are encompassed in the 22 things that went
 14 before this one and that there is a potential here that all we're doing
 15 is recasting, trying to measure the same thing a different way.

16 That could be a comment from the group. We don't have to
 17 try to rewrite it, because I know the staff has kind of an obligation on
 18 needing to say we're maintaining safety, we're reducing regulatory
 19 burden, we're getting more efficient and effective. Is this program
 20 meeting the major objectives of the agency is kind of a need and, Bill,
 21 am I right, this is filling that need.

22 And what you're hearing from here is, gee, you probably
 23 already filled it and this is kind of duplicating it.

24 MR. BROCKMAN: But I think each one of the overalls are
 25 summaries. We're gathering all the stuff that's within -- everything
 else on the board and putting it all together. We're throwing a survey
 on it, thank you very much.

ANN RILEY MR. FRYE: But I think the difference is all the ones before
 & are focusing on each process individually and this is trying to be a
 ASSOCIATE S, LTD. Court roll-up. One of the things this criteria was trying to capture was
 Reporters maybe the burden associated with inspection and assessment has been
 1025 Connecticut
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

1 reduced, but maybe there's a much bigger burden applied from PI
2 reporting. We don't know.

3 MR. GRANT: But that wouldn't be unnecessary burden under
4 the new process. I would be a necessary burden.

5 MR. FRYE: If it's reworded.

6 MR. GRANT: No matter how you wordsmith this, today, based
7 on the pilot program, many people would answer the burden during this
8 time period has been tremendous. Workshops, lengthy exits, 50 hours,
9 100 hours and stuff like that. So I don't even know that you could
10 answer that question today and if you do, it's going to be very
11 subjective and people are going to have to project.

12 They're going to say, well, it was very burdensome for the
13 past three months, but it looks like it might be okay once we get going.

14 MR. TUBBS: You're exactly right, Jim, from a plant
15 perspective, that's correct.

16 MR. LOCHBAUM: They're getting the full 12 months thrown
17 down to them in six.

18 MR. TUBBS: So from the pilot, you can't determine that.

19 MR. LOCHBAUM: One of the things that the industry guys that
20 were here earlier said that some of the early ones checked whether the
21 information could be obtained, collected and sent to the NRC within X
22 number of days, and under this one, they could address whether that was
23 just too much of a burden for them, because they'd have three guys
24 instead of two or something like that.

25 So by just having the first one, you would just evaluate
whether it could get to the NRC in X number of days. This one would
pick up whether that was an unnecessary burden and 2X days would be

ANN RILEY Better or something. So maybe having both of them would allow --

&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

MR. FRYE: Right. That's why this bullet is here.

MR. GILLESPIE: I understand where you're coming from.

MR. BROCKMAN: I'd like to give them a shot to try to put --

1 with the discussion we've got here, try to put something together.

2 MR. GILLESPIE: What you've got described here is they do,
3 based on a review of feedback obtained from the NRC, industry and the
4 public, which is very broad. You're basically going to digest all the
5 information that's come in.

6 MR. FRYE: That's right.

7 MR. GILLESPIE: Now, is this feedback we're going to look at
8 everything and try to make an assessment as to whether the unnecessary
9 burden has gone away or is this a focus of the questions on form?

10 MR. FRYE: I think it's a focused set of questions.

11 MR. DEAN: I think it's a combination. We were intending to
12 send out something near the end of the pilots that will solicit
13 information, particularly on this more subjective qualitative type
14 issues, to get feedback from our inspectors, managers in the regions,
15 pilot sites and the other pertinent public stakeholders.

16 MR. BROCKMAN: That process, with a different methodology,
17 because it's separate from the survey.

18 MR. DEAN: That's right. We just issued a Federal Register
19 notice that is soliciting feedback on the pilot program of the specific
20 --

21 MR. GILLESPIE: I'm suggesting that what you're saying, Bill, is
22 then that it's broad feedback. It's not limited to one survey and
23 digesting the survey results.

24 MR. DEAN: It's a combination of the two.

25 MR. LIEBERMAN: Are you looking at whether this program
provides the right burden or reasonable burden or are you saying does

ANN RILEY: This program compared to the previous program remove burden? I don't
& think you want to focus on whether the process we've created here during
ASSOCIATE S, LTD. the pilot has appropriate burdens.
Court Reporters

1025 MR. DEAN: We might want to measure both, though, I think.

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 I think we might want to measure have we been successful in reducing
2 some of the regulatory burden that perhaps was perceived as unnecessary
3 from the previous program and, oh, by the way, does the regulatory
4 burden that is now applied in this current process seem appropriate.

5 Those are two separate questions and we probably ought to
6 measure both of them.

7 MR. BROCKMAN: They are, but if the current process is
8 appropriate and has appropriate burdens, interactions, interjections
9 with it, then who cares what the other one was?

10 MR. DEAN: Yes, but if isn't, we'd like to at least
11 demonstrate that --

12 MR. BROCKMAN: I agree with you. If it isn't, then --
13 assuming you make progress. I agree with you there, but the first
14 question becomes a moot question if the second one is determined to be
15 inappropriate.

16 MR. GILLESPIE: A comment that might then come from us would
17 be that this criteria does not appear to address the additional question
18 of is the burden appropriate. It may come from the same analysis. But
19 is that a fair thing for us to comment?

20 Remember, we're only giving you comment recommendations.
21 You have to decide what you do with them. Would this group think that
22 it's fair then that one of our comments is that the question of
23 appropriate burden may need to be addressed in the same context of
24 inappropriate burden?

25 MR. LOCHBAUM: I think that's fair.

MR. GILLESPIE: Is that fair?

MR. BROCKMAN: I think so.

MR. GILLESPIE: Jim?

MS. HAHN: I think, though, that you also --

MR. WIGGINS: Great idea. I don't know how you do it.

MR. GILLESPIE: They're going to do it.

1 MR. WIGGINS: Let's be careful here, because we're kind of
 2 setting an agenda for ourselves later, too. We're going to be sitting
 3 here providing some advice to someone at the end of this process about
 4 whether, as I can see it, we're going to be discussing whether the --
 5 we're providing commentary with regard to at least major areas in the
 6 evaluation criteria.

7 Maybe this might be what our role is going to be. It's
 8 going to be, well, the staff has all this and the staff is moving
 9 forward telling the Commission this is their assessment and here is the
 10 PPP kind of -- so we're kind of trapped in the criteria or constrained a
 11 little bit by the criteria.

12 Let's not set up a situation where the staff does something
 13 and we come in and can't possibly agree for various reasons. That's the
 14 only thing.

15 If it's -- if we can't figure out something that they can
 16 practically do, how the hell can we guarantee we could even
 17 theoretically ever agree with the outcome?

18 MR. GILLESPIE: Then my only -- then we should leave this
 19 bullet the way it is and the comment is that in a one-day meeting, we
 20 can't -- in the ten minutes we've considered it -- can't really figure
 21 out how to word it better, it's very subjective.

22 I would suggest that --

23 MR. WIGGINS: You mean, in the end, you come around to the
 24 conclusion.

25 MR. GILLESPIE: That may be a clarification might be that
 the feedback is broad feedback. It's not tied to a specific survey.
 That that is their articulation of what the measure is and maybe that --

ANN RILEY is that maybe really the only comment where we can actually improve upon
 & what the staff has already done.

ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connectic
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

We don't have to change it. It's not like a rule.

MR. LIEBERMAN: But if we keep what we have, if you remove

unnecessary burden, as appropriate, so that suggests there may be some cases where it's appropriate to keep unnecessary burden. I'm not sure what the as appropriate.

MR. WIGGINS: But at any given point in time, we can add it.

MS. HAHN: He's a lawyer.

MR. WIGGINS: He's right. Take the as appropriate out.

MR. LIEBERMAN: So now we've got some editorial comments. It's broaden the reference to feedback and take as appropriate out. Wherever you find unnecessary burden, let's get it out of there. You just said wherever is the word unnecessary, take that out.

MR. GILLESPIE: No. Take as appropriate out.

MR. WIGGINS: As appropriate.

MS. HAHN: I think in addition to commenting on this specific item, you've also raised for yourselves a philosophical question, and that has to do with whether, in the overall evaluation, there should be an item that corresponds to each of the four principles, or if it is okay to say they're measured in the other criteria.

MR. BROCKMAN: Even then, that's how we measure it. That's the criteria for it. But in the overall, do you have to have the four and you may say covered by all the other stuff.

MR. LIEBERMAN: But you have --

MR. BROCKMAN: I think we need all four.

MR. LIEBERMAN: We're adding safety, we have the efficiency, we have the unnecessary burden and we have the public confidence to the last bullet.

MR. BROCKMAN: I think we do. Don't muck with it.

MR. GILLESPIE: Okay. So we're kind of past this one with

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

two editorial comments. Last one, and I'm going to throw public confidence into the last one, because we really haven't done a lot on -- we said in this last one, we already brought forward that it's whatever information goes out to the public needs to be understandable. So we've

brought that thought forward to this last bullet.

Any other comments on the last bullet?

MR. LIEBERMAN: We had a phrase -- Dave, you had something, I think, that we wanted some specificity on this one.

MR. WIGGINS: That was me. I just suggested adding -- just elaborate on the current bullet to say the survey will seek information from a number of areas, including, and then one of the specifics that we rolled up from before was the understandability of the inspection reports and the PIMS by the public and other stakeholders, external.

MR. GILLESPIE: So the suggestion here is understandability of the public --

MR. WIGGINS: Well, whatever. You get the right word.

MR. GILLESPIE: The public can understand the information that we're providing to them, that is digestible and understandable. We'll take a shot at getting that thought in there.

MR. WIGGINS: I guess I'm hung up again on what I just said on whether we'll be able to ever get success in that. It would be hard to get everybody that's a member of the public to respond to the survey that says they understand our reports. There is a minimum of technical content that you're never going to be able to remove and it's just going to be too arduous to try to get it in.

But I think what we're rolling up is the understanding -- is, for instance, we want to seek information on whether the folks out there, the stakeholders are able to understand our inspection reports and PIMS and just leave it that way.

MR. BROCKMAN: In its broad context, I can look at it and say I can feel comfortable. There is a problem there that worries me

ANN RILEY and I understand it's a technical problem that people are dealing with
& ASSOCIATE and it has this basic impact on me as a citizen of a local area or
S, LTD.
Court something like that.

Reporters

1025

Connectic

ut

Avenue,

NW, Suite

1014

Washingto

n, D.C.

20036

(202)

842-0034

And many of it, that's all you're going to be able to do and

we've got numerous vehicles to try to gather that information back.

MR. WIGGINS: My sense is there are going to be other stakeholders that are not general members of the public that aren't industry and aren't us also, that they're the ones that are going to focus on this stuff, because they know kind of what they're looking for.

It's the classic educated reader that we've always assumed in these things.

We don't write it with a belief that there is an educated person; it's the theory in general, but not necessarily with the specifics. That's the sector of the respondents and folks you have to deal with.

MR. BROCKMAN: Certainly, the people know that we're viewing to get comments from them. I'm assuming that the public notice that's going out is intended really to be able to open that up to any and all, that we capture the myriad of other industries that may have ancillary interests and want to make inputs.

MR. DEAN: We have the Federal register notice.

MR. BROCKMAN: The Federal register notice, yes. That really provides that vehicle for whatever the other parties that may have a secondary interest.

MR. GILLESPIE: I think the staff has a challenge that likely doesn't belong in here to defining what are the classes of the public you're expecting to have what level of understanding. They really are striving, when you see the web page in a week when it gets -- goes live, those members who are looking and only interested in green and white and is there really someone looking over the nuclear industry's shoulder, and I'm going to feel comfortable knowing that,

ANN RILEY & ASSOCIATES, LTD. Because Bill had an occasion to go to a plant -- no, Alan did, and the public said, do you work for the facility.

Court Reporters They didn't even realize -- members of the public that came -- that the Federal Government regulated the facility. So there's

1025 Connecticut Avenue, NW, Suite 1014 Washington, D.C. 20036 (202) 842-0034

1 different kinds of public and you're not going to get the same level of
2 assurance of other people.

3 So I think you have a challenge, but what you've said here I
4 think is okay, on how you're going to do it.

5 I think one of the things we're going to have as a
6 committee, and this would be at our next meeting and I would ask the few
7 people of us who are here to give some thought, is if we want to check
8 on -- at least with the educated public, Jim, I'll say, or the
9 knowledgeable public, who should we be asking to come give us
10 information as to the suitability of once the web page goes out and
11 different people get to see it, who are those different people that we
12 would expect that we might want to ask to give kind of an independent
13 view, as part of the information collection process. I don't know.

14 I think McGraw-Hill will look at our web page, for example.

15 So I think there is a public represented by journalists, a few who are
16 knowledgeable who will, in fact, be able to give us an opinion whether
17 this information is useful to them at all or not.

18 Do we want to ask that as a panel? So what I'd like to do
19 is leave with that kind of thought. As we're going through and saying
20 these criteria and whatever the staff comes forward with, their
21 evaluation of why these criteria, in their opinion, are met, and we're
22 trying to come to a conclusion as to whether we agree with that or not,
23 we in parallel with the staff will have to go through some sense of
24 information gathering or kind of audit verification and collecting some
25 information on these broader questions, and that would be a focus of our
next meeting, of setting up what the meetings are and who we want to
come in and talk to us, if anybody. It could be nobody.

ANN RILEY MR. JOHNSON: There is an important thought in the -- I'm
&
ASSOCIATE ASSUMING it wasn't put there accidentally, and it's that are more
S, LTD.
Court understandable, more predictable, and our notion has always been that
Reporters
1025 not that we're going to build the perfect process, but the process is
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

going to be better than what we have.

MR. GARCHOW: Better than what we have.

MR. JOHNSON: So that's what we're going after in terms of

--

MR. LIEBERMAN: And as the process is more understandable, more predictable, more consistent, more objective, the presumption is there will be greater public confidence. Whether they will, it may not, but those are things that we can do.

We're not a PR organization going out selling ourselves. We're just -- our products -- either we're doing it right and our products convince people to do it.

MR. JOHNSON: They speak for themselves.

MR. LIEBERMAN: Exactly.

MR. GILLESPIE: With that, I would like to thank those --

MS. HAHN: Hold on, not so fast.

MR. WIGGINS: Not so fast. You let my thing about events kind of hang out there.

MS. HAHN: I put it back up here just because of that.

MR. WIGGINS: The committee has to tell the staff whether they need to worry about that or is it just my problem.

MS. HAHN: Are there other criteria, and Jim has raised two possibilities, things about how events are handled, things about how cross-cutting issues are handled, and there may be others that people in the room may want to generate, do we need a criteria for those things.

MR. DEAN: Maybe I can share a couple things. We're developing an event response procedure that will be risk-informed, that will provide a process analogous to the significance determination

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Process for determining the level of response of the agency to events.
This is what I talked about earlier in terms of the CDF/CDP discussion.
We're developing some processes that will incorporate delta
CDP in terms of determining agency response to an issue or event, which

1 may not put itself into performance assessment. It may be an event that
 2 we want to go out and get information on, be on top of, and follow along
 3 with the licensee, but when all is said and done, the licensee's
 4 performance was fine in performance assessment space, and delta CDF is
 5 probably the more appropriate measure.

6 So I think that will probably -- that's not fully developed
 7 right now, but it's something we are developing.

8 And in terms of cross-cutting issues, the Office of Research
 9 is currently looking at methodologies to determine whether there is a
 10 way to look at cross-cutting issues, and how do we do that.

11 Those are things that I would say right now the staff
 12 certainly isn't prepared to comment on. We may be more prepared by the
 13 end of the pilot to address those issues. Probably the former issue
 14 before the latter. But those are ongoing developmental issues to
 15 address those types of concerns that we've had expressed by various
 16 stakeholders.

17 MR. GILLESPIE: Let's take cross-cutting issues and just --
 18 and put this on the table. One of the presumptions in this program is
 19 that you fundamentally can't have an entirely failed corrective action
 20 problem identification program and have a profile of indicators plus
 21 three people virtually working full-time inspecting you and have nothing
 22 safety-significant happen.

23 Not even safety off-normal. That you won't go from green to
 24 white. That's kind of an underlying premise of the current program, as
 25 designed.

MR. DEAN: But the corollary doesn't necessarily apply.

MR. GILLESPIE: No, it doesn't. It maybe we have to ask

ANN RILEY
 &
 ASSOCIATE
 S, LTD.
 Court
 Reporters
 1025
 Connecticut
 ut
 Avenue,
 NW, Suite
 1014
 Washingto
 n, D.C.
 20036
 (202)
 842-0034

about it, which is why we get more inquisitive when we go into the
 white. We ask the question.

Jim, are you suggesting that the staff should consider
 looking at a measure that tries to address that presumption?

MR. LIEBERMAN: Did the Commission ask us to?

MR. GILLESPIE: No. They've got Research trying to address that question in what the Commission asked, and that's a project, that's what Bill said, that's a project. But what we don't have is a measure of that presumption.

MR. FRYE: I guess I'd say the measure that we've talked about in the past third assessment bullet, do the population of PIs and inspection findings tell us everything that's important about plant performance, this cross-cutting issue falls under that.

If someone gets us input that says a weakness in one of these cross-cutting issues resulted in a significant performance concern and that's not being picked up by your process, that the premise that you had isn't true, there is a significant human performance concern and it's not being indicated by the PIs or inspection planning. That's the way we would say it.

I think that measure of cross-cutting issues is being looked at under that one.

MR. DEAN: Tim touches on an important aspect of the framework of this program is that these types of cross-cutting issues are called cross-cutting issues because they touch upon each of the safety cornerstones and that if there is going to be problems that exist in those areas, the premise is that they would be demonstrated either through changes through performance indicators or the occurrence of findings that have more than minimal levels of risk significance.

That's the basic premise of the program. What Jim is asking here is that premise, is it coming out of the program and that's what Tim is talking about, that that assessment, does the program in toto

ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1025 up -- Jim, it's not obvious to me that you feel comfortable that it is,
Connecticut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

Provide us the reasonable assurance that we're maintaining public health and safety and looking at the right things.

MR. GILLESPIE: But my question now is to Jim. He's brought

up -- Jim, it's not obvious to me that you feel comfortable that it is,

1 in fact, covered by all the other criteria the staff has proposed.

2 MR. WIGGINS: From other conversations, I'm having trouble
3 accepting -- I can't make a logical connection, in my head. I've got a
4 block on this.

5 The corrective action adequacy is a fundamental foundation
6 of this whole thing. We wouldn't have gone forward with this if we
7 didn't have a -- we said we wouldn't have gone forward without disbelief
8 that it's appropriate.

9 I'm having trouble about how we're testing that and I'm just
10 not totally comfortable with the concept. This is one of the things that
11 may take a lot of time to see that it does work that way.

12 I'm not totally comfortable with the concept that we'll only
13 find out that our fundamental premise was off as it's applied to a
14 particular station as a result of what things that happened that we
15 didn't -- how bad things are that happened, what the events looked like,
16 what the -- and I'm not quite sure it's going to be necessarily on the
17 inspection finding. It very well might be.

18 My biggest fear is it's going to be intransient, a plant
19 that won't react correctly and it ends up that the first indication you
20 have of this facility being a problem, since everything was green,
21 inspection areas and PIs, is this yellow event or almost yellow-red
22 order event that you're dealing with.

23 I just having trouble making my way through it. I've heard
24 the argument about ten times now. I understand what they're saying.

25 MR. LIEBERMAN: I think a lot of people share your concern.

There will be moderate risk before there is significant risk, but as
you say, that's the premise of this program.

ANN RILEY MR. WIGGINS: See, we're not -- and in the program, we're
& ASSOCIATE -- well, I guess we are looking at it through the risk baseline,
S, LTD. Court corrective action inspection.

Reporters 1025 MR. GRANT: Are we still focused on this or are we just kind

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

of --

1
2 MR. LIEBERMAN: Jim put two questions to us and none of us
3 can leave until we -- we do have --

4 MR. WIGGINS: How can you have them as a pilot evaluation
5 criteria, because you won't have anything out there that you're
6 evaluating things against, other than just what happened. You won't
7 know. So that's going to be probably something at the end that we say
8 that we certainly have to develop it before moving forward.

9 MR. LIEBERMAN: But if this problem is the corrective action
10 program, ideally, the availability and the PIs, we should see a change
11 in the PIs. That's what they tell me.

12 MR. GILLESPIE: Just two things on the table and the more
13 detailed design of the process. One of the reasons the first threshold
14 is not risk-informed, but is a normalization, it's a 95 percent
15 informed, is it's looking for departures from expected, because it was
16 clearly just risk-informed on that specific system.

17 It would no longer be an indicator. It would be a
18 diagnostic tool and it's going to be way out of whack, and that was the
19 Commission's reaction to how many scrams it takes, if just scrams are
20 viewed as your contribution to risk.

21 So the thresholds are actually, we think, fairly
22 conservative up here, for one thing, to give us a lot of margin. That's
23 one of the ways I think the designers of the system here tried to deal
24 with it.

25 The other was not to do what the agency was going to and
what the agency was going to was a single measure that weighted
enforcement actions and this and that to kind of come up with a single

ANN RILEY
& ASSOCIATES, INC.
Court Reporters
1025
Connecticut
Avenue,
NW, Suite
1014
Washington,
D.C.
20036
(202)
842-0034

number and we consciously said we want to profile, because we don't want
any one thing to mask all the other things.

All I can say is inherent in the design is not just the
assumption, but the attempt to mechanically have enough categories

1 between inspection and PIs to try to feel comfortable that we would miss
2 it.

3 Short of that, I don't know how to do the comparison. I
4 understand what you're saying, Jim. I just don't know how to deal with
5 it, other than what Bill said, over time --

6 MR. WIGGINS: I'll take it all for right now. I'll read
7 leave myself an option of bringing back at some later date.

8 MR. GILLESPIE: The danger is two years from now we could
9 maybe have a better sense of what happened and what did we miss.

10 MR. WIGGINS: Right.

11 MR. GILLESPIE: And I don't mean in the sense of frazzle
12 ice, which is not necessarily viewed as a programmatic failure that an
13 inspection in a PI program of any kind would have picked up. So it's
14 not even just a random occurrence. I think we will have random
15 occurrences. These are complex industrial facilities, there will be
16 yellow occurrences that happen because of non-programmatic things.

17 I don't think we can put our head in the sand and say that
18 can't happen. But is there a programmatic or systematic problem that we
19 should have identified that led to something. I'm not sure, other than
20 time can tell.

21 MS. HAHN: I think that this assessment bullet three, while
22 not all the way there yet, because it's talking about feedback forms and
23 stakeholder surveys, has the latitude to provide that kind of a look.

24 Did events happen in areas where all the indicators were
25 green and Frank's point is well taken. You may write it down to random
chance that you would expect things to happen occasionally. But for the
most part, you might have an event in an area that you're tracking as

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1 As I said, it's not there now in this criterion, but I think
2 that it could be.

3 MR. DEAN: And I will share a little on what Heidi was
4 saying, on human performance we're out there and assessing and
5 developing findings and they may be green, have a little significance,
6 and touch upon human performance issues, and so we're building up over
7 time perhaps a pattern and when a threshold is crossed, that gives us
8 some focus as to what is it now we're going to engage the licensee in,
9 and we have some basis behind asking them questions regarding either
10 extended condition or root cause evaluation or you know you've had this
11 pattern of human performance events that have not manifested themselves
12 in that significant issue,. But that they have been occurring on a
13 fairly consistent basis in a variety of areas.

14 So that again gets us engaged at that level as a cross of
15 thresholds and the program is set at an appropriate level.

16 Like Frank says, time may tell whether that premise is --

17 MR. GILLESPIE: Let me throw something up which is another
18 -- and then see if we just -- maybe -- I'm running out of steam, guys.
19 That is, when you see what we put on our web page, it actually has the
20 real data and if I was a knowledgeable journalist, I'd be looking at
21 that real data and I could see that a licensee is riding the thresholds
22 and there is a certain accountability that comes with visibility which
23 we don't have today, quite honestly.

24 So trying to evaluate all different aspects of it, that's
25 why I'm not sure other than time will tell. It may be just a clear
publishing of this information in trend charts for each PI, for each
facility every quarter will cause -- because the facilities are aware

ANN RILEY that now I'm public with information I was never public with before and
& ASSOCIATE's readily available.
S, LTD.

Court Reporters There are a whole lot of parameters that are going to go
1025 into this mix that I'm prejudiced, because I view them as positive

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

parameters, of things pushing in the right direction.

That it may not be the NRC doing it. It may just be the visibility brings accountability, and we don't know how that's going to play out other than to try it.

MR. WIGGINS: I guess your statement is moving forward, let's just leave it at that for now and we'll revisit it.

MR. GILLESPIE: How about events?

MR. WIGGINS: Events, I heard -- maybe our record ought to indicate that we want to check back a lot later in terms of events or where the staff is, because it seems like if Bill has got a lot of developmental effort underway now on events, then how could we test its application in the pilot program when we're not even sure when his effort is going to come to fruition.

In a sense, we're reacting to events right now consistent with current baseline inspection and what we're talking about is when does an event, in and of itself, constitute a larger risk item so that we should have more than just routine inspection follow-up.

And I guess what we're doing is we would ad hoc that as an NRC and kind of get together and make a decision. I assume you guys would do that in the context of your normal discussions with the regions and the power program.

You'd kind of figure out as you go. So that's fine. But I don't think you can have a criterion, unless he's got his system put together. Otherwise, you're not measuring anything.

It becomes, though, an IOU before full implementation. Somebody answered the question before you put it in full implementation, you've got to get it done, you've got to get the issue taken care of.

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

So it wouldn't have to be a criterion, we can move the agenda.

MR. GILLESPIE: But it could be an IOU that we'd expect them

to come back to have some sense of --

MR. WIGGINS: If he doesn't have it addressed and discussed

1 and hammered out and possibly flight tested, I won't say pilot, before
2 the end of -- before the end of this program, it's definitely going to
3 have to be a staff IOU before we go forward with full implementation.
4 It's an important piece.

5 We ought to talk about what the heck -- what does our report
6 look like for this today.

7 MR. GILLESPIE: Yes.

8 MR. WIGGINS: What are we going to give them, a letter
9 report?

10 MR. GILLESPIE: Yes, a letter report.

11 MR. WIGGINS: Says we reviewed it and found them generally
12 acceptable, with some comments. Now how do we get into comments?

13 MR. GILLESPIE: And we'll detail the comments.

14 MR. GRANT: Heidi has the notes.

15 MR. GILLESPIE: I'm going to suggest that we've reviewed
16 them and the following comments are attached.

17 MR. BROCKMAN: Mohan has an announcement.

18 MR. GILLESPIE: And what we'll do is I would suggest that
19 we'll take the criteria, that way people can understand the context, and
20 we'll list the comments under it and keep it as crisp as we can.

21 MR. LOCHBAUM: I'd refer to the transcript, in case anybody
22 wants a discussion of what some of the background behind some of the
23 comments. Because I said did you capture that and Heidi says we have a
24 transcript. So I think what's going to happen is Heidi and Mohan are
25 going to have to kind of go back and take these notes -- these notes are
kind of place-holders that -- together with the transcript to try to
extract it and reference the transcript for additional detail.

ANN RILEY MR. GRANT: I'll be very interested to see how the
& transcript comes out, because there was a lot of sidebar conversation
ASSOCIATE S, LTD.
Court that I'm not sure it got --
Reporters
1025 MR. GILLESPIE: It's best effort.

Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. WIGGINS: It's a letter from whom to whom?

MR. GILLESPIE: A letter -- it will be a letter from me to Sam.

MR. WIGGINS: Saying we looked at it and --

MR. GILLESPIE: The staff came and gave presentations, NEI gave us a presentation, and the focus of this meeting was, basically just amplify the agenda and attached are the comments on the proposed success criteria.

MR. LIEBERMAN: Are we going to see this letter and comments through e-mail?

MR. GILLESPIE: Yes. I'm going to endeavor to get it to everybody and not unilaterally.

MR. LIEBERMAN: Do you have a goal of when you'd like to have that done with?

MR. GILLESPIE: A week. Could we get it out to everyone?

MR. WIGGINS: Depends on how quick you can get your transcript.

MR. GILLESPIE: Two days. So if we have the transcript in two days, how about five working days. Heidi, does that sound -- a week from Friday?

MS. HAHN: We need to have an off-line conversation on this, but yes, the time is not a problem.

MR. WIGGINS: We ought to give the staff some sense. I think they took a lot of detailed comments and they ought to get a sense that we thought it was a good effort, very good effort on this, and there is no major holes in terms of the -- none of us came up with an area that they should assess that they aren't.

ANN RILEY & ASSOCIATES, LTD.
Court Reporters
1025 Connecticut Avenue,
NW, Suite 1014
Washington, D.C.
20036
(202) 842-0034

We had some details with regard to some of the acceptance criteria and interpretations of some of the criteria and how they would be measured, and that's what the comments pertained to. But overall, it was a good effort.

1 MR. GILLESPIE: If this makes sense, I don't mind putting
2 just a short memo from me to Sam together, I mean very short, that says
3 overall, we listened to this, attached is the agenda, we talked some
4 organizational issues, there were presentations, but overall it appeared
5 that the staff was on a credible course and they did a good job of
6 presenting the information.

7 It will take us about a week or two to develop the detailed
8 comments and we'll be transmitting those later. That kind of gives
9 people a sense that --

10 MR. WIGGINS: We can say we intend to share the comments
11 with the staff through the transcript. What we probably ought to say,
12 my advice to the staff is don't let a lot of -- don't wait too long,
13 let's finalize the criteria. Let's do what they have to do, let's talk
14 to the regions, get that all taken care of, get the criteria finalized.

15 They got our comments, meld it all together and move forward.

16 That's the way -- we're not signing off on these, right?

17 MR. GILLESPIE: No.

18 MR. LIEBERMAN: Remember, NEI is still meeting and at some
19 point they're going to give us, the staff, their comments.

20 MR. BROCKMAN: That's tomorrow.

21 MR. LIEBERMAN: Is it tomorrow?

22 MR. WIGGINS: I'm just suggesting that our advice ought to
23 be get it done expeditiously, take our comments, among everyone else,
24 including the regions, NEI and whatever, do with them as you see fit,
25 what you think is the best, but get it done, because we're going to need
those as a framework for what we do.

MR. GILLESPIE: What I'm suggesting is a two-step process.

ANN RILEY will put together a fairly brief memo from me to Sam and we'll shoot
& that around very quickly that conveys that concept of get it done, it's
ASSOCIATE S, LTD. generally on track. We do have a number of comments, we had a logged
Court Reporters meeting, we had a lot of discussion. The staff sat through them, and
1025 Connecticut Avenue,
1026 NW, Suite
1027 1014
Washington, D.C.
1028 20036
1029 (202)
1030 842-0034

1 proceeding and getting it done expeditiously is important.

2 Our detailed comments will be available within so many days
3 with the transcript and a summary report of that, because I do feel I
4 owe the public document room and people who know that this group is
5 together, a record that's laid out, comments that go with each procedure
6 that's kind of crisp.

7 It's not appropriate to expect the public to get the
8 transcript and have to crawl through it to see what we said. So I've
9 got a dual -- but I don't mind being on a dual track.

10 Unfortunately, when you set up a committee, you've got
11 multiple masters and I need to address all of them. If that makes sense
12 to everyone, then we'll try to get something out fairly quickly that's a
13 very short memo to the point that it keeps the staff moving with another
14 one to follow maybe in two weeks, because I need to give you guys time
15 to also look at it.

16 Good. I do appreciate everyone's time and hope we will see
17 everyone who can make it in August.

18 [Whereupon, at 4:40 p.m., the meeting was concluded.]
19
20
21
22
23
24
25

ANN RILEY
&
ASSOCIATE
S, LTD.
Court
Reporters
1025
Connectic
ut
Avenue,
NW, Suite
1014
Washingto
n, D.C.
20036
(202)
842-0034