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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

**Title: PILOT PROGRAM EVALUATION
PANEL MEETINGS**

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

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

PILOT PROGRAM EVALUATION
PANEL MEETINGS

Double Tree Hotel
Halpine Room
1750 Rockville Pike
Rockville, MD

Tuesday, November 16, 1999

The above-entitled meeting commenced, pursuant to
notice, at 8:05 a.m.

P R O C E E D I N G S

[8:05 a.m.]

1
2
3 GILLESPIE: We are trying to get a draft report
4 done, fundamentally, by December. We have another meeting
5 December 7 and 8.

6 We've gotten kind of what I will call first draft
7 input from virtually all the panel members. Part of that
8 input was not enough information.

9 What we're going to do -- it was very substantive.
10 It didn't come out a perfect program. There were some
11 criticisms. The criticisms kind of hung together. But what
12 we need is to have this additional information today, and
13 tomorrow the staff is going to be talking to us and we've
14 invited the states -- come on up here, Dave.

15 So now what we're doing is trying to get
16 additional information from those people who were basically
17 underrepresented on the panel or the prejudice to the panel
18 itself. What we're going to ask everyone to do that's on
19 the panel is when we finish these two days, today hearing
20 from the non-pilot plants, the additional state input. I'm
21 hoping Jim Riccio comes.

22 There was some confusion, so I'm going to guess he
23 might be here about 8:30 or 9:00 on the starting time.
24 Everyone on the panel will asked to go back. Tomorrow we'll
25 hear from the staff, the detailed presentation. We have

1 invited the states to stay for tomorrow so that they can
2 hear the detailed presentation from the staff.

3 After you hear from the staff, we'll give you some
4 time, if you've got additional comments, tomorrow, because I
5 know you haven't had the opportunity to hear. One of the
6 things that we're trying to get out of this is how are we
7 doing relative to our public interface and there is some
8 sense from the comments that the panel itself has developed
9 that we're kind of lagging behind on our public interface.

10 The inspection reports got on the web a little
11 later than we hoped. So what this is a test of is for the
12 states who had not been -- I know Gary has been with us
13 along -- is you can only speak from the information you have
14 seen. So this is kind of a test of the staff of how
15 comfortable do you feel that you know what's going on and if
16 you feel uncomfortable, that's information that we need and
17 that's information that would be useful to the staff on what
18 they should be doing in the course of the next six or eight
19 months to make you feel more comfortable.

20 So that's kind of where we're at. We are shooting
21 to try and have a report in kind of a draft in December.

22 Bill, you're all set for tomorrow?

23 DEAN: Yes.

24 GILLESPIE: Okay. Let's see. Augie is kind of
25 going to help out for the state reps who are here. Augie

1 Spector is over here. Tomorrow, he will have some forms to
2 fill out for your travel, so that we can make sure it gets
3 into our travel people, so that you'll get your check in the
4 mail as soon as possible.

5 So after you check out tomorrow, if you'll check
6 with Augie, he'll just touch base with you and we'll get the
7 travel taken care of.

8 SPECTOR: Let me just add. If anybody has
9 anything to print, handouts to print, if you'll give it to
10 me as soon as possible, we'll get it printed for you.

11 GILLESPIE: Yes. Does anyone have any handout
12 material, because we've got a number of members of the
13 public, that needs reproduction? Did you bring enough
14 copies, Greg?

15 GIBSON: Mohan asked me to bring 40.

16 GILLESPIE: With that, I would like to express my
17 thanks. I know, Dave, you took a shot at us on asking for
18 input early, but I've got to say I appreciate your input.
19 You raised a question that you didn't even raise.

20 LIEBERMAN: I raised some I did raise, though.

21 GILLESPIE: And you raised some you did raise and,
22 in fact, the input was all good. I hope everyone has had a
23 chance to read all of everyone's inputs, because that might
24 stimulate some ideas and thoughts.

25 With that, any opening comments from any of the

1 panel members or should we get right into it?

2 Jack is our only external state representative so
3 far.

4 ZANNONI: I wanted to ask who else is presenting
5 here.

6 GILLESPIE: Jack, Dennis, Tom from NEI, and Greg
7 Gibson from the non-pilot plants. And like I said, Jim
8 Riccio, I expect, will be here probably about 9:00 or so.

9 ZANNONI: Did you get through to any reporters or
10 media types?

11 GILLESPIE: Yes. By the way, we got input that
12 the panel has gotten from four reporters. We had our Office
13 of Public Affairs kind of do a poll. Let me see if I can
14 fairly summarize the reporters' input.

15 It was fairly consistent from before and it was
16 that they felt that they were basically on data overload
17 from the information that we were putting on the web and
18 that what was lacking was an analysis, a brief analysis of
19 plant performance or what was lacking is what the data
20 meant, and they were looking for -- I don't believe, and I
21 talked to people in Public Affairs.

22 It wasn't that they were looking for a SALP
23 report, but they were looking for something more concise
24 than just the pictures on the diagram that's on our web page
25 and the PIM items in the graphs.

1 They were for some statement from, as one reporter
2 put it, if I can kind of paraphrase it, they were looking
3 for a statement from the Federal authority as to what this
4 meant.

5 So that was some input that we got that will be
6 included, all the panel got that input. Again, maybe having
7 a system or a process in place that we're trying out that
8 has some structure gives people now a shot to criticize, and
9 that's okay. Maybe the lack of structure didn't give people
10 the opportunity to take shots at us before. Now that
11 there's a structure, we may be actually better off.

12 So what was, in general, what we -- which, quite
13 honestly, was quite similar to some informal comments that I
14 got from the State of Florida representative. They were
15 looking for that more concise what does this mean versus
16 just a picture in the data.

17 Anyone else read the reporters' -- is that a fair
18 representation of the e-mails?

19 WRIGHT: Yes. They almost wanted a grade.

20 GILLESPIE: Well, one pushed that far.

21 WRIGHT: One pushed that far, that's right.

22 GILLESPIE: So we've got to give some thought to
23 that. Bill Dean, who is kind of running this program now,
24 kind of has -- will get that out of our report.

25 It's kind of probably an IOU he's got to think

1 about on how to deal with that public interface.

2 With that, we didn't have a specific order. We
3 were going to allow ten minutes. We have three
4 representatives here.

5 SPATH: Wouldn't you want to proceed by just --
6 there are seven questions in the first session. Do you want
7 to just go over all seven or do you want to attack them one
8 at a time or do you want to just categorize the performance
9 indicator reporting so there's more coherent discussion?

10 I think what I'd like to do is maybe just let each
11 person -- what we're going to do is try to let you say where
12 you were coming from on those seven questions.

13 SPATH: All at once.

14 GILLESPIE: Then we can go back and go through
15 them, but if you don't want to -- we're trying to give each
16 person a chance to kind of have an opening statement or some
17 opening comments.

18 SPATH: I had organized my comments according to
19 the agenda, a lot of your major topics, and I do have a few
20 opening remarks ahead of that I would like to offer.

21 GILLESPIE: Okay. Jack, why don't you take the
22 floor?

23 SPATH: And that's kind of my perspective.

24 GILLESPIE: Why don't you take the floor? For the
25 stenographer's purposes, we're going to have to spin the mic

1 around.

2 SPATH: Actually, I'm going to go over in that
3 corner, just because I'm uncomfortable with my back to
4 everybody.

5 GILLESPIE: Okay, Jack, go ahead.

6 SPATH: Let me just first say good morning. My
7 name is Jack Spath. I'm with the New York State Energy
8 Research and Development Authority, more commonly known as
9 NYSERDA, and I'm the Director of Radioactive Waste Policy
10 and Nuclear Coordination.

11 I want to thank you for the opportunity, NRC and
12 the panel, for the opportunity to be here today and to
13 provide some input, from our perspective, at least in terms
14 of where we are in the new oversight process and the pilot
15 project, which does include a plant from New York, the
16 Fitzpatrick, the New York Power Authority.

17 If you'd permit, I'd like to offer a little bit of
18 background up front. New York does routinely monitor what's
19 going on at the nuclear power plants, the operations. We
20 look every morning for event reports. We look at the status
21 report. We find the web, NRC's web site to be extremely
22 helpful in that regard.

23 We kind of monitor the regulatory activities. We
24 get copies of applications for amendments and we get
25 inspection reports and we have -- this effort is not

1 centered in one agency. It's a collegial multi-agency type
2 effort. We have staff from our Department of Public
3 Service, our Health Department, our Department of
4 Environmental Conservation, our State Emergency Management
5 Office, and my agency, NYSERDA.

6 NYSERDA, the President of NYSERDA, F. William
7 Valentino, has been designated by Governor Pitaki as the
8 state's NRC liaison officer. So essentially what that means
9 is that NYSERDA serves as kind of the focal point for the
10 state in terms of nuclear issues and we serve as a
11 coordinating agency, not unlike, I guess, IDNS and others.
12 So I don't think that's a novel concept.

13 But my input today I want to add reflects input
14 from these various agencies. This is not just NYSERDA, but
15 I've reached out, the staff have met and talked about the
16 process and talked about your desire for further comment
17 from New York. So what I'm going to say reflects their
18 views, as well.

19 I guess I would like to start out by saying that
20 New York State staff feel that we have developed actually a
21 very good working relationship with NRC staff, particularly
22 those staff that have responsibility for overseeing New
23 York's plants, and I am including in that the
24 headquarters-based project managers who we talk to
25 frequently, the Region I branch chiefs, the resident

1 inspectors, and, also, the regional state liaison officer,
2 Bob Bores, who is very helpful and is always available to
3 us.

4 For the last four years since NYSERDA became the
5 NRC state liaison officer back in 1995, we've held annual
6 meetings with Region I and at those meetings there's -- it's
7 a two-part meeting. In the morning, NRC staff will come up
8 and they will sit down with the state agency folks and we go
9 into rather detailed discussions about what's happening at
10 the various plants in New York, what the trends are, what
11 issues they see, what their concerns are, and we have fairly
12 frank discussions along those lines.

13 In the afternoon of that same day, the NRC staff
14 will accompany me and we'll go down and meet with the
15 Governor's staff and give them kind of an upper level
16 overview briefing about how things look, from the NRC's
17 perspective, relative to the nuclear power plants in New
18 York.

19 So these meetings have been very productive, very
20 helpful, and we certainly appreciate NRC's cooperation. In
21 terms of this subject today, the oversight process and the
22 pilot project, our last meeting was held in August and, I
23 have to tell you, we spent a fair amount of time in our
24 meeting discussing the new process and the pilot project at
25 Fitzpatrick.

1 In fact, we even had -- we had one of these
2 projects, so you can get on the web and on your PC and you
3 could project onto a screen, and we had the NRC's web site
4 up and we were going through the different performance
5 indicators and looking down and looking at the trend lines
6 and kind of discussing how it's all working. So that was
7 extremely helpful to us.

8 I think New York clearly recognizes that NRC has
9 the primary responsibility for ensuring that the plants are
10 operated safely. The state, the traditional role of the
11 state and the one that the state fully fulfills is the
12 responsibility for ensuring that there is an effective
13 off-site emergency preparedness, and, of course, this is
14 done in conjunction with all the affected counties.

15 We do not try to duplicate what NRC does in terms
16 of its regulatory oversight program, but obviously we have a
17 pretty clear vested interest in NRC doing a good job.

18 In regard to the new oversight process, as you
19 move into this, I think we trust and we see no indication
20 otherwise that the good working relationship we've developed
21 with NRC staff won't be affected by the new process.
22 Perhaps it will be embellished, and that the staff will
23 continue to be, as they have been, responsive to our
24 questions and concerns.

25 On the new oversight process generally, let me

1 just make a couple of points and then I will make -- I have
2 three points to make about your first topic, which is
3 performance indicators and risk-informed baseline
4 inspections.

5 Overall, this New York State staff have no
6 fundamental objections to the new oversight process. We
7 believe it includes many improvements, particularly the
8 routine availability of the performance data and trends
9 through the web site, and the performance indicators, in our
10 view, provide a much broader range of safety-significant
11 data and information than was previously available.

12 At the same time, however, I think we have to add
13 that we recommend NRC proceed with caution. While we
14 believe it is reasonable and appropriate to focus on those
15 areas which have the greatest safety-significance, it is
16 also important to make sure that weaknesses don't slip
17 through the cracks and become problems before they can be
18 identified and corrected.

19 Also, regarding the pilot project, while we
20 believe it will help to test and fine-tune the new oversight
21 process, in our view, real confidence in the process is only
22 going to come with time. You aren't going to learn in six
23 months, nine months or a year how this process is going to
24 work out in the final analysis.

25 So while we applaud your efforts, we, again,

1 recommend that you proceed with caution until the program
2 proves its effectiveness.

3 On the performance indicators, three points. The
4 first point is NRC is relying on the plant operators to
5 report performance indicators, the performance indicator
6 data, and I believe that's done on a quarterly basis.

7 I guess what we would ask is that NRC consider
8 what measures it will take to verify that such data is being
9 reported accurately. Obviously, it's important. And there
10 will be some errors, minor errors hopefully, it's
11 inevitable, but we believe that NRC should be prepared to
12 take strong enforcement action if it discovers any serious
13 false reporting or any intentional efforts to misreport.

14 Number two, we believe that the NRC should be
15 cautious that if you focus strictly on the 19 performance
16 indicators, that that doesn't mask smaller problems, which,
17 while in and of themselves may not be safety-significant,
18 collectively could be indication of management weaknesses at
19 a facility.

20 The third point on performance indicators is that
21 they are, by their nature, negative events. As the process
22 is implemented, we would suggest that NRC look to determine
23 the degree to which the desire to avoid incurring a
24 performance indicator could negatively affect operational
25 decisions.

1 I've got just one final comment here. In other
2 words, just to embellish on what I just said, is that is an
3 operator likely to take an action that he or she might not
4 otherwise take or might not otherwise be deemed appropriate
5 in a given situation just to avoid adding a tally to the
6 indicator list, adding another event to the indicator list.

7 That basically sums up my opening remarks. I have
8 additional comments I will offer later, Frank, on the
9 significance and on the enforcement overall evaluation, but
10 that's what I have up front.

11 I'll be glad to try to answer any questions you
12 may have.

13 GILLESPIE: Let me ask a question on -- you
14 brought up the topic of -- which is also, I think, a concern
15 that's been raised before. What do you see as -- do you
16 have a comment on the threshold of what we're deeming as
17 being significant?

18 SPATH: I do, actually, and it gets to the point
19 of your calibration of your performance indicators, and I do
20 have something I -- I actually had that under your topic of
21 significance. I'll be glad to share it with you, if you
22 like.

23 GILLESPIE: If you're going to over it later.

24 SPATH: Yes.

25 GILLESPIE: I'm trying to get a sense for where

1 you see the threshold, because one of the questions that's
2 been raised, even by your regional offices, out of fairness
3 to Jim and Ken and Jeff, is the threshold are right, are we
4 going to miss little things?

5 SPATH: That is a question and I will address it
6 in a little more detail later. But let me just say,
7 basically, we think the calibration of those indicators is
8 an important issue and I don't know that -- right now, we
9 don't feel that we can tell you that what you did is right
10 or wrong.

11 GILLESPIE: Okay.

12 SPATH: Okay. But we do recognize that that is
13 something that needs to be looked at and, again, it may be
14 one of those issues that you're only going to be able to
15 tell over time, as you gain experience. Quite frankly, I
16 assume that those levels were selected based on NRC's
17 collective prior experience.

18 That's not the case? I mean, they weren't just
19 picked out of a hat, obviously.

20 GILLESPIE: No. The first level -- and let me
21 just say, I think in the synopsis, the first level, for
22 people who aren't familiar with it, the green-white
23 threshold is really a normalcy level based on data from '95
24 to '97.

25 SPATH: Right.

1 GILLESPIE: So it's a normalcy level based on
2 operation of the industry. The next level down has more of
3 a risk-informed influence on it, because now you're cutting
4 into margin. You're off-normal. So the first indication
5 we're trying to get is when is it off-normal such that we
6 should have to be more engaged, and that was kind of the
7 intent of the first threshold.

8 But we have got some comments and we're going to
9 continue to look at those. Okay.

10 ZANNONI: Good morning, everyone. For those of
11 you who don't know me, my name is Dennis Zannoni. I
12 supervise the Nuclear Engineering Section for the State of
13 New Jersey, and unlike Jack's program, we seem to have all
14 the nuclear engineering expertise in New Jersey concentrated
15 in one group.

16 I think it has it's benefits, but there's also
17 some downside. It's good to get input from other agencies
18 sometimes, but in our case, we're concentrated in the
19 Department of Environmental Protection.

20 And it was good actually to hear some of Jack's
21 comments, because I hadn't had time to reach out to the
22 State of New York to find out their involvement in this
23 program, but ours is pretty in-depth. The program itself
24 gets involved with a lot of nuclear power plant related
25 issues. We meet with the utilities actually on a quarterly

1 basis, both GPO Nuclear at Oyster Creek and Public Service
2 Electric and Gas at Salem 1 and 2 and Hope Creek.

3 We discuss issues ranging from incidents that
4 occur at the plant to basic safety questions and how they're
5 doing, to try to get a feel from them directly, how the
6 plant is performing. We also meet with the NRC on a regular
7 basis and try to get an assessment from them on how the
8 plants are performing.

9 In the program, as well, we observe NRC plant
10 inspections and related to this pilot program, we have
11 actually participated as observers in a lot of the NRC
12 inspectable areas. I think the number was about 24 out of
13 the 38. We're not finished and there's still some work to
14 be done.

15 In fact, this week, three inspections are taking
16 place at Salem 1 and 2, fire protection and emergency
17 preparedness, which are important. So it's premature to
18 talk about the results of those.

19 But anyway, we also conduct environmental
20 monitoring and emergency preparedness activities. So we are
21 currently reviewing the new NRC oversight program.

22 Why should we bother to take the time to review
23 this program? New Jersey's plants are currently operating
24 well, but this wasn't always the case. As you know, Oyster
25 Creek, in the early '90s, and both Salem units more

1 recently, went through some difficult changes, but still
2 emerged better performers and safer plants.

3 Now, the point is these changes occurred in the
4 current NRC regulatory climate. So as cumbersome as it was,
5 it still worked, at least at Oyster Creek and Salem.

6 So from our perspective, it was easy for our
7 management just to say, hey, let's leave well enough alone.

8 We didn't want the positive changes implemented
9 under the current regulatory framework really to upset the
10 positive changes that we see occurring now at these four
11 units.

12 The new NRC initiative is important.
13 Fundamentally, what you're telling the public is we will
14 determine if the nuclear power plant is operating safely
15 from this program, and they are going to be listening to the
16 results of that program.

17 We are not opposing change. In fact, we recognize
18 that performance improvements have occurred in the
19 commercial nuclear power plant industry across the country
20 and we also recognize that not changing may not be an option
21 under the current climate. So it's moving forward.

22 So I'm here to share some experiences with this
23 new oversight program, as implemented, at Hope Creek, Salem
24 1 and Salem 2, and I hope it helps in your evaluation here
25 today and before the panel makes its findings.

1 In keeping with the spirit of your meeting format,
2 our comments were patterned after the questions you are
3 grappling here during these two days. Unfortunately, we
4 can't provide complete feedback. We still really are taking
5 a very in-depth look at this program. We're looking at the
6 performance indicators, we're participating in a variety of
7 inspections. We're having discussions with our management.

8 So this is premature, but we do have something I
9 think will help the group. Our primary focus, though, is to
10 consolidate all our comments by the end of the year, at
11 least that's the new deadline for the program. So our focus
12 is really that, because we want everybody, at least in our
13 own organization, to have ample time to review what we write
14 before we submit them to the Nuclear Regulatory Commission.

15 GILLESPIE: Does everyone know that we have
16 extended the comment on the pilot program by 30 days, to the
17 end of December now? Okay.

18 ZANNONI: But on the docket, the State of New
19 Jersey has already submitted two letters to the NRC
20 concerning the new oversight program. The first one was
21 more generic in nature, kind of scoped out where we were
22 coming from from a big picture perspective, the way we're
23 looking at this program.

24 The second letter was more specific as a result of
25 the major system inspection that's called out for in the new

1 oversight program. That took a real hard look at the aux
2 feed system. The allocation of hours is in the order of
3 325. So it was an important inspection. So we got our
4 comments on the docket, together with the forms filled out
5 and submitted to the Nuclear Regulatory Commission, and we
6 are going to use that pattern for future comments, but it
7 turns out that so many different comments are coming in,
8 it's hard just to get them in, review them and send them to
9 the NRC. So we're just going to focus on submitting the
10 comments by the end of the year to the Nuclear Regulatory
11 Commission.

12 Now, starting with the performance indicator
13 reporting, we are willing to go either way, obviously. We
14 were prepared to talk about question by question so you
15 could have the discussion and move forward. We'll just talk
16 about all seven questions.

17 So I'll just proceed. If anybody has any
18 questions, feel free to interrupt.

19 The first question asks can PI data be reported
20 accurately by the industry in accordance with the reporting
21 guidelines. We all agree that assuring accuracy is the key
22 to this question. So far -- and, again, it's a
23 recommendation, because we've seen it as a positive
24 occurrence at PSE&G, that the PI collection process would be
25 much more reliable and consistent and, thus, more accurate

1 if the licensee proceduralized the performance indicator
2 data collection process.

3 Jack already mentioned that the control room
4 operator has to enter the information on the logs. There's
5 a fellow that's appointed to read the logs, to get the
6 information, and feed it into the performance indicator data
7 collection. And there are also language issues about what
8 different things mean. So things can break down and you
9 don't want it person-dependent.

10 But I think, and Dave can correct me if I'm wrong,
11 PSE&G is already heading in this direction, which actually
12 gives us more confidence in the performance indicator data.
13 So it's actually something to think about, because it helps
14 bring together what is trying to be accomplished in the
15 performance indicator data collection process.

16 Also, it gives us confidence because when we go
17 down there and look at the procedure, we can see if
18 everybody is reading the same -- everybody understands the
19 same language as far as what's required and what they're
20 looking at.

21 The next point is -- and I think this has already
22 been communicated -- that the mitigating system
23 unavailability data is skewed in the positive direction. In
24 other words, the data will always be revised in a negative
25 direction if things are captured that they missed going

1 back.

2 So we're struggling with the uncertainty that
3 exists in the mitigating system performance indicators. And
4 I guess I'll learn more tomorrow when they talk about some
5 of the results, at least the NRC's presentation.

6 But we're wondering how big that uncertainty is
7 based on maybe reporting that has occurred thus far. We
8 don't know how big a problem it is, but it's something that
9 we see happening as they discover data later on and factor
10 it back into the performance indicator.

11 GARCHOW: Dennis, do you see that problem as more
12 going back and correcting the past or is that more a
13 real-time month-to-month, quarter-to-quarter, in your
14 opinion problem? I know we had problems looking backward
15 three or four years trying to collect this data in arrears
16 as opposed to the validity of the data for the month of
17 November, now that we're sensitized to this process.

18 ZANNONI: I don't know. Rich Penney, who also
19 works in the Nuclear Engineering Section may add some
20 information, but it's the sense that if you got a curve,
21 it's like error bars, what's a handle on the error of the
22 performance indicator for mitigating systems, that's all.

23 I mean, if it's small, then that's fine. If it's
24 large, then it may be a problem.

25 Now, this may not fall under this category of

1 reporting, but we're identifying a trend that licensees, if
2 they have a PI that's white, are sitting down with the NRC
3 and trying to redefine the performance indicator, because it
4 may not be anything of importance.

5 So it may be that the performance indicator
6 definition is wrong, but the worry here is that when you
7 roll this out nationwide and there's a lot of utilities who
8 may be in the white for a given PI, you don't want to give
9 the appearance that PIs are relative in their definition,
10 such that you may lose some credibility on the actual
11 definition of the PI.

12 I guess the point is when you roll this out,
13 whatever definition it has, you keep it for a while and
14 collect the data, instead of giving the appearance that it's
15 changeable.

16 It's obvious that the companies want to avoid the
17 white designation, because who knows how the public is going
18 to interpret that going forward. So they're within their
19 right, obviously, to correct performance indicator
20 definitions that are flawed. That's not the problem. It's
21 just that you've got to be careful on how much you go
22 forward in trying to change those definitions.

23 And the last point to the first question, and I
24 think, again, everybody is already aware of this, WANO,
25 INPO, the maintenance rule, they all performance indicator

1 numbers and data. It would be ideal, in an ideal world, to
2 harmonize those, but as those numbers are communicated to
3 the public, as well, there needs to be a way, maybe an
4 agenda item going forward would be to try to get some
5 standard performance indicators that everybody agrees to.
6 And if maybe not the actual performance indicators
7 themselves, the definitions behind them, I think, would be
8 helpful.

9 Any questions about the first question? Because
10 I've got six more to go. There's a lot less information.

11 GILLESPIE: What we'd like to do is kind of --
12 we're actually following kind of a proposed outline of our
13 report. So let's deal with PIs first and then, because
14 we're going to be getting with Jack, also, back to levels
15 and thresholds again as we go on to it.

16 ZANNONI: The second one is simple; can PI data
17 results be submitted by the industry. This is primarily a
18 licensing issue, so I don't have much to share.

19 But it seems to me that if the NRC finds a
20 performance indicator that's important enough to be in the
21 program, there should be no choice, just submit the data,
22 unless it's really flawed or unless they just can't do it.
23 Then you've got to question whether or not you want the PI.

24 So that's it for performance indicator reporting.

25 GILLESPIE: Jim, why don't you come on up to the

1 --

2 RICCIO: I'm fine where I am.

3 GILLESPIE: I apologized already for the room, but
4 it's the best we could do. The government ran out of space
5 in our building.

6 ZANNONI: Do you want me to cover the risk for the
7 baseline inspection program?

8 GILLESPIE: Tell you what. Let's stay with PIs
9 and go through that and then allow everyone to say what they
10 want on that, and then we'll go on to the next topic. I saw
11 someone new come in. Nebraska. Bob, if you would, come
12 join us. Come join us. We're cozy.

13 RICCIO: Just a few comments on the PIs. I think,
14 again, like David has said and other people I'm sure have
15 said, any system is going to be only as good as the people
16 implementing it and as long as you allow wiggle room at the
17 top, you're going to allow for your PIs to be denuded down
18 the road.

19 One of the problems I picked out was that you're
20 having obviously some problems with what these guys were
21 reporting. I think either four or five licensees didn't
22 adequately report their performance indicators.

23 So when you go out to the rest of the staff,
24 you're obviously going to have to indicate to them exactly
25 what it is you're looking for and what it is you want.

1 I think the bands are a little too broadly set.
2 It would seem to me that as much as six grams might generate
3 a little bit more attention.

4 Then one other thing I did find which kind of
5 confused me is that there seems to have been some editing
6 going on. One point I want on the line there was some
7 information went back again and it had changed a little bit,
8 and I was wondering why that happened or if you could
9 explain why it happened.

10 It was basically on the Fitzpatrick performance
11 indicator.

12 ZANNONI: Which one?

13 RICCIO: The very first one.

14 ZANNONI: Scrams.

15 RICCIO: On diesel generator equipment failures.
16 There was just a difference in how you explained how it got
17 opted out of the system.

18 LOCHBAUM: That was an inspection finding, not the
19 performance indicator.

20 RICCIO: Performance indicators for initiating
21 events.

22 GILLESPIE: We're actually, as a panel, not in a
23 position to try to be -- we're kind of acting kind of like a
24 mini ACRS just for this program.

25 RICCIO: Does that mean we grilled?

1 GILLESPIE: No, no. Today we're trying to absorb
2 information and comments. As I said, we felt there was
3 under-representation on the part of having state input and
4 the states are one level closer to the populous than the
5 Federal Government is, and Dave was sitting here, so we're
6 kind of underrepresented on the views from public interest
7 groups.

8 So you're basically part of the panel today.

9 RICCIO: With the new system, just like the old
10 system, the fact is you didn't -- the old system worked.
11 You had the data you needed to act upon. The failure came
12 at a higher level of management where basically you had --
13 that's the problem I have with the executive overrides you
14 have now.

15 You have the data in front of you, it tells you
16 what's going on, but the gut feeling of some senior manager
17 says, no, we'll let them run. I'm a little bit worried
18 about having those -- even as few as five percent overrides.

19 But if you have -- you know, you have the data
20 available. You're going to have to actually act upon it and
21 giving the wiggle room to the senior managers doesn't seem
22 to make a heck of a lot of sense at this point.

23 You're looking at what were the problems with the
24 old system, how can you repair them in the new system, and
25 you have to go back to look at it. That, to me, is one of

1 the major ones.

2 And again, I guess reinforcing to the licensees
3 what actually needs to be transmitted to NRC, because I
4 guess Cooper -- Cooper underreported, Prairie Island 2, Quad
5 Cities, both units.

6 So that was it, of the pilots. At least a good
7 portion of the pilots didn't quite get their reporting
8 requirements accurately.

9 GILLESPIE: I think it would be a general
10 concession that accumulating the historic data gave a number
11 of the plants problems in trying to get the definitions
12 crisp in the guidance document, and, in fact, that was being
13 worked up until about two weeks ago.

14 Different people were interpreting words different
15 ways. So I think I would kind of acknowledge that we're
16 still working that important -- it's an important thing and
17 we're still working it. Hopefully, we're getting closer.

18 Jim, could you -- has everyone met Jim Riccio from
19 --

20 RICCIO: Want me to do it?

21 GILLESPIE: Yes. Why don't you introduce
22 yourself?

23 RICCIO: My name is Jim Riccio. I'm the staff
24 attorney for Public Citizens Critical Mass Energy Project,
25 probably outside of some of you guys in the industry and

1 agency, I've been dealing with performance indicators longer
2 than a lot of folk.

3 We have done several reports using NRC's data and
4 the last time we were able to do a report, we were able to
5 show that both Millstone and Salem were in trouble, when
6 their regulatory system didn't quite catch up to that,
7 although the data was there, because I was using the same
8 data.

9 So my concern about this system is that it not
10 only acts as a replacement, but as an improvement to the
11 previous performance indicator program.

12 GILLESPIE: Jim, could you amplify your comments?
13 And, please, anyone on the panel, jump in. Don't be
14 bashful. Could you amplify your comments? I didn't quite
15 catch what you mean by the width of the bands.

16 RICCIO: Again, it's going to see how -- you have
17 -- and I think it was for the scram data specifically. You
18 had all the way to up I think it was like six grams within a
19 period was still green?

20 FLOYD: The green-white threshold is greater than
21 three.

22 RICCIO: So six is into white.

23 FLOYD: Yes. Six is the bottom of the white and
24 top of the yellow.

25 RICCIO: Hopefully that would kick you into the

1 red. I'm thinking back, and, again, I'm going to use
2 anecdotal information, but I'm thinking about how Dresden
3 got off the watch list last time around. You had six scrams
4 within a period, yet that plant still came off.

5 To my mind, that plant still garnered or deserved
6 additional attention. So I'd like to see those bands
7 narrowed a little bit, held a little bit more accountable,
8 because you're going to have the ability of the licensee to
9 come in and explain away why that event or issue wasn't
10 risk-significant.

11 So I think narrowing of the bands, since you're
12 giving them the wiggle room to get out of it by saying, oh,
13 well, you know, we've had X, Y or Z in defense-in-depth, so
14 it wasn't a risk-significant event, then perhaps you should
15 narrow your focus to begin with.

16 LIEBERMAN: Jim, how would you decide how many is
17 enough? Are you basing it on experience, insight, a risk
18 probability number?

19 RICCIO: I don't have any ability to risk
20 probability numbers. But from looking at -- like I said,
21 I've done three reports dealing with ten years worth of your
22 data, and when a plant gets as high as having six scrams
23 within a short period of time, that's usually an indication
24 there is something going on.

25 And to have it be white and then potentially

1 excused into a green means you're going to miss stuff.

2 GILLESPIE: Let me see if I can get this right,
3 and, Dave, you've been doing this a long time, so if I say
4 this wrong, jump in. I'm sure you will.

5 I think what you're challenging, Jim, is the idea
6 that our first threshold is kind of a normalcy threshold.
7 So the three scrams is kind of a -- it's a normalcy number.
8 It's not -- it was a risk value was related after the fact
9 to that, quite honestly. It's what is an expectation of a
10 plant that's recently operated.

11 RICCIO: Actually, you attach more, because you've
12 actually added additional scrams in there.

13 GILLESPIE: Yes. That's three scrams, but then
14 when you go down to the other thresholds, and this is part
15 of where we're trying to be risk-informed, and you say,
16 well, how many scrams are risky, okay, not how many scrams
17 indicate more off-normalcy, but how many scrams indicate a
18 risk value, and suddenly we go from a first threshold of
19 normalcy and when is it off-normal and when should we be
20 interested because it's not normal to something that's now
21 saying, okay, the margin is gone.

22 The white is really kind of like of the margin
23 going into the yellow.

24 We just didn't approach it that way. I mean,
25 that's -- so you're kind of challenging that that second

1 threshold maybe should be considered more of a second
2 normalcy threshold rather than calculated to a risk value.

3 Is that kind of what --

4 RICCIO: I'm going to be talking out of school,
5 because I've been reading a book that David recommended on
6 the Challenger launch decision, and basically it seems like
7 it's an institutionalization of deviance.

8 That you have a problem, but it's not such a
9 problem that we have to stop moving ahead. I'm not sure
10 whether or not you can tweak it to get your indicator to the
11 point where it's going to tell you what you need without the
12 risk addition.

13 I think maybe the combination of the risk, along
14 with the addition of the other scrams, may result in -- it
15 may result in the same -- you end up in the same place, but
16 you've taken in a little bit more data, might be beneficial
17 for you guys in the long run.

18 GILLESPIE: Would it be fair to say that --
19 because we're mixing two things here. We're mixing the
20 agency's reaction to crossing a threshold with the threshold
21 itself. Would it be also fair to say, because there is a
22 balance there, that you would be somewhat then critical of
23 maybe the reaction as described in that matrix of how we'll
24 react to one white, two whites, et cetera? Is it
25 under-reaction?

1 RICCIO: I don't mean to start this off on the
2 wrong foot, but it seems like an excuse generator. We have
3 a problem, but if we think we have enough defense-in-depth
4 there that we can explain it away, we can continue to move
5 ahead, and I think that's a bad place for you guys to go,
6 especially with this industry at this point.

7 Another thing that isn't captured, unfortunately,
8 and it's something that I think it was Arthur Andersen
9 recommended, a performance indicator for economics. I
10 understand that given the nature of the industry at this
11 point and the fact that you guys are going into competition,
12 but Arthur Anderson made a very strong point of saying that
13 you needed an economic indicator because in the era of new
14 competition, plants would basically try to cut costs and
15 might incur additional risk.

16 That's one of the other blind sides seemingly of
17 the number of all the different indicators.

18 WIGGINS: I think, listening to Jim and the others
19 here, I guess what I'm taking out of the discussion so far,
20 just my own summary that I hear, people have expressed two
21 basic concerns with the PIs.

22 I think we need to hear these, because these are
23 the concerns of people external to those of us that have
24 been up to our ears in them and that's industry and the
25 staff. We're talking to parties that are trying to

1 understand this based on meetings and based on what we've
2 managed to put on a web page, and they lack -- they don't
3 have access to the day-to-day stuff that the insiders do.

4 But I'm hearing that there is a concern about
5 confidence in the data and then understandability of some of
6 the PIs, which I think -- regardless whether we agree or
7 disagree with some of the specific examples offered, I think
8 that's an issue we need to keep in mind here for purposes of
9 the recommendation we need to make.

10 For instance, Jim brings up a point with regard to
11 scrams. I'll tell you, it's almost -- it's curious -- well,
12 not curious -- it's interesting to me that that's the way
13 the PI discussion leads off. The first thing on every list
14 I've seen has been scrams, and then you see the numbers.

15 And the first reaction to the numbers is, my God,
16 look how many the agency will tolerate before it acts. But
17 it's only after you think about it a while that it tends to
18 make more sense or the numbers tend to be less of a concern
19 than they would at first blush.

20 It seems to me, and, now, maybe it's just my own
21 personal reaction, when I first react to the word scram,
22 when you say scram to me, what pops into my mind is this
23 kind of multi-faceted, multi-dimensional kind of trip that
24 happens out there, with a lot of stuff going on.

25 Well, that turns out to be the second PI.

1 GILLESPIE: That's the second PI.

2 WIGGINS: The first PI, if you really think about
3 it, is, well, this is a scram that occurs for some
4 reasonably routine reason. For instance, PWRs used to have
5 a hell of a time starting up because they used to have -- I
6 assume, just based on what I've been able to see, people had
7 problems managing steam generator level at low power levels,
8 and it's less of them now, so I assume that that's because
9 industry has been beating on that through trip reduction
10 programs and they've been working with their operators and
11 working with their systems to tune them up.

12 But anyhow --

13 GARCHOW: Feed water.

14 WIGGINS: Yes. Well, Salem, before you got there,
15 was one of the -- would be the one I would point to. It
16 used to have several trips each time you tried to start up
17 and it was all related to, well, the level just slightly
18 went out of the band and it got the automatic execution.

19 Now, what does that say about plant risk? Not a
20 lot. What does it say about plant and licensee performance?
21 Well, it says something else. It does say that there is an
22 issue that needs to be taken care of.

23 The practical assumption right now with the
24 program is that that's going to be taken care of through an
25 effective corrective action program.

1 Now, we can bring that up again when we decide to
2 talk about cross-cutting issues and how well they're
3 measured, but unless this is all connected and articulated
4 in a very carefully constructed way, that has the
5 perspectives of individuals who aren't embedded in this
6 industry or not in the guts of it, the day-to-day inspection
7 or operation, I think Jim's point is it's hard to
8 understand, at least we agree with that much.

9 It's difficult to understand how the numbers come
10 out to be reasonable, at least that's how I read it.

11 RICCIO: From my perspective, you used to not
12 count manual scrams. I think addition of the manual scrams
13 is a good thing because we are finding that when you got
14 into trouble, rather than you going automatic, you just hit
15 manual, since it was counted as an indicator.

16 So you've captured that, that's a good thing. And
17 in addition, those numbers, while, to me, they seem
18 inflated, aren't as inflated because you've added the
19 manuals in there.

20 So I still think six scrams in a period, you're
21 showing something is going wrong in the plant, but I
22 understand that the levels that you set them at are in
23 reflection of an additional data entry really.

24 ZANNONI: They're also time-weighted, too. So if
25 you have three scrams averaged out and you only operated

1 3,500 hours, that effectively comes up to six and that
2 number is a little different.

3 WIGGINS: Anyhow, the way I'm looking at this
4 issue, there are things that we can look at in terms of how
5 do you build an expectation of confidence in the data.
6 Those are things that the staff and industry could examine.

7 That raises questions with regard -- now, you
8 know, I'm not going to sit here and say that anyone will go
9 into this program with the intent of managing the indicators
10 or doing anything other than a best effort to get accurate
11 data. That's not what I'm -- I'm not suggesting that -- I'm
12 not talking about whether there are any entities that would
13 attempt to do that.

14 I'm just saying that people from the outside
15 wonder whether the data -- they can rely on the data based
16 on the suspicion that it might occur. So that might mean we
17 need to address that as how do we -- not necessarily how do
18 you raise the validity of the data as much as how do you
19 raise confidence in the validity of the data, and you can
20 look at that in different ways.

21 The inspection is possible, industry activity is
22 another way that you could look at that, but it's an issue
23 that I hear is out there.

24 I think my view of the understandability of the
25 data speaks a bit to -- I think it's also part and parcel to

1 what Dave Lochbaum has pointed out in his letter and others
2 have pointed out with regard to how clear the information on
3 the web site really is.

4 It's very difficult, I think, for us as people in
5 the staff or in the industry involved in the pilot to read
6 the web site and miss the fact that it's hard to understand,
7 because we know so much of the context, you just
8 subconsciously connect the context to the indicator and it
9 makes perfect sense to us, but it doesn't make sense to
10 people who aren't involved in the context.

11 I think that's a good thought. We need to worry
12 about that.

13 GILLESPIE: Okay. Bill took notes.

14 LOCHBAUM: A comment on performance indicators.
15 You said that they are based on normalcy covering '95 to
16 '97.

17 GILLESPIE: Loosely, that first level, yes.

18 LOCHBAUM: Looking through it, I can see that for
19 the scrams and some of the other ones, but the reactor
20 coolant system leakage, containment leakage and reactor
21 primary system specific activity, I don't think that would
22 be true for those ones. That seems to be developed from
23 something else.

24 GILLESPIE: You're right.

25 FLOYD: Those were developed based on what the

1 tech spec requirements were and looking at how long is
2 management waiting to get up to a tech spec limit before
3 they take action. So we're setting thresholds based upon
4 what was a reasonable margin.

5 LOCHBAUM: Our comment, that we've submitted
6 formally, I would restate, we think those are too high. The
7 green to white thresholds are too high for all those, or too
8 low. They're in the wrong place.

9 GILLESPIE: And it didn't have the -- I don't want
10 to imply that we have rigorous statistical background to the
11 other ones, when we kind of approached about a 95 percent,
12 but at least it was a look back at actual performance at the
13 facilities. Those ones were not an actual look back number.
14 So I can't disagree with you. I have to agree that they
15 were -- actually, I could come very close to agreeing with
16 you, yes. I could.

17 The other comment that Dave submitted was one that
18 we all wrestled with, and that's on containment leakage and
19 how do you get a PI for containment, and maybe we'll talk
20 about that a little more tomorrow, because that was one that
21 I said some of the same things that you wrote in early on.

22 The real threat to containment is the inability to
23 get decay heat out and that's what we should be focused on,
24 but no one knew how to do it.

25 So it's not that we disagree. We just didn't know

1 how to do it.

2 GARCHOW: A different perspective of someone
3 challenged with operating these plants. I have a license
4 granted by the government to operate the plant in accordance
5 with certain parameters, containment leakage, RCS activity,
6 RCS leakage, and whether I would prudently choose to operate
7 at those limits as a manager isn't the discussion for this
8 process, but the discussion is within the legal framework of
9 our process.

10 I was granted a license that allows me to operate
11 the power plant. So to have increased scrutiny by the NRC
12 when I've only -- if I'm not arguing from risk or management
13 prudence, but I'm just arguing from a legal framework, it's
14 inconsistent for the oversight process to be giving me
15 increased oversight at an arbitrary 50 percent of a limit
16 that I'm allowed, from a legal perspective, to operate right
17 just under the limit.

18 And we have a basis in safety, we had a review
19 process for our license, we had interventions. All of that
20 was water under the bridge. They gave me a license that
21 allowed me to operate at a certain leakage.

22 I'm not saying that it would be prudent to do so
23 or that I would choose to operate my plant that way, that's
24 a management decision, but within the regulatory framework,
25 I actually could argue the counter position that even having

1 the limit of 50 percent go to white is somewhat
2 counter-intuitive to the entire licensing process that gave
3 me my operating license.

4 LOCHBAUM: By that logic, though, there is no tech
5 spec limit on the number of scrams. So wouldn't you say get
6 rid of that all together, using the same logic?

7 GARCHOW: I wasn't using that the number should be
8 the tech spec limit. I'm just saying that we picked a
9 reasonable number, that you could argue that it's too low or
10 too high with an equal argument. If you went back to the
11 law, I have a tech spec book, an operating license from the
12 government that says I can operate at these values.

13 LOCHBAUM: My argument is it wasn't reasonable
14 because there was one approach that applied to scrams and
15 something different was applied to these other ones that
16 allowed much more flexibility or wiggle room, as Mr. Riccio
17 pointed out.

18 So all we're asking for is consistency.
19 Consistency is one of the NRC themes. It would be nice and
20 consistent to actually apply it to some of these indicators.

21 FLOYD: Actually, if you want to make them
22 consistent, what we find in the -- I'll take containment
23 leakage as an example -- from the work that's been done
24 within the agency, you could have considerably higher
25 leakage values than what are there today in the indicator

1 and what are in people's tech specs, with no impact on
2 public health and safety.

3 So this thing cuts both ways. I think what the
4 purpose of this indicator was to look at what is
5 management's attitude toward how willing are they to take
6 their plant to what is a tech spec limit and how many times
7 do they come close, just as an indicator of potential
8 problems in maintaining the equipment that's there to keep
9 you from going over the tech spec limit is what it's for.

10 Again, it's not a measure of containment leakage
11 directly or RCS leakage directly. You have tech specs that
12 do that. What it is, it's an indicator of what is the
13 management's attitude toward maintaining the systems that
14 are there to keep those systems robust.

15 GARCHOW: And many of them are based -- those
16 indicators are based on steady-state limits, so that over a
17 period of time, not just a single point upset that you may
18 have had as a result of a human error, that you go evaluate
19 and cause and correct that, it's just are you willing to
20 operate your plant at 50 percent tech spec leakage for the
21 life of the fuel cycle.

22 That's what the indicator is saying; hey, that
23 might give you something go to look at.

24 WIGGINS: This is an opportunity to provide
25 another comment here. I think I'll admit that I may be

1 swinging at windmills in this, but let me try anyhow. It's
2 my perception, with the green, white, yellow, red for
3 performance indicators and eventually for the inspection
4 areas, that what we originally set out to do was to
5 articulate a set of, if you were in the military, you
6 understand rules of engagement, and that would be if certain
7 -- you know, the NRC would basically take a less active
8 role, one dominated by just routine inspections by residents
9 and whatever is happening in the baseline.

10 We would essentially provide a baseline level of
11 coverage, provided the licensee had issues within a realm
12 that was legitimate to let them handle on their own.

13 It was when these indicators or inspection areas
14 would trip out of it, we would use that to define how we
15 would engage the licensee, to find out what's really going
16 on. In other words, the performance indicator didn't tell
17 you whether the plant was safe. It raised the question that
18 you needed to follow up on.

19 I think it's my perception, unfortunately, that
20 where we are right now is more towards the idea that the PI
21 is an indicator of safety than it is a gate for rules of
22 engagement discussions and rules of engagement decisions,
23 and I wonder whether that's even where we should be.

24 Are the analyses robust enough? Go back to how
25 the framework was put together. Was that what we really

1 thought? Did we think we had something that required that
2 level -- that resulted in that level of precision? I don't
3 think so, frankly. I think there's a -- we may have loaded
4 a lot of negative aspects into going white when all it
5 really is is it means that the NRC is engaged more to find
6 out why that happened. It might not be that we do anything
7 more than just acknowledge that the licensee understands it
8 and is taking corrective action, but given the nature of the
9 indicator, it's going to take several quarters for it to
10 turn around, and that may be enough.

11 You could do it with just resident inspection. On
12 other instances, you may not be able to. In this instance
13 of the 50 percent leak rate, I'd kind of say, well, yes, I'm
14 real interested, although I acknowledge Dave's concern that
15 it's always been the license has a limit, why are you asking
16 a lot of questions when you're below the limit. That's
17 always there for the regulator to deal with.

18 But I'm more curious at that point than I am at
19 ten percent of that point on what the licensee is doing
20 about it, and I would like to think that the staff would
21 have some added flexibility to engage.

22 Where do I go with this? Well, the bottom line is
23 I wonder whether we are really reviewing these PI trips
24 correctly? Are we advertising them as safety tests? Are we
25 advertising them as the definitive, authoritative view of

1 risk in any particular time, or are they just more -- I
2 think they should be just more rules of engagement.

3 And it's the inspection and the engagement, the
4 review and the inspection that basically lays out what the
5 outcome is.

6 LOCHBAUM: That's not how you're billing it,
7 though.

8 WIGGINS: I realize that, I agree with you. I
9 agree that that's not how it's evolved and that's not how
10 it's being received.

11 GILLESPIE: Trying to get us back on track. This
12 is -- from the beginning, it was rules of engagement and I
13 want to give Bob a chance to get back on to the next topic.
14 But, Jim, you're right. The intent here was safety, the
15 program, as an integral, includes inspection and not just
16 the indicators.

17 It has to include inspection, it has to be the
18 integral to have all the information developed.

19 The PIs, combined with the significance
20 determination process and inspection, were trip points upon
21 which we would go from being -- having an indicative program
22 to a more diagnostic program.

23 That clearly wasn't -- it's a trip point for going
24 from indicative to diagnostic as a regulatory agency, from
25 where you're looking for a problem to saying we need to

1 understand what's happening.

2 It's not a direct safety measure and it's very
3 course, because that's -- it wasn't considered a direct
4 safety measure, and maybe that's part of making our won web
5 site, et cetera, more clear as to what it really means.
6 It's being extended beyond what the intent was.

7 GRANT: Frank, I guess instead of defending what
8 we're doing, I'm more interested in hearing from the states
9 and from --

10 GILLESPIE: I want to get to Bob here, so he can -

11 GRANT: Because the issue wasn't just purely
12 taking PIs as something that exists off by itself. I'm
13 trying to understand if your issues are with the numbers
14 that were chosen or, as Jim was pointing out, the level of
15 engagement. I mean, a number is a number, it could be
16 three, could be six, could be four.

17 I think the real point is what you do with that.
18 Whatever the number is that you pick, it has to be part and
19 parcel with I'll call it the regulatory response, and is
20 that really what you're talking about and the states are
21 talking about when they tell us to be careful with what we
22 pick here?

23 RICCIO: I think a little bit of both.

24 GRANT: What is your view on that, I guess,
25 engagement? You know, if it's three scrams or if it's six

1 scrams, as you understand it, is the level of anticipated
2 engagement by the NRC correct for those numbers?

3 RICCIO: Again, it's going to be a little bit
4 difficult, just through the pilot, to say whether or not
5 your levels are set adequately. Quite honestly, you don't
6 have a lot in the program, and that's not meant as
7 offensive. I know a lot of work has gone into this. But
8 you've only got a very small sampling of plants.

9 We haven't seen any egregious examples, so I don't
10 really know how it's really going to work at this point. So
11 I would almost say, hey, bring us back in again six months
12 into the program when you have a full set of data or maybe a
13 little further down the road than that.

14 The other thing to just realize is that while this
15 may not be geared up as an indicator of safety, it's going
16 to be viewed as such because of what preceded it. This is
17 basically looked upon as the predecessor to the watch list,
18 which was a determination about safety, whether or not you
19 agree with it or not, but that's what it had become viewed
20 as.

21 So that's how this is going to be judged. I
22 think, also, with the basic deregulatory effort that's going
23 on, people are going to be looking at this program as to
24 where the agency is going to set a line in the sand.

25 You're wiping out Part 50 regulations. You're

1 going to go and deregulate, again, the tech specs, risk-base
2 them now. You've already wiped out 40 percent of those.
3 Now you're going to risk-base what's left of the 60 percent.

4 So the only thing that the public has that's even
5 at a steady state at this point is what you guys are
6 considering your indicators. Again, those are all new.

7 So right now, in terms of the public's
8 perspective, I think everything is in a great state of flux.
9 We new that you guys had perspectives on which plants were
10 better performers and worse performers about a year and a
11 half ago, but at this point, no one is really quite sure
12 where you all stand.

13 Does that help?

14 GRANT: Yes, it does. And I don't know if we're
15 going to get to the shadow plants, I don't know who those
16 are, but --

17 GILLESPIE: The viewgraphs here.

18 GRANT: I guess I'm interested because as of right
19 now, most of the indicators are green for the pilot plants,
20 at least in the reactor side, but not the safeguards and EP
21 necessarily. But I don't know how the shadow plants are
22 coming, too.

23 We're talking about six months to 12 months down
24 the road, come back and talk to us about your perception on
25 whether this is telling the public anything of use.

1 I don't know. Can we get any comments from the
2 shadow plants as to whether this is useful and whether the
3 data that's coming out of them is indicative of good
4 thresholds for the performance indicators? Do you have any
5 thoughts on that, Greg?

6 GIBSON: Yes.

7 GILLESPIE: I've got to keep us moving, because
8 we're still on item one of item one.

9 FLOYD: If I could make one comment. Just one
10 observation. A comment of Jim's struck me, that, gee, when
11 do we -- we haven't had a good test of the program yet
12 because we really haven't seen anybody that has
13 significantly tripped indicators and we haven't had the
14 opportunity to really diagnose whether the process gets us
15 to the right level or not of reaction.

16 We often talk about unintended consequences. I
17 think there is an intended consequence built into this
18 program, and that is that it may be, hopefully it will be
19 that with the early warnings that have been established with
20 the thresholds, that licensees will have a much more visible
21 recognition to themselves of when they're starting to slip,
22 and they will take remedial action sooner, such that maybe we
23 won't get any plants that go down to the point where we see
24 a significant problem occurring.

25 I mean, that is an intended consequence of this

1 program, was to provide more predictability and perhaps an
2 earlier warning both for the public, the NRC and the
3 licensee as to when they were starting to -- their
4 performance was starting to erode. And if they correct it,
5 we may not see ever in this program, in the instances where
6 we have a real good test of them.

7 RICCIO: You really are an optimist.

8 GARCHOW: There are some examples to Steve's
9 point. There are plants that have shut down and repaired
10 RCS leaks and reactor coolant system leaks at two gallons
11 out of a ten gallon limit and did that as a conscious
12 decision, independent of the process.

13 RICCIO: I kind of looked at it, though, as that
14 you got plants that volunteered for the program because they
15 thought they could waltz through it kind of nicely and do a
16 good job with it.

17 You don't have some of the worst performers in
18 your pilot program. You think there --

19 GARCHOW: We have no current worse performers, but
20 I think --

21 GILLESPIE: I think we have. I think that one I
22 -- a credit to the industry, I think we have a spectrum --
23 we have a spectrum of performers that are represented and
24 there really was an attempt to test the system and I think
25 there is a real mix.

1 With that, Bob. We very seldom see Nebraska.

2 LEOPOLD: Well, Nebraska plays a very, very
3 limited role in working with nuclear power plants. That's
4 probably the reason we very rarely interact.

5 GILLESPIE: We're happy to have you here.

6 LEOPOLD: Thank you.

7 GILLESPIE: Would you introduce yourself and speak
8 into the microphone?

9 LEOPOLD: My name is Bob Leopold. I actually work
10 for the Health and Human Service System and we don't really
11 supervise or regulate the nuclear power plants to any
12 extent. We work with them on emergency response and a
13 couple other issues.

14 So when I first tried to read this, it was largely
15 a mystery to me, frankly. What really helped is I met Jim
16 Chase from Omaha Public Power and he gave me the performance
17 indicators for Ft. Calhoun, which, from our perception, is
18 the better operating of the two nuclear power plants in the
19 State of Nebraska.

20 So we think there is some spectrum. Having two,
21 we have more problems with one than the other.

22 Generally, we are in favor of this concept, this
23 is a concept we've used in health care for a while, which is
24 identify performance indicators, trying to do risk
25 assessment. I think it's a good approach to nuclear power

1 plants.

2 In looking at this, I picked up on scrams just
3 like Jim here did and what struck me is that the green and
4 white, this is Ft. Calhoun's, but the green and white are
5 very narrow and then you have this yellow band which is
6 amazingly wide.

7 I don't claim to understand the significance of
8 all this and it's interesting to hear that some people talk
9 about is it a reflection of safety or is it rules of
10 engagement. But to us on the outside, green, yellow and red
11 are sort of symbolic, sort of like the stop light, and
12 there's an awful lot of yellow here.

13 It seems to me maybe there's a lot of fudge
14 factor. That's what it suggested to us.

15 The other thing that I was questioning is this
16 indicates that there's been a lot of improvement in the
17 operation of nuclear power facilities in the country in 30
18 years. How are you going to modify your performance
19 indicators? Because are you going to fix in time this one
20 point? Are we going to come back in three or five years and
21 adjust them to reflect then what's the new 90 or 95 percent
22 threshold, and how do you do that?

23 GILLESPIE: I think in general, I'll address that,
24 although I should let the staff address it tomorrow.

25 The intent for right now is that the indicators

1 should stay fixed, that the performance during the time
2 period fixed.

3 LEOPOLD: So are we going to lock the nuclear
4 industry into the performance of the year 1999?

5 GILLESPIE: Looking through safety information
6 that would come out, that would -- I don't want to say it so
7 firmly, but in general, right now, the intent would be to
8 basically keep a certain level. It is not the NRC's
9 contention to continually ratchet the industry further and
10 further and further.

11 We have a backfit rule and whole -- that
12 philosophically go along this line. Bill, do you want to --
13 I mean, in general, it's not the intention to use this as a
14 ratcheting device.

15 DEAN: Well, you have to look at, for example, the
16 key outcomes. One is maintaining safety. One is processes
17 to identify -- I'm sorry.

18 Bill Dean, from the Inspection Program Branch. In
19 the design of this process, we looked at -- one of the
20 things we looked at is four key outcome goals for the
21 agency, one of which is maintaining safety. And in setting
22 the thresholds, it was considered to focus on a time period
23 and that that would be, on a forward-going basis, what we
24 would establish as that margin, as you will, for the various
25 thresholds.

1 Now, there's been some discussion about green and
2 white versus yellow versus red and without getting into a
3 lot of detail, the yellow and red thresholds are certainly
4 much more risk-informed or even, as you will, risk-based
5 thresholds, as opposed to the green-white threshold.

6 So within the concept of maintaining safety, we
7 established a green-white threshold that would be a
8 forward-going, to prevent continually pursuing excellence,
9 which is not necessarily the NRC's goal. The NRC's goal is
10 maintaining public health and safety.

11 So there was a conscious decision to maintain
12 those thresholds on a forward-going basis, absent, as Frank
13 said, information that we gain in the future that may have
14 some other safety implications.

15 WIGGINS: I would assume, though -- I don't know
16 if it's in the agency's best interest or anybody's best
17 interest to say that the PIs are frozen universally in time.
18 We should look at these as saying, yes, there would be some
19 evolution over time, and I agree that it would be
20 inappropriate to evolve them in such a way to ratchet --
21 I'll use those terms, since that's what was thrown out on
22 the table.

23 It's never been acceptable to ratchet performance,
24 although one can argue whether we've done it or not. But I
25 think you have to allow for evolution when the PIs are

1 proven to not work.

2 If the PIs result in the wrong understanding of
3 the situation, if you want to view them as a safety test, I
4 won't go back to my other comment, are they telling you the
5 wrong answer, or if you want to view them as when we should
6 get more involved. We may be over-engaging in certain
7 things.

8 If a PI turns out to -- that we -- after playing
9 it out over some period of time, think Jack Spath here from
10 New York, a good suggestion that we ought to be careful.
11 We're not going to finish the pilot and then walk away.
12 We're going to continue to evaluate this thing.

13 You know, we ought to say, well, maybe these PIs
14 are set at a point that we go in and find that there isn't
15 anything else for the agency to do. That would suggest that
16 the PI is set too low, we can broaden the green band out.

17 GILLESPIE: Let me say that the reason I was being
18 hesitant, I didn't want to deal in absolutes. We do have
19 another effort in the Office of Research, in cooperation
20 with the industry, dealing with the INPO database, EPIX,
21 which is looking at more risk-informed PIs, which implies
22 more data that the computer could basically spit out.

23 I'm a little cautious about that. It's in its
24 infancy.

25 RICCIO: Would that be available to the public?

1 GILLESPIE: Yes. And that's part of the
2 institutional problems we would need to work is
3 traditionally INPO data has been proprietary. But there is
4 an interface with the NRC on NPRDS and other things that
5 pass through to our reports.

6 RICCIO: I'm just worried because I even know if
7 they submit to you voluntarily, it's still not accessible to
8 us unless you make it available.

9 GILLESPIE: Yes. Jim, all I'm saying is there's a
10 lot of institutional problems and technical problems and
11 industry, INPO, NRC, there's a lot of things being worked.
12 And, Jim, you're right. I think what we're going to do is
13 see an evolution.

14 But the intent of that evolution is not to -- I
15 wish I had a different word, to ratchet, because ratchet is
16 kind of a negative word. But it's not the intent for that
17 purpose, but I think we'll see an evolution of the
18 indicators over time that will clearly be more detailed.

19 LEOPOLD: And we would hope you would, because the
20 public's expectations change. They're not static, whether
21 you're talking about the nuclear power industry,
22 automobiles, or health care.

23 GILLESPIE: I'm just trying to be clear on what
24 the intent is on how those would be used. It would be to
25 give a clearer picture of what is, not necessarily to set a

1 different goal, which should actually be done under
2 rulemaking.

3 One last comment, and then I'm going to suggest we
4 take a five-minute break before Greg goes on, because Greg
5 has a lot of information on the other plants, which I think
6 will be a useful introduction to additional discussion.

7 So Dave?

8 GARCHOW: For one thing, I think the discussion
9 has been good here and I think we ought to be careful not
10 cutting off some of the discussion, because as the panel,
11 the presentations are interesting. I think the
12 back-and-forth, that as we listen to the different
13 perspectives that get thrown out by some of our public
14 participants, I think the real value is in some of the
15 cross-talk and interplay, as far as me making some sort of
16 independent judgment, like we're supposed to as a Federal
17 advisory panel.

18 GILLESPIE: So you're telling me don't push too
19 hard to stay on schedule.

20 GARCHOW: You're doing fine. I just think there's
21 value in --

22 GILLESPIE: Actually, we started a little early,
23 so I think we are doing good.

24 DEAN: I just want to add one thing to what Jim
25 said. I didn't say that we were freezing the indicators. I

1 said what the intent was in the design of the program, one
2 of the things that I wanted to share that I think would be
3 important for some of the attendees here that may not be
4 here tomorrow when we actually do our presentations is that
5 one of the things that we plan on doing as part of this new
6 oversight process is conduct an annual self-assessment, and
7 part of that self-assessment will be doing something like
8 looking at what do the performance indicator trends
9 industry-wide show us.

10 They may give us some of those insights that Jim
11 referred to. Maybe we are over-engaging or under-engaging
12 and it may give us cause to look at those thresholds.

13 GILLESPIE: Jim, we're committed to a Commission
14 paper one year from June and I might anticipate, based on
15 your comment and other thoughts, that maybe a meeting with
16 similar participants that are here today to get input into
17 that paper would be a useful forum, this kind of thing.

18 RICCIO: Just to see where you guys are at.

19 GILLESPIE: So I think we can factor that into
20 that one-year report, and it's going to take about a year's
21 worth of data, I think, to have enough stuff coming in to
22 step back and make a judgment.

23 I would suggest let's take a ten-minute break and
24 then we'll come back. Augie, could you pass that attendance
25 list around?

1 [Recess.]

2 GILLESPIE: Let's go. Heidi is keeping me honest
3 and let me say it this way. We're going to need to strike a
4 balance to move forward. What our guests here of the panel
5 have is Mohan had sent them a copy of basically the outline
6 of our report. So they have all the same questions that
7 we're going to be writing to, and I will endeavor to try to
8 keep us on a schedule that let's them talk to all those
9 points, so we get through it.

10 I'm going to try to allow some extra time then at
11 the end of the day for any wrap-up comments, but we do need
12 to proceed through the material.

13 Okay. Greg Gibson is the Chairman of the Shadow
14 Plant Program. It's an informal program that's unchartered,
15 but cooperative. An interesting note is that the NRC has
16 not officially or supposedly unofficially obtained the
17 information that everyone in the room is about to hear,
18 because there is an OMB requirement that we can't get
19 information from anymore than nine entities without an OMB
20 clearance, and our OMB paperwork reduction clearance is not
21 effective until January.

22 So, in fact, everyone in the room will, in
23 general, be hearing this information collectively for the
24 first time, although I think we've heard bits and pieces in
25 different presentations.

1 Greg?

2 GIBSON: Thank you very much. I appreciate being
3 here. Again, I'm the Chairman of the Shadow Plant Program.
4 Let me tell you a little bit about what it was, because
5 everybody seems to want to know who are these masked men.

6 Again, as the chairman, my normal job functions, I
7 work for Southern California Edison Company. I'm the
8 Manager of Projects and Programs for Edison in San Onofre,
9 in the Nuclear Regulatory Affairs Department.

10 When this process first was unveiled, we
11 recognized at San Onofre that this was going to be a major,
12 major -- I hate to use the paradigm word, but it's going to
13 be a major change in the way everything has been conducted
14 in the past.

15 So what we did is we have a regulatory utility
16 group, we call it RUG IV, and it's the licensing managers
17 from all the Region IV power plants and we get together
18 periodically, and we brought this issue up right when it
19 started back in January of last year, with 99-007.

20 We decided that notwithstanding that there was
21 Cooper and Calhoun in Region IV, that we would go ahead and
22 shadow, if you would. We would go ahead as if we were part
23 of the pilot program. We would go ahead and run just the
24 same as we were.

25 We also have people who were on the Combustion

1 Engineering owner's group licensing subcommittee and the
2 licensing subcommittee was also invited, if those plants
3 would like to participate.

4 So they also volunteered to participate and share
5 data. They would provide it to a central location of the
6 facilitator, to me, as the chairman, and then I would
7 literally compile the information in a computer spreadsheet
8 and then provide it back out.

9 Now, there were two reasons for doing this. Why
10 did we do it? There's two reasons. One, it's very
11 difficult to make comments on something this important, to
12 make public comments and go on the docket and try to make
13 meaningful input if you don't do this, because truly the
14 devil is in the detail, and I'll be probably using that
15 phrase a lot.

16 But unless you actually go out and try to test all
17 of the five phases of this process. Now, the five phases,
18 of course, are the performance indicators, and I have about
19 eight slides on those. Then I'll hold the other slides for
20 later, which is the inspection modules, and then, of course,
21 the SDP process, which assesses the inspection results.

22 Then we have the action matrix and then, of
23 course, you have the enforcement policy. So although we
24 have comments on each one, the bulk of the comments I'll be
25 providing will be in this particular section, and we have

1 very crisp presentations for the other ones. This may run
2 slightly more than ten minutes.

3 GILLESPIE: Greg, did you make copies of the
4 handout?

5 GIBSON: Yes, I did. As my dad said, never pass
6 anything out, especially to engineers, of anything you say.
7 Yes, I'll give copies of the presentation right afterwards.

8 Also, I didn't know whether you could peek at it,
9 with that OMB thing. I'm not sure.

10 GILLESPIE: No, no. We're an independent panel,
11 so we can get it.

12 GIBSON: Good. Here are the participants, and I
13 really would like to draw your attention here to the last
14 caveat. It's the standard thing that everybody does anyhow.
15 Of course, they are the representative for the nuclear
16 industry. However, on a plant by plant basis, plants may,
17 of course, take differing views and opinions and have a
18 different perspective on things.

19 Similar for the shadow plant program. I obviously
20 can't speak for every one of them. However, I have spoken
21 with every single one of them. I've been dealing with them
22 on a day to day basis over the last six months. So I'm in a
23 position to say what our general comments are.

24 We will be -- in fact, we're meeting in Phoenix
25 this Friday to put together formal comments for the December

1 31 submittal. All of the plants are going to be coming to
2 that.

3 However, the comments that I have here have been
4 bounced off of them for about three weeks now. So they are
5 in consensus with that.

6 Now, in addition, the data that I'm going to be
7 showing you later, it's also important to realize that some
8 of the data that I'm going to share with you should not be
9 considered cast in stone. Now, why is that? Here is where
10 the devil gets in the details. I will give you one
11 illustrative example.

12 We have a series of frequently asked questions.
13 When a licensee has a question, they raise it, NEI gets with
14 the NRC, the decision is made on what the answer is and how
15 to interpret the particular question, it's published as a
16 frequently asked question.

17 Some of the information that's here and in this
18 thing are, in fact, subject to FAQs that are on the table
19 right now. One might be, and here's a particular example,
20 we had one licensee, who will remain anonymous, which was
21 running an LLRT, a local leak rate test, on a particular
22 penetration and LLRT is one of the metrics that we have.

23 Well, everything was fine, except the individual
24 who went out to do the local leak rate test took a very
25 small gauge, didn't take a full-range gauge to determine it.

1 When they realized that it didn't pass the small
2 gauge, instead of going and getting a bigger gauge to put it
3 on there, to actually measure the LLRT from that particular
4 penetration, they just fixed it. They got it so that it was
5 within specification.

6 Unfortunately, it took a huge hit when they
7 suddenly realized, wait a minute, I don't have actual data
8 to show me what the thing is. However, they feel very
9 confident, using engineering judgment, they were nowhere
10 near any of their leak rates.

11 But because of an error -- so the question right
12 now on the table that we sent an FAQ in on is how do you
13 handle errors in obtaining data, where, in fact, the data --
14 do you want to err on the conservative side and it is
15 prudent to err on the conservative side, and say, well, just
16 take the largest leak rate possible, or should you use
17 engineering judgment and if so, under what conditions should
18 you use that, when would it be prudent to do so.

19 So that's an example of where some of the data, in
20 fact, may change between now and January 21, when what I'll
21 call the official data is submitted, because hopefully all
22 these FAQs will answer these, so that we all have one
23 uniform set of guidelines and we can all make appropriate
24 submittals.

25 GARCHOW: Greg, what did that fine print say?

1 Just sort of a standard disclaimer?

2 GIBSON: Yes, that's exactly it. This information
3 is considered a consensus position. Specific performance
4 indicator data was not subject to senior management review
5 nor independent verification and validation. It is not
6 intended to represent the final position of any individual
7 utility. Comments, opinion and information may not be those
8 of an individual utility.

9 No attorneys here. But on the other hand, we
10 wanted to be clear, we don't want to ambush anybody.

11 From an overall standpoint, kind of an opening
12 remarks I was going to put up, the shadow plants, in
13 general, feel that there is obviously significant
14 improvement in this process over the previous process that
15 was in place.
16 Certainly, it's more objective criteria, more timely, and
17 it's more predictable and uniformly applied between the four
18 regions, and we think that serves everyone well. That
19 serves the public, that serves the regulator, and that
20 serves the utilities.

21 I think those three are the -- when they say
22 what's the bottom line, we think it really is good and it
23 does, in general, meet those.

24 In general, we see a similar level of baseline
25 inspection to what a typical SALP-1 plant would have

1 received. It appears to be at approximately the same level.
2 It might be increased in one area. There's a couple areas,
3 like health physics, where it seems that the baseline
4 inspection may increase slightly. In other areas, it may
5 drop slightly. But in general, it seems to be about the
6 level of inspection that a typical SALP-1 plant was
7 inspected at previously.

8 Certainly, it improves communication with the
9 stakeholders. However, to some degree, the reason I'm here
10 is we have some concerns with regard to communications,
11 especially with some of the metrics.

12 BARNES: Greg, what do you mean by similar level
13 of baseline inspection?

14 GIBSON: If I were a SALP-1 plant, remember, I'm
15 speaking for everyone, we had three plants who took a look
16 in detail that all the inspection modules that were done in
17 the pilot plants and all the proposed modules and they
18 looked at them, first of all, prior to them being executed
19 and identified, gee, this seems like a lot more inspection
20 than we had previously.

21 Health physics is one area that I can point to.
22 That was actually executed at the pilot plants and we said
23 approximately how much inspection effort did this core
24 module take, and it was slightly more in some cases,
25 slightly less in others.

1 Now, can't make an absolute definitive statement,
2 because as Frank has told us at the meeting in Philadelphia
3 many months ago, told all of the utilities at that public
4 meeting, was that this is a pilot program to flesh out the
5 inspections and that changes will be made in the depth and
6 detail, perhaps some parts of the module need to be dropped
7 because they're just not worth looking at.

8 On the other hand, maybe new areas need to be
9 added. So all I can say is it seems to be generally the
10 same level of inspection.

11 Moving to the performance indicators, generally,
12 they seem prudently set. I have to use that generally.
13 There's a couple of indicators that we'll be talking about
14 in a moment that we'd like to draw your attention to, and I
15 have that data that I'll show you in just a few seconds.

16 Then we'd also like your consideration on three
17 particular areas. This is the 50,000-foot level. I
18 couldn't come in with our entire list of comments that we
19 have on each and every one. So I tried to pick the three
20 main issues that the shadow plants have, with the impending
21 implementation of the process.

22 One is the 30-day submittal time or 14 days or
23 whatever the submittal time is. The second is the security
24 equipment PI and the third is how are we going to be adding
25 new PIs, because we hear rumors of, well, there's going to

1 be one on fire protection, there will be one on shutdown,
2 and there will be another one on unavailability index.

3 So those are three in particular that I'd like to
4 speak to, and then I'd like to go to the specific questions
5 that you have.

6 What we have done in the shadow plant program is
7 to take not only our information, but also the raw data that
8 we have from the pilot program, as well. We were able to
9 obtain their information and put it up. The bad news is I
10 can't tell you which plants are which plants, because I
11 couldn't get in touch with every one of them from the time
12 this was created, and we'll get into this 14-day submittal
13 being a bear, to get their permission to actually say, yeah,
14 it's okay.

15 Now, everything will be made public in January, so
16 nobody had a problem with, yeah, just go ahead and put it
17 down, but I couldn't get individual people to do it.

18 What's important, though, is this will tell you,
19 for the 18 plants that are in our shadow plant program, 27
20 units, that's a quarter of the American fleet, and if you
21 add the pilot plants on top of that, of course, we already
22 had Ft. Calhoun and Cooper, you've got a little more than a
23 third of all the reactors in the country.

24 So you can start taking a look at these from what
25 I'll call gross information standpoint, in terms of what's

1 the average value for each of these in terms of scrams or
2 key ERO drill participation individuals, and what's the
3 standard deviation.

4 Although we're dealing with small numbers, so
5 consequently the standard deviation is really not a great
6 one, you can also use it to get a feel for the 95 percentile
7 that Frank and the group has been talking about previously.

8 I also didn't color code it, for your benefit,
9 because when I color coded it, you couldn't read anything on
10 the chart and it didn't reproduce worth a dern. So let me
11 just say that there are a number of white windows there.
12 There's a white window in key or drill participation,
13 there's one in LLRT for the L-sub-A, there's a number of
14 them in security, and we'll talk to that in a moment, and
15 there was also one with one of the safety system metrics.

16 But you can go through. The key and the legend
17 down here, I included it to help you with what the
18 thresholds are between the various groups.

19 Now, the first area that I said that I'd like to
20 talk about is the 14-day submittal. It seems to me -- and
21 forgive me, because this is somewhat pejorative, on my term.
22 It seems that somebody just asked a question, well, how
23 quick can you do this, and that's a question like if I walk
24 up to David and I say give me all your money, and you say,
25 well, let's say, I've got money on me, I've got some CDs,

1 I've got a bank account, I can liquidate my house; you know,
2 I mean, I can do a lot.

3 The question, though, is what is reasonable and
4 prudent in terms of getting out the indicator data. So what
5 I did here is I've gone backwards and kind of asked the
6 reverse question, which is how quick can you get the stuff
7 out, from a reasonable prudent timeframe.

8 Now, clearly, if we were only talking about plant
9 trips, sorry, this turned out terrible, didn't? If I were
10 to only talk about plant trips, shoot, I can do that in 14
11 seconds. You either know you tripped or you didn't, that's
12 an easy one.

13 However, some of these metrics are, in fact,
14 difficult to come up with. Now, if the original -- and back
15 in Philadelphia, we asked this question.

16 If the original time is when I make a submittal
17 absolutely everything has to be true, complete, correct,
18 accurate and never going to change, then the quarterly
19 radiochemistry results for strontium-89 and 90 that are part
20 of the public exposure pathway that everyone is -- I mean,
21 that's an important pathway and that's an important PI, it
22 takes 45 days to get that result back from the laboratory.

23 You don't have that data. So you would have to
24 wait approximately 90 days for the public radiation
25 exposure, if that's what you wanted to do.

1 Now, I understand when that was raised that the
2 NRC said -- with NEI -- no, that will lag one quarter. That
3 data won't be current. You have a gross indication as to
4 whether or not it will, in fact, be in or out, but you can't
5 confirm that until you get the strontium-89 and 90 numbers.

6 Taking a look at others, safety system
7 unavailability. As was mentioned earlier, that literally
8 entails an individual sitting down with operating logs and
9 finding out when a particular piece of equipment came in,
10 went out of service. So it does take a while,
11 notwithstanding you've done the first month and you've
12 completed out your second month, you've completed out,
13 you're still left with a piece of data you have to look at
14 at the end of the month.

15 Typically, it takes about five to ten days to do
16 the safety system unavailability. In addition, there is an
17 issue of the occupational exposure pathway, where there is
18 occupational radiological occurrences.

19 Now, that particular pathway you going to get one
20 of two ways. One, they say if I have a self-alarming
21 dosimeter, that everybody wears when they go into a
22 radiation area. If it said 100 MR above where I go in and
23 it alarms, 100 MR above my planned limit, let me real
24 precise there, then it would be unplanned, so to speak, and
25 that would be a count that you would take.

1 Well, the self-alarming dosimeter is not the
2 official dose of record. The official dose of record is
3 your thermal luminescent dosimeter, which is not read until
4 the end of the quarter, and it takes typically five days to
5 take those, collect them, send them to your laboratory, have
6 them analyzed, and have that information available.

7 Now, one of our plants, this most recent time, was
8 able to identify that for multiple entries, an individual's
9 alarming dosimeter did not go off. However, their dose of
10 record was slightly above the 105. It was about 105-107,
11 but it was above 100. So that was an occurrence. They
12 wouldn't have known it from the alarming dosimeter data, but
13 they could tell it from the TLD data.

14 Once they had that TLD higher than expected, they
15 had to go then and interview people, reconstruct the job and
16 do the information. That typically takes five to ten days
17 to nail it down and make sure you knew what, in fact, was it
18 a planned or an unplanned, did it meet this metric or not.
19 That is something that takes time to do.

20 Now, if we put these up here and we ignore the
21 radiochemistry results, it seems that about 21 days, the
22 data is essentially available from the licensee' standpoint.
23 And then one of the things that we did not do in the shadow
24 plant program was to say, okay, let's send it through a
25 rigorous V&V program and have senior management buy into it.

1 We wanted to test the process, we weren't testing senior
2 management.

3 However, very clearly, it's important to set up an
4 infrastructure, which is one of the other reasons we did the
5 shadow plant program in advance. We felt that it would be
6 very difficult waiting till the very last minute to try to
7 set up the infrastructure to do these metrics,
8 notwithstanding that it was the intent to try to take
9 existing information.

10 You do have to establish an infrastructure. And
11 approximately three to five days is about what it needs. So
12 what we would like to suggest is if you were taking it from
13 when is data available, yes, a whole bunch of stuff is
14 available the first day. By the third day, you've got more.
15 By the fifth day, you've got more.

16 But then to make it complete, day 21, to get these
17 last two mitigating systems and the occupational exposure.
18 I think that will also go a long way toward what I perceive
19 as a public perception that, wait a minute, you're messing
20 with this data, you're changing this data.

21 Well, nobody wants to change the data. They want
22 to get it right the first time. It's the FRAM oil filter,
23 if you pay me now or pay me later, we don't want to be
24 changing our numbers. We'd like to have the time sufficient
25 to have the verification and validation, an extra set of

1 people take a look at some of these metrics.

2 Now, clearly, scrams, you don't need any V&V on
3 that, that's okay. But on the exactly I just gave you, on
4 occupational exposure control, you want to make sure that
5 you do have verification and validation. You may even want
6 to set up an expert panel to meet and go over the data to
7 make sure you've properly characterized it and categorized
8 it within the framework of the PI program. That takes time.

9 The other element to this is down here at the
10 bottom, which naturally my slide went to heck on the
11 airplane. It says NRC inspection report issuance. We took
12 a look, three plants took a look at the number of inspection
13 reports that were submitted in 1998, and this was in Region
14 IV, and what was the average time that it took to issue a
15 report from the exit interview until the time the report was
16 signed, and it took about 22-24 days.

17 Now, that was somewhat skewed by two reports. One
18 took 90 days to get out and one took 54 or something. So we
19 dropped those out, because there were major issues
20 associated with that that needed time for resolution.

21 However, it does appear prudent, from our
22 standpoint, that if this is going to be put on the NRC web
23 page, that it would be very helpful to the public, to us, to
24 have both sets of data come in at the same time.

25 So whatever the timeframe is, if it's 14 days,

1 okay, then it seems prudent that the NRC indicators, from
2 the inspection standpoint, ought to be done in the same
3 timeframe.

4 We suggest 24 -- excuse me -- we suggest 30 days,
5 because that would also allow everything to be conducted
6 within this 30-day window. So we submit that for your
7 consideration.

8 WIGGINS: This talks about the mechanics of
9 getting the data in, and I guess the staff would have to --
10 maybe they could talk to us tomorrow a bit about -- you
11 know, part of the timing of the data input has to be -- you
12 have to consider what we're going to do, what the staff is
13 going to do with the data and what the timing is for what
14 it's going to do.

15 How soon to the end of the quarter is an
16 assessment at the branch chief level going to occur, bla bla
17 bla.

18 But I had a different question, actually.

19 GIBSON: Could I address that, though, first? It
20 seems backwards. Let me just be real candid here. It seems
21 backwards. The question shouldn't be how physically fast
22 can you do it and when does somebody else want it. The
23 question ought to be when can somebody give it to you
24 complete and accurate, because if you're changing these
25 numbers, the downside is just not okay.

1 I can give you an anecdotal story. The first data
2 we got, somebody thought they were yellow in one of the
3 metrics. It turns out they weren't. They had screwed up
4 the data, because they didn't have their V&V program in
5 place. They do now. Their VP was very upset about that and
6 it was just not okay.

7 WIGGINS: I understand the point you make, and my
8 point, which wasn't really the question, but the point I was
9 trying to make is the timing of the submittal is really
10 synched to the time of the NRC's assessment process. You
11 have to meet the gates for the assessment process or you'll
12 have to change those things, also, which now you're raising
13 other public questions about how long do you have data
14 before you act on it.

15 But the question I really had that I really wanted
16 to ask really is what's the shadow plant view of what's
17 going on in the facility about these problems, aside from
18 the activity to get the performance data, indicator data
19 correct and accurate?

20 Tell me about the corrective action process and
21 how it's working on the same information at the same time.
22 Is there a similar delay in the start of corrective action
23 or in the timing of the completion of at least the initial
24 stages of the corrective action that will also be attendant
25 to this delay?

1 GIBSON: No.

2 WIGGINS: Okay. Can you give me a sense for what
3 you think is happening in the corrective action part?

4 GIBSON: All of the power plants that I'm familiar
5 with that are participating in the shadow plant program,
6 they all have a formalized, very rigorous corrective action
7 program, where, once an issue is identified, it is
8 immediately documented and corrective action is started.

9 WIGGINS: Will there be examples of issues that
10 wouldn't be identified as things to be worked on until the
11 performance indicator data is known? Would there be
12 instances, for instance, TLD data, let's say, that you
13 wouldn't --

14 GIBSON: I was thinking of that one exactly. That
15 seems to be a chicken and the egg question, because clearly
16 the moment you get the data from the TLDs and you determine
17 that, wait a minute, there was this one case where a person
18 made three entries and it was during an outage and their
19 exposure -- again, the TLD versus the self-alarming
20 dosimeter sometimes is as much as 20 percent difference
21 between the two.

22 We're not talking 0.1 percent difference.
23 Sometimes there are differences and to resolve those takes a
24 while. And then as you correctly said, the moment you find
25 it, then suddenly you have to resolve it and then, well,

1 wait a minute, you have to report at the exact same time
2 you're resolving it, normally. You would normally be doing
3 that at that time.

4 WIGGINS: I don't know. See, the presumption I
5 have that the program is built on a foundation of an
6 adequate corrective action program, which, in absence of any
7 other criteria that are out there, I'm going to say that the
8 expectation is, in a reasonably prompt manner, issues that
9 are potentially adverse to quality or potentially adverse to
10 performance are being entered and dealt with.

11 GIBSON: It's my view that with the exception of
12 scrams, which I'd like to talk about, would somebody remind
13 me to do that, I'll probably forget. I'd like to talk about
14 scrams at the end of the presentation.

15 But with that exception, you don't really -- you
16 have a trip reduction task force, you have things like that.
17 You wouldn't actually write a corrective action document.
18 You might write one on what caused the scram, but in terms
19 of the total area of scram, that might be a little bit
20 different.

21 But, yes, the corrective action program is going
22 to be inspected. It's a formal inspection module. It will
23 be looked at at least once a year. All of the items which
24 are here should be in the corrective action program. The
25 NRC will have an ample opportunity to review that in detail

1 and determine the adequacy of that corrective program.

2 GARCHOW: Greg, going on a little of what Jim
3 said. I think he teed up the question. The reality is that
4 public safety is assured because when we have an occurrence,
5 it's evaluated promptly for operability and reportability
6 and if it's not in accordance with your tech specs, you
7 comply; if you can't comply, you shut the power plant down.

8 GIBSON: Absolutely.

9 GARCHOW: So there is nothing in this regulatory
10 process that was intended by the framework to this to have
11 an instantaneous feedback to ensuring the safety of the
12 plant. The tech spec provides that, the prudent operation
13 of a facility provides that.

14 This provides a framework for spotting potentially
15 adverse trends over time that would trigger, as Jim said
16 earlier, an increased regulatory action all the way through
17 the action matrix.

18 I think we are relying on the corrective action
19 process and the tech specs to provide that immediate
20 assurance of safety at some level without relying on this
21 process, because if you were using that as the criteria, 14
22 days would be too long, you wouldn't be arguing whether it's
23 14 or 30.

24 WIGGINS: I agree, Dave. See, I'm getting at a
25 point coming from the other direction. This is

1 underscoring, again, the emphasis on the corrective action
2 program is the fundamental foundation for everything we're
3 discussing.

4 If you can -- if we get to the -- if you -- and I
5 don't think it's an issue that should be stipulated. It's
6 practical to assume it, to erect a foundation and test it,
7 but to stipulate it and say a priori everything is great may
8 not be the right test.

9 Now, there are aspects in the baseline program to
10 get at the corrective action program. That's something that
11 will come up inevitably during the next two days.

12 The point I was trying to make, he gave me the
13 answer I was looking for, there's got to be a presumption
14 that regardless of what the final agreed upon date of
15 submittal, we've got to be able to walk away from this where
16 industry and the staff can say we are confident that
17 relevant issues are placed in a corrective action program
18 promptly.

19 So the corrective action on issues is not being
20 similarly deferred. So if you take another two weeks,
21 there's not a built-in a priori two-week delta in the
22 reaction to it.

23 GIBSON: That is absolutely true. There is no
24 correlation, to my knowledge, between those two.

25 WIGGINS: And it's our role, the staff's role, the

1 NRC staff's role to be in a position to confirm that,
2 because that's what I would think people would expect that
3 the staff is doing, that they're making -- they're
4 confirming that that's occurring.

5 RICCIO: Jim, wouldn't that argue then that you
6 would necessarily want to have enforcement if there were
7 repetitive violations. I mean, if you want to hold these
8 guys accountable and you want to hold them to their
9 corrective action program, but you're not going to hold them
10 accountable for when they basically fail to correct
11 something and it crops up a second time in inspection, there
12 seems to be a disconnect there.

13 You want to basically make sure that the industry
14 gets in there and corrects problems quickly, then you would
15 hold them accountable for when they don't, and that seems to
16 be like a glaring omission.

17 WRIGHT: That aspect of this is actually happening
18 in the inspections. They come in, they look at that, they
19 go back and look, and that is being done.

20 RICCIO: It may be happening, but it's not built
21 into the program.

22 WRIGHT: That's part of the program in Region III,
23 I'll just give you that perspective.

24 BROCKMAN: I think it is in the program, but let's
25 not, once again, what people are talking about is let's not

1 deal with an absolute. The key word in there is reasonable;
2 based upon the data that an organization had at one time,
3 input together what seemed to be a good corrective action.
4 You may get a reoccurrence of a problem, especially of a low
5 safety-significance, later on, where you gain more data and
6 now you can develop a better corrective action.

7 So I wouldn't want to say on an absolute basis,
8 but right now, the inspection program is out there and part
9 of it is did the licensee develop reasonable corrective
10 actions for the problems that were there. That should be
11 there.

12 RICCIO: That's in the corrective action program.
13 It's not being reflected in the enforcement program.

14 LIEBERMAN: Well, I'm not involved in enforcement
15 anymore, but within the enforcement program, we do have, for
16 violations of criterion 16, generally level fours, level
17 type violations. But going to the corrective action program
18 in general, we have PIs. We don't have anything that
19 measures the corrective action program short of tripping a
20 PI or short of tripping a risk-significant matter.

21 And several people have said this program, in
22 part, is based on having a robust effective corrective
23 action program. Is that a weakness of the system? I'm not
24 sure how to come up with a PI or way to measure the
25 effectiveness of corrective actions, but it's something that

1 I think we need to deal with as we review the information
2 we're getting.

3 GIBSON: Jim, you'll have to help me. I thought
4 -- and, Ken, you too. I thought it was an absolute
5 requirement that every licensee will have -- absolutely will
6 have a corrective action inspection once a year.

7 LIEBERMAN: Yes, but that's not the issue. The
8 issue is how do you determine whether, from a performance
9 point of view, that corrective action program is effective
10 or how do you evaluate the findings of that inspection and
11 put it into this mix.

12 GILLESPIE: All the requirements are still
13 requirements. This program doesn't waive any requirements.
14 And if a problem is found and not corrected and then in
15 reviewing the corrective action we find that someone is
16 deliberately not fixing things, you get kicked out of the
17 system and now you're on an escalated scale.

18 So deliberately not fixing the problem kicks you
19 out of the system, and that's by design.

20 Now, the industry is working on a guidance
21 document that we would then hope to endorse, what is an
22 adequate corrective action program, what are the
23 characteristics, to try to get some consistency hopefully in
24 how we look at them and what they're doing, at least in the
25 principals of how it runs.

1 So I think that the ultimate protection is if
2 someone deliberately finds something wrong, puts it in a
3 corrective action program, then consciously decides not to
4 fix it, they're kicked out of the system and they're off the
5 table and we're in a different agenda.

6 GARCHOW: Make sure you clarify that that would be
7 a significant conditions adverse to quality, conditions
8 adverse to quality, not any number of problems that might
9 get put into our threshold system, because we want to --

10 GILLESPIE: The difference here is at what point
11 -- at what point do you go to a number of small things that
12 it might be maybe it's procedural compliance and completely
13 different areas.

14 Correcting that may be individual to the person
15 who wasn't trained enough or had to be counseled or
16 something like that, and that's one kind of repetitive thing
17 which may be actually independent incidents of something
18 with some similarities, versus some one consciously
19 deciding, Millstone lessons learned, consciously deciding to
20 put something in a drawer and not even call it a problem
21 until it's analyzed further.

22 The second puts you in a different category.

23 RICCIO: I'm not even inferring improper motives.
24 I'm talking -- and I apologize to the guys from TVA. But my
25 experience comes out of seeing corrective action programs

1 that didn't work for decades and seeing will this be
2 corrected by the current process, and I'm not so sure it
3 will.

4 WRIGHT: We looked at it pretty closely, too, and
5 we could not see where repetitive violations of the
6 corrective action program really fell into enforcement
7 either. That was a concern that we had.

8 It makes reference to going back to the old
9 enforcement program under certain conditions, but that
10 wasn't one that was listed really.

11 BROCKMAN: I'm most interested in the thought
12 there, though, as to what is different between this program
13 and the old one that brings up this concern now that a
14 corrective action program wouldn't be dealt with.

15 RICCIO: Part of it, I think, has to do with how
16 it's going to be treated when you do have a problem with a
17 corrective action program. Repetitive violations for
18 failing to repair something are not going to be ratcheted up
19 in enforcement.

20 I'm wondering what the trigger is going to be to
21 get these guys to act upon it. Yes, if you have a willful
22 violation, you put them out of the process and then all of a
23 sudden NRC get a little bit tougher on the licensee.

24 But within the process, what is going to be
25 prevent repetitive failures in the corrective action

1 program?

2 GRANT: The question I hear is level four
3 violations or non-cited violations, if that's the case, is
4 not what you're really talking about. You're talking about
5 when do you --

6 RICCIO: That's part of the problem, because I
7 think you guys have said we're going to take out a lot of
8 the clutter and get rid of level four violations.

9 The problem is if you go back and read your own
10 analyses of your South Texas long-term shutdown, one of the
11 major problems that got you into the point where you had to
12 shut down the reactor was the fact that you had used
13 non-cited violations over and over and over again and you
14 thought that that didn't really have an impact on the
15 licensee.

16 I'm wondering what in this program is going to be
17 basically drive the point home to the licensee, absent a
18 willful violation, that you're -- it's more how are you
19 going to correct programmatic problems at the plant through
20 the process.

21 GRANT: I think we're going to have that topic
22 later on today and tomorrow, too. Enforcement is extremely
23 important to look at under the new program, because right
24 now it doesn't get at what you're talking about, except the
25 level four non-cited violations. But I understand the

1 concern and that's helpful.

2 LOCHBAUM: I just have one question on Mr.
3 Wiggins' point. The chart up there leaves out part of the
4 NRC spot for the significance determination process. I
5 assume it's business the scale doesn't go out long enough.
6 GIBSON: It's my understanding that their SDP will also go
7 through that process and be properly characterized.

8 LOCHBAUM: Right now if it's green, it does. If
9 it's potentially anything other than green, then it goes out
10 120 days, which is over there on the wall somewhere. If the
11 concern is that the utilities might not be taking action
12 because of this reporting stuff, it looks like the NRC staff
13 would have to address, because they've got much longer
14 delays in taking action that the utilities do.

15 BROCKMAN: And that's a good point, but I think
16 experience to date and our data set is about that big, but
17 we're forced to do it that way. Experience to date, I
18 haven't seen an example when you've got an issue that was
19 brought up, that you're getting beyond the green issue,
20 where the licensee hasn't at least started corrective
21 actions.

22 But without a doubt, I think that would have to be
23 something that would be expected of the program, is my
24 inspectors would be looking to ensure that the issue has at
25 least been embraced and is being worked.

1 Now, what the final significance is may be
2 something else.

3 LOCHBAUM: I think that was a good answer, but
4 that wasn't the question I asked. The concern I had was
5 that Mr. Wiggins' point was that the utilities may delay
6 corrective actions until they determine the significance of
7 something in the plant and going through this process.

8 My concern was that the NRC staff is delaying
9 their response until they get to the end of the significance
10 determination process, which is --

11 GILLESPIE: Could I ask that we hold that until we
12 get the -- because this is an extremely important point and
13 I think Dave has read my perspective on some draft, because
14 this is what we agree.

15 LOCHBAUM: I've read the same things. You've read
16 my perspective.

17 GILLESPIE: But you read mine. This is one where
18 we may actually be in somewhat agreement on the timeframe.

19 FLOYD: Can I make one comment? I think we might
20 be confusing two things. What Greg is talking about here is
21 the time that it takes to compile the data, not respond to
22 the condition that might be part of the data.

23 For example, on unavailability, he rightly points
24 out that it does take some time to pour through all the
25 operator logs. But if you have unplanned unavailability due

1 to an equipment problem, that's the item that goes in the
2 corrective action when it occurs.

3 What he's talking about is the time that it takes
4 to go back through the logs and identify all those. So the
5 corrective action starts and the item gets placed in the
6 corrective action program when the initial deficiency occurs
7 and that's apart and separate from the accounting of it. I
8 believe we're mixing that up a bit.

9 WIGGINS: The actual reason I asked the question
10 was the course of discussion a lot like what we just had
11 that underscores the point that you can't look at anything
12 in isolation in this program, because everything is
13 connected to other things.

14 The accuracy of the PIs, the timeliness of the
15 reporting is connected to the infrastructure in the program.
16 It's connected to -- you know, Dave brings up the timing,
17 how long does it take the NRC staff to reach a conclusion.
18 It's all connected to one another.

19 I would offer that the one -- that at least one
20 cohesive thing that runs throughout this is the corrective
21 action piece, that essentially says regardless of where the
22 issue finally ends up in a color scheme, regardless, the
23 issue is not just left alone. The issue -- the expectation,
24 at least the one I have, is that industry is taking the
25 issue and assessing it.

1 Now, it might not be that you have to do anything
2 about it. It might be just, okay, it happened, we'll track
3 and trend it. But on the other hand, you're doing -- that's
4 even something to do that. You made a decision that what we
5 have in front of us right now is such that this is nothing
6 more than an issue that needs to be tracked and trended.

7 Now, that pops up in terms of the baseline
8 program. What level of inspection is the NRC providing to
9 the corrective action program. Is it appropriate to make
10 sure, in the staff's mind, that the programs out there for
11 everyone who is in this are sufficient to at least assure
12 that's happening? That's why I'm saying it's all connected.

13 BROCKMAN: With respect to Jim's --

14 GILLESPIE: Last comment, then I've got to get
15 Greg up and down here.

16 BROCKMAN: The issue that we've got here is the difference
17 between the need for something beyond green to make it a
18 very expeditious review by the agency, which is what I hear
19 Dave saying, as opposed to getting caught in the temporal
20 displacement that happens with going through the SDP
21 process. Is that part of, Steve, your presentation
22 tomorrow, the difference between response as opposed to
23 assessment and the inspection program we're going to have
24 there?

25 STEIN: Not directly, no.

1 BROCKMAN: It might good if you all could -- and
2 if Morris or somebody could include that as part of
3 tomorrow, because I know there's a lot of work that's been
4 done there and I think it's essential that everybody have an
5 understanding of what that is.

6 GILLESPIE: Greg, I have to push you along.

7 GIBSON: What I'm going to do is quickly go
8 through the two other elements that I wanted to comment on.
9 One was regarding the one metric that we do see and is
10 supported by the data that I just put up, as being what I'll
11 call a metric that deserves additional refocus and
12 reconsideration, and that's the one on security.

13 If you look at the security performance equipment
14 data, there is approximately currently we show five plants
15 as being in the white or yellow. There are an additional
16 two plants that I'm aware of who are also either white or
17 yellow, and that's a disproportionate share.

18 When you take a look at why, I think it's very
19 important to recognize that what we're talking about here
20 are compensatory hours that are being the metric. Now, a
21 compensatory person, a piece of equipment goes out on your
22 vital area, and you go and you post -- excuse me -- your
23 protected area -- you post a watchman there.

24 Many times, these watchmen are armed. So it's
25 completely within the regulations. It's allowed by the

1 regulations, it's within the physical security plans, it's
2 licensed, it's legal to leave them there as long as you
3 want.

4 This is the first time, it's almost as if it's a
5 new view, so to speak, from a regulatory standpoint, that
6 there should be some restriction on the amount of time that
7 a person is allowed to be out there.

8 Now, it's not the same guy who stands out there.
9 We rotate them through, so he doesn't fall asleep after an
10 hour, he doesn't do it, and he does have a gun, in many
11 cases; not in all, but in most cases, the plants are
12 licensed to have a gun.

13 The second is if you take a look at the algorithm
14 which is in 99-007 and you have a 20-zone system, actually,
15 the way the algorithm, at 20 there is a cutoff and it just
16 kind of levels off, I'll show you in a second.

17 But basically you're saying that a zone can be out
18 of service for 22 hours a year. You've got 20 zones, each
19 one is out 22 hours, you hit the metric, you trip it.

20 That's one day a year. Now, typically, it's been
21 a staffing issue; do I have 24-hour I&C techs around the
22 clock that are ready to race right out and fix an intrusion
23 detection system, to wash off an insulator and put it back
24 in service, or is it okay to wait until Monday when the
25 normal staff comes in and just keep the compensatory watch

1 person there as a comp measure.

2 That has been viewed as a staffing issue. I've
3 asked some licensees, how do you get such great numbers,
4 and, frankly, they are the ones who have 24-hour people and
5 they've just got the resources to do that, I suppose.

6 This equates also to a 99.75 percent availability
7 for each particular zone. I mean, that's more than the HPSE
8 pumps.

9 LIEBERMAN: Greg, what would you suggest?

10 GIBSON: Well, there's been a number that NEI --
11 and we've participated with NEI and giving them suggestions.
12 We suggested just dropping out the normalization factor and
13 saying just a flat 95 percent overall zone availability.

14 Somebody then said, well, wait a minute, what
15 about the case where you had 20 zones and 19 of them are
16 perfect and one of them is never in, and I think the
17 alternative that NEI proposed, which was okay with us, was,
18 well, okay, we'll make it a two-step thing; it's 95 percent
19 overall and no single zone worse than -- pick a number -- 80
20 percent, 85 percent, I don't know. Some number.

21 But there are ways to handle this. What's
22 discouraging is that we raised this in Philadelphia with the
23 95 percent. In fact, this is the chart that we passed
24 around, which shows the availability that we were trying to
25 get, to say this is really difficult for the plants and is,

1 in fact, it prudent, when it's completely a business
2 decision, how to staff your I&C techs and take care of this,
3 when it is prudent and proper to post an armed guard.

4 To some degree, an armed guard might be viewed as
5 even better, and is the public, in fact, being informed of
6 the state of the licensee's program, if, in fact, they're
7 meeting all regulatory requirements and it's just fine.
8 Should we even have a yellow threshold, that might also be
9 another question to ask.

10 GARCHOW: Greg, I want to make sure I heard you say that,
11 because you sort of said it in passing, but I think that is
12 the point, that it just seems incomprehensible that a
13 20-foot section of fence would be more safety-significant
14 than your HPSE pump. I mean, that is the issue.

15 GIBSON: Yes.

16 WIGGINS: That raises an issue about whether the
17 indicator is, I guess, set at the right place, but I think
18 I'd like to offer also that we need to -- you need to
19 consider, too, the fact -- not that this disqualifies your
20 -- it's just that you have to temper it somewhat.

21 And what have these compensatory measures told the
22 staff over time? I would contend that if you take a look at
23 this from the concept that you have a well meaning, well
24 directed, well oiled operation that you're inspecting, yes,
25 you're probably right and it sounds like the number seems a

1 little bit bizarre or out of whack, actually, if you compare
2 it to IPSI.

3 On the staff side, you can see instances where the
4 staff has seen long-term use of compensatory measures was
5 the tip of an iceberg of a more severe performance problem
6 at a facility, not just necessarily in security.

7 There are plants -- you can say what you want
8 about problem plant lists. There were plants that were on
9 the problem plant list that one of the aspects of their
10 performance involved long-term tolerance of degraded
11 conditions in security operation.

12 There were other reasons why the plant got put on
13 the list, but it was there, too.

14 So whatever happens with this, whatever the staff
15 ends up in this PI, given the fact that we have kind of a
16 one-size-fits-all operation over here, it's got to be
17 sensitive enough to detect those problems, because
18 originally, my concept here is you're looking for -- you're
19 looking at it as this is not necessarily an indication of
20 how secure the facility is against an attack, but you're
21 trying to figure out what does this mean about licensee
22 performance in the security area.

23 GIBSON: It's actually maintenance of the security
24 area.

25 WIGGINS: Which is a very important element.

1 GIBSON: Which is a question of prioritization, I
2 understand, and certainly I think the staff has always had
3 the ability to undergo rulemaking at any time to say we need
4 to have a limitation or we need to have a tech spec AOT
5 equivalent for equipment out of service. That is fine. I
6 think the public process ought to be used for that, and
7 rulemaking would be a great way to go after it.

8 FLOYD: I agree with the comments you've made and
9 I think the purpose of this indicator really is to see if
10 there are one or more problem zones that the licensee isn't
11 taking care of.

12 But I think the industry proposal on this remedies
13 that by asking the licensee to say do I have any zones, one
14 or more zones that are not management an unavailability --
15 exceed an unavailability of -- as you said, pick a number,
16 ten percent, whatever the right number is.

17 That would give you that indication without this
18 other, I think, unintended consequence.

19 GILLESPIE: Jim, last comment and then we'll move
20 on.

21 RICCIO: I just can see the industry down the
22 road, given the whole shift towards risk-based regulation,
23 coming in later and saying what is the risk significance of
24 this indicator. And if you're supposed to be tracking
25 performance --

1 GILLESPIE: I think Dave just asked that when he said is
2 this more important than the HPSE pump. The answer is it's
3 a different design basis. There is a design basis threat,
4 like there is a design basis accident. It isn't risk in the
5 risk sense. It's a conditional risk given the design basis
6 threat.

7 It's actually on a different scale and I think
8 what Dave is saying is there needs to be a reconciliation of
9 the two scales and maybe we don't have the perfect
10 reconciliation now, but this is an indication of overall
11 equipment availability or maintenance or the goodness of the
12 security system.

13 NEI does have a proposal they're coming in with on
14 this one and I don't believe the staff has acted on that
15 proposal. So this is still in the discussion phase.
16 To get that sense of equivalency to how bad is bad, when
17 you're really in two different areas, it's apples and
18 oranges, and now do we make --

19 RICCIO: Over the years, I've heard from NRC that
20 there is a hierarchy of regulation and that certain
21 regulations are held a little bit more stringently than
22 others. I just see OSRE and things like emergency planning
23 being way down on that threshold and I'm wondering how the
24 industry is going to respond to that further down the road.

25 I understand you have to match it with your

1 mitigation versus prevention matrix that you've set up in
2 the agency.

3 GILLESPIE: There will be a whole new rulemaking
4 probably going forward in the security area over the next
5 year, so there's going to be a lot of public input on this
6 one. Very, very visible.

7 GIBSON: I would like to end that part of the
8 discussion by saying that it is extremely important to
9 resolve this particular issue. I don't believe that anyone
10 is well served by having a metric that generates yellow or
11 white numbers for things like a single computer outage,
12 which takes out all of your systems for two or three hours
13 and you've got 30 zones and you've burned up basically your
14 year allotment, or a particular situation where you have one
15 zone that you're going to -- is a problem zone, trying to do
16 various things with it.

17 I'm looking at it from a communications
18 standpoint. I don't think it's a good idea to always be
19 writing letters back and forth explaining why you're white
20 and that being okay in the final analysis.

21 The last one is in the performance indicators and
22 then I'll save the other slides for when we get to them. We
23 encourage the NRC, for the new indicators that are
24 potentially on the table for shutdown, for fire protection
25 and for unavailability, to, again, we think this has been a

1 very useful program and we'd like to see you propose the
2 metric, get it out, let's get public comment, let's
3 benchmark it, set our thresholds, and let's put it into a
4 pilot program for a period of time, and then let's get
5 public comment on the final metrics in a similar type of
6 mechanism.

7 Now, that may delay this for a while in having these new
8 indicators, but I don't think anyone is well served by a
9 rush to judgment or so forth, and I'd rather see the
10 resources that have been applied on trying to develop those,
11 at least in this interim between now and April 1, applied to
12 resolving the issue with the security metric, with the
13 security SDP and the other issues that you all have as a
14 program.

15 Thank you.

16 LIEBERMAN: You wanted to talk about scrams,
17 right?

18 GIBSON: Yes, thank you. I appreciate that. One
19 of the issues was raised first. Somebody said, well, would
20 it have an unintended consequence, because we're measuring
21 scrams, of somehow affecting an operator's action.

22 My personal belief is no, it wouldn't. However,
23 there is always -- you know the Caesar's wife thing. It's
24 the perception, it's the optics. You don't even want to
25 have the appearance of setting up something that does.

1 We have discussed a proposal, I believe it was
2 INPO that suggested that there be a -- the scram metric be
3 removed perhaps a year from now; keep what we've got, but
4 transition that into a situation of, okay, well, what causes
5 a scram, loss of feedwater, loss of off-site power.

6 Measure those particular instances instead of the
7 particular scram, which is a consequence of what the real
8 event was, which is you had a loss of feedwater.

9 GILLESPIE: I think to get to that point, we'll
10 deal a lot with what comes out of going more towards
11 risk-based performance indicators in the EPIX database,
12 which would maybe fed information by utilities on feedwater
13 reliability and other systems.

14 So the problem we have, I think, is the source of
15 that information isn't readily available right now, although
16 it's a more direct measure of really what we're trying to
17 get at potentially.

18 So that's in the process and being worked, but I
19 think we're probably two to three years away from having
20 that much information available to that many people.

21 GIBSON: But it certainly would alleviate that
22 potential concern.

23 GILLESPIE: It would get to the root cause rather
24 than the symptom, yes.

25 GIBSON: I agree.

1 GILLESPIE: Okay. Our last speaker on PIs, and
2 this has been good. It's been kind of an introduction to
3 everything and maybe we'll move more quickly through
4 inspection, I don't know. We're going to have to, because
5 the SDP process, I think, is going to take some significant
6 discussion.

7 Tom, Steve has promised me you've only got two
8 slides and one has your name on it.

9 HOUGHTON: It's close. I'm working with Steve at
10 NEI on this process. Before that, I worked in the
11 development of recovery plans and implemented them at the
12 Indian Point 3 when it was on the watch list, at Salem when
13 it was shut down, and then most recently up at Millstone,
14 working with the corrective action program and with the
15 quality assurance department.

16 So I've seen a lot of these problem plants and
17 actions and what they did about them.

18 You've talked about most of the things that we
19 were going to talk about. Let me just bring some other
20 perspective on what's happened in the pilot. We have had a
21 lot of lessons learned during the pilot, which is what the
22 pilot was all about, in terms of definitions and in terms of
23 how to count things.

24 There's still a lot of issues out there that
25 individual plants are going to have to resolve, but I guess

1 the point I wanted to make to you is until you actually do
2 it, until you actually have to report it and until you have
3 to stand behind what you're doing, you're not really going
4 to know what an indicator means.

5 So the big advantage of doing this pilot is rather
6 than having theoretical discussions and trying to cover all
7 the answers on a table top, people are out there addressing,
8 and people are also finding out some interesting things as
9 they report these indicators about how their programs
10 operate and what's been going on at them.

11 Anytime you have an indicator, you're going to have actions
12 taken with that indicator, the Heisenberg principle. If you
13 act on the experiment, you're going to affect the results.
14 So there have been some awakenings in a number of areas by
15 people as they have looked at these indicators.

16 Second bullet point, a breakin period is necessary
17 for the full industry. There will be older plants that
18 don't have all the systems that we're measuring, there will
19 be specific circumstances that need to be addressed out
20 there, and what we've done with this system, I believe, is
21 try to put a perspective of indicator across industry and
22 tried very hard to have common thresholds and common
23 measures.

24 That's been more difficult than we thought, even
25 in INPO indicators, where we thought there was complete

1 uniformity across industry. But this is a good thing.
2 We're learning how to compare plants, far beyond just a SALP
3 score or far beyond just one or two indicators. So I think
4 we're getting much more towards how to compare on meaningful
5 -- at a meaningful level, at the level of the operation, not
6 at a level of subjectiveness.

7 All the PIs, except the security equipment index,
8 and Greg covered that very well, I think, are sufficient for
9 -- we believe are sufficient for industry implementation,
10 with the caveat that they're going to continue to be
11 learnings going on as we do this.

12 LIEBERMAN: NEI's 99-02 Revision B, is that
13 publicly available?

14 HOUGHTON: It is --

15 FLOYD: Soon. It was just sent to the NRC, I
16 believe, Monday -- Friday? I thought it went out Monday. I
17 think he sent it out Monday.

18 MADISON: It's going out by memo, it will be
19 available by the end of the week.

20 HOUGHTON: It's not really in effect for everybody
21 until January 21. So the revisions that are in the public
22 record, C and earlier, are what the pilot plants are using
23 right now.

24 GILLESPIE: Dave, you have a copy of the
25 statement?

1 FLOYD: C is on the web site.

2 GILLESPIE: Our web site. And as soon as we get D
3 and convert it to electronic form, we'll get you a copy of
4 D. No problem.

5 HOUGHTON: Okay. Some of the things that were
6 wrestled with in the indicators. The safety system
7 unavailability, excuse all my initials, for people that
8 don't know all the initials already, but I'm trying to keep
9 on two or three slides.

10 There's a term called fault exposure, which is
11 really a term which is difficult and doesn't exactly measure
12 what we want it to measure, so that we could use an
13 indicator which has a history. We used INPO -- pretty close
14 to INPO's indicator and a problem that existed was is if you
15 had a failure quarterly test that you failed, you could
16 remain in the white zone for 12 quarters, even after you've
17 corrected the problem and the equipment is performing very
18 well.

19 So we said rather than have an indicator stay lit,
20 let's reset it to green so that if you have another failure,
21 that indicator means something for you.

22 Question?

23 GRANT: I guess I'd need to hear more about that
24 to understand.

25 HOUGHTON: Let's have a side bar on that.

1 LIEBERMAN: Isn't that inconsistent with the
2 treatment of containment leakage, where it's the as found
3 and it is reset before you restart, but you keep it white or
4 whatever it happens to be?

5 HOUGHTON: The difference with the containment
6 leakage is it's a measure of the highest level each month
7 over a period of time, so that it -- whereas the SSU is a
8 measure of an average over a 36-month period.

9 GILLESPIE: Containment leakage basically resets
10 itself, because --

11 HOUGHTON: Linkages the highest level, so is the
12 RCS leakage and so is the activity.

13 GARCHOW: If I could give you just a real quick practical
14 example, December of 1996, we had a problem with a HPSE pump
15 that we point to surveillance. We went into an outage for
16 that, went inoperable, followed the rules, did a root cause
17 on that.

18 Subsequently, implemented a fix and have ran the
19 test successfully numerous times, into dozens of times, but
20 by the nature of the current way that we calculate the
21 exposure, even though that problem was fixed and the pump
22 has been operating perfectly since December of '96, the
23 current guidelines would have us have to time that
24 three-year period out to reset that back to green.
25 So Hope Creek has been sitting there with a perfectly

1 functioning HPSE pump. As far as the public communication,
2 it would look like every quarter for those three years that
3 we still have a problem with the pump, when, in fact, the
4 pump is working absolutely fine and has since we corrected
5 the cause of the condition way back in December of 1996.

6 LIEBERMAN: Again, doesn't that logic apply to the
7 scrams? Because you reset those and started back up. I
8 mean, that's old news. But it's considered to be relevant
9 old news.

10 GARCHOW: But the scrams are supposed to give you
11 an indicator that there's maybe a cross-cutting issue and
12 gets you into -- as Jim said, getting NRC's attention
13 focused, maybe for a plant that's having other issues, where
14 these are just pretty much targeted at the mitigating system
15 and does that mitigating system have problems that would
16 prevent it mitigating an accident.

17 So I think there is a slight difference in the
18 approach that scram data or the transient data as opposed to
19 specific equipment performance that we called out.

20 GILLESPIE: One of the concerns here ended up
21 being that if you get a white, you've got the white, you
22 take action, you correct it. If you let that stay white and
23 you have a second failure, it doesn't trigger. It stays
24 white.

25 HOUGHTON: But if you have the second failure, you

1 correct it, it stays green.

2 GILLESPIE: And now you go white again for another
3 quarter.

4 HOUGHTON: You've got to keep that indicator until
5 the condition is corrected, until there's been an NRC
6 inspection and they're satisfied and a period of time has
7 gone by.

8 GILLESPIE: See, you get a second quarter with
9 another white. You'd actually get a second hit during that.
10 Instead of being white for three years, you start seeing a
11 repetitive white, indicating there is a problem with
12 systems.

13 FLOYD: What will actually happen, I think maybe
14 Dave's concern is it may be invisible to the public that
15 there was such a condition. What would actually happen is
16 suppose it took two quarters to fix the condition. You will
17 have two white quarters that are white in the annual
18 assessment reports, that will show that that was white for
19 two quarters. On the web site, you'll have two subsequent
20 quarters.

21 The minimum you could ever have is one quarter,
22 assuming you could fix it, the NRC could come out and do a
23 follow-up inspection and satisfy themselves that all the
24 right action was taken.

25 You would still have at least one white input into

1 the action matrix as a result of them being white in one
2 quarter and that will show up on the web site as a white
3 indicator.

4 GILLESPIE: We may have to go into this more,
5 because this isn't easy and it does give a sense of an
6 inconsistency and different approaches, but you're trying to
7 get different information with different indicators.

8 HOUGHTON: I think that's a very good point,
9 Frank, that some indicators are rates, some indicators are
10 individual -- sums of individual events and over different
11 time periods.

12 A foolish consistency is the goblin of small
13 minds, I think someone said a long time ago. We're trying
14 to have the indicators match what we're trying to measure as
15 management indicators, not as safety meters in the control
16 room, and there's always room for improvement.

17 A second performance indicator that caused a lot
18 of problems out there was what was called the safety system
19 functional failure and this indicator measured whether
20 safety systems were in a faulted condition and they were
21 reported in LERs. The trouble is that the definition, the
22 indicators were counted not by the utilities initially, but
23 by a national laboratory, which often didn't have all the
24 information, because LERs get updated and with different
25 definitions, and so there was some difficulty in counting

1 these and there were honest disagreements between pilot
2 plants and NRC about how to count these things.

3 Rather than each one having to go to an expert
4 panel to be resolved, I think we've made the definition much
5 clearer, much more crisp, so that people can count these in
6 a consistent manner.

7 Again, I'd rather not go into all the details of
8 it, except in the side bar, if somebody wants.

9 But my point is that this was an indicator that
10 was causing a lot of problems out there and I think we've
11 addressed what the problems were and how to count them.

12 Another indicator in which there was a change was
13 in the linkage between the drill exercise performance, which
14 measures how well you do during an exercise or a drill, and
15 the participation of the roster of people who are on the
16 emergency roster.

17 These need to be linked so that the same people
18 who are doing -- who are being judged on their ability to
19 make right decisions are the people who are on the roster to
20 do the work, and there was confusion in that indicator and
21 that has been cleared up in the latest revision.

22 This point was the same one that we have already
23 started conversations on, the security index. A more
24 30,000-foot comment I'd like to make on the PIs is that when
25 we started this, we were looking for a holistic system that

1 looks at everything that's going on, and I think Jim might
2 have said it.

3 These things fit together. The exercise -- was it
4 two years ago? In September, we had a workshop of
5 stakeholders and industry and NRC and we looked at
6 cornerstones of safety, which extended beyond what industry
7 had initially proposed. Initially, industry had only
8 proposed the initiating events, the mitigating systems and
9 the barriers.

10 And NRC said, well, wait a minute, we've got RP, we've got
11 EP and we've got security, they are also important, and each
12 of those cornerstones, we looked at what could we measure
13 for indicators, what could be done for inspection, and how
14 do these fit together.

15 So we're looking for a holistic approach, so that
16 if one indicator doesn't quite measure exactly what we want,
17 we have inspection to cover another aspect of it.

18 Also, this fits together in that the indicators
19 are not meters in the control room. If you exceed the
20 green-white threshold, that doesn't mean that you need to
21 take immediate action.

22 What it means is that you have a management issue
23 that both the utility needs to look at and the NRC needs to
24 engage in more coverage of that area.

25 For the individual events that occur, taking a

1 scram, for example, NRC has an event review procedure which
2 looks at an event and they will also characterize it in
3 terms of risk. The utility has got its corrective action
4 program and its reporting requirements. I know of at least
5 two instances in the PI program where the utility was trying
6 to figure out whether something counted as a PI, it was
7 already actively engaged in its root cause analysis of what
8 the problem was and correcting the problem.

9 So to answer the question does this hold up, does
10 the PI hold up the corrective action, I think it's the other
11 way around. The corrective action proceeds to determine
12 whether the PI should count or not.

13 That's all I had prepared to say.

14 GILLESPIE: Thank you. Any questions? Dennis,
15 Jack, Jim?

16 RICCIO: Just quickly. In the safety system
17 functional failure, are we getting into a position where you
18 have a safety system failure and then we're going to get
19 into a debate about whether it was functional or operable?

20 HOUGHTON: Yes, we are.

21 FLOYD: Functional is the key. The real key is --

22 RICCIO: So basically you've taken that indicator
23 and you've kind of broadened it and allowed for a little bit
24 more wiggle room again.

25 FLOYD: Broadened to include that.

1 MADISON: AEOD developed that indicator 15 years
2 ago. And the same fellow that's working on the transition
3 task force is the one who developed it, and the concept has
4 not changed.

5 RICCIO: Under the old system, it used to be
6 safety system failures.

7 MADISON: No. Safety system functional failure.
8 There were two indications.

9 HOUGHTON: There was safety system actuation,
10 which was one, and the other is a safety system functional
11 failure, and that --

12 RICCIO: The term functional is in addition to the
13 previous indicator.

14 MADISON: No, that was the intent.

15 GILLESPIE: This one we didn't change.

16 RICCIO: You're sure?

17 GILLESPIE: Yes. But it's an interesting point.
18 It does raise the difference between functional and operable
19 relative to tech specs and I'd like to put that on the
20 table. When we get to the SDP process, I think the same
21 question comes up in how you assess systems.

22 In a risk-based, it could be functional, but not
23 operable. That's an intellectual conflict that I think we
24 need to address at that point.

25 RING: I think it has changed in some sense, not

1 in the definition of what it really was, but in some of the
2 things that we put out publicly. So the question is that
3 safety system failures and the functional dropped out. So
4 from a public perspective, it may have looked like a change.

5 GILLESPIE: Okay. Because of the title. Okay.
6 Let me just briefly -- Heidi is keeping me on track here.
7 I'm going to suggest let's take just a five-minute break, so
8 everyone can use the men's room, if anyone is drinking as
9 much water as I am.

10 We're going to have one hour, and I'll have to keep it to an
11 hour, on the inspection program, so we can get that done by
12 lunch, and then after lunch we've got the SDP assessment and
13 enforcement and then some overall comments.

14 That only leaves about an hour each, so we're
15 going to have stay real, real focused. So let's take five
16 minutes and hopefully the introductory stuff is kind of out
17 of the way now.

18 [Recess.]

19 GILLESPIE: We'll change the format maybe
20 slightly, if this sounds okay with everybody. We will give
21 each of our invited guests five minutes and we will hold all
22 the questions until everyone is done their five minutes in
23 the inspection program, and then we can collectively ask
24 questions.

25 GIBSON: Does that also include the SDP?

1 GILLESPIE: Just do inspection next. Just
2 inspection. Then we'll do SDP after lunch, because that's
3 going to be a little more maybe pointed and controversial.
4 Who would like to volunteer to go first for five minutes of
5 opening? Greg, you want to go on first?

6 GIBSON: Sure. If everyone has my slides, I'll
7 not go up, because I only have one slide on this one. The
8 three principal areas of inspection, we see it being a
9 similar level of baseline analysis. That was the point I
10 made in the opening remark.

11 We believe it is desirable, from a licensee
12 standpoint, and I know NEI has made this point for us, that
13 inspection results are very important to be done in a timely
14 basis and to be made available.

15 The only difficulty we an envision is, down the
16 road, what happens if there is an issue that is kind of out
17 of synch, so to speak, with our reporting timeframe, how
18 will that be handled. In other words, if there is a white
19 finding and it takes four months to determine yes, that's a
20 white finding, does that -- that's an old finding now, how
21 will that be put on the web site, will it be the current
22 quarter, will it be two quarters ago.

23 I guess that kind of underscores the issue of it's
24 important for both the licensee to provide information on a
25 timely basis, a prudent timely basis, and it's important for

1 the NRC to have their inspection reports done and
2 characterized within a timely basis, which I think we're all
3 working toward.

4 GILLESPIE: Okay. Dennis, you've been kind of
5 shadowing people from New Jersey, so you -- Jack, I'm sorry.

6 SPATH: They tend to shadow us, I think. I can
7 say, if you want to give me ten seconds here, I can say I
8 have no additional information to offer on the baseline
9 inspections at this time. So you can cross me off the list.

10 GILLESPIE: Okay. Jim?

11 RICCIO: No.

12 GILLESPIE: Nothing.

13 RICCIO: Nothing other than the fact that I'm
14 getting comments from your inspectors in the field saying
15 that they're very nervous and they feel like they're being
16 pulled back. But that's anecdotal, rather than --

17 BROCKMAN: Talk to me more.

18 RICCIO: After a couple presentations I've given,
19 I've had your inspectors come up to me and basically say
20 that they feel like they're having their hands tied and that
21 they're concerned about the cutback in their hours.

22 BROCKMAN: I was just trying to get clarification
23 for what you were saying.

24 GILLESPIE: Bob?

25 LEOPOLD: I don't have anything significant. I

1 agree with the statement that the results are going to have
2 to be posted and made public in a timely manner and they're
3 going to have to be posted in a way that people can
4 understand.

5 GRANT: We could put out a report.

6 LEOPOLD: Well, you know, when I first got this
7 and I saw the red, yellow, and green, I thought it meant one
8 thing, and I've learned this morning that it meant something
9 else.

10 So one of the things you might want to do is
11 change your colors to, like, white, beige, grey, and blue or
12 something.

13 [Laughter.]

14 BROCKMAN: This is significant because what I hear
15 you saying is human performance. We can put all the words
16 and definitions out there we want, and nobody's going to
17 read them.

18 LEOPOLD: The majority of people are going to look
19 at the headline. The headline you've given them is a color
20 code. And then you tell that the color code doesn't mean,
21 like we all just assume it means, when you see the colors.

22 FLOYD: Let me see if I can help here or get to
23 the point of what you're saying. But do you thing it would
24 be useful if on the Web site, and I know that there's a
25 limited amount of information you can put on a page, and you

1 can't go too many tiers down because people also won't click
2 to go drilling down further, but would it be useful on the
3 Web site if -- supposed you see an indicator -- the top tier
4 report, if there's something down on the bottom that says
5 green means that the performance is within expected norms
6 and the licensee is following good practice.

7 LEOPOLD: You're assuming it has to be on the
8 bottom of the page, aren't you?

9 FLOYD: White means that -- or whatever. Wherever
10 you want to put it on the page. Would that be helpful to
11 define on the Web site page what the green, the white, the
12 yellow, and the red means. Is that what your point is or?

13 LEOPOLD: No, what my point is that you have
14 chosen colors which, in our culture, communicate something.
15 And what I hear this morning is that's really not what you
16 intended to communicate; that you didn't mean that green is
17 automatically good and -- so if that's not what you intended
18 to communicate, don't use that system. Call it turtles and
19 bluebirds or something.

20 RICCIO: Lemons.

21 LEOPOLD: Well, what the color scheme does is it
22 gives the perspective that if it's all green or green and
23 maybe a white or two, that everything's hunky dory and you
24 don't really have to look past that unless you're a
25 concerned public citizen or somebody who's really

1 knowledgeable. Is that what you want to communicate?

2 GARCHOW: But that was sort of the intent, because
3 that was that was sort of the communication vehicle, that
4 the plant was operating safely and that the -- that issues
5 or -- issues are being identified and corrected, and that
6 the NRC has a level of interest in certain areas that are
7 white that relatively -- and I was part of the process of
8 giving comments all along -- I think to some extent why you
9 said was piece of the intent.

10 MS. HAHN: Okay. We'll come back in five minutes
11 to violate the new ground rule.

12 GARCHOW: Okay.

13 [Laughter.]

14 GILLESPIE: Okay. Okay -- we got one -- okay,
15 we'll come back to that, because this whole idea, this
16 concept of display of information is a repetitive concept,
17 and the width of the band, the width is white skinning, is
18 yellow skinning, is yellow fat, you can only beat it to
19 death so much, but I think we have an IOU on that one.

20 RICCIO: One thing -- I know I'm breaking ground
21 rules and stuff, but when I see that you're allowing for an
22 increase in core damage probability within the inspection
23 process, and still that doesn't trigger anything, that
24 concerns me. This one Clause C, the inspector identified
25 that on one occasion, plant conditional core damage

1 probability was increased to greater than allowed by
2 licensee administrative procedures. Yet, I don't see any
3 indication that that triggered anything. And when I see
4 core damage probability going up, and I see the reaction
5 from the agency is the same, I have problems.

6 GILLESPIE: Okay, let's come back to that when we
7 get to SDP, then.

8 RICCIO: I'm sure that's how it got taken care of.

9 GILLESPIE: Again. Because there is an allowance
10 that allows core damage to oscillate within the licensee
11 control band at a very -- at what was considered a generally
12 small value. Dennis, you're the one --

13 ZANNONI: I'm going to be very brief anyway,
14 because I'm going to just try to cite the things in
15 question, but again my format was, look at the first
16 question. Can the inspection planning process be performed
17 in a timely manner to support the assessment cycle?
18 Obviously, this is an NRC issue, but I have a question that
19 the NRC may want to consider: what happens if the required
20 inspections fall behind or some core inspection cannot be
21 performed during the assessment period? I think the panel
22 should ask that question, so I don't need an answer right
23 now. I guess the NRC may address it tomorrow.

24 The second question is: are the inspection
25 procedures clearly written so that the inspectors can

1 consistently conduct inspections as intended?

2 Well, assuming that they have unlimited time to
3 implement the inspections, that's one way of looking at it.
4 I think if you start to -- if you start to put restrictions
5 -- well, I was a participant in the corrective action
6 program, and they allocated 100 hours, but the intention
7 going in was just to take as much time as necessary to
8 fulfill the goals of the procedure, if you have that -- if
9 you have no limitations, I think the procedures actually are
10 quite good. I mean, if you look at a lot of them,
11 specifically some are more clear than others as far as
12 inspector expectations. Some may be a little bit more vague
13 than others, but that's specifics; and we'll communicate
14 that when we submit our comments.

15 But I think overall, it raises a fundamental issue
16 and that is the inspection procedures, if closely hinged to
17 time requirements, will change the procedure itself, because
18 then the inspector will have to make more choices. So if
19 you enforce the 100 hours for a corrective action program or
20 you say to the inspector, look do whatever it takes to come
21 out with a legitimate answer, then it's okay.

22 So it depends really where the NRC falls with the
23 panel's suggestion -- falls on how much enforcement or --
24 enforcement is not the right word -- how much time,
25 inspection time is going to be used in the core inspection

1 process. You know, actual numbers when they come out.

2 The third question is: are less NRC resources
3 required to provide adequate oversight of the licensee
4 activities through inspection? In Greg's presentation, I
5 guess what I heard him say, based on his shadow plant
6 results was the level of inspection in the SALP 1 plant and
7 the new core inspection are very equivalent. I'm still
8 having hard time, and I don't think we've reached
9 conclusions yet, but my assessment is, or at least what
10 we've seen so far, that every -- most inspection -- new
11 inspectable areas, new procedures need much more time than
12 what's allocated. So I guess the answer -- the question
13 here is compared to what. I mean, at one point, there were
14 thousands of hours being spent at Salem and, you know, but
15 way back when. And compared to that, it has -- it will
16 significantly drop. But I'm not quite clear on compared to
17 what. And then it raises the whole issue too of in our
18 minds, when we communicate to the public the level of effort
19 that the NRC is expending at the plants, it's the total
20 inspection numbers that they're looking for. I mean,
21 indirect, direct -- it's how many hours are -- are NRC staff
22 taking to reach the conclusion that the plant's safe or the
23 plant's white or the plant's some other color.

24 That's something that we have fleshed out yet, and
25 it's something we're looking at. We're still trying to get

1 a handle on, because, again, we're afraid that one of the
2 goals of the program may be to reduce on-site presence -- or
3 for that matter -- you know, reduce on-site presence at a
4 point where we have to start asking -- is it -- how much is
5 enough, you know, as far as the reduction in inspectors.

6 That's all I have to say about that issue.

7 The questions four and five mostly are NRC issues
8 that they'll address tomorrow I guess in their presentation.

9 That's it.

10 GILLESPIE: Let me follow-on with that goal
11 because how much is enough is in the eye of the beholder
12 sometimes, having been an inspector before for 10 years, in
13 the old days, when inspectors could kind of do what they
14 wanted to do. We didn't have procedures. So I know the
15 system we have now is better than what we had.

16 But you can write a set of objectives in a
17 procedure, and say, we want you to achieve this objective.
18 And an inspector can say, well, I need to look at a sample
19 that's 20 things, or I need to look at a sample that's 10
20 things. You've been actively like shadowing our inspectors
21 in this whole process, or your staff has. Do the procedures
22 need to be more prescriptive relative to sample size? Are
23 they not prescriptive enough?

24 Eliminate hours. I mean, just --

25 ZANNONI: Oh, okay. Going into it with no

1 limitations on hours? There can be improvements made.
2 Obviously, I think that there is a dramatic improvement in
3 the package of inspection procedures now than before. So
4 that's a good thing.

5 And I think that they could be more -- they could
6 be written better.

7 GILLESPIE: Okay.

8 M. ZANNONI: Obviously, in certain areas. For
9 example, the corrective action program procedures -- it's
10 quite broad, and it's probably broad for a reason. But,
11 what you leave out is not clearly defined unless you hinge
12 it to the hours. I mean, if you go in and say, you cannot
13 exceed a hundred hours, that's going to create some
14 problems.

15 GILLESPIE: Yes, but no one said that. I'm not
16 sure why everyone thinks we did, but no one ever said that.

17 ZANNONI: No, I know.

18 GILLESPIE: But that becomes a condition.

19 RICCIO: I think it's because the Senate made you
20 promise to a certain amount of hours. That's probably why
21 -- put the perception is coming from.

22 LOCHBAUM: I'm hearing that from people, from NRC
23 inspectors, who call me up and say, we're total -- when we
24 hit a hundred hours or whatever, we're supposed to stop this
25 inspection to make sure that that self-fulfilling prophecy

1 holds true. I've heard that from all regions except IV.

2 So unless one person is poisoning all the system,
3 you know, there's a ceiling here the inspectors know they're
4 not supposed to go over.

5 ZANNONI: But at least they are official. There
6 was no restriction on the number of hours. They wanted to
7 fully exercise the procedures, and I think that's what
8 happened.

9 GILLESPIE: Okay.

10 ZANNONI: My point is, if at some point in the
11 future you decide a time, it's going to change the way you
12 review the procedures.

13 GILLESPIE: Correct.

14 ZANNONI: You know, that's a fact. And that -- I
15 don't know how you can decide that until you -- you know,
16 you've--

17 GILLESPIE: The intent of the pilot was we wanted
18 to know when they went over that number so we could get a
19 sense of what it takes to fulfill the objective. But it was
20 never intended to say get to a hundred hours and stop.

21 LOCHBAUM: That's what people were told.

22 HAHN: But in the beginning of the pilot project,
23 we did see that at some places, they finished the inspection
24 early, they left. In other places, if they had completed
25 the scope in less -- from the time they stayed and did extra

1 things. Sometimes people reached the number of hours and
2 they stopped. Other times, people went on beyond so that
3 they could measure how many hours it was. But that's what
4 we were hearing in the first month or two. I don't think,
5 at least the idea that we've gotten from the pilot plants,
6 from the licensee point of view, that that issue was
7 corrected and that they were extending the time as necessary
8 to complete the job. That's what we've heard. Is there any
9 other --

10 BAJESTANI: Let me share my experience. At
11 Sequoyah, most the inspections that we've had, most of the
12 models, have been taking actually more hours than what the
13 inspection module says, and I haven't seen any cases that
14 says a hundred hours and the inspectors actually stop at a
15 hundred hours, you know. They went on and completed the
16 inspection, and they told us it took longer than what was in
17 the module.

18 RICCIO: Is that just because you're instituting
19 a new program or is that because you think it's actually
20 going to take longer overall?

21 BAJESTANI: I think it's just because of the fact
22 that it's a pilot program, and really the inspector is going
23 through it the first time, and he wants to make sure that he
24 can understand, line by line, what the inspection purpose
25 is, you know, and make sure he covers every one of those

1 points basically.

2 But I do -- my personal experience is that the
3 inspection has been taking more hours than what the module
4 says actually.

5 LIEBERMAN: Is Jim or Dave getting information
6 from inspectors that these issues are credible issues that
7 they think they should be pursuing and for whatever reason,
8 they're not pursuing them?

9 LOCHBAUM: Yes, the IG's office is looking into
10 this.

11 LIEBERMAN: Is that region-unique or is it across
12 the regions?

13 LOCHBAUM: It's region-unique right now.

14 LIEBERMAN: How about the information you're
15 getting?

16 RICCIO: I'm not sure.

17 BROCKMAN: Well, you've got two things you're
18 trying to balance here. I mean, and I hear what's -- that
19 the dilemma that I hear coming out of some of the
20 stakeholders are it would be nice allowed to go out with
21 unfettered. Wonderful. Give me an unfettered staff, and
22 I'd be happy to implement it. So, I mean, that's the
23 dilemma you get into, is I've only got X amount of hours
24 that you've got. And I think that's one of the things that
25 the pilot program is trying to deal with, and maybe some

1 insights to help us -- you know, to ask questions as to how
2 to dealt with -- be the right thing. Where you find that
3 balance because eventually you've got to call it quits and
4 say, I need to go over and look into this area, too, because
5 this is an important area.

6 One of the things we're trying to do on this is to
7 make our sampling smarter, as well it, you can't afford to
8 shoot an air ball anymore. Now for those who play
9 basketball, you've got to hit the rim every time and have it
10 -- a shot at the ball going through the basket. So, you
11 know, that's one of the things we're trying to get here.

12 Now, one of the other things that I know we've
13 been trying to do with respect to this issue is, I've told
14 my people, if you hit X hours, quit. Document where you
15 are. Were you able to complete, and we will pick that back
16 up, and maybe that's why you haven't heard something. But
17 we're also documenting -- we didn't get done. This wasn't
18 enough so that when the end of the pilot comes about, which
19 is I think what we're trying to come to grips with here,
20 especially as an evaluation panel, do we have a good feel
21 that we can put this into a consonance between the budget
22 needs and the inspection needs. And as long as you identify
23 either one way or the other, I only got 80 percent done with
24 this amount of hours, or I got 100 percent hours, and it
25 took more hours, you get to the same answer when you

1 extrapolate the data out. That's what I'm hearing you say,
2 is maybe in some instances is lost, is that capability to
3 extrapolate.

4 I mean, you're bringing up that concern. You
5 don't have the data, but I mean that may be a concern you're
6 hearing.

7 Okay. I understand.

8 BAJESTANI: Let me also give you some numbers.
9 Again, since we're going through that at Sequoyah.
10 Specifically, at Sequoyah, 33 percent of the inspection
11 exceeded actually what the module said -- 33 percent so far.

12 GILLESPIE: Okay, I don't know that we're going
13 to--

14 MR. WIGGINS: Maybe anyone on the panel. I guess
15 that -- to me, the \$64,000 question on this baseline has to
16 do with, you know, scope and extent, and have we -- do we --
17 are there -- is there any comment from the panel on whether
18 the scope is adequate and the extent appropriate or the
19 resource apply in order, you know, to get results that you
20 can be confident in as you view them in the context of the
21 program overall. You got to marry them up. You got to get
22 the inspection areas. You got to do the SDP process. You
23 got to take the output and marry it up with the performance
24 indicators, and then you have to ask a question, is that
25 what -- is that what life really is? Is that what reality

1 is in there?

2 And, again, I'll come back to the horse that I was
3 beating earlier -- a lot has to do with how you view green
4 and white and yellow, and whether you view them as a safety
5 test or a management criteria -- I think someone said here
6 that these are management indicators. Are they really
7 management indicators or are they safety indicators? You
8 know, the more you slew toward safety or risk indicators,
9 the more risk-based you get, the harder it gets to answer
10 those questions, to me.

11 So maybe the panel has some comments on can you
12 tell whether there's an acceptable level of confidence in
13 the results achieved thus far?

14 HAHN: Jim, can we hold discussion until we've
15 heard Tom's comments?

16 WIGGINS: Yes. I think probably we're done.

17 HOUGHTON: As the pilot licensees have been
18 learning about PIs and sharpening their focus, we see
19 improvement in the inspection modules as they've been tested
20 out. We think that there's going to be a continuing
21 learning process that's going to have to go on, and we would
22 encourage NRR oversight of the program as it's fully
23 implemented.

24 Perhaps one issue to talk about is the
25 cross-cutting issues, and we'd like to make the point that

1 we feel that the system has been set up to look at
2 significance of what's going on in the plant, and that the
3 -- in the cross-cutting issues, the proof's in the pudding.
4 It's in the results that come out of the program. And if
5 you're measuring both with the SDP for -- from that side and
6 measuring from performance indicators that if the results
7 are not safety significant, that that is a rebuttable
8 presumption about the corrective action program and about
9 human performance; and that those lower-level looks ought to
10 be performed within the utility, where it reflects their
11 culture and the issues that they need to be going at. So we
12 feel that the -- that the system as set up will -- should
13 focus on results.

14 LIEBERMAN: Does that mean from your perspective
15 or NEI's perspective that trying to develop a separate
16 indicator on the corrective action programs,
17 safety-conscious work environment -- these cross-cutting
18 issues, procedural adherence, all those type issues are
19 really irrelevant because the only thing that really counts
20 is the results, and that means that as long as you don't
21 trip an indicator or you don't have a risk-significant
22 inspection finding, then, by definition, things are
23 acceptable, and you may have weaknesses in those other
24 areas, but they're not to a level that NRC should be
25 engaging the licensee in.

1 HOUGHTON: I think what I'd say is that those
2 areas are very important. However, they get at the
3 organization and the culture of an individual plant, a plant
4 which is a different age, has a different workforce. It has
5 a different experience, and that if you try and develop a
6 common indicator across these cultural and human areas,
7 you're going to have great difficulty. For example, a plant
8 which has been performing well, has a mature workforce;
9 they've been on the job a long time. They have a culture of
10 following procedure would have different indicators than a
11 plant which has poor procedural adherence. The indicators,
12 as I was saying before, the indicators are going to drive
13 the action, okay. And so you should have indicators which
14 will effect the action you want to achieve, okay.

15 To try and have that across industry, you know,
16 what should -- what should -- how many corrective action
17 items should you have in a backlog? What should be the
18 timeliness? What should be the criteria for putting an item
19 in the corrective action program is going to differ from
20 place to place. In some places, it would clog up the system
21 and clog up being able to go after important issues. In
22 another place, it's very important to enter everything in
23 the program as a message to the workforce that quality is
24 important. You don't need that same message and that
25 clogging at a place where you'd have higher performance.

1 Now, with -- what the SDP and the PIs is intended
2 to do is to say what are the results coming out the end of
3 the pot. Let's let the -- let's have the utility look at
4 the culture within the process and fix that, because there
5 are many ways of achieving that process. There's many paths
6 to success. And when someone tries to put their own lens or
7 their own model of what a good process is on that, that's
8 his opinion. It's the results that tell you whether it's
9 been successful or not.

10 GARCHOW: And, Tom, to add to that from the
11 management perspective -- I thought you just said that very
12 well -- how you go after getting those results and how you
13 apply the different management tools for human performance
14 and corrective action, that really gets at the management of
15 the facility as opposed to what I think we're here to talk
16 about is the regulatory oversight of the facility necessary
17 to ensure public health and safety. We don't come after
18 those the same way. And I think the cross-cutting issues
19 become difficult because when you start getting very deep
20 into the prescription around the cross-cutting issues, what
21 you're really talking about is setting the rules for how
22 you're going to manage the facility, which then sort of gets
23 into that grey line between the regulatory oversight and the
24 actual licensee responsibility by virtue of our operating
25 license in managing the facility. It's a two- -- it's a

1 separate issue.

2 LIEBERMAN: Right. Right. But withing your
3 licensing, you do have requirements and procedural
4 adherence, and other procedures for corrective actions. But
5 I think what I'm hearing is -- you know, there's some logic
6 to it, and that is well, these type issues, these
7 cross-cutting type issues, everyone agrees they're important
8 to -- you know, the grease that makes the system work, but
9 those are things that the licensee needs to deal with, and
10 NRC should not be engaging until thresholds are tripped --
11 unless -- there's really no need for NRC as part of this
12 assessment process to trend or track those type issues,
13 because these other indicators will be good enough.

14 GARCHOW: And when we discussed the process,
15 there was one exception that I think we came to pretty good
16 mutual agreement on, and went forward; and that is because
17 of the importance of the corrective action program, there
18 would be an inspection module on the corrective action
19 program that would be rigorous and that would be done at a
20 very appropriate frequency to ensure at least that
21 cross-cutting process had -- was actually identifying and
22 resolving problems at a low threshold that a utility.

23 LIEBERMAN: Well, it's nice to know about that,
24 but the process as we have it to date doesn't have any
25 mechanism to engage the licensee based on those findings,

1 because it doesn't fit into an indicator or the SDP process
2 can't evaluate.

3 GARCHOW: So that the examples, having just went
4 through a corrective action inspection, the actual way that
5 the inspection is done is going after the risk-significant
6 components and then seeing how the licensee evaluated
7 problems in those risk-significant areas. So by virtue of
8 finding deficiencies in that, it lent itself to the
9 significance to termination process, and you would be able
10 to get at something that would trigger the action matrix and
11 then increased NRC response.

12 RICCIO: Would that also work for a
13 safety-conscious work environment, because I found the
14 discussion that was held at the Commission to be very
15 sophist. I do not see where -- you had a problem -- you
16 know, cautioning workers is going to show up in your
17 performance indicators, and that's basically what we said in
18 the Commission discussion and some of the other transcripts.

19 Quite honestly, I don't see how you're going to
20 capture that. I think if you have a workforce that's
21 chilled, that's not going to be reflected in your
22 indicators. As a matter of fact, you may even get a lower
23 threshold in your indicators.

24 WRIGHT: But that would come out, though, because
25 the interviews they do with all the different people, their

1 randomly selected; they're not selected by the licensee, and
2 all that in terms of when the people come out. It's a
3 pretty large number of people that get -- they get that
4 interview, and a negative outcome from that would go through
5 the process and be screened. I would see that as something
6 that would come out--

7 RICCIO: I'm sorry, but I didn't follow -- where?
8 How is that tracked?

9 FLOYD: There's an inspection module which asked
10 -- that has the NRC query the individuals with respect to
11 safety voucher -- in the new program.

12 RICCIO: And they have to answer yes? You're --
13 you're -- otherwise, you're violating the law, which I why I
14 think it's sophist.

15 WIGGINS: Let me just ask a follow up to a point
16 you made, and I just wanted to just -- and this is an
17 important point. The way I would expect the staff would
18 turn around an answer to your question, and I want to hear
19 your view on that answer, because we're going to hear that
20 tomorrow from them -- is that the way this process is
21 erected, if you have a flawed corrective action program, and
22 I'll say and if you have a significant problem with
23 safety-conscious work environment -- that means a, you know,
24 enough that it's going to -- what will happen is eventually
25 something else will fall out. It will either be manifested

1 in safety system availability or trips or PIs or it will
2 come up in other inspection areas. And the assumption going
3 in here is that those issues will eventually result in
4 tripping other indicators. I think that's what the staff
5 would likely say if you asked him--

6 RICCIO: Yes, that's what they said.

7 WIGGINS: Yes, and now I guess -- just to take
8 from your point that obviously you don't agree with that.
9 Could you just elaborate a little bit more on why you
10 think--

11 RICCIO: I'm trying to work through the system,
12 and see how -- if a whistle blower is being quashed, and his
13 issue isn't getting out--

14 WIGGINS: Yes.

15 RICCIO: That's going to eventually trip a
16 indicator, absent an event.

17 WIGGINS: It depends on what you define as an
18 event. An event might be a failed test.

19 RICCIO: Your terminology.

20 WIGGINS: No, no. No, I'm not trying to -- I'm
21 not trying to play word games. I'm trying to really
22 actually flush this out.

23 RICCIO: I am.

24 WIGGINS: The assumption -- the assumption going
25 in this, because when you've asked in other forums, I've

1 asked the same question. I get the answer back that, for
2 instance, if you have, you know -- suppose you have a
3 problem that's suppressing information in the maintenance
4 and I&C shops -- let's say that, okay? Eventually, the
5 result of that problem if it's broad-based and important
6 enough will be things like a whole bunch of failed
7 surveillances -- things that a licensee can't walk away
8 from, because too many people know the surveillance failed,
9 as opposed to -- you got somebody raising the question with
10 regard to I don't like this component in here or, you know,
11 this material is not the best one or whatever, and the
12 assumption is the person is getting beaten down. That's not
13 getting into the corrective action program.

14 The practical assumption, at least as it has been
15 explained to me, that will eventually, if it's important
16 enough manifest itself in something that you can't walk away
17 from, because it's obvious to everyone. The plant trips or
18 you fail surveillance tests or whatever.

19 Now can you give me -- what would be your reaction
20 to that as an answer?

21 RICCIO: That basically it takes -- it takes an
22 event or an occurrence, then the system isn't working.

23 WIGGINS: Okay. It's more like--

24 RICCIO: You know, what do we have here? Do we
25 have an indicator of safety or do we have something that's

1 going to trigger an agency action?

2 WIGGINS: Okay.

3 RICCIO: You know, I mean, and they were playing
4 both sides of that line.

5 WIGGINS: Well, I'm just asking a question. I
6 really -- please, believe me, all I wanted to do is hear
7 your answer to it, because I want to compare that to the
8 staff's answers.

9 GILLESPIE: Jim, how would that work today? I
10 mean, you know--

11 RICCIO: I don't think it works today.

12 GILLESPIE: Well, no, no. That's a very honest --

13 RICCIO: They feel they've gotten very little
14 attention and they have gotten a lot of, you know, grief for
15 their efforts of trying to make the industry safer. So, if
16 you ask me how does it work today, it doesn't work today.
17 I'm going to try to see how the new process will make it
18 work.

19 GILLESPIE: Okay. Fair enough.

20 RICCIO: And I don't see that it's going to.

21 GILLESPIE: I think it's -- I can't disagree with
22 that observation, because this process doesn't affect -- no
23 -- let me just. This new process -- this new process
24 doesn't really affect our program of allegations and how we
25 get allegations in and how we deal with that -- with the

1 whistle blower community. It's clearly not -- that's not in
2 here. The corrective action program piece of it tries to
3 touch upon that as far as inspection, but if a person is
4 intimidated at the facility and doesn't necessarily come
5 forward in one of the interviews, this system doesn't deal
6 with that. Jim's right. The cross-cutting issues were
7 deemed that if something was significantly flawed, it would
8 show up as some indication of equipment or cumulative
9 equipment not being operable. Poor training would end up in
10 SCRAMS or something else.

11 So Jim has articulated what the basis of program
12 is. It's a fair comment to say that this program does not
13 significantly affect the agency's program over here for
14 whistleblowers and allegers.

15 RICCIO: Now, let me answer that.

16 GILLESPIE: I'm just going to --

17 RICCIO: I understand what you're saying.

18 WRIGHT: There is a difference in this program, in
19 this inspection that we didn't have -- the only thing that
20 was available in the previous way that the program was done
21 was through the allegation process. And what I'm what is
22 trying to say is that the inspection -- there are interviews
23 done as part of the corrective action program inspection
24 that are independent interviews with the NRC, which is
25 something that wasn't -- and there are several questions

1 asked about how it works and all that -- that weren't done
2 in the previous -- over the previous years. I mean, it's a
3 planned interview. It's independent. It's -- which is
4 something that wasn't always offered in the past, or in the
5 past the only thing available to an individual was the
6 allegation process or the phone call. I just hear that's
7 the belief of the individual --

8 RICCIO: I understand. I see you're trying to
9 set something up that will work. I just don't think it's
10 gotten there. And quite honestly, you know, again, I'm --
11 you know, a lot of this is -- what were the problems in the
12 past, how do we move it forward in the future? And I see a
13 lot of the problems in the past, they got you into
14 situations with, you know, not to beat up on TVA, but, you
15 know, quite frankly, the Millstone shutdowns or things like
16 that. I just don't see that you're addressing something
17 that was one of the originally impetuses for reevaluating
18 this whole process to begin with.

19 GILLESPIE: Do you have a proposal?

20 RICCIO: Thanks.

21 GILLESPIE: Do you have a proposal?

22 LOCHBAUM: I -- think about it. I mean, that's a
23 -- it's a fair comment.

24 RICCIO: I'm not sure how to work it in.

25 LOCHBAUM: I think you'd find us receptive if we

1 could figure out how to work it in. It's

2 I think his proposal is not to make that
3 assumption that will find out a chilled work environment;
4 that these things are -- I don't think that data ever
5 supports that.

6 GILLESPIE: Okay. Let me reverse back to
7 something Jim said if I could before we run out of time on
8 this. There's two real questions that have been put on the
9 table.

10 One is the scope of the inspections, including the
11 performance indicators, of sufficient scope in total to give
12 us a fair picture of the operation -- safety operations of a
13 facility. That's one question. That's a question of scope.

14 Then there's question of depth. Given that we're
15 looking at something that the procedure says is within
16 scope, are we looking at it deep enough to get that
17 perspective?

18 First, I'd take -- does anyone have a comment just
19 on scope?

20 LOCHBAUM: I get the same answer to both of them,
21 is that there's not been any data made publicly available to
22 answer either one of those questions.

23 GILLESPIE: Okay.

24 LOCHBAUM: Basically, it's a confluence of the
25 data as of October 28th, fewer than half of the inspection

1 blocks were covered. So basically, we're not even to second
2 base on these baseline inspections.

3 GILLESPIE: Okay.

4 LOCHBAUM: So I don't think I can answer either
5 question. Anybody could.

6 GRANT: Well, I guess my answer would be similar
7 to that, but it's -- once again, it's interrelated. Scope
8 and the depth it doesn't mean anything unless you link that
9 with what are you going to do with that information. I
10 mean, you can have wonderful scope and great depth, but if
11 the result of that is you sit back and say, we're not doing
12 anything with that information, then I don't know how you
13 answer, you know, the effectiveness, if you will, of the
14 total package. So, you know, I think, you know, you can
15 look at the baseline program and compare it to the old core
16 programs, and it's about the same scope if you assume that
17 what we had before was okay, then this looks like it's okay.

18 Depth. It might be a little bit less than we did
19 before, but if it's all risk-based maybe that's okay, too.
20 But you get into, you know, you end up with findings, and
21 what do you do with those findings? How do they interrelate
22 them with what the actions are that the regulatory body
23 takes? And I think that when we talk about these, Frank, we
24 got to link those two together, because otherwise, I can't
25 answer that question, even I had a lot of data, I couldn't

1 answer that question. All I could say is, it looks about
2 the same. But, you know, what's the impact, then, of those
3 inspection activities?

4 So--

5 GARCHOW: Frank, I think you can compare it to
6 the old switch apples and oranges, right. And so you either
7 have to take it as a given by defining the reactor safety
8 cornerstones and the other three cornerstones that either
9 you believe that by working in those cornerstones, you're
10 providing adequate assurance of public health and safety or
11 you don't. And then your evaluation, whether the scope is
12 correct, isn't compared to the old program. It's compared
13 to the cornerstones, and then you can have a good
14 discussion, and then you might be able to find some gaps.
15 And I would agree with Dave that short of just reading the
16 procedures, which I've attempted to read most of them, that
17 really doesn't give you the sense until you can actually
18 talk to the inspectors and listen to the exit meeting and
19 the entrance meetings and just get a sense for -- that the
20 magnitude of the landscape their trying to cover in the
21 program. You don't get that just by reading the procedures.

22 So I think we should not be comparing it
23 necessarily to the old. We should be saying how true are we
24 to the measuring the cornerstones, because I think at some
25 level of consciousness, most everybody agreed that the

1 cornerstones truly were a good measure of public health and
2 safety.

3 And there was nothing in the old process that you
4 could point to that had that clear of a logical linkage
5 between what was being done in the NRC and pointing towards
6 public health and safety.

7 GILLESPIE: Would the summation be here that we
8 just flat out need more time to get more information out to
9 more people? More inspection results out so people can
10 judge what the end product is?

11 UNKNOWN SPEAKER: I think that's true.

12 WIGGINS: Are you talking as PPEP recommendation
13 or are you just--

14 GILLESPIE: No, just trying to--

15 WIGGINS: You know we'd summarize it differently
16 if that were the case.

17 GILLESPIE: Yes, I'm trying to figure out is there
18 something that -- have we just discussed something that
19 needs to fixed or something that needs to be monitored?

20 I'm not sure.

21 LIEBERMAN: Well, Frank, Ken had I think a very
22 good point, that to extent his inspectors are doing it, is
23 indicating that when they complete their inspection, whether
24 there's more they thought they should have done -- now, and
25 that type of information I think would be helpful to

1 evaluate whether a scope or the procedures and a time
2 allocated for those procedures are adequate based on our
3 inspectors giving credible issues and they thought they
4 should have pursued or they satisfied that they got into
5 enough issues to make an appropriate finding.

6 HOUGHTON: I'm not over here just chomping at the
7 bit--

8 GILLESPIE: Go ahead. I realize that I don't have
9 an opportunity tomorrow, but you have only heard half the
10 story. You need to hear the rest of the story from guys
11 like the branch chiefs that are out trying to do this.

12 WIGGINS: Frank, back on your comment, I think it
13 is legitimate to, at this point, avoid prematurely deciding
14 that what we got out there is exactly right. I mean, we got
15 -- as much as you like to not try to force it, you got kind
16 of a one size fits all, 1,850 baseline program.

17 Now, not matter how much effort that a region
18 could put in place to say well, we want to inspect until
19 we're done or if we don't get done, we want to have a
20 comment with that -- I mean, somebody's got to plan it and
21 execute it, and the planning and execution controls really
22 the hours more than anything.

23 It's a question -- I don't know if that number is
24 the right number -- I don't know if it's too large -- I
25 sense it's probably than it needs to be. You know, but I

1 think right now -- you know, I don't know whether it would
2 be wise for us to make a recommendation that -- you know,
3 that anywhere comes near saying that that's right number. I
4 think we need to be cautious with regard to what will
5 eventually be achieved in terms of resource reduction.

6 You know, at least my best judgement is in the
7 end, in the final analysis, there will be a reduction in
8 resources over what was being done two years ago. I think
9 that's probably -- I think I still feel that. I have a
10 sense that there was that much slop in the program back
11 then. I just can count times where I could pick, you know,
12 opportunities that we were doing things that we didn't need
13 to do, or that we were doing redundant things. And I think
14 you can back that much out of it.

15 I just -- you know, I just don't know that we're
16 -- I don't think -- I think it's unfair, unfair to expect
17 that the pilot running for what it did, you know, can give
18 you that information reliably at this point.

19 GILLESPIE: Okay, that's fair.

20 WIGGINS: You have to consider, too, that the
21 pilot tested PIs, and it tried to test the baseline. But
22 the supplemental program wasn't available. We don't know
23 what that's going to cost or how often it will be used, and
24 the whole idea of how events will be treated is still an
25 open question. You know--

1 BROCKMAN: The program and shutdown activities was
2 very minimal because of the pilots we chose. The other
3 thing is one of the things we haven't looked at yet, going
4 to next year, is when we implement this at all the plants,
5 and you've got all of them running, and we get a PPR all
6 done, in the same week, at every plant, and communicating
7 it. We do that twice a year, and we start looking at
8 scheduling these aspects on an annual basis as opposed to an
9 18-month basis, we are going to need I think both as
10 speaking as an agency manager and as a member of the panel,
11 this data is tainted. It is tainted, and we've got to look
12 and see a full year's worth of implementation before it goes
13 to final.

14 GILLESPIE: That's an important point. That's why
15 I said -- what you're saying -- I think both of you actually
16 said is we're in a monitor mode; I mean, that the agency,
17 the public, everyone looking at what we're doing is in a
18 monitor mode until we get more pure information, more
19 equilibrium kind of information.

20 BROCKMAN: Yes. If I were to -- if somebody said,
21 there's nothing that says this thing is an obvious. It
22 can't work.

23 GILLESPIE: Okay.

24 BROCKMAN: It's -- there's -- there's enough there
25 to say, you can move forward with the program and really

1 understand how it's going to work over the next year.

2 GILLESPIE: Okay.

3 WIGGINS: Yes, I would -- I don't see any
4 preclusions. It just -- you just got to say what is it
5 rendering? You know, we've -- you know, we've originally
6 all talked about entering the next phase after the pilot was
7 entering -- what was it -- full implementation. I get a
8 sense that our thinking has come around rightfully so to
9 something that we would call initial implementation. You
10 know, and it's more -- it's still a developing monitoring
11 process, and we'd be ill-advised to make any final
12 conclusions. You got to let this run for a while, and see
13 if -- you know, you got to have -- you can't eliminate the
14 possibility of when you put this into a broader scale, you
15 know, a broader scale, you got to see what events tell you,
16 you know. As time goes by, you know, what's happening out
17 there in the industry. Things are going to likely happen,
18 and what's the staff's level of engagement with it? What
19 does the public think of the staff's level of engagement,
20 given how the public or their representatives interpret the
21 information? You only know that, okay, after a little
22 while. It's a -- I don't that's -- I don't think it's fair
23 to ask the pilot to answer that question.

24 GILLESPIE: But that's a conclusion, though.

25 WIGGINS: I know that.

1 GILLESPIE: It's a fair conclusion to -- for the
2 panel to consider as, you know, our last topic in the
3 outline is overall -- a kind of an overall opinion or an
4 overall recommendation to kind of support the recognition
5 that the pilot was a pilot, but it wasn't pure. And we
6 didn't learn everything we needed to learn. Maybe we
7 learned enough to go onto the next phase, whatever we want
8 to name the next phase. That's -- that's an important
9 conclusion, that there are some limitations and we will have
10 a certain level of extra vigilance that has to take place as
11 we're going into full implementation. I mean, that's --
12 that's good. I mean, that's a reasonable conclusion to make
13 and actually removes some o the definition from a couple of
14 the staff criteria.

15 RICCIO: Frank, will you guys have the ability to
16 tweak this process?

17 GILLESPIE: Oh, yes.

18 RICCIO: I mean, to the extent that--

19 GILLESPIE: Yes, something people didn't know is
20 even under the old program -- he's not here -- Jerry
21 Clinger, who's kind of the keeper of the inspection manual
22 for us. We probably in any given year, I would bet made in
23 excess of 100 changes to the inspection manual, in any given
24 year. It has never been a static program. A lot of the
25 changes were made, and they weren't -- you know, the were

1 little tweaks from lessons learned. People found this, and
2 we tweaked the engineering or we tweaked this procedure.

3 So, yes, it's -- absolutely.

4 RICCIO: I can see you're going to have events
5 that are going to occur while we're still in the pilot phase
6 and moving into the implementation phase that are going to
7 reflect back on this process.

8 GILLESPIE: In fact, I think what we've done in
9 going into this process is we've probably opened up for
10 scrutiny our whole oversight process a little more than it's
11 ever necessarily been done before. So, yes, it -- we're
12 looking at revision zero in April, and maybe it's revision
13 one in June. I don't know if we can rewrite everything that
14 fast, but no, it's not static. Absolutely not static. It's
15 always been evolving, which is why this is maybe actually
16 close to a natural evolution than a revolution from the old
17 program to the new program.

18 Definition of the program for 2515, for those who
19 have read, the minimum amount of inspection done to know you
20 have to bring in more troops basically.

21 If you look at what the risk-informed baselines
22 intended to do, it's basically the same definition. We
23 actually never enforced the old definition. What we're
24 doing now is -- the new piece is putting a structure in
25 place that is causing some discipline and going beyond the

1 baseline. I mean, that's really what this program does. It
2 says you have to a written reason. You have to be able to
3 explain the safety significance. That's the change. It's
4 that addition of discipline, but the fundamental definition
5 of risk-informed baseline and core are not significantly
6 different. The content's more focused. I think we're doing
7 a better planning job now.

8 So, it's an evolution, and it's going to continue
9 to evolve. With that, it's -- I think the SDP -- we'll take
10 on SDP right after lunch. It's five to twelve now.

11 I'd like to start the SDP process when we come
12 back with five minutes each from the guests, and then let's
13 open it up, because this is one where I don't know that
14 there's universal agreement between any two people in this
15 room. Okay, Jim and Dave are pretty close. And Tom and
16 Steve. If we could -- would everyone find being back by
17 quarter to one acceptable? Would that be okay just so we
18 can keep going?

19 [Whereupon, the meeting was recessed, to reconvene
20 at 12:51 p.m., this same day.]

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

[12:51 p.m.]

1
2
3 GILLESPIE: The next topic is -- first of all,
4 I'll say I appreciate the NRC staff who's going to get to
5 talk tomorrow for showing great restraint. And I can tell
6 by some of the facial expressions that they're showing great
7 restraint, and that's the advantage of looking at you, and
8 you're looking at me, and these guys have their backs to
9 you.

10 GARCHOW: That was with one notable exception,
11 right.

12 GILLESPIE: Yes. That's okay. But everyone gets
13 their turn, and we're trying to understand all the
14 information that's available. The suggestion was made that
15 just to kind to rezero -- I guess everyone in the room, in
16 the panel, was to -- maybe try to state as concisely as
17 possible what the conclusion the panel is trying to come to,
18 to kind of focus on just briefly--

19 GARCHOW: You got to want to reword that, right?

20 GILLESPIE: Well--

21 GARCHOW: The process we're going through.

22 GILLESPIE: The process we're going through, not
23 what conclusion like -- like what conclusion like the
24 answer.

25 GARCHOW: Oh, okay. Trying to make sure that--

1 GILLESPIE: But what are we trying to draw a
2 conclusion on?

3 The first and highest level question to be
4 answered, without giving the answer, is should we be
5 continuing forward with this process as it's envisioned to
6 be, to go into place in April once this initial pilot phase
7 is over, with then continuous suggestions for corrections or
8 open items or continuing monitoring that have to continue to
9 take place? Is there a fatal flaw that says we should just
10 go back to what we were doing? I mean, that's one big, big
11 question that would be on the table.

12 So, does that make sense to everybody?

13 MS. RING: I read the transcript of the first
14 meeting, and I thought you said there is no going back?

15 GILLESPIE: Well, no. Actually, Dave Lochbaum
16 said that, and I personally may believe that, but I think we
17 have to listen to some of the information coming out. That
18 was -- the reason I think there's no going back is I kind of
19 believe this is a better well structured system. It's not
20 that it's perfect. But I think it's better than what we
21 had. If anything else, the structure is allowing to have
22 some of the discussions we're having today, which are
23 discussions that may not have taken place before.

24 And so, in my mind, that makes it better. I think
25 the inspection program is a natural evolution of where we

1 are coming from before, anyway. We were going to become
2 more risk-informed.

3 The next topic we're going to get into I think is
4 the real crux of the change. And the real crux of that
5 change -- we always had PIs, we didn't have thresholds.
6 That was a nuance that we've added in. But now we've got
7 the SDP process, which is the next topic, and actually
8 trying to develop a measure for inspection results, which
9 has some sense of quantitative nature to it is really I
10 think the most significant addition. And the end result of
11 that is the action matrix, which, to an extent, could be
12 looked upon as putting a speed limit on the regions, because
13 the action matrix, if we use as intended and designed, says
14 that if you do not find a white in inspection or in PI
15 space, then you continue at the risk-informed baseline
16 inspection level. That is a big change. And I think that
17 gets us into the next topic, which is the significance
18 determination process. Any of the states want to start off
19 by--

20 ZANNONI: I'll start, and I'll be short. Since
21 you're focusing on the two questions, really I don't have a
22 lot of input only because it's not that we're not -- that we
23 don't care about the significance determination process, but
24 it's just that these two questions really go to, can they be
25 used by inspectors and regional management to categorize

1 inspection findings, and we can leave that to them, and can
2 inspection findings be properly assigned a safety
3 significance rating in accordance with the established
4 guidance, you know?

5 I guess we're going to hear more about tomorrow.
6 Unless you want to get in the broader discussion, which is
7 the bigger issues that come later, I'm going to apply the
8 balance of time for other comments.

9 [Laughter.]

10 GILLESPIE: Jim.

11 RICCIO: You know, all of a sudden, I'm being
12 asked questions I never even raised my hand for.

13 [Laughter.]

14 GILLESPIE: Yes, but I think this is going to get
15 to the meat of many of your concerns and comments in the
16 past.

17 RICCIO: Yes. I guess my problem with the
18 significance determination process as I see it working is it
19 looks like an excuse generator. And I'm not saying like
20 whether or not it's working appropriately or not, but the
21 way it looks, from reading what you got on the Web and the
22 way it's going to play to the public is, you know, we had a
23 problem, but, and you can tend to explain away the problem.

24 From our perspective, when NRC comes out and says,
25 you got a problem, generally you have a problem. And yet

1 you're making it look as though either you guys had the
2 reins put on you, and I'm not sure that it's enough -- you
3 know, elucidation of how the process actually occurs for the
4 public to feel comfortable in just sitting back and going
5 okay, you have X, Y, and Z in terms of defense-in-depth;
6 and, therefore, what the significant problem isn't.

7 GARCHOW: Is there a reality issue or a
8 perception issue?

9 RICCIO: It's probably a little bit of both.

10 GILLESPIE: Yes, I'm focused on how we're
11 communicating, how we're --

12 RICCIO: Just toss it out there, like, Ken, you
13 know -- your understanding of how this system will work.
14 Can you have an increase in core damage probability that
15 gets explained away? I know you have examples of large
16 early release frequencies that get explained away. But can
17 you actually increase core damage and not have it affect
18 your system?

19 GILLESPIE: In an absolute sense? Yes. In an
20 absolute, the answer would be yes.

21 RICCIO: That's what I thought. That's not going
22 to play well.

23 GARCHOW: There is a --

24 RICCIO: That's not going to play well. Now with
25 that's your reality or illusion --

1 GARCHOW: There is some precedent -- there is
2 some some precedent. I mean, take an airplane, the FAA
3 tracks number of problem landings that occur per flight. I
4 mean, there is a little bit of other industries that are
5 trying to manage risk that have somewhat gone the way we're
6 trying to go here, right? So you could say it in an
7 absolute case that, yes, we've had a 50 percent increase in
8 the number of problem landings per flight. That would sound
9 very alarmist until you actually get the qualifying data
10 that we had one every 15,000 flights. Now we have two, a
11 100 percent increase, but maybe their threshold at the FAA
12 for getting concerned is 15, so that that one to two, even
13 though factually, like you're saying, is an increase, is a
14 100 percent increase, in the context of the process it
15 really then becomes insignificant, and I think that was sort
16 of the same type of model or thought process that went into
17 trying to let the significance determination process put a
18 perspective on that.

19 RICCIO: I guess in terms of the reality side of
20 the equation, my concern is that you're relying upon
21 defense-in-depth, which I'm not sure is there. I'm
22 wondering how many times Haddam Neck, you know, operated in
23 the belief that they had their emergency cooling system that
24 would have performed its function. Do you follow?

25 GILLESPIE: Yes. No, there is -- there is -- you

1 know, there's basic premises in -- when you're
2 risk-informed, and one is--

3 RICCIO: Or that you have -- your design basis
4 is--

5 GILLESPIE: That your design basis is as expected,
6 as expected, which is why we actually have a big change in
7 our engineering procedure, to focus more on design and
8 engineering than programmatic things, which is what folks
9 have done before. So we're trying to both address the root
10 -- kind of the underlying assumption. But the basic
11 principle was more like a traditional quality assurance
12 principle that there's a band in which not only can core
13 damage frequency increase a little bit, but it could go down
14 a little bit. There's a band in which normal operations of
15 any large industrial facility would operate and as long as
16 you don't break the boundary of that band -- it's not that
17 you're expected to ride on the boundary, but as long as you
18 don't break the boundary of the band, you are operating the
19 machine within expectations, within what would be expected
20 to be the random failures that were not systemic, that were
21 not biasing you in a particular direction.

22 Now we may not have articulated that very well, or
23 it's a concept that is difficult to articulate to the public
24 --

25 LOCHBAUM: You never sell that issue to the

1 public. ValueJet, when they buried their -- parked their
2 plane down in the Florida Everglades, killed 110 people.
3 More people were killed on highways that weekend, but the
4 story for the next month was ValueJet. People aren't
5 concerned about risk. It's big ticket. A nuclear power
6 plant can kill a whole bunch of people. So the fact that
7 you're increasing the risk and having the potential, you're
8 never going to be able to explain that away unless they're
9 terms that people sit down and call them logic and say, oh,
10 yes, geez, you're right. And, you know, as long as we
11 continue to place emphasis on a lot of people dying, that's
12 going to be--

13 RICCIO: I can explain part of it, but I can't
14 really disassociate this from the rest of what's been going
15 on in terms of risk-basing regulations and stuff like that.
16 When I see you guys working on your risk-basing regulations,
17 you say you're going to draw a line in the sand, but, in
18 reality, that only cuts one way, that you can meet these
19 certain thresholds, you're safe. But if you don't meet the
20 thresholds, it doesn't mean you're not safe. And so when
21 you -- I see -- you know, that going on in one half of the
22 house in terms of regulation, and then an analysis that is
23 going to allow for slight increases in core damage
24 probability, I have to ask myself are we creating a process
25 that is making things safer or not.

1 WIGGINS: Let me -- let me -- doesn't the process
2 -- maybe I misunderstand. The process doesn't as much allow
3 the small increases in core damage frequency or probability.
4 Rather, the sentence goes on to say it allows small
5 increases without the staff getting involved. There's still
6 a presumption that if there are issues out there that affect
7 core damage, increase it, that the licensees are taking care
8 of that. Again, we come back to the corrective action
9 program issue again. You know, it fits all these -- all
10 these things all point back to the corrective action
11 program. It's, again, the green versus white -- really is
12 whether the NRC is directly engaged in a diagnostic activity
13 to determine all of the aspects of what went wrong to make
14 they're covered, or rather the NRC's approach is to -- is to
15 -- is would go along the lines of expecting that the
16 licensee will be taking care of that, with the NRC spot
17 checking the ability and capability of the licensee to do
18 that in a broader base, just in the context of an annual
19 inspection. Is that -- that's kind of how I saw it. Now,
20 Jim, you know, it's lesser -- now, maybe Jim's got a point,
21 that it has to do with, you know, how completely you
22 articulate what we're up to here. And I think his point is
23 if you stopped at the explanation that it will allow
24 increases in core damage, I think maybe that's -- that kind
25 of -- he brings a good point to the table. It's very

1 difficult to sell anybody.

2 GILLESPIE: Yes, I think that -- let me correct
3 myself, because you're right. I did say it wrong. This is
4 an oversight process which is given thresholds for NRC
5 action. It's not a process which is either allowing or
6 disallowing anything. The requirements are all still going
7 to be the requirements.

8 RICCIO: The question is then when your action is
9 triggered?

10 WIGGINS: And, Jim, I think I'd offer it is the
11 difference between what I would call specific action, which
12 is, you know, stimulus response thing. Issue A happens, you
13 react. Versus a more general reaction. Issues A through Z
14 happened, and then NRC comes back and in a routine, in the
15 context of some baseline activity, it takes a look at in
16 general how those things are handled, possibly picking some
17 of the specifics as platforms to make that measurement.

18 But I guess -- I would think it's -- I don't see
19 it to be completely accurate to say that we're just
20 absolutely walking away from it. It's just a question of
21 what specific follow up we provide at the time of the
22 occurrence.

23 FLOYD: And, in fact, if I understand the program
24 right there, it isn't even specific follow-up action on a
25 green finding. So it's -- it's not left up just to the

1 baseline. I mean, the only difference that I see between
2 what used to happen before and what happens now is for an
3 item that's characterized as having low significance and
4 therefore are called green -- well, first of all what's the
5 same thing that does happen. It still gets documented in
6 the inspection report. It still gets identified as a
7 deficiency, and if it's a violation of the regulation, it
8 gets issued as a non-cited violation. It goes in the
9 licensees corrective action program. The inspector follows
10 through on the corrective action for a green finding, and
11 satisfies himself so that the correction action has been
12 taken, and that the issue is closed out.

13 But the only difference that doesn't happen that
14 used to happen before perhaps if it was a violation is
15 formal piece of paper doesn't go back and forth instead a
16 non-cited violation is issued. But all the actions in terms
17 of documentation and expectations of the licensees still
18 take place. What -- I see some head shaking, do I have the
19 wrong perception?

20 BROCKMAN: It's 20 percent of it.

21 FLOYD: Twenty percent. It's not 100 percent
22 follow up. Okay.

23 WIGGINS: But it's a good point. Maybe it ought
24 to be more, but that's an issue that should be debated. You
25 know, maybe it's a question, you know, is that enough?

1 Should it be more to it?

2 Now, you have to make a -- there's different
3 considerations you have to apply. You don't want to have --
4 well, it's going to take more resources to do that because
5 if you do that with the current resource expectation, you'll
6 essentially run the risk of saturating your inspection, and
7 following up on stuff that you know is wrong as opposed to
8 going out and having an opportunity to go find stuff that
9 nobody's found yet. And that's always balanced that a staff
10 needs to make as it plans its inspection.

11 So it's a question -- you know, it's a question of
12 how much is enough. How much follow up of identified issues
13 is appropriate in order to make the measurement at what
14 confidence we decide we need, that the corrective action
15 programs are working.

16 And I think that's part of the more to come part
17 in this program. We're just going to see how things work
18 out as time goes on.

19 LOCHBAUM: It's an issue and point that these
20 people at this table are probably more familiar with this
21 process than anybody on the planet, and there seems to be a
22 great gap in understanding what the process is.

23 WIGGINS: I don't think it's great. I think
24 there's so many details -- there's a lot of details in the
25 process, Dave. Dave, there's a lot of details in the

1 process, and people have levels of understanding from the
2 top to the very detail. Some of the folks on the walls that
3 have implemented it or put it together have more knowledge
4 than anyone, but a lot, you know, people as you get higher
5 in the organization have, you know, there's the detail gets
6 a little bit less in focus and the overall concept is more
7 focused upon.

8 LOCHBAUM: I guess my comment wasn't to measure
9 that gap, but at what point does that gap disappear so that
10 somebody comes in new that's not sitting at this table has
11 just the foggiest clue of what's going on? I don't know
12 where that document. I mean, it's not that NUREG that's put
13 out there this year. That won't be the answer to this.

14 But I guess the point I was trying to make is what
15 is going to be the vehicle for somebody figuring out what's
16 going on here?

17 GARCHOW: I think the comment would be that maybe
18 it's all relative, and that is a bit of a -- and somebody
19 needs to be able to do that. I would challenge under the
20 old process to ask that same question because for 20 --

21 RICCIO: But that's why we're here, right?

22 GARCHOW: Because for 20 years, we would by and
23 large not answer that. So right now, at least we have
24 something that we can make better.

25 LOCHBAUM: I have three words for that. The old

1 process was wheel of misfortune.

2 GILLESPIE: Okay, let me suggest that -- try to --

3 BROCKMAN: You can answer that question.

4 GARCHOW: I really can't. The essence is in
5 2515, what will be the new 2515 and 0610, which define then
6 how you do the documentation associated with the program
7 description.

8 GILLESPIE: Let me take that one step further,
9 because this may be a flaw that I've seen -- I've talked to
10 a couple of people about is in the training of our
11 inspectors who are going on right now, and it's a full week
12 of training, I had -- Mohan went to it -- went to one of the
13 weeks at TTC, and said, what were your insights? He said,
14 it was a real good session on telling me how to do it, but
15 it didn't leave me with a lot of fulfilling information on
16 why we're doing it.

17 And that the philosophy of why is it this way --
18 it's hidden, I think it's hidden in various volumes of
19 paper. If anyone's stacked all the paper we've generated in
20 this program, just the two Commission papers by themselves
21 are each probably an inch and a half thick. It's three
22 inches of paper.

23 We have an immense number of detailed procedures
24 on what to do and how to implement. But I don't know that
25 we have a five- to ten-page document that gets to the

1 underlying principles and collects them all in one place.

2 GRANT: I don't think you can have one. I mean,
3 that was the intent; that I think that first cut, and it
4 gives you some of the background philosophy. But you do
5 have a couple of Commission papers to get a whole lot of
6 detail. Like Jim said, you have a lot of good -- all the
7 other stuff is, you know, public information, also. It does
8 require somebody to sit down with a -- you know, a stack of
9 paper and trying to figure it out. If you have an outline
10 that kind of directs you in how to look at it -- but short
11 of that, I'm not sure how anybody -- I mean, how would you
12 distill down the entire regulatory approach to nuclear power
13 in five pages, I have no idea.

14 GARCHOW: Steve, I mean that document -- I mean,
15 NEI's been trying to communicate to the nuclear industry not
16 with just the pilots, but everybody. And I can remember --
17 there's a little booklet that was put together -- nuclear
18 time flies; I'll say six months, it might have been two
19 months, it might have been 10 months -- but it came across
20 my desk a little book, a little -- you know, it may have
21 been 25 pages. This sort of laid out, soup to nuts, the new
22 approach. So maybe, Steve, we can share that somehow -- you
23 know what I'm talking about?

24 FLOYD: Yes. Okay. Yes.

25 RICCIO: Let's put it this way, the Commissioners

1 are going to have to explain this at an open staff meeting.

2 GILLESPIE: Oh, yes.

3 [Laughter.]

4 Thank you.

5 Bob, you've been listening to this, and you said
6 in the beginning that you weren't deeply involved, can you
7 give us some of your impressions?

8 LEOPOLD: My overall impression is you're trying
9 to take a quality assurance process and apply it to the
10 operation of a nuclear power plant. So that would be my one
11 sentence explanation of what your whole process is supposed
12 to be. I don't have any specific insight on how to define
13 all the details that you're trying to work with Al on.

14 GILLESPIE: Anyone else have anything? Jack?

15 SPATH: Yes. I have a few comments I wanted to
16 share with you. And before I do, let me just make some
17 caveats which are based on this morning's discussion. First
18 of all, what you're going to hear from me is fairly
19 redundant with issues that were already put on the table
20 this morning, so I apologize for that.

21 Secondly, I've -- we've organized this set of
22 comments under the heading of significance determination
23 process and assessments. They really don't exactly fit
24 under there, so forgive me if that isn't the -- this isn't
25 the right spot.

1 Thirdly, I think we're on the learning curve at
2 least as a state in terms of the new process, and clearly,
3 we're not as far along as some of the other states --
4 Illinois and New Jersey -- in that process, and obviously
5 not anywhere near where you folks are. So, and some of the
6 comments may seem simplistic and naive.

7 But having said all of those caveats, I think it's
8 probably useful for you to hear what group of state staff
9 sitting up in Albany, New York, trying to figure out what
10 this process is all about thought as we addressed this
11 issue.

12 So here goes.

13 And I have three points. And the first one is
14 intended to be somewhat complimentary, so please take it
15 that way. One of the apparent attributes that we see in
16 this new oversight process, and I think it's one of your
17 intentions is that it is -- is its objectivity, okay. The
18 performance indicators and the performance categories
19 provide, we think, a clearer assessment of where a plant
20 stands--clearer than the current process. The process, the
21 new process, seems to remove some of the subjective
22 judgement, which was inherent in the current system in the
23 SALP, in the PPRs, and what have you, where plant
24 performance was periodically graded by NRC managers, senior
25 managers.

1 So we think those are all good issues. In fact,
2 let me give you kind of -- this is not part of my prepared
3 text, but let me give you a kind of an anecdotal comment.
4 As we sat around and talked about the process, and one of
5 our guys said, you know, thinking about these performance
6 indicators, you know, a performance indicator is what it is,
7 and you can't rationalize or explain it away. Okay, and I
8 think that underlies what some of the -- now, I don't know
9 if this -- that will prove to be true, but that was a
10 comment that came out of discussions. I thought it was
11 worth sharing with you.

12 My second comment deals with the issue of
13 calibration. I did touch on it a little bit this morning in
14 response to your query, Frank. But let me give you the, and
15 there's been a lot of discussion on it, and I think we, too,
16 think this is a -- I mean, my basic points is that the
17 calibration of a performance category is, you know, the
18 green, white, yellow, red is really, really important to
19 your process. In particular, I guess we view the green
20 category as one that should signify or is intended to
21 signify, you know, and I'll use the term acceptable
22 performance. Whereas the white category, while perhaps
23 still within the broad bounds of acceptability, we think
24 should be and hopefully is intended to be a very clear early
25 warning of a potential downward trend, performance trend,

1 which needs obviously attention.

2 Now, while -- when we look at the numbers -- we
3 look at your -- how you have broken down the different
4 categories, and we are not in any position to offer you any
5 great wisdom that it should be a three instead of a two or
6 -- okay, so we don't really have specific comments on those,
7 and as I said this morning, we assume this is based on your
8 years of experience, and we're willing to accept them for
9 now.

10 However, we do feel very strongly that they should
11 not be static; that they should be revisited periodically.
12 I mean, after you've gained some experience, and the pilot
13 project clearly isn't going to give you that -- experience
14 in determining whether or not these indicators and the
15 numerical categorization of those indicators if they're
16 doing the job that you intend them to do, which is, you
17 know, to assess performance and provide you the targets or
18 the triggers for initiating effective response.

19 And I guess I would add, with an ad hoc comment
20 here based on this morning's discussion, we've talked a lot
21 about the concept of the corrective action programs. It
22 seems to me, sitting here, trying to sit back from the
23 discussion, maybe there's room to establish a new
24 performance indicator that somehow could be tied to the
25 effectiveness of the corrective action program. The

1 corrective action program is, indeed, one of the first lines
2 of defense, which is what I'm hearing. Is there some way to
3 put that into a measurable parameter that could be incorporated
4 into a performance indicator so it's out there for the world
5 to see. Okay.

6 My third comment is about the performance
7 indicators and how they fit into the assessment process.
8 And they are, I think by their nature, and it was alluded to
9 this morning again, that they're lagging indicators. Okay.
10 It is possible, we believe, that plant operations could
11 experience a decline, perhaps a significant decline in
12 performance before the results of that decline would
13 necessarily be reflected in performance indicator trends.
14 Okay. And I guess would add to that is that historically
15 we've actually witnessed that, where you go for extended
16 periods where a plant is operating continuously and
17 apparently uneventfully, only to be followed by
18 identification of, you know, some fairly major and hidden
19 challenges and problems.

20 So having said that, I think one of the things
21 that we're looking for is to see how your process, and it's
22 not immediately clear, how this new process would capture
23 that issue, that issue of the potential for lagging -- the
24 lagging performance indicators and the emerging issues.

25 GILLESPIE: Okay.

1 There's a second topic I really want to get to,
2 because it came up earlier.

3 HOUGHTON: Skipping over the definition of
4 significance determination process, there are several SDPs.
5 We feel that the majority of the SDPs are workable right
6 now, with the exception of the fire protection SDP, because
7 there's not been, really, any experience yet using it, and
8 the security SDP, which we feel has some faults which need
9 to be corrected, and we proposed a correction which would
10 align it more with the risk inherent mechanism of the
11 reactor SDP.

12 An issue that appeared to be coming up and being a
13 problem was that every issue was being put into the SDP and
14 clogging up the works, and there's a screening criteria now
15 which would look at deficiencies and determine whether they
16 actually need to go through that formal process or not, and
17 we feel that that's an improvement and it will help achieve
18 the original intent, which was to be able to screen out
19 things which were obviously not risk-significant in the
20 beginning.

21 It's important -- it was important for the pilot
22 plants and it will be important for all of the plants that
23 there be a way of incorporating plant-specific PRA
24 information into the SDP as it goes along, and there have
25 been some discussions in the public meetings about that, but

1 that requires more effort to get that in place.

2 CHASE: Tom, is that what you mean by tables, PRA?

3 HOUGHTON: Well, the plant-specific tables in the
4 SDP that talk about individual -- that are more aligned
5 towards the specific plant, as opposed to being completely
6 generic.

7 FLOYD: These are the tables that identify what
8 safety equipment is for what scenarios?

9 HOUGHTON: Yeah. And we feel that there's going
10 to be a continual learning process and that the consistency
11 and the look from NRR needs to continue as we go forward
12 into all the plants. We're all learning the details of
13 this, and that will be necessary.

14 LIEBERMAN: Tom, if you had plant-specific tables
15 for the phase two SDP classes, would you need to have phase
16 three?

17 HOUGHTON: Yeah, you probably still would need the
18 phase three, because the SDP is an approximation, with
19 orders of magnitude, and the phase three looks at the
20 specific PRA module, and it both makes it -- it can lead the
21 result either way, really, because it would take more into
22 account the effects across several different scenarios.

23 On the other hand, it also more specifically takes
24 into account the PRA values for performance at that plant.
25 So, it's a sharper tool.

1 The question is how much time do we need to spend
2 on phase two and phase three, and there's a learning process
3 going on now.

4 LIEBERMAN: If you had a better phase two, would
5 you lose that much by not taking the time to have phrase
6 three and just get on with it?

7 CHASE: I think phase three just refines it more.
8 As Tom said, phase two is just an approximation, and phase
9 three sharpens your pencil and gets you down to where are
10 you exactly.

11 HOUGHTON: There's pros and cons to phase three.
12 I mean phase three takes a lot of time and there's a lot of
13 pencil-sharpening and a lot of analysis and so forth. On
14 the other hand, it gives you a more -- can give you a more
15 correct answer.

16 So, if the phase two is a green or a white and
17 there's a problem that's being resolved, maybe that's
18 enough. If the question is, is it a more serious problem,
19 then we need to look at it more seriously.

20 LOCHBAUM: But if it could go either way, then why
21 would you stop at phase two, if it showed green or white, if
22 it can go either way when you do the phase three, because
23 that could conceivably go to white.

24 HOUGHTON: Because it's bounded. It's bounded.

25 FLOYD: I don't think it could go either way.

1 LOCHBAUM: I know it won't go either way.

2 FLOYD: Phase two is intentionally conservatives
3 and intentionally constructed to generate false positives.
4 So, it's not likely that you're going to find something that
5 is, you know, green under phase two and, then, if you were
6 to evaluate on phase three, you'd find it was white. I mean
7 that's not likely to happen.

8 LOCHBAUM: Where's the data that proves that it's
9 been set up conservatively? Was that just an assumption
10 going into this?

11 FLOYD: No. If you look at how the tables were
12 put together, you can see it pretty evidently. All the
13 event scenarios are in orders of magnitude of 10, and the
14 frequency category and the duration of condition is a
15 magnitude of 10, when in reality the condition maybe wasn't
16 there for the full length of time.

17 GILLESPIE: Let's skip this one until, if we
18 could, Dave, tomorrow, because that's a good question.

19 Because one of the tests of the SDP system that
20 the staff should be telling us is -- an intention of the
21 design was it would be conservative, just to set it, and I
22 don't know whether we have absolute proof that it came out
23 that way, but that certainly was the intention of the
24 design.

25 GARCHOW: We reviewed LERs. I think we reviewed

1 some at NEI, and I think the NRC reviewed LERs, ran them
2 through the significance determination process.

3 GILLESPIE: And then looked at plant-specific
4 incidents.

5 GARCHOW: And looked at plant-specific. I mean it
6 wasn't a population of 15,000, but there was an attempt to
7 take some number.

8 GILLESPIE: There was two independent
9 bench-marking efforts to get there.

10 Go ahead, Tom.

11 HOUGHTON: Okay.

12 In moving this more towards assessment, we think
13 there's been good progress on the supplemental inspection
14 guidance, which gives more objective and predictable
15 guidance on what's going to be done.

16 At the same time, if the condition is already --
17 if it's a historical issue which has already been corrected,
18 the procedure allows the flexibility to say, yes, we've
19 already looked at this problem in detail, we don't need to
20 do it again.

21 Okay.

22 We don't have experience yet on assessment
23 reports, the mid-cycle or the end-of-year assessment
24 reports, so we can't really comment on that. We do feel,
25 though, that they should focus, again, on results and not be

1 subjective.

2 The data ought to be available ahead of time for
3 the assessment, and the assessment ought to be putting that
4 data together and not developing new analysis, and we do
5 feel like the web-site is providing communication. Okay.

6 It's taken a while to get it up and running, but
7 it always does, and we think the fact that you now can go to
8 a screen, click on a window, get the data, or click and get
9 to an actual inspection report is a far, far more amenable
10 tool for the public to find out what's going on.

11 Those are comments on the assessment.

12 LIEBERMAN: Tom, do you have views on whether the
13 SDP should be based on core damage frequency or core damage
14 probability, in looking at performance?

15 HOUGHTON: I don't have enough expertise to tell
16 you. I think I'd leave that to the other commenters.

17 GRANT: I guess my question would be, for the
18 public, does that differentiation even register? It's a
19 significant difference. The SDP is average risk, which is
20 frequency. The probability is instantaneous, which is no
21 diesels are operable today.

22 It so happens on diesel is out for maintenance,
23 which was planned and, therefore, okay, but the other one
24 failed to start when it was demanded to, so essentially we
25 don't have any diesels.

1 So, I mean is that even on the radar screen, I
2 guess, for the public, either from the states or other
3 organizations, this differentiation, because the SDP process
4 is average risk.

5 RICCIO: It's on my table but only because of
6 what's going on with risk-basing Part 50. I wasn't even
7 quite aware of within the SDP. But I think there is a
8 difference, and I don't -- anytime you guys are going to get
9 into a situation where you're going to increase either
10 probability or frequency, you're going to have a hard time
11 selling it.

12 We already know what the consequences are. So,
13 whether you're talking probability or frequency --

14 HOUGHTON: I don't think it's a question of
15 accepting an increase in frequency or probability. It's
16 identification of what that past effect was and the
17 significance of it. It's being corrected.

18 It's not saying, okay, we'll accept an increase in
19 core damage frequency of 2 times 10 to the minus 5th. It's
20 not saying that. It's saying what was the significance of
21 this particular event and how much resources needs to go
22 into to follow it up.

23 It's in the corrective action program. It's going
24 to be corrected. It's not going to be accepted that you
25 don't need to fix it.

1 RICCIO: That's how it's supposed to work. Then
2 again, you're also supposed to have your design basis
3 maintained over the last 30 years, and I think you'd have a
4 hard time arguing that it has been.

5 HOUGHTON: But if you have an inspection and you
6 find something wrong with the design basis and you analyze
7 it to say how serious a problem is this, fix the problem,
8 but how serious a problem is this?

9 Is this a problem where we want the plant to be
10 shut down until a complete re-analysis is done, or is this a
11 problem that just needs to be fixed and it won't have any
12 extensive impact?

13 GARCHOW: It's in the regulatory framework. If
14 the second diesel went out, you've got one hour to shut the
15 plant down. Then you look backwards and say, okay, what's
16 that mean as far as the comment about the organization, and
17 should we apply more NRC resources?

18 That all can be chewed out over the time that you
19 do the inspection, because you've assured the plant's safe
20 until your diesels are back.

21 GRANT: I'm not sure what the inspection is that
22 looks at that.

23 GARCHOW: Well, you have your baseline inspection,
24 and we have our indicators. I mean the plant is
25 instantaneously safe by the tech specs. That is the

1 premise, that if you have degraded equipment, you get to a
2 point where you have to shut down, and you do, until you
3 have the complement of equipment back to run safely. That's
4 not this process.

5 GILLESPIE: This is a good discussion. It does
6 bear upon risk-informing Part 50 and the thought process of
7 what measure to use when.

8 Alan, tomorrow -- I'm not asking you to do it now
9 -- will you guys be addressing not just the risk-informed
10 baseline and these indicators, which are CDF, but will you
11 be able to mention a few words about event reactions?

12 MADISON: Event response?

13 GILLESPIE: Event response.

14 MADISON: Yes.

15 GILLESPIE: Could we do that?

16 Okay.

17 We do have another procedure which is out for
18 comment, for everybody, which is an event response
19 procedure, recognizing that the inspection program is
20 looking for a systemic bias, a bias that could result in a
21 gradual degradation, but indeed, there is still going to be
22 anomalous line-ups of equipment, events are going to occur,
23 a random phase with complications, which then bring into
24 play the concept of what is the risk today to the public
25 from the facility, which is an event response procedure, and

1 so, it's being dealt with in two different arenas, and if
2 the staff will cover some words on event response tomorrow,
3 I think that may help out.

4 GRANT: That will help out discussion on event
5 response, how to instantaneously respond to it, but I guess
6 this goes into how should we assess that. Responding is one
7 thing. Assessing is something different. What do we do,
8 then, from a regulatory standpoint, if anything?

9 GILLESPIE: When you respond, you're in inspection
10 space, and now you're looking for the root cause and why did
11 the event happen, why were the complications there, and now
12 you're in SDP space, with the results of the inspection that
13 you responded with. So, I think it gets there.

14 LIEBERMAN: But if you use the core damage
15 probability on the inspection findings, you may end up green
16 in a given case. If you consider the core damage frequency
17 -- is it the other way around? -- and get into white, it's a
18 difference of are you going to get engaged or not, consider
19 getting engaged or not.

20 GILLESPIE: What I'm saying is there's a second
21 level of engagement that's CDP, when an occurrence would be
22 considered an event, when you're engaged. You're engaged
23 even though the plant could be totally in the green and
24 everything, but now you're engaged and you're looking in
25 more depth.

1 Now, what are the results of that look? The
2 results of that look could still be everything in the green,
3 because it was a random pump failure in a casing that no
4 program might have found, or it could be a flaw with the
5 design basis, could then come out from the reaction.

6 RICCIO: One of the things at Quad Cities, if you
7 use that as an example, Dave, where you've got -- you know,
8 basically you had EDG failures?

9 LOCHBAUM: EDG reliability was the issue, the
10 finding, and it was accepted because there hadn't been a
11 loss of off-site power, which was perhaps true but not
12 really relevant.

13 I think, as I went through this, comments I
14 submitted last week, or whenever it was, there was only one
15 case where the green finding seemed to be justified in a way
16 that made sense.

17 It's not that I disagree with the others ones, but
18 it was like restating the question of 50.59. You couldn't
19 agree or disagree. It was a wasted effort. I don't care if
20 it's CDP, CDF, TGP, whatever is used to make it go away, you
21 need to explain it.

22 GILLESPIE: Yeah.

23 LOCHBAUM: And that wasn't done, except in one
24 case, at Prairie Island.

25 FLOYD: And it should be explained.

1 GILLESPIE: It should be explained, and I
2 appreciated the comments, because you had one in there --
3 you said this one was right, this one I could understand.

4 LOCHBAUM: It took a while.

5 GILLESPIE: But you found one. That was actually
6 very beneficial, because it gives a sense of what is enough
7 to translate enough information so someone understands where
8 you're coming from.

9 RICCIO: It goes back into the normalization of
10 deviance, and it goes back to what -- and I don't know if it
11 was you, I don't know who it was from the Illinois
12 Department of Nuclear Safety said years ago -- said that, by
13 changing this process, you're going to destroy the safety
14 culture that it took you guys so long to build up, and if
15 you come in with a finding that says you have a problem
16 here, but it keeps on getting explained away, all of a
17 sudden that original designation of that problem becomes
18 less significant, and I'm not sure, under this process, that
19 there's a way to maintain that level of vigilance within the
20 industry, but if you continually have the issues that are
21 being identified explained away, you're going to lose the
22 focus that these guys already have on specific items.

23 GILLESPIE: Does anyone from the industry want to
24 comment on that? The silence is deafening.

25 HOUGHTON: I still don't think it's being

1 explained away.

2 GILLESPIE: Communications is very important. One
3 group is coming at it from this direction, and you're saying
4 the same thing from the other direction, and each of us has
5 a perspective, and for each of us, it's a valid perspective.

6 GIBSON: There are three areas that we looked at
7 from the shadow plant process. A group of us were able to
8 take a look at inspection reports. One plant went back
9 through and took a year's worth of information and just kind
10 of put it through the processes, recognizing that these are
11 all evolving, but it was done to try to gain insight in
12 terms of, well, gee, if this was for real, how would we
13 apply the process?

14 Other utilities had looked at LERs. In fact, a
15 couple of LERs were done with what I'll call the normal
16 phase three review, which is the formal PRA, and for
17 training purposes, for verification purposes, what did this
18 look like, if you had put it through the process as
19 described in the SECY 99.007, and the general perception is
20 that the primary SDP, the one dealing with operations and
21 equipment, appears prudent.

22 It also appeared to be conservative from the
23 standpoint that it would force you into a phase three for
24 things that, you know, perhaps -- well, on a conservative --
25 it appeared to be very prudently set to force formal PRA

1 full evaluations to be done at the appropriate level.

2 So, it did appear to be risk-informed. We
3 recognized the reasons for that, having been an inspector,
4 and all my issues were obviously important.

5 You know, it's nice to be able to have the
6 discipline to have it documented such that it is evident to
7 licensees, to the public, and to the regulator exactly what
8 we're going to categorize particular issues as, and at what
9 level, and then what would be the appropriate response will
10 flow out of the action matrix.

11 As I say, that particular one is good. We've
12 noted that comments that have been provided through NEI --
13 and obviously, we've been working with NEI not only on the
14 PI's but also on the SDP -- have been provided comments on
15 the emergency preparedness and health physics.

16 Those have been and resulted in additional
17 consideration by the staff in terms of making those a little
18 bit more precise in various areas, so that it's clear which
19 areas would be.

20 However, the security SDP methodology, we noted
21 back in Philadelphia -- in fact, it was the first question
22 right out of the box -- says determine risk of radiological
23 sabotage. It's either low risk or some risk.

24 When you try to get a definition of that, the only
25 definition that's on the street is -- low risk is defined.

1 It's defined as no risk or low risk, and some risk is not
2 defined, and we noted that six months ago and haven't seen a
3 major revision to this, and we're sure one's in the works.

4 We know that NEI has, in fact, provided a
5 straw-man for a different type of alternative SDP, which is
6 a little more rigorous, and avoids some of these types of
7 terms.

8 We encourage and we hope that this panel would
9 ensure that whatever comes out of these SDPs is very
10 quantitative and not subjective, because that's the true
11 value of these SDPs.

12 The third item that we have is we understand
13 there's an event SDP that's under development for events
14 like loss of power, things of that nature. We would very
15 much like to see those as rapidly as possible, think it's an
16 integral part and that it also could benefit from public
17 comment.

18 We know NEI will obviously be involved and assist
19 us and provide us those copies when they become available,
20 but it's -- I don't want to say it's late in the game, but
21 that seems like a key piece of information that we're
22 looking for.

23 GILLESPIE: That's trying to deal with this idea
24 of average risk versus instantaneous, what's the risk today,
25 and I think -- personally, I think there are two questions

1 we deserve to answer the public against, so you don't lose
2 today's risk based on just the arithmetic of averaging over
3 365 days.

4 So, you should see that in the next week or so, I
5 guess, probably on the web. It's out probably in the PDR,
6 paper form.

7 Dave put me on a cc for an e-mail, and he had the
8 formula that you're going to have to go through to get into
9 ADAMS, and we're hoping to make it easier.

10 I really like the pilot plant program right now
11 where you click in a PIM item and you go right to the
12 inspection report, and I hope we don't lose that capability
13 by needing to go through the ADAMS formula to get at
14 inspection reports, but I'm not sure that, when we go full
15 blown with 103 plants -- because we're manually putting
16 those inspection reports in, but we have to figure out how
17 to do it to make it convenient for people.

18 I'm going to put one more question on the table --
19 we have a few minutes -- on SDP, came up earlier this
20 morning, the timing question, how long should it take to do
21 phase two, how long should it take to do phase three.

22 Does anyone -- Dave, you had some comments on this
23 one?

24 LOCHBAUM: Our comments were 120 days, 100 days is
25 far too long. Part 21 says licensees have 60 days to

1 evaluate a potentially non-conforming condition. Part 72
2 gives you 30 days to evaluate an LER.

3 This thing is going to take -- the more
4 significant things take longer and longer to do, and that
5 seems backwards.

6 A hundred days is just unacceptable. That's not
7 even in the same quarter as the performance indicator.

8 I don't know what the right number is, other than
9 22, but that's just too long.

10 Also, I'm not even sure it's a timing issue,
11 because there was a Commission briefing earlier this year
12 that talked about there is no quality assurance of PRAs.

13 Phase three relies on PRAs that haven't been
14 checked, haven't been blessed, have just been done, and
15 that's going to be used to determine what the NRC's response
16 is for something?

17 That doesn't seem like a prudent or a solid
18 foundation, no matter if you do it in a day or so. So, I
19 think it's a little bit larger than timing.

20 WIGGINS: I would agree. There is an issue if you
21 displace the final SDP conclusion from the decision with
22 regard to staff engagement.

23 It might set up scenarios that Jim has been
24 warning us about, about having a situation where it looks,
25 from the outsider's point of view, that it's a process to

1 make issues go away. I don't agree that that's what the
2 process is.

3 I think this is the best effort of a bunch of
4 well-intentioned individuals to try to get to the bottom of
5 something and call it exactly what it is.

6 If you displace it, theoretically, I guess as an
7 inspection manager, I guess I would wonder what I would
8 think if I find out six months from the inspection activity
9 that the issue that was found by the inspector is, in fact,
10 yellow.

11 Here's the things that go through my mind:

12 One, likely to not, this has already been fixed
13 anyhow.

14 So, to go back and look at that issue specifically
15 about that fix -- what's the use? It's already been done.

16 So, it tends to set up the situation that Jim is
17 worrying about. It's a recipe for non-action. You
18 rationalize, just based on the age of it, what's the use of
19 going in there and looking at that issue.

20 On the other hand, if it was yellow, well, there
21 might be other things. The real question is what else is
22 there? I mean it's clear the utility's going to fix the
23 issue that ended up being yellow. That's clear.

24 I mean, if they don't, we've got all the tools
25 that -- the staff's got all the tools it needs to make it

1 get fixed. I mean, by the time it's yellow, it's at least
2 white, really.

3 I mean the odds on something going from, you know,
4 yellow to green is -- I would hope that that doesn't have
5 that wide a swing. I see Grant disagreeing.

6 GRANT: It does.

7 WIGGINS: That's pretty wide.

8 I just am concerned, if you displace that final
9 decision, if you let that go way down range, I don't know
10 that that gets you in the right place. A lot of it, though,
11 is connected to what you view the SDP as.

12 Is it an engagement tool? Do you need just the
13 quick and dirty to decide, you know, are we really investing
14 too much effort in the SDP beyond phase two? Is it really
15 what's needed in order to make a decision on engagement? I
16 don't know that it is.

17 I think further review of an issue is what this
18 thing should have been there to determine, whether there's a
19 need for further review. Again, it comes back to this issue
20 that I've been beating another horse I'm beating to death,
21 is the idea that we're using these things as an absolute
22 authoritative test of safety, as opposed to a gauge for when
23 we should get involved and let the review and inspection
24 make that call.

25 Now, one may say that also has certain

1 subjectivity still in the process, but you have to weigh and
2 balance. Yeah, you may incorporate a little bit of
3 subjectivity in it, but you have a fairer framework to make
4 the assessment overall, and secondly, you allow some time.
5 There's a timeliness issue, I think, that's a relevant
6 question.

7 I also think that Dave's right on, that if you
8 tend to use the SDP as this authoritative step, the closer
9 you get to that, which is the closer you get to a risk-based
10 approach, as opposed to a risk-informed approach, the more
11 relevant the question of the adequacy of the PRA becomes.

12 The way the program was originally constructed,
13 the issue of the adequacy of the PRA for the exercise was
14 relatively unimportant, because we were just talking about
15 engagement, not a test of safety.

16 So, it does raise an issue like that. It does put
17 it on the table.

18 GILLESPIE: Anyone else?

19 FLOYD: I think I share some of Dave's comments,
20 too. I think the 120 days is too long. I don't know why it
21 has to be quite that long. I mean what you really ought to
22 be getting down to in the phase three is are the assumptions
23 that went into the phase two analysis correct, or are there
24 other systems or capabilities in the plant that should be
25 being credited, that aren't reflected in the tables, and

1 that type of thing.

2 I just can't -- maybe I just don't know enough
3 about it, but it just seems like that shouldn't take 120
4 days to do it.

5 Sort of on the other side, though, I think we're
6 making more out of this than what it maybe really deserves
7 in that, if you look at this -- the SDP, it's really
8 following, in a lot of sense, the accident sequence
9 precursor criteria, and we're not expecting hundreds of
10 these a year that have to go through this evaluation
11 process.

12 I mean, in the reactor safety area, based upon
13 industry performance over the last several years, you'd be
14 surprised if you have a dozen of these a year to have to
15 analyze and go through this process.

16 So, these are almost the exceptions and not the
17 rule to be dealt with.

18 LIEBERMAN: And having said that, what has been
19 the experience to date in the pilot program for plants that
20 looked at phase three? How long did that take?

21 GRANT: In one case, I think it took pretty close
22 to 120 -- about 90 days.

23 RING: There have only been two-and-a-half. One
24 of them has not gone through the SDP fully. There was the
25 Prairie Island high-energy line break and there was the

1 Sequoyah outside drain flooding back into the plant.

2 LIEBERMAN: Is phase two relatively timely?

3 BRANCH: We'll report on that tomorrow.

4 GILLESPIE: Let's leave that to the staff
5 tomorrow, because this is -- I think this is one area where
6 it sounds like there's even agreement from normally
7 disagreeing parties, because I'm afraid I agree with Dave
8 and Steve, too.

9 See, I agreed with you Steve and Dave. It's hard.
10 I'm not supposed to agree. I'm supposed to cause
11 discussion to take place.

12 But in this case, I also would like to throw in --
13 I've got a concern that we're overworking phase two and
14 using it beyond what it was intended to be used.

15 In fact, having plant-specific tables for phase
16 two gives me great concern.

17 One of the mechanical ways we were averaging the
18 PRAs was to have a generic table which said, in general, the
19 way Brookhaven put them together, if it was important at one
20 plant of a class, then let's conservatively consider this
21 sequence as important at all of them, and it was a
22 mechanical process of averaging to get a perspective, and as
23 soon as you start getting plant-specific tables, you lose
24 using it as a perspective tool, and I have a concern that
25 maybe we're getting too risk-informed -- less risk-informed

1 and too risk-based with the tool, and therefore, it's taking
2 much too long.

3 We're turning it into an analysis rather than a
4 perspective on when we might need to get more diagnostic.

5 FLOYD: I don't think it's that they're making the
6 scenarios be plant-specific.

7 What they are doing is they are trying to make it
8 clearer to both the licensee and the NRC and, therefore, the
9 public what is the specific equipment at the class that's
10 needed to fulfill the safety function that underpins the
11 need for that scenario.

12 You have to do that. I mean you got two trains at
13 one plant, you got three trains at another plant.

14 GILLESPIE: Generally, if you find a system
15 inoperable and it's, let's say, a decay heat removal system,
16 the first question you're going to ask is what's still
17 operating if this one isn't, and in very short order, you're
18 going to establish whether there are other systems to
19 perform the decay heat removal process.

20 I mean, in minutes, you're going to have a
21 reasonable assurance that there's other methods to remove
22 decay heat.

23 You just did phase two, or the greater portion of
24 phase two right there. Is this plant still safe for the way
25 it's being operated? To a large extent.

1 Now, you haven't checked every valve and every
2 switch, but you at least go to the control room and find out
3 what other systems are operable.

4 With a diesel down for maintenance, do they have
5 another one -- or they have one that kicks out for some
6 reason, is the other one down for maintenance?

7 Are they in a tech spec LCO?

8 You immediately, as an inspector, I would think,
9 start asking those kinds of questions and at least starting
10 getting a ballpark answer that the plant is safe for its
11 current configuration, or Dave, as you would say, they're
12 operating in accordance with their tech specs, and it's
13 okay.

14 GARCHOW: When I hear you talk like that, I think
15 we're missing just a little, because at two in the morning,
16 you may not have an inspector there. That scenario occurs,
17 and the tech specs provides the safety, because if you find
18 you don't have the required number, you shut the plant down.

19 This process is supposed to be looking at, given
20 that that occurred, running that scenario through, does that
21 tell us something about the plant that the NRC may want to
22 engage more resources to?

23 It really isn't a are we safe today, are we safe
24 this minute process. The process just isn't geared to give
25 you that answer.

1 GILLESPIE: No, it's not.

2 GARCHOW: A hundred and twenty days is too long.
3 It would have to be instantaneous if that was what this
4 process was supposed to be doing.

5 GILLESPIE: No, it's not instantaneous either.
6 We need to hear the other side of the story
7 tomorrow.

8 Anymore comments on SDP?

9 LIEBERMAN: I would say, tomorrow, we should also
10 talk about repeatability, as well as timing, when we get to
11 SDP.

12 BAJESTANI: I guess the other question or the
13 bigger question for me is do we have enough guideline for
14 the inspectors when to use different issues in the SDP
15 process.

16 Again, I'm going back to my personal experience,
17 what I've seen.

18 There are issues that is being put through SDP
19 process which shouldn't be, at least from what I've seen,
20 and I'm trying to figure out whether or not we have enough
21 guidelines in the process itself that -- enough guidelines
22 to the inspector that says when to put certain issues
23 through the SDP process.

24 GILLESPIE: I would be interested if you could
25 supply some examples on that.

1 BAJESTANI: I'll share one example. Again, maybe
2 I'm wrong.

3 We had an issue -- it was on one of the 6.9-kv
4 cable. The electrician was working on the cable, faulted
5 the cable, had a loss of basically voltage to that specific
6 board. The diesel started, carried the load, no problem, as
7 it's supposed to, as it's designed.

8 That issue was put in the SDP process, and that's
9 what I'm trying to figure out, you know.

10 Do we have enough guidelines for the inspectors to
11 tell them that here it is, this is something -- obviously,
12 the system worked exactly as it's designed.

13 GILLESPIE: But I would expect that that would get
14 kicked out just in the initial phase one screening.
15 Everything operated as designed, all systems available.
16 Remember the work-sheets that we gave people to kind of
17 guide you through. It would get kicked out right away.

18 BAJESTANI: But should you put that through the
19 SDP process?

20 GILLESPIE: Well, I think the discipline of going
21 through phase one, the screening, to document why it doesn't
22 make sense to go further makes sense.

23 FLOYD: The recent procedure that's been developed
24 -- I don't know how much it's made it out in the field.
25 Maybe the staff can talk to that tomorrow, but there's

1 another procedure that's been developed that sort of is a
2 pre-screen to the screening, to the SDP, and what, in
3 effect, it's trying to do is sort out when is something just
4 an observation or maybe an inspector opinion or a minor
5 violation which is not intended to pass to threshold of
6 being a green finding, because even anything that enters
7 phase one screening of the reactor SDP, the minimum it can
8 come out as is a green finding at that point, and maybe it's
9 not even appropriate that it be a green finding, it may not
10 even pass that level of significance.

11 Now, that procedure has been developed. It's been
12 sent out now, but I'm not sure if it's actually been applied
13 yet that much. I just don't know the answer.

14 CHASE: That's one of the points Tom had, is more
15 guidance is needed on what needs to go through the SDP
16 process. Even though we had the procedure out there, we'll
17 still need to make sure we have the proper level of
18 training.

19 GILLESPIE: Just to keep this in context -- Bill
20 Borchardt, I'm going to ask you to speak up if I say
21 something wrong here.

22 This is really kind of trying to reiterate the old
23 minor violation, I think, definition, because this really is
24 not a significant change, this procedure that was just
25 described. It's actually re-articulating a position that's

1 been a position for years and years.

2 BORCHARDT: As long as you're going to talk around
3 it, I might as well get specific about it. We actually
4 thought that the guidance was contained within 0610 and
5 2515, because it is not new guidance, as Frank is saying.
6 It's basically the minor violation guidance.

7 The minor violation threshold is really the
8 threshold to put it into the SDP to consider it green. If
9 it's a minor violation or it's not -- it's a minor
10 violation, it's not green.

11 We have put out what we think is more clear
12 guidance, and we've actually put out a drawing, and the
13 regions all have it. We've talked about it with the
14 regions. We've talked about it with the executive forum,
15 and so, folks have been implementing it in the last month or
16 so.

17 GILLESPIE: Before we move on -- shall we move on
18 to assessment in the next topic? This is a human factors
19 problem, by the way. This is an area -- we didn't change
20 anything. We left it the same, and we have to re-train
21 people on the same.

22 Shall we take a couple of minute break, a
23 five-minute break, before we move to assessment? We're kind
24 of on schedule right now. So, five-minute break.

25 [Recess.]

1 GILLESPIE: Assessment is next and then
2 enforcement, and then we'll -- I feel like information
3 systems, which is kind of one of the last topics -- I
4 already feel beat up on our web-site sufficiently that I
5 don't know that that one should take a whole extra long
6 time.

7 Assessment.

8 Jim, would you like to talk about assessment?

9 GIBSON: On assessment, we're talking about the
10 action matrix?

11 GILLESPIE: Yeah. Can assessment process be
12 performed -- it's really the action matrix.

13 GARCHOW: I want to make sure that we have this in
14 the right context as we keep going. We have a process
15 that's working. I mean we have a process that's moving on,
16 and we're making the agenda, right?

17 GILLESPIE: Right.

18 GARCHOW: So, the idea here, just to re-ground a
19 panel member, right, of a Federal panel -- didn't even know
20 what that was six months ago, now I'm on one, right?

21 The idea is that we're taking -- this is just our
22 opportunity today to listen to input, get in a little
23 dialogue to help further refine our comments as we proceed
24 to develop consensus for our report?

25 GILLESPIE: Yes.

1 GARCHOW: So, the intent is, after each of these,
2 not to develop any kind of anything. This is just strictly
3 input, gathering understanding.

4 GILLESPIE: We are sponges today.

5 GARCHOW: Okay.

6 GILLESPIE: Yes.

7 GARCHOW: Thank you.

8 GILLESPIE: We are sponges today. But I do have
9 to say that I think -- I know, personally, I've had some
10 things I was thinking reinforced, I've had some other things
11 shattered, and other things questionable in my mind, but no,
12 this is supplemental.

13 We're not in a decision mode, we're in an
14 information-gathering mode, but trying to kind of keep with
15 the format.

16 GARCHOW: Good. Thank you for providing that.

17 GILLESPIE: In the outline that was provided to
18 people, it really says can the assessment process be
19 performed within the scheduled time, and it sounds very
20 staff-oriented.

21 The staff can address -- the regional people can
22 address doing assessment.

23 You just went through a PPR -- you didn't go
24 through one yet. Some regions have already gone through
25 their mid-cycle. Not for the pilot plants? Region II made

1 Nucleonics Week this week for having done their mid-cycle.

2 Can the matrix take appropriate NRC action in
3 response to indications? That's the real question on the
4 table.

5 The question on the table, then, Greg, is can the
6 action matrix be used to take appropriate NRC action in
7 response to indications of licensee performance?

8 GIBSON: Yes. We haven't dealt with this. We've
9 been relying primarily on the pilot plants, because
10 obviously they're right on the cutting edge for this
11 particular issue.

12 However, in looking at the action matrix itself
13 and especially when comparing it with the PI's, one thing we
14 have noticed is that -- I think it's three columns over, if
15 you have a single yellow within a particular area.

16 One of the issues that can come up -- Tom Houghton
17 addressed it earlier, which was the issue of fault exposure
18 time.

19 We did a sensitivity analysis on the mitigating
20 system equipment, and if, in fact, you take a hit for a
21 particular issue, fault exposure hours, in and of
22 themselves, can drive you from green to yellow.

23 In addition, it's possible for definitions or a
24 problem with a definition, if a licensee does not understand
25 exactly how or they have a differing interpretation of key

1 RO drill participation, and it comes up during the
2 inspection process that, no, Dave should have been in on
3 that training and so should Steve and so should Jim, you
4 didn't count them, and therefore, now, suddenly, you can
5 drop significantly, and the issue is, for those kind of
6 issues, do we want to -- it didn't seem that the action
7 matrix itself, for that column, for a single yellow,
8 appeared prudent for that particular situation, but it
9 hasn't been -- we haven't had a real time case of that, so
10 you know, that's speculation on our part at this point, and
11 that was the only item we had.

12 GILLESPIE: How about the pilot plants? Sequoyah?

13 BAJESTANI: I'm sorry. I was looking at something
14 else. Go ahead, one more time.

15 GILLESPIE: Do you have any sense -- because I
16 know the action matrix was used at Sequoyah.

17 BAJESTANI: We actually heard a first discussion,
18 and we got all this stuff resolved, no problem, really, from
19 that perspective.

20 GILLESPIE: What's your perspective on the NRC's
21 reaction to -- I guess, initially, it was yellow?

22 BAJESTANI: The initial finding.

23 GILLESPIE: Yeah.

24 BAJESTANI: It was overreaction, not having all
25 the facts, not having all the data in place, basically, and

1 going back and forth, really, we have learned, both sides, a
2 lot from this process.

3 Like I said, my personal opinion is, because of
4 not having enough guidelines, it does leave room for a lot
5 of interpretation, and that's what we got into.

6 GILLESPIE: George?

7 BARNES: I think that we're quick to run in there
8 at times without getting all the information first,
9 depending on where you are, especially if you going into
10 yellow. It's a matter of more dialogue to take place up
11 front, and agreement, tended to drag out a little bit in
12 terms of do we have a yellow, are we red, are we yellow on
13 an issue, but I think it will work.

14 Clearly, once that agreement is there, the process
15 looks like it would, in fact, work.

16 GILLESPIE: Dave?

17 GARCHOW: We didn't have any that we believe were
18 close to yellow, but the only thing that we had a little
19 discussion at during our corrective action audit assessment
20 for the new program -- and we struggle with this a little,
21 because there is no guidance anywhere, it's management call,
22 interpretation, but when does a question during the
23 assessment process actually turn into a problem that should
24 be documented in the corrective action program?

25 So, a good question on the table that you're

1 researching for information is a question, and there are
2 hundreds of questions every day. At what point, when it's a
3 question, do you document it as a problem in your corrective
4 action program?

5 It's a little different than spinning it through
6 the significance determination process, but that was a
7 learning that we had during our corrective action program,
8 and you'd have thousands and thousands of things in the
9 corrective action program if you just, every time somebody
10 had a question, especially with older plants, the actual
11 information isn't necessarily easily retrieved in an hour or
12 two, so you can ask -- somebody coming in as an inspector
13 can ask a very good, complicated question, and you may not
14 have the staff right there that can get that answer in an
15 hour.

16 It doesn't mean that the question they asked is a
17 problem.

18 It means that you turn somebody in to dig up as
19 much as you can, and we had a situation where, you know, the
20 timeframe it took us to get that answer was judged to be too
21 long during the context of an inspection and then was seen
22 as a violation of not timely entering something in the
23 corrective action program, and that was just an interesting
24 spin that came out during the discussion.

25 I think we got to the right place on it, it was a

1 good discussion, and we had a couple examples where we
2 should have entered things in and didn't.

3 So, I mean there was a real issue there that we
4 went and fixed, but it raised a question, when you have such
5 a limited inspection time and there's such a premium placed
6 on the corrective action program of getting something in the
7 corrective action program, how much time is reasonable to
8 determine if it's really a problem.

9 BARNES: We had the opposite. We actually had
10 some things come up, and they weren't just during the --
11 they were during some of the resident inspections, where we
12 did take too long to do it, and there's a balance there.

13 The one I was talking about when we had a
14 potential red finding and maybe we jumped out too far, too
15 quick, without enough dialogue, but there were some baseline
16 things that we didn't get back in a timely manner, and it
17 created other issues for us.

18 So, I mean I want to give you the other side,
19 that, yeah, there's some where some of the questions aren't
20 very detailed and complex and require some amount of
21 research time, but then there's the other side, where you
22 just have to get the answer.

23 It's not that difficult to find the answer and
24 reach resolution in a timely manner, too.

25 So, there's both sides.

1 GARCHOW: That was my point. There's a give and
2 take, and a question just isn't a problem, necessarily, but
3 if it's a good question and there's enough premise behind
4 it, I think the NRC and the utilities have the shared goal
5 of trying to get that information pulled together as fast as
6 you possibly can, so you can see exactly what it is that
7 you're dealing with, whether it's white or yellow or just a
8 question that, you know, somebody didn't have the right
9 information and finally you have the right information, and
10 then it goes away, is not a problem.

11 GILLESPIE: Regions? Do you feel constrained to
12 react?

13 GRANT: No.

14 GILLESPIE: Not constrained.

15 GRANT: I think, if it looks and feels like a
16 problem, then call it a problem, put it in the system, and
17 it's probably not going to change what you're going to do
18 with it.

19 It may be that it turns out not to be and that you
20 flush it back out of the corrective program as a result.

21 There is some wasted effort there.

22 GARCHOW: That sounds like the right answer, but
23 let me tell you where that leads.

24 Then somebody goes up to the control room because
25 the process says you have to do an immediate operability

1 determination.

2 Now I have a question that I don't have the right
3 -- necessarily the information to even make a good
4 qualitative or quantitative operability call, and then
5 you're just sort of stuck.

6 So, there's a balance between taking the time to
7 get enough information to do any kind of sound evaluation or
8 just having a question of which there's an infinite number
9 of questions that could be asked on a daily basis around a
10 nuclear power plant.

11 It's a balance. There is no right answer.

12 WIGGINS: Is that what the issue more sounded
13 like? Was it a question raised, and then, because the
14 question wasn't addressed quickly, that got viewed as a
15 problem in corrective action?

16 GARCHOW: I can talk to you off-line on that.

17 WIGGINS: This is specific, right, about an
18 inspection that hasn't reported out yet.

19 GARCHOW: Yeah, it has actually reported out, I
20 think.

21 The issue is there's a balance, and jumping too
22 early in, without all the information, may not be -- get you
23 to where you want to get to where from either the NRC or the
24 utility perspective.

25 So, the has to be a balance of having an adequate

1 amount of time to actually go gather facts so that we're
2 making judgements on facts, not on partial information,
3 because you can make wrong conclusions in both directions
4 with incomplete facts, and you may not always be making the
5 conservative decision.

6 WIGGINS: I don't know the specific either, so
7 it's safe, so I'm not weighted down by fact, but you know,
8 an inspector has to -- it takes a certain amount of maturity
9 and judgement to know when the inspector has a question
10 versus has an observation or a potential finding.

11 I mean, literally, I can go and give you a whole
12 bunch of right questions if I decided to supply my question
13 and just assume that the answer is all negative. I'll just
14 in-op all your ECCS systems on NPSH concerns, because I'll
15 just ask you, do you have adequate NPSH on it.

16 I mean that's an extreme. Clearly, that's not the
17 kind of thing that ought to get in the corrective action
18 program. More work has to be done in order to determine
19 whether there is a potential issue.

20 So, I don't know what the specific is, but I guess
21 it's right. Your counsel is correct that you've got to be
22 careful about entering this prematurely. You've got to have
23 something of a reasonably developed finding before you go
24 through this.

25 I get a sense that we really haven't had -- this

1 is a little bit my own bias.

2 The sense I got in the action matrix is there's
3 like five columns to this thing, and as you get over into
4 columns four and five, maybe three but not so much three,
5 but certainly four and five, it gets pretty draconian in
6 terms of what we're up to, and we haven't really got a good
7 test of that, have we, yet?

8 We really haven't had a bona fide, real live issue
9 that's survived through those bad colors that we could see
10 whether everybody agrees that the reaction is the correct
11 reaction. That's a true statement.

12 GARCHOW: You're not likely to get a pilot plant
13 to volunteer for that.

14 GILLESPIE: I wanted to kind of set the stage a
15 little bit, because this is an area where there's been very,
16 very limited information. There's been a couple of whites,
17 I think a yellow that turned to white on the flooding.

18 CHASE: We had a new PI come up just prior to the
19 pilot program starting, and we were low in the green band.
20 We took action, but before we could have the action
21 implemented, it went white, and we identified it to the
22 region.

23 They eventually sent an inspector in, evaluated
24 our root cause, looked at our corrective action, and we went
25 back to the region, and we have since gone into the green.

1 So, our interaction with the action matrix is a
2 positive one.

3 GILLESPIE: Okay.

4 Dennis, you've been kind of shadowing with
5 inspectors.

6 ZANNONI: Well, you know, it's really hard for us
7 to reach conclusions at this time. We really spend a lot of
8 time right now on the PI's and the inspections themselves
9 and trying to come up with valid comments that's going to
10 help, we hope, when we submit them, by the end of the year.

11 The assessment and getting to the action matrix
12 and knowing that there's not a lot of data to draw on --
13 we're kind of putting that off a little bit. We figure,
14 well, maybe there's still a couple weeks left, right?

15 GILLESPIE: This is one of those times that we're
16 really hoping we don't test the extremes.

17 ZANNONI: But basically, you know, we have to be
18 selective in what we're looking at, and we're plowing
19 through the earlier parts, as I said, and when we get time
20 -- we'll find the time to look at this, but right now, I
21 don't have a lot to offer in the assessment.

22 I have to say, though, that I think what we've
23 been seeing, from the SDP and the assessment process, it's
24 creating some better communications, you know, and even
25 talking about some of the issues, because even when I

1 communicate with my management or talk to the utility,
2 there's some language that's developed, and it's helpful,
3 quite frankly, in pinning down importance, because a lot of
4 times, stuff would come in, whether it's a 50.72, an LER,
5 and all of a sudden, you know, even from our perspective,
6 get the same attention.

7 Well, now we're being more discriminating. It's
8 helping us. So, in that perspective, it's positive, but we
9 don't have enough knowledge, really, to comment, really,
10 today on this.

11 GILLESPIE: Jack?

12 SPATH: Nothing to offer further.

13 GILLESPIE: This is a tough one, because it hasn't
14 been exercised, and I hate to say that we may be in a
15 position that only failure can tell us if we're successful.

16 RICCIO: How about back-testing it against
17 previous problems?

18 GILLESPIE: The staff can cover that. We actually
19 did that. We did it as the NRC, and we went back -- I
20 forget how many years now. I can only clog so many details
21 in my mind, but I think we went back to like 1990, something
22 like that, with problem plants.

23 BRANCH: We did Millstone for the two years they
24 were operating prior to the shutdown. We did Cook two years
25 prior to their shutdown, St. Lucie and Waterford, '97, '98,

1 because that was the most current data.

2 GILLESPIE: We tried to go back and
3 retrospectively look at the plants, kind of make believe
4 they weren't problem plants yet, and look at the operating
5 history that led up to that decision, to try to get a fair
6 -- what it looked like then. There were some difficulties
7 in it. The data wasn't -- you don't have the same
8 indicators, but the inspection results took some
9 interpretation.

10 But we did do that retrospective look, so we do
11 have some comfort that -- as best we could benchmark it, we
12 did.

13 That was 007A. It was in the second
14 inch-and-a-half of paper.

15 WIGGINS: It sounds like we've heard a lot about
16 assessment of individual issues. That's what we've done up
17 to this point.

18 GILLESPIE: How about assessment of the facility?
19 We've eliminated SALP, so you're not going to get a SALP
20 report every 18 months from us. The PPR letter --
21 basically, once a year -- we've kind of gotten this new
22 terminology, mid-cycle PPR versus end-of-cycle PPR, which is
23 maybe a little longer letter.

24 What are your expectations? What would you like
25 to see from the NRC relative to plant assessment?

1 LEOPOLD: My understanding is I can now look it up
2 on the internet, and if I have questions, I'll just call
3 you.

4 GILLESPIE: That's fair enough. What's missing is
5 what I had said earlier in the morning. The reporters had
6 written in and said we want your opinion. Here we're
7 putting a process in place to try to keep as factual as
8 possible, and then we get four e-mails from four reporters
9 that say what we really want is not all those facts, we want
10 your opinion.

11 LEOPOLD: That's why we have politicians.

12 GILLESPIE: Okay.

13 Now I'm going to get to Jim.

14 Jim, we have eliminated SALP, so we have done away
15 with some information. The PPR letters have been phrased
16 much shorter.

17 RICCIO: Like the new SALP letters, actually,
18 similar categories, similar phraseology. It's not graded,
19 but they read the same way.

20 GRANT: I think you're talking about the ones that
21 we put out last April. That was an interim.

22 WIGGINS: I guess the relevant question is what
23 people would like it to include. It's pretty
24 straightforward, I think. The direction that the staff is
25 taking on this -- it's clear there won't be grades.

1 The closest you'll get to see is data and PI's and
2 inspection activity, inspection area data that have been
3 colored by the gates or the SDP, so you have green and
4 whites and yellows and reds, and then you can pull up this
5 action matrix and figure out what column the plant is in,
6 and you can read down and you can sense a level of activity
7 that's going on in terms of inspection and whether the
8 plant's running or not, frankly.

9 That's what it's going to be told, so you get all
10 that, but you don't get a grade, hopefully, at best, you get
11 all that.

12 Now, what we haven't discussed is -- you know, are
13 people expecting more than that?

14 Suppose there was a letter that just basically
15 said here's the conclusion. Through this period of time,
16 there were whites in these two areas, greens, whites,
17 yellows, whatever, and as a result, here is what we're --
18 we're in column three, let's say, of the action matrix and
19 we're continuing, and that's it.

20 That would be different than the PPR letters that
21 Jim's remarking about right now. It's devoid of anything
22 else in terms of an analysis.

23 GARCHOW: It's what's not being said, which is as
24 important as what's being said, because you have tools at
25 your disposal, and your charter with the government does not

1 allow an unsafe plant to operate.

2 So, de facto, this process, by being the fact that
3 you're in either column one, column two, in some respects,
4 column three, and maybe, depending if it's a non-reactor
5 cornerstone, column four, the conclusion that you're making,
6 de facto, whether you write it down or not, is that, in the
7 agency's opinion, that the plant is safe to continue to
8 operate, and in fact, probably, at the time the PPR letter
9 comes out, would be operating.

10 You're de facto saying that.

11 Now, it doesn't mean there isn't problems, doesn't
12 mean that there isn't areas the NRC's looking at further.
13 It's what's not being said, I think, that's part of the
14 communication, and Steve, I mean that's what we were talking
15 about last year.

16 FLOYD: We had proposed some draft language for
17 various types of assessment reports.

18 LOCHBAUM: Tom's present said NEI was recommending
19 that there be no subjective language. That's subjective
20 language.

21 The Commission briefings was very clear. The new
22 guidelines for red, green, yellow is not safe and unsafe;
23 it's acceptable or unacceptable.

24 I think to then draw the conclusion that that
25 means safe --

1 GARCHOW: I misspoke, because I think when we had
2 the conversations, it wasn't safe/unsafe, because that has
3 all kinds of connotations to it. It was either acceptable
4 or unacceptable. You're correct.

5 ZANNONI: But it's incumbent upon the NRC to
6 communicate at some point that this plant is safe to
7 operate.

8 LOCHBAUM: That's not the decision they've made.
9 They've made a decision if it's acceptable or unacceptable.
10 We'll continue to debate that one.

11 WIGGINS: Debate what? Whether the plant's safe
12 or not?

13 LOCHBAUM: Yeah. Because you can never prove it.

14 GILLESPIE: Jim, you provided the example when you
15 challenged Dave and you said show me that you don't have
16 enough positive suction head problem with all your pumps,
17 and you have an old plant, and it takes a long time to pull
18 all that data together. Lacking a finding that it's unsafe
19 or unacceptable, then the finding is it's acceptable.

20 GARCHOW: I used the wrong language, but that was
21 the point I was trying to make.

22 WIGGINS: What I was trying to get some input on
23 -- and maybe this is kind of an artifact of how the agenda
24 is erected.

25 Because we haven't gotten that far in the pilot

1 process, I don't know that, at my level, I've seen what the
2 assessment report will look like that will come out of the
3 either mid-term or final process.

4 Now, Jeff is -- he's indicating he hasn't seen it
5 either at his level.

6 So, it's kind of unfortunate.

7 We might need to hear from the staff on what the
8 staff's thinking is in terms of what that assessment report
9 will have in it. Then we can hear the public sector and
10 state sector reaction to that level of detail.

11 You folks decide whether you want to hear that or
12 not at this point.

13 GILLESPIE: Tomorrow, can we just touch upon the
14 division for the assessment report? Because we have
15 basically, I think, committed that we're going to try to not
16 have shades of green. You're either acceptable or you're in
17 the matrix -- you know, acceptable is here. You're either
18 -- I hate to use this, but you're either a column one,
19 column two, column three, column four plant, is really how
20 it comes out, column five.

21 BROCKMAN: What you do is state what is the action
22 that's being taken. I don't care what column it comes from.
23 If you're in column four but I'm only implementing a column
24 two action because that's the right thing to do, that's the
25 action that you're stating.

1 WIGGINS: Hold on. Let's not jump before we --
2 let's make all the enabling steps.

3 What you just described is another aspect of the
4 process, and that is what happens if somebody concludes that
5 the column actions aren't the right things and what do you
6 have to do to take another action that the column wouldn't
7 dictate, and I don't know that that's gotten a fair airing
8 either, because that raises a whole bunch of issues with
9 regard to one side, you know, locking people's hands, tying
10 the regulator's hands behind its back.

11 On the other side, looking at the other side of
12 the fence, it's, gee, it's just as subjective as it was
13 before.

14 If you're going to end up with, you know, a column
15 four outcome, then because of how you got there, maybe you
16 don't like the particular PI for some reason, some of these
17 that people raise, you don't like it, you think it gave you
18 a bogus reading, and to just not do the column four activity
19 and execute a column two activity, I don't know that people
20 are expecting that to occur, and we ought to -- that ought
21 to be discussed.

22 BROCKMAN: I think, in one and two, probably, your
23 flexibility is a lot more than when you get up to four and
24 five, which I don't think would be, but I'm going to go back
25 and take the example that we used at Calhoun, where they

1 went white in the one PI, and what we did was accelerate the
2 risk-informed baseline inspection.

3 WIGGINS: Yeah.

4 BROCKMAN: That is not a special inspection that
5 that column calls to go out and be done, but it was the
6 right thing to do, get the inspection out in a temporal way
7 that was an adequate inspection to go out and review all the
8 activities associated with this, as opposed to generating an
9 artificial inspection to go out there and then, two months
10 later, go out there and do the same thing again, and I think
11 there's going to be more in those lower areas.

12 It was appropriately put in a letter to them
13 explaining what all the actions were, but you hit the nail
14 on the head as to exactly there, as to when you get into the
15 columns and the philosophy on it and what we should be
16 looking at, is that prescriptive or is that here are the
17 tools that you have in your tool kit, choose which ones you
18 need.

19 LOCHBAUM: Is there ever a chance or a potential
20 for a column two activity incurring a column four response?

21 BROCKMAN: I can't imagine, in my mind, that I
22 could see a column four thing where all you would do would
23 be a column two. You've gone way too far on the arena
24 there.

25 I do see, though, the column one/two area -- you

1 may use, like I'm saying, for a white finding, that you
2 might use baseline, as opposed to a special inspection.
3 That might be the appropriate tool to go use.

4 GRANT: You focus your inspection activities and
5 now know something that you didn't know before.

6 BROCKMAN: You get more over to yellow and red,
7 and I don't see that as something at all.

8 HOUGHTON: Just accelerating that baseline is
9 doing the same thing.

10 BROCKMAN: It accomplishes the same task, but is,
11 in fact, different than what the guidance is in all cases.
12 In this case, it was.

13 WIGGINS: You made a tacit assumption. I don't
14 want to get into the detail, but what you had to assume is
15 that what you really thought you needed to accomplish would
16 be more than adequately addressed in the baseline, without
17 throwing out other things, other opportunities to go look at
18 other stuff, and let me guess, this must have been a plant
19 support area inspection?

20 BROCKMAN: Yeah.

21 WIGGINS: Okay. So, you know, there might be some
22 areas where the baseline coverage is such that maybe that
23 comes out that way.

24 I don't know that it would be as easy to make that
25 decision, let's say, if you had a design engineering issue

1 or corrective action issue.

2 I think what we're talking about -- I guess where
3 I'm going, there's a question of what will the market bear
4 in terms of how you enter this action matrix, and it's
5 always seemed to me, looking at the action matrix, the
6 further you move to the right in it, the more care you have
7 to have in terms of what you're doing, it seems to me,
8 because the actions that are occurring are so demonstrably
9 significant that you'd better be right.

10 Now, I don't feel the same way about things on the
11 left side of the matrix. I think there's a lot more room in
12 there that varying approaches work.

13 I mean if the decision is that there's going to be
14 a meeting with the licensee, whether the branch chief does
15 it or a division director does it, I don't know that that
16 makes a hill of beans in the final analysis.

17 I mean if a division director wants to sit in on a
18 meeting that an action matrix says the branch chief ought to
19 be having, maybe the end-of-year assessment or whatever, I
20 don't know that that's a big -- I don't know that that
21 should be big deal.

22 LOCHBAUM: I think it could be in terms of
23 credibility and consistency, because there's always the
24 issue, if you see -- if I see the same activities happen at
25 two plants and one region does something, the other region

1 does something that seems to be less, then there's a
2 question of why did that happen, and unless it's explained
3 good, so that it does seem to be six of one and half-a-dozen
4 of the other, then there's the inference or the implication
5 or perception that somebody got a favor.

6 WIGGINS: I guess my reaction would be you're
7 seeing some symbolism in who showed up. I have a problem
8 with that, but I admit, that's a little bit of my problem.

9 I never really thought that it was a high symbolic
10 value to when I showed up. It didn't depend on what my
11 title was. I seem to behave the same way regardless of
12 whether I was a section chief or a deputy regional
13 administrator.

14 LOCHBAUM: I wasn't seeing that symbolism, because
15 I don't even understand those titles.

16 WIGGINS: That's what I'm getting. The lefthand
17 side, all green, kind of everything's okey-dokey. The
18 highest that the licensee would see per the matrix is the
19 senior resident inspector or the branch chief. The highest
20 he sees is the branch chief.

21 But one column over from that, they're seeing the
22 division director. Is there a big deal if the division
23 director shows up at a plant that's all green for a PPR
24 meeting?

25 If you say no, then there's some flexibility that

1 ought to be allowed in some of it.

2 BROCKMAN: Looking at the contrary, is it
3 significant, though, if only the branch chief shows up for
4 one that should have the division director, if it says that?

5 WIGGINS: That's where the staff really needs
6 input from folks on how is it perceived. You know, is it
7 perceived as breaking ranks with the program? Is that what
8 it's perceived as?

9 LOCHBAUM: Here's what we're going to do and
10 here's what we do, and when they don't match, there's a
11 problem. If that happens a lot, then you've just undermined
12 the whole credibility of the entire program. If it happens
13 occasionally, it's no big deal, but if it happens frequently
14 -- even if happens at the low end, or the left end, or
15 whatever that was, if it happens a lot there, people aren't
16 going to believe that you're going to do what happens when
17 you get to the other end.

18 BROCKMAN: Let me throw you a case study on this
19 and ask your thoughts as to how would be the best way to do
20 it.

21 We were giving the public meetings last year, and
22 it was a plant who had done very well. The branch chief was
23 supposed to go out. The branch chief had a severe illness
24 in the family, couldn't go. The division director went out
25 to cover for the branch chief, went up within the chain of

1 command.

2 Now, you're looking at this, boy, the ante's been
3 up, there must have been a message to tell here that wasn't
4 in there.

5 Do you try to cover that somewhere, from your
6 perspective? That's what I'm asking within the perspective
7 aspect of the different stakeholders, you know, what would
8 be your recommendations, if you could, on dealing with that?

9 LOCHBAUM: Make that individual the acting branch
10 chief. You've got so many acting folks around.

11 GILLESPIE: The point here is the meeting is
12 planned for the branch chief almost independent of who --
13 whoever shows up should be acting for that branch chief.

14 I think the major point here isn't trying to deal
15 with anecdotal exceptions, is that if we're going to put an
16 action matrix out that says here's what this agency is
17 proposing that it's going to do when this situation occurs,
18 if we're going to advertise it as such, we need to do it to
19 maintain the agency's credibility.

20 If we need to adjust that, we need to adjust it in
21 the beginning.

22 If we want to put branch chief/division director
23 -- if we want that flexibility, I think the message I'm
24 hearing is build in the flexibility up front so we're not
25 mis-advertising what we're going to be doing, so we're not

1 in a defensive mode later saying, well, we did it this way
2 because or we did it that way because, and things will
3 happen, but 90 percent of the time, we should be relatively
4 consistent with the proposed approach.

5 LOCHBAUM: That's fair.

6 GILLESPIE: Which means we have to look at the
7 matrix as a public document, as maybe more important than we
8 were looking at the matrix relative to the stand it may
9 have.

10 Let me ask the states, if this agency puts out a
11 matrix and says here's what we're going to do when X
12 happens, would your expectation, looking at us from the
13 outside, that we do it?

14 ZANNONI: Just like I said this morning about the
15 PI's response into the white, you know, we're looking for
16 consistency. I think people pick that up. The questions
17 that I receive a lot are geared toward consistency. They
18 want to know how the NRC's going to respond, and if we go
19 out and tell them this is the way they're going to do it and
20 there's some changes to that, it does go to the credibility
21 issue.

22 RICCIO: It also goes back to the IG reports on
23 disparities between regions. It would get into a lot of
24 things, and I think you do have to think about it as a
25 public document, because I've been having discussions with

1 the folks to my right here even about how the previous
2 action matrix was handled.

3 They can come out to the same conclusion that you
4 did, and I think you should be aware of that.

5 GARCHOW: On the action matrix, the only comment
6 that I had in our notes was that it's still not as
7 intuitively obvious or logical, as you run through the
8 action matrix for the non-reactor safety events, because to
9 use Jim's words, the draconian parts right out to the right
10 of the action matrix -- I think that it just doesn't pass,
11 necessarily, the logical and the sanity check that you would
12 ever get to that same point of draconianism for a fact that
13 you might have had repetitive problems in a series of
14 non-reactor areas.

15 That's balanced by the -- if you're having
16 management issues at a plant, it's hard to -- you know,
17 they're going to be popping up all over, not just in
18 non-reactor areas.

19 So, I think there needs to be some flexibility
20 even still in how you work to the right of the action matrix
21 when you're dealing in the non-reactor safety events and the
22 non-reactor safety cornerstones.

23 So, one shoe doesn't necessarily fit all as you
24 work to the right.

25 GILLESPIE: I think those areas right now are

1 still actively being worked, because no one feels
2 comfortable with the equivalency of reactor safety to health
3 physics to safeguards.

4 ZANNONI: As we've normalized and checked and been
5 benchmarking and thresholds and so forth, I think this
6 particular column three, where you say what are we going to
7 do if we have a single yellow, is especially important to be
8 done for the areas, what I'll call the soft areas, that you
9 just spoke to.

10 Do you, in fact, want to take those areas, the
11 same action that you would for not violating any regulatory
12 requirement, being perfectly in accordance with your
13 physical security plan for a yellow SDP, for one or two
14 zones which just happened to be out, that you couldn't get
15 replacement parts for?

16 Same thing for drill participant. Drill
17 participation is not a regulatory requirement. Maybe it
18 should be, but that's a different issue.

19 But in terms of the percentages and things like
20 that, I think we want to encourage that to be bench-marked,
21 also, and make sure that we -- is this really want we want
22 to do if we trip this threshold, because consistency is
23 important, especially for licensees to be able to predict
24 what's going to happen. I think we're all in agreement with
25 that.

1 GARCHOW: I think that goes to Dave's comment. I
2 agree we need to do that, and we need to do that, you know,
3 in a sooner than later concept, so that we don't do that at
4 the time that a first plant somewhere happens to get yellow
5 and then, all of a sudden, the rules somehow find a way to
6 get changed.

7 I think that undermines the credibility of the
8 entire process.

9 So, I think that I underscore the timeliness of
10 working through those SDP processes require security, EP,
11 the radiation, the non-reactor safety events, because it's
12 just not going to come off well if that discussion occurs
13 the first time somebody works through one of those and ends
14 up in an unfavorable spot, and I will tell you, from a
15 utility perspective, if that occurs, we're going to be
16 lobbying -- you know, we'll be forcing the dialogue to do
17 what's right in the context of risk, but in the end, that's
18 not going to bode well for the whole process when that
19 occurs.

20 WIGGINS: Is this significant enough that the --
21 again, even risking coming up with a conclusion, are we
22 getting close to formulating a recommendation of something
23 that has to be straightened out before we go to the next
24 phase of this activity? Is it that important?

25 A lot of what we've discussed thus far has been

1 kind of like, well, you know, these are growing pains,
2 they're evolutionary in nature, you can kind of work your
3 way through them.

4 We've been able to work out way through things to
5 this point, and of course, all we've had is PI's and
6 inspection areas that we had to work our way through SDP
7 exercises.

8 We haven't really had enough stuff that we really
9 end up in columns three, four, and five.

10 Is it that level of concern that this has to get
11 -- this really has to get straightened out?

12 FLOYD: I think the problem that you get into here
13 is that I don't think the public will be able to understand
14 the difference between a yellow in the security cornerstone
15 or a yellow in the initiating events mitigation cornerstone,
16 because if you look at the cornerstone structure on the
17 page, it says public health and safety, a yellow is a yellow
18 is a yellow, and you've said it's a significant reduction in
19 safety margin, is what the words are that go along with
20 yellow.

21 So, we've got to be careful that the same
22 thresholds that have been set in those areas mean the same
23 things as they do in the reactor cornerstone area.

24 GILLESPIE: It may be a valid conclusion. I think
25 the last briefing that the staff's going to give us in

1 December -- because what I do know is going on right now, at
2 least the HP and the EP people on the NRC working group are
3 actively meeting almost every two weeks with the industry
4 working groups on exactly this topic.

5 So, I think, right now, there is a sense of
6 urgency on both sides.

7 GARCHOW: I guess I'd like to recommend that for
8 purposes of how these kind of -- I think I know how these
9 panels work.

10 Maybe we can ask Heidi to book-keep this, but
11 without making a conclusion, I think that we've heard enough
12 discussion that we need to have this formally discussed and
13 consensused upon before this panel walks away, not
14 predisposing a conclusion one way or the other, but I don't
15 want to lose this thought that we need to have a good airing
16 on this non-reactor cornerstone significance determination
17 and how that goes through the action matrix.

18 That needs to be aired by this panel in a
19 consensus before we move on.

20 WIGGINS: In other words, the panel needs to be
21 comfortable that that's been taken care of. Otherwise,
22 there's a big open question that the panel will have in its
23 report for the staff to address later, but that's what I was
24 getting at.

25 This is the closest thing I've heard to -- since

1 we've been doing this, this is the closest I've heard to
2 something that had to be done, otherwise it could -- it
3 sounds like it could really upset the next phase, because if
4 you have, you know, stakeholders saying that, you know, you
5 can't make these kind of evolutionary decisions in this
6 regard, because it will be viewed as breaking faith with the
7 program, I mean that means you've got to straighten it out
8 before you start.

9 GILLESPIE: The best program going in, anyway,
10 even though it will evolve after that.

11 Going on to the next topic -- let's keep that one
12 for tomorrow. This may be the closest we're going to --
13 this is a close one. The example might be --

14 GARCHOW: This is an open issue.

15 GILLESPIE: This is an open issue, but I know some
16 groups who are actively working it, and maybe we can get
17 some insights tomorrow as to the status.

18 GARCHOW: It's perfectly solvable by January 22nd,
19 but we'll need to hear a lot more before we make that
20 conclusion.

21 GILLESPIE: And I don't know that we're going to
22 hear it today or tomorrow. It may be when we meet in
23 December.

24 GRANT: Are you limiting this question to just the
25 non-reactor safety cornerstones? Why are we doing that?

1 GARCHOW: The question -- I think there's been
2 enough discussion in the pilot plants and in the industry
3 forums -- there's been just a lot of discussion around the
4 non-reactor safety SDP processes and then how that would
5 flow through the cornerstones.

6 I think -- help me out, Steve, because you're
7 closer to this every week, but the general logic through the
8 reactor cornerstones and then actually have yellows and
9 multiple yellows when you're in initiating and mitigating
10 events -- I think we all pretty much have come to the
11 conclusion that all has a logical risk-based -- and if you
12 get over in column four and five on those systems, that
13 you're probably in the space where those are the appropriate
14 actions that the NRC should be taking.

15 BROCKMAN: I want to support Jeff here. I think
16 what he's saying is the issue we've got in there is we need
17 to make sure that, across the board, within the action
18 matrix, that they're based on equitable assumptions and
19 thresholds coming in, and if we identified one in reactor
20 safety that was way out of bounds, I mean we should look at
21 all of them and make sure we've got an equitability coming
22 in there.

23 Right now, it appears -- we've heard a whole bunch
24 in some of the non-reactor safety ones, but I wouldn't want
25 to leave our open question uniquely focused there. It's

1 really a wide open question, making sure they're right.

2 GRANT: If you're trying to make these appear
3 equivalent, then I'm not sure which way that needs to go.
4 I'm just saying why limit it just to that discussion. It
5 sounds like it's a broader discussion on threshold.

6 FLOYD: We need to be consistent, is the issue.

7 GILLESPIE: Okay.

8 I think the question, then, on the table is
9 consistency, but the essence is a sense, I think, that
10 Dave's expressing that enough people worked on the reactor
11 safety side and that got so much more attention than the
12 other sides that the amount of documentation and logic and
13 back-up to that that the idea of -- and I guess you could
14 say, if you had an over-exposure, an over-exposure could you
15 get you red in the HP cornerstone.

16 Is that a plant shutdown? Is that equivalent to
17 requiring a plant to shut down?

18 LOCHBAUM: It should be.

19 GILLESPIE: What I'm saying is there's people with
20 a view that say that's not equivalent. So, I think it's a
21 question we should leave open.

22 Tom?

23 HOUGHTON: I think there's two parts.

24 One is what is a yellow or red in these other
25 areas. That's one question.

1 The other part is what does it mean to be in
2 column three or column two or column four, and perhaps the
3 staff could explain tomorrow what happens if you're in
4 column two or three, so you can put this within context,
5 because column three is not column four and five, it's less
6 than that.

7 There is some guidance that's been written on it,
8 but I think you ought to have that context before you try to
9 decide.

10 GILLESPIE: Right now we're just leaving the
11 question of consistency on the table, saying we need more
12 information to make a judgement.

13 Enforcement.

14 I'm wearing down. I don't know about everyone
15 else.

16 Enforcement -- we really have one question that
17 everyone's got on the table. Are enforcement actions taken
18 in the manner consistent with the assessment of inspection
19 findings that resulted from the SDP?

20 We have not had a lot of significant inspection
21 findings that have resulted in enforcement. Would anyone
22 like to start this one off?

23 Greg?

24 GIBSON: Sure.

25 The issue that we want to underscore is kind of a

1 little different.

2 First of all, we applaud the changes that the
3 Commission has made in the area of enforcement. I think
4 that really will focus resources on correcting the issues,
5 getting corrective action programs going, rather than
6 getting into endless debates on severity levels and things
7 of that nature. We think it's all very positive.

8 But one of the most important areas that we have,
9 which differs from other major initiatives that the industry
10 has undergone, is these frequently asked questions, that we
11 have a mechanism by which a reasonable differing
12 professional interpretation or differing professional
13 opinion can be raised on an issue.

14 How do we handle this? Do we count it? Do we not
15 count it? Those questions can be raised and identified to
16 NEI. We've been doing that repeatedly.

17 That is a very important element, and it gets into
18 enforcement in the following way.

19 I don't think anybody would disagree that there
20 needs to be a very, very strong enforcement policy against
21 any willful person ever trying to game the results, and
22 certainly, it appears prudent to have an enforcement policy
23 for errors, because errors need to be avoided.

24 That's prudent, too, and everybody needs to use
25 best efforts and produce data that the NRC can rely on.

1 Everybody agrees with that.

2 But there is one area where we can see a
3 diminishing number of FAQs that will be raised. We've
4 raised probably -- I think there's like 60 or 100 that have
5 been identified and NEI has documented in 99-02D.

6 Probably we'll get, I don't know, 30 or 40 or 50
7 more in the first year of operation, and as the program goes
8 on, those will diminish down.

9 Unfortunately, I can't tell you right now what are
10 going to be the questions that would be important to us. We
11 certainly don't want to be making the wrong call, but it's
12 difficult to guarantee that there won't be an issue in the
13 future, that somebody would say, gee, I thought this is the
14 way it was supposed to be, I've got a position here that
15 seems to be supported by the NEI, 99-02F or Q, whatever
16 version we're up to, and it's okay.

17 I'd hate to think that enforcement is the
18 regulatory tool to communicate information of that nature.
19 It just seems like continuing on with the FAQs beyond the
20 pilots, beyond the first year, if there's an amnesty period
21 -- and I'm not sure that Bill will talk to that tomorrow --
22 that's been discussed, of a period for getting the data in
23 line, getting the infrastructure to support the generation
24 of the PI's.

25 That's good, and that addresses that other bucket

1 about errors, but I can't tell you what questions are going
2 to come down in the future that would be important for us to
3 have resolution, and I don't know how to handle it. I don't
4 have a real alternative, other than trying to avoid that
5 issue.

6 LIEBERMAN: Could give a specific as to what
7 you're referring to, because frankly, I'm not really
8 following the relationship to asking questions and
9 enforcement.

10 GIBSON: Okay.

11 FLOYD: Suppose you have a problem with a safety
12 system and a licensee, in good faith, doesn't think that
13 that's a safety system functional failure and, therefore,
14 doesn't count it, and the inspector disagrees, and they
15 generate a frequently asked question,

16 Greg's concern, I think, is am I now subject to
17 50.9 for failure to provide accurate data, because now the
18 NRC disagrees with my call on whether or not that was,
19 indeed, a safety system functional failure or not.

20 That's the issue, right?

21 GIBSON: Right. And I'm trying to bifurcate from
22 the standpoint of I don't want to talk about willfulness,
23 and I don't want to talk about errors.

24 It's just the question of I've got an honest,
25 differing professional opinion on what the guidance --

1 perhaps it's not written or perhaps we're suddenly in a
2 unique situation down the road.

3 Some licensee one day will be there, and how do we
4 handle it, and what regulatory tool will be used, and I'd
5 like to encourage it to be this FAQ process that is serving
6 us well right now.

7 LIEBERMAN: Is that any different from the old
8 system? If there's an issue of lack of reasonable notice,
9 then an enforcement action probably should be taken. If
10 there is reasonable notice and this particular licensee just
11 didn't get it --

12 GIBSON: I'm thinking more in terms of
13 implementation of the maintenance rule. There were a number
14 of maintenance rule citations that went to the enforcement
15 panel, took up a lot of time, rather than just answering the
16 question and getting everybody normalized.

17 They wound up going through enforcement, and that
18 was the regulatory tool that was used in lieu of an FAQ
19 process, which this one has.

20 GILLESPIE: Let me try to re-zero myself on the
21 question of enforcement.

22 The question of enforcement and its relationship
23 to the SDP, I think, in general terms, is that, if a
24 non-compliance is found but its severity, if you would, or
25 its grade is -- through the SDP process -- is green, then

1 it's a non-cited item.

2 If the severity comes out white or greater, then
3 it's a cited violation requiring a response.

4 Does anyone have a problem with that relationship?

5 On the specific question right here, that's a
6 little different relationship than we've had before. In
7 general, that's where we're coming from.

8 GARCHOW: I guess I have a problem with that,
9 unless I misunderstood what you said, but if you just say
10 that -- I'll go back to security, right? I happen to have a
11 number of un-compensatory hours that are greater than the
12 threshold we're using for a process to gear NRC involvement
13 in my site for oversight purposes.

14 The fact that I have that number of hours -- I'm
15 in full compliance with my security plan, I'm in full
16 compliance with my comp hours, and I'm following every
17 regulation you've mailed me in the mail, I've not violated
18 anything, so I would not take the link that you just said
19 from the fact that I'm in white over to being in violation.

20 GILLESPIE: It's conditional. What I said was, if
21 a non-compliance contributes to you being in the white, then
22 it requires a response.

23 WIGGINS: What Frank is talking about -- with
24 certain exceptions that have to bear on, you know, integrity
25 and the integrity of the process, whatever, what we're doing

1 is, in effect, taking the supplement out of the enforcement
2 policy, which was a criterion-based discussion, at best, and
3 we're replacing it with a process that's essentially
4 determined by the SDP analysis.

5 So, you have an inspection area, because you don't
6 cite PI's. The inspection finding does involve a violation
7 of some requirement. It's how will you treat it. And what
8 Frank is saying is, the way the intent is, providing you
9 pass the first gate, yes, there is a violation of the
10 requirement, then it would be treated as as non-cited
11 violation, and discussed, I assume --

12 GILLESPIE: And discussed.

13 WIGGINS: -- in the report as a non-cited
14 violation if it's green, and if it's white or greater, it
15 would be some sort of a noticed violation which may or may
16 not require a response, and then, at some point in time,
17 then the civil penalties would be added to the mix.

18 GILLESPIE: No. Right now, civil penalties are in
19 willful --

20 MADISON: You could under some circumstances.

21 WIGGINS: That came out of the Commission, right?
22 The Commission said you have to have that in there. You've
23 got to have a capability -- there might be some non-willful
24 thing that is so egregious on its face that the staff will
25 have to figure out a way to --

1 GILLESPIE: But dealing with the day-to-day
2 reality, I believe the generality is, if it's white -- if
3 it's graded to the SDP process as having contributed to
4 something risk significant to be white or greater, then it
5 requires a written response, and there's other associated
6 things that go with being white or yellow or greater in the
7 action matrix relative to meetings between the NRC and
8 various levels of management of the utility that also go
9 along with that.

10 So, it's not just a notice of violation. There's
11 interfaces and communications which take place, which in the
12 past have been called enforcement conferences.

13 So, those, in and of themselves, have an aspect of
14 enforcement to them as an integral set.

15 WIGGINS: I guess I would wonder -- maybe we can
16 address the first type, the stuff that's in green.

17 Right now, even with the current program we have,
18 we're getting some level of questioning with regard to how
19 non-cited violations are viewed.

20 There's a particular issue that played out at
21 Seabrook a number of months ago that, you know, Bill will
22 tell you, that between the region and eventually OE, we're
23 responding to a whole number of -- a large amount of people
24 that are seeing a non-cited violation as NRC's failure to
25 enforce its regulations.

1 If past is prologue, that means we have a little
2 bit more discussion we have to do with folks other than
3 staff on how this -- you know, what is a non-cited
4 violation. Is it, in fact, an enforcement activity?

5 I wonder if any of the people here, Jim or the
6 states, have commentary about how non-cited violations are
7 taken?

8 LIEBERMAN: Before they answer that, if I can just
9 give some background, when we looked at the new policy, one
10 of the things we considered was giving a new name to
11 non-cited violations and calling them infractions, meaning
12 it's a violation, we'll write it up in the inspection
13 report, but we'd only use a notice of violation if we issued
14 a piece of paper.

15 The decision was made we'll keep it as a non-cited
16 violation, meaning it's a legal violation, be written up in
17 the inspection report, but no response is needed.

18 The question is, do people understand the
19 significance of that? Was it perceived as a joke?

20 GARCHOW: From one utility's perspective, we see
21 -- I mean the lecture of the staff is it's a violation of
22 the law, and that isn't a joke. So, it has to be corrected,
23 and it has to be reviewed, and the cause has to be
24 identified.

25 I mean we try to make that -- try to make that not

1 lose sight of what that actually is. The fact that it had
2 risk significance or not risk significance relative to an
3 NRC process to determine how much oversight I should have --
4 that's a whole other discussion.

5 But the real issue, when it comes out in the
6 report, is it was a violation of the law, had no risk
7 significance, or very little. That's just the add-on as you
8 go through the process. It's still a violation.

9 HOUGHTON: I think the other pilots can speak,
10 too, but from what we've been hearing from inspection
11 reports, I also take green very seriously and felt that, if
12 they got a green, it was a violation that it was important
13 to address.

14 In certain cases, they felt that it shouldn't have
15 even been a green, but they didn't want greens.

16 GARCHOW: We still have some education of our
17 internal staff, though, to get that message promulgated
18 throughout even the utility organization. So, I mean we
19 still have some work to do internally to make sure that
20 people clearly understand what that is and what it isn't.

21 BARNES: Yeah, you're right, green is not good,
22 and that's been the theme all the way through here in terms
23 of a finding is a finding no matter what, and it has to be
24 dealt with.

25 A non-cited violation is treated like a violation.

1 So, there hasn't been any backing off in terms of responding
2 and going after the issues, but certainly there's a
3 perception there, isn't there?

4 RICCIO: There certainly is, and there has been.
5 You can't wipe out all level four violations and say that
6 you're not -- you know, granted, you're focusing on
7 something that, to your mind, is more safety significant,
8 but you're still ignoring what were violations of NRC
9 regulations.

10 WIGGINS: That's the crux of the point, though,
11 Jim. The supposition you made is the treatment of an action
12 as a non-cited violation is equivalent to ignoring it.

13 Now, the regulator wouldn't agree to that. They
14 wouldn't agree that that's ignoring it.

15 Now, that's just us, and you know --

16 RICCIO: Are you treating non-cited violations the
17 same way you treated them in the past?

18 WIGGINS: No.

19 CHASE: No, we're treating them as a cited
20 violation.

21 WIGGINS: Non-cited violations in the past -- it
22 depends how far past you want to go.

23 They have been typically related in the past to
24 trivial issues, okay, or to issues that were -- that arrived
25 on the scene courtesy of the licensee's own action,

1 licensee-identified items, and we treated those things that
2 way with the intent of supporting the licensee's efforts to
3 go out and find and fix problems on their own, without
4 waiting for us to come do it.

5 In so doing, it serves the regulator's intent that
6 the regulator is always interested in having its regulations
7 complied with.

8 Now, the next step is where we currently are,
9 which is not a pilot plant, like for the rest of the world.
10 We've taken a look at -- we've implemented an interim policy
11 now that makes greater use of non-cited violations that
12 include things that even the staff finds, providing the
13 severity level -- we're talking severity level fours right
14 now.

15 So, the vast majority of fours are treated as a
16 non-cited violation, and then there are kick-outs that --
17 you know, the next increment is, well, if you don't like
18 what's going on, then there's a -- it isn't exactly that.
19 There's some criteria, and then you can cite the four, and
20 then you go up to the threes, and the threes are still cited
21 and all that.

22 What I'm saying is that, you know, people -- I'm
23 not saying it's universal, but at least on one issue that
24 I'm aware of, people are seeing the application of the
25 non-cited violation for an NRC-identified issue at severity

1 level four as the staff abdicating its responsibility to
2 enforce its regulations. The staff doesn't see it that way.

3 Now, what's your perspective on it?

4 RICCIO: I'm not sure what event you're talking
5 about up at Seabrook, so I'm not really sure who's saying
6 about what, but I just go back, again, to the South Texas
7 report that you guys generated, and the conclusion there was
8 the reason South Texas got outside of its bounds of
9 operation was because what was being leveled as non-cited
10 violations were not -- you know, the significance of those
11 and the aggregation of those was not being brought home to
12 the licensee, and if that was the case in the previous
13 program, I fail to see why it should be any different under
14 the current program.

15 WIGGINS: Well, that speaks to the effectiveness
16 of the use, which is different than the -- I don't want to
17 spin your own words at you, but it's similar to what we've
18 been hearing, that people have equated the use of non-cited
19 violations as the staff ignoring its responsibility to
20 enforce its regulations, and that's where the basic
21 disconnect is, because in the staff's view, it's not
22 ignoring that, it's decided to not ignore it, in fact, it's
23 to address it.

24 RICCIO: It's acknowledging it, but it's not
25 taking any action upon it.

1 WIGGINS: It doesn't have a notice.

2 GILLESPIE: Let me ask the state representatives,
3 because the states are kind of neutral parties looking in on
4 -- you're viewing in on this.

5 Bob, how do you take -- when you see a non-cited
6 violation versus a cited violation, when you see an
7 inspection report come across your desk in the state?

8 LEOPOLD: I wouldn't know what to make of it. A
9 non-cited violation?

10 GILLESPIE: Versus a notice of violation which
11 stands out at the end of a report.

12 LEOPOLD: Not knowing your framework, it would
13 sound like gibberish to me.

14 GILLESPIE: Dennis?

15 ZANNONI: Well, our original perception, to follow
16 up what Jim said, was that. You know, we had to look at it
17 to see what was actually going on. Fortunately, we have the
18 staff that can try to dig in and find out what was
19 happening, and we'd have to explain it to our management.

20 So, we were able to, I think, figure out that,
21 even though, on the surface, it looked like a pull-back in
22 enforcement, I think we accepted and came to the conclusion
23 that the way that they're handling the non-cited violations
24 is adequate.

25 GILLESPIE: Jack?

1 SPATH: I would echo Dennis' comments. I mean we
2 certainly take note of the non-cited violations and make
3 sure we understand what they're about, but we also, I think,
4 appreciate the fact that the NRC has assessed that
5 particular issue and said, well, okay, you know -- we would
6 take less -- we'd be less concerned about the non-cited
7 violation, obviously, than the cited violation.

8 A cited violation, we might spin up our concern
9 level a little bit higher. A non-cited violation -- I think
10 the only observation I would make independent is -- and this
11 is -- you know, I don't have any documentation, but it seems
12 like there is a large number of non-cited violations, and
13 maybe that's the nature of the beast.

14 GILLESPIE: You know, I do think that, to a degree
15 --

16 RICCIO: There's been a great proliferation of
17 level fours coming out about problems with the design basis.
18 So, that's why there's a big proliferation of fours.

19 You're seeing a lot of what used to be fours as
20 non-cited.

21 FLOYD: The numbers that we looked at actually
22 showed that there were more -- a combination of level four
23 and non-cited violations this year than there were last
24 year.

25 WIGGINS: There's going to be still some -- I mean

1 the amount of non-cited violations you have is really
2 strongly a function of what you look at or expect to be
3 looked at, really.

4 Even if you just apply a system that says, if
5 there is a violation, one has to identify it as such, what
6 that does is it rolls in all the licensee's efforts that are
7 out there that are finding problems that are non-trivial,
8 and I won't hazard a guess on the percentage, but I'll tell
9 you, some more than trivial percentage of the NCBs that are
10 floating around are as a result of an application and this
11 idea that, if it is a violation, it doesn't matter who found
12 it, it's called an NCV, and that's the way it is.

13 It's a little less meaningful in terms of what
14 content you get out of it than maybe in the old system,
15 where you can compare cited ones to non-cited ones and knew
16 that the non-cited were either trivial or were
17 licensee-identified compared to the cited ones where NRC
18 identified.

19 In the end, I think it doesn't surprise me there's
20 a bunch of non-cited violations. In fact, a funny way of
21 looking at it is that people are looking in places where
22 they probably are.

23 They're doing a lot of design reviews. The
24 50.54(f) projects are coming -- it's what Jim's talking --
25 kind of what he's referring to, more or less, that, you

1 know, these things are still operating in a number of
2 plants, things are still being found, because I think the
3 facility's getting pretty -- they're getting better every --
4 you know, getting better as time goes on at asking tough
5 questions of themselves, so they find it, and then the staff
6 is dispositioning it through the policy.

7 GARCHOW: Over time, this gets easier, though, if
8 we continue to try to risk-inform the regulations in the
9 same manner that we're risk-informing the oversight. It
10 tells you something if you're talking about trivial,
11 non-cited violations.

12 That would mean that I'm wasting a little bit of
13 my time de-focusing from maybe more safety-related issues.
14 You may be using more of your time de-focusing from
15 safety-related issues.

16 So, I know there's an effort underway.

17 Let's go -- the real problem -- let's go back and
18 look at the regulations so that, when we truly are out of
19 compliance, it's in some area -- you know, we don't want to
20 be out of compliance, but if we are, it's in some area that
21 the regulation actually makes sense from a risk standpoint,
22 and until we get to that point, I think the non-cited
23 violations is a good bridge to bridge us to the point until
24 we can go back, go through, and make some risk sense rather
25 than a compilation of regulations that, in its totality,

1 makes it very hard not to find small little nuances of
2 non-compliance every time you start to dig into an area with
3 any kind of depth, because I think, when we look in areas,
4 we find them and report them, and when the NRC looks in, we
5 find them and report them, and that will continue to occur
6 until we change the regulations to a way that are more
7 risk-informed.

8 BORCHARDT: I just wanted to make a point.

9 There is a provision within the current policy and
10 the way we do enforcement that the truly trivial items don't
11 even make it into the inspection report, and those are
12 called minor violations.

13 GILLESPIE: We hit that earlier.

14 BORCHARDT: So, those things are NCV, we're
15 serious about. They need to be acted upon and corrected.

16 GARCHOW: You're serious about the fact that it's
17 clearly a -- there is a regulation out there that we're in
18 non-compliance with, and I think we both agree with that,
19 but when run it through the significance determination
20 process, you see that, very quickly, it falls out to not
21 being risk-significant.

22 Those are the types of issues that lend
23 themselves, when we see what this looks like over a couple
24 of years, to go see does the underlying regulation need to
25 be risk-informed so you don't even go through the process to

1 that point and waste both NRC resources and utility
2 resources.

3 BAJESTANI: From utility perspective, cited
4 violation or non-cited violation, you know, it's gets into
5 our corrective action program, and really, what we care is
6 fix the problem and we make sure that we have the measures
7 in place to prevent recurrence.

8 So, cited or non-cited violations, that's the
9 approach that we take.

10 WRIGHT: How does NRC handle non-cited violations
11 differently than they used to handle the same violations
12 that were cited?

13 BORCHARDT: How do they handle them differently?
14 It's just the fact that a notice of violation isn't
15 prepared, and then, of course, the licensee doesn't have to
16 formally respond in writing to the NRC.

17 Other than that, the level of documentation in the
18 inspection report, the laying out of the facts for what the
19 violation was ought to be comparable. So, that shouldn't
20 change.

21 WRIGHT: So, the followup is the same.

22 BORCHARDT: No, it's not the same. It will be a
23 sampling under the new process of some percentage. Is it 20
24 percent? Whatever the percentage is -- I don't know.

25 WRIGHT: So, before you followed up on all of

1 them, and now it's 20 percent.

2 BORCHARDT: Right.

3 WRIGHT: Okay.

4 GRANT: It went from 100 percent to 20 percent.

5 When you say we take NCVs seriously, I don't know
6 how to quite take that.

7 NCVs are within the licensee's purview to take
8 care of.

9 You say that you treat them the same one way or
10 the other, except the fact of the matter is, if you do
11 nothing with the issue within your corrective action program
12 or you make it a five-year study program or something like
13 that, the NRC never goes back and gets, you know, another
14 bite at that apple, if you will.

15 GILLESPIE: We may or may not.

16 GRANT: Currently. Well, even if you went back in
17 and you found out they hadn't done anything, if the issue
18 isn't white, okay, it's still a green, and at most, it would
19 be another NCV.

20 So, I think that, when we get to talking about the
21 enforcement aspects of this and, once again, how it meshes
22 with the assessment and with the SDP, we're going to have to
23 figure out what corrective action program changes need to be
24 made to make sure that doesn't happen.

25 Otherwise, you end up with the perception, I

1 think, that NCVs don't mean anything, because they go into
2 the system, and nothing needs to really be done, you know,
3 from a regulatory standpoint, because we're not going to
4 engage on that.

5 WIGGINS: So, that's a question we ought to have
6 the staff --

7 FLOYD: I'd like to offer just a little
8 perspective on this, though.

9 If you look at the numbers, it's running about
10 1,400 of these a year, roughly, industry-wide, which is an
11 average of about 14 a unit.

12 There's 37 inspection modules, each one of which
13 says go sample some items from the corrective action program
14 to see if the action has been taken and you think it's
15 timely and the action is successful in closing out the item,
16 okay?

17 That's 37 modules against an average of 14 items a
18 year identified.

19 Now, I just can't imagine, in my mind, that the
20 NRC inspector, if an item passes the threshold of being a
21 finding and rises to the level of a non-cited violation,
22 which to use Bill's words, is something that at least had
23 some significance -- it was more than trivial -- that that
24 wouldn't be included in the 37 modules that they're going to
25 go look at, an average of 14 items at a unit, and then that,

1 in turn, is followed up by a 100-hour minimal, or more,
2 annual corrective action program, and I can't imagine
3 they're not going to sample at least some of those same
4 items again.

5 So, I'm not sure how many of these things actually
6 fall through the cracks in the end analysis and don't get
7 looked at, even though the total sampling, I agree, is 20
8 percent.

9 LIEBERMAN: But if they look at it and they find
10 out it wasn't appropriate treated, the outcome is just
11 another non-cited violation.

12 GILLESPIE: That now has to be corrected, because
13 now you've got another cause. Now you've got failure to do
14 root cause analysis, failure to identify cause.

15 FLOYD: It's a different violation at that point.

16 GILLESPIE: Now you're going down a different
17 path.

18 WIGGINS: We ought to really wait for the staff
19 discussion, because that's an interesting question about,
20 you know, when is too much of that -- when is that activity
21 too much, because that starts -- one can make a case that
22 might bear on the integrity of the overall process.

23 Now, I'll be more than happy to sign up for what
24 Steve's saying, just as long as he'd allow me the fact that
25 that won't -- that's an add-on to what we're going to do

1 with the rest of the corrective action inspection. It
2 doesn't displace other things.

3 FLOYD: I can't imagine you're not already going
4 to look at the average of 14 in 37 modules.

5 WIGGINS: We can ask that question when we get
6 some real live inspectors tomorrow.

7 GILLESPIE: Let me jump to the end, because I can
8 see everyone's drooping, and it's been a lot of information,
9 a lot of good discussion's taken place, a lot of points have
10 been captured, and it's been a long day.

11 What I'd like to do is offer our guests, who are
12 invited back to hear the staff tomorrow, because this will
13 give the states an opportunity to hear the details, and
14 we'll even let you ask questions as if you're us, so you get
15 to kind of be here and quiz them in order to get some
16 information transferred, but would any one of the guests
17 like to -- don't feel obligated to do it, but we'd like to
18 give you the opportunity to sum up, if you've got opinions
19 on the overall program.

20 Jack?

21 SPATH: I actually have a couple of comments under
22 the heading of overall.

23 GILLESPIE: Good.

24 SPATH: I'll try to make this quick, and again,
25 for whatever reason, I keep coming up with three comments in

1 each category, so I'm going to be consistent.

2 First, you know, one measure of the success of the
3 overall process as we read it in the NRC documentation and
4 even in the panel's report outline is the efficiency of the
5 new process relative to the current oversight strategy, and
6 while we certainly understand the importance and perhaps the
7 driving force behind having an efficient oversight process,
8 we feel like we think the process should also be evaluated
9 on its ability to assure -- and I have the word here "safe,"
10 but based on current discussion, maybe I should say
11 acceptable and consistent operation of the plants.

12 Unfortunately, this latter measure is, again,
13 something, as I've alluded to before, probably is only going
14 to be measurable or discernible over time, and then I would
15 add the same admonition that we added before, was
16 particularly during these early stages of this new process,
17 during the transition or implementation phase, that it
18 behooves NRC to proceed with all due caution and vigilance.

19 The second comment is relative to NRC's ability to
20 compare or calibrate the results of the new oversight
21 process, and we suggest that you do that perhaps with the
22 industry self-assessment process, self-assessment
23 evaluations, and the reason being is we think it would be
24 interesting to note if there is any great disparity between
25 what comes out of the new NRC process and, say, the INPO

1 process, we wouldn't expect to see and would hope not to see
2 great disparities, but if there is great disparities, then
3 that would, from our perspective, say, hey, we need to take
4 another look, why are they significantly different?

5 GARCHOW: Can I jump in there?

6 SPATH: Yes.

7 GARCHOW: In a perfect world, the whole construct
8 of what INPO is trying to do for us is grade us within a
9 measure of getting to excellence, as opposed to an oversight
10 process which is trying to determine if we're acceptable or
11 unacceptable to operate and use of tools and enforcement,
12 stuff we've talked about today.

13 So, they actually, both of these processes, have a
14 wholly different construct.

15 So, we could, as a utility, be not even in the
16 space of having concerns relative to increased NRC oversight
17 but relative to the high standards that the industry has set
18 via our INPO organization could end up in an INPO category
19 that would be not excellent, and it's just a totally
20 different construct, because INPO's trying to get every
21 plant to the highest standards of excellence to keep the
22 entire fleet operating to the best that we possibly can,
23 holding ourselves accountable as an industry to do that.

24 That's a wholly different construction than this
25 process.

1 RICCIO: That's all nice and fine in a nice, you
2 know, ethereal point of view.

3 I think I'm probably the only one who's actually
4 had the INPO reports and compared them to NRC inspection
5 reports, and I found grave disparities, and it wasn't just
6 on focus.

7 So, I think the concern is legitimate, but I
8 wouldn't be -- I understand INPO shoots for excellence, but
9 they are capturing things and, in the past, have captured
10 items that NRC hasn't, and some of which were safety
11 significant as we were using the terminology at that point,
12 but I think you do have to be wary of having a disconnect,
13 also because you're relying more and more upon INPO data,
14 and if there is a disconnect that occurs between what INPO
15 is saying and what the agency is saying and that again gets
16 its way into the public domain, you're going to have
17 problems with this system just like you did with the last.

18 GARCHOW: We're not using INPO data. INPO doesn't
19 create one data source at all.

20 We happen to be using INPO as a clearing house to
21 collect individual plant performance data in a way that's
22 consistent across the industry, and this process happened to
23 leverage a little bit of that, having already been developed
24 to help us along with the indicators, but INPO themselves
25 don't create any of the performance data that you see or may

1 have seen in the LANO or, previous to that, the INPO data.

2 That truly is the same industry data that's coming
3 from a power plant at a time going through our process of
4 submitting that to INPO.

5 GILLESPIE: We have a slight disconnect, because I
6 was on the other end, having to respond to Jim's report some
7 years ago, and it actually wasn't the data, it was the INPO
8 evaluation reports, and Jack's just saying --

9 SPATH: And I'm not trying to criticize either.
10 I'm just trying to say there's another process out there.
11 Take a look at it. How does it compare? It's a benchmark,
12 something you can use to help perhaps calibrate your system.
13 It would be imprudent not to.

14 GILLESPIE: Two universes are looking at the same
15 place and evaluating operations, but it is for a different
16 purpose.

17 SPATH: And I understand that, and I accept that
18 and appreciate that.

19 GILLESPIE: You were getting at the evaluation
20 report.

21 SPATH: And I think that your comment can be taken
22 into account, should be taken into account.

23 And my last comment is relative to the issue of
24 the -- what is called the annual public meetings.

25 As part of the process, you will have annual

1 public meetings with the plants to discuss the assessment of
2 performance, and as we have recently witnessed in New York
3 State, "public meetings," if I can use that in quotes, seems
4 to mean that the public is allowed to observe but not truly
5 participate in the meeting, and my understanding of the way
6 the process works is that the meeting is, in fact,
7 adjourned, and then NRC staff will normally stay around and
8 be available for conversations and talk to the public and
9 answer questions and what have you, and I guess our sense is
10 that we would suggest and recommend that NRC look at, you
11 know, ways that interested members of the public,
12 stakeholders might be able to more fully participate in the
13 meetings in a constructive way.

14 I understand that there is business that has to be
15 accomplished and you need to achieve those objectives, but
16 it seems to us that perhaps the NRC, for example, could
17 provide a period at the end of the meeting where, still on
18 the record, you know, the public could raise questions or
19 provide feedback, and we believe it should be focused
20 specifically to the topic of discussion, which is the
21 performance findings that are presented at the end of the
22 meetings.

23 GILLESPIE: I think that's a fair point to make.
24 I know, when our guys went to New Jersey and held a public
25 meeting on this new program, Bill was willing to talk about

1 anything that the audience was willing to bring up, and they
2 brought up everything except the new program, but it was a
3 great -- we got feedback on that from public affairs.

4 It provided a great relief valve and a sense of
5 participation. So, we actually -- I'm using that as an
6 illustration where I think we had a lessons learned -- there
7 was an institutional gain from doing that.

8 SPATH: One of the objectives that you have is to
9 build confidence, and I don't think you necessarily build
10 confidence by saying, okay, we can't talk -- you can come in
11 and watch but we can't talk to you, and there is the issue
12 of trying to keep the discussion focused on the matter at
13 hand, and I understand that that sometimes is a challenge,
14 but we're public servants, guys.

15 GILLESPIE: I have a lot of sympathy for that
16 comment. That's something we need to take under, I think,
17 consideration in a lot of venues.

18 ZANNONI: In the interest of time -- it is getting
19 late, but I want to refer back to, actually, a letter we
20 wrote to the NRC back in May, May 20th, because we're on the
21 docket, and I'm going to submit the two letters, and we made
22 some observations in there, and some of them are still
23 legitimate today, as you review your program, and one is the
24 speed of the program, and at that time, the implementation
25 and the roll-out was going to be January 1. So, it was

1 actually positive that it was delayed.

2 So, to the NRC's credit, we view that as, again --
3 it's some time to take a different look, better look, longer
4 look, have more people involved, because we see that this
5 oversight program will only improve on more people
6 commenting and bringing their comments and insight to bear
7 here.

8 The other comment that we made was, you know,
9 extend the comment period itself, because it ended at the
10 end of this month, and so, that was another positive, I
11 think.

12 One month's better than no days, so that was a
13 positive.

14 We could use a little bit more time, because this
15 is a complicated program to review, and we don't have the
16 resources that a lot of other agencies do, but we do believe
17 it's important enough to spend some time taking a look at
18 it, getting some perspective, and you've already heard some
19 good insight already.

20 We made the comment that the NRC inspection
21 program must still rely on on-sight presence of the
22 regulator. We think that that is very positive.

23 This obviously hinges strongly on the utility of
24 the performance indicators and the value of the baseline
25 inspections.

1 You know, if the performance indicators are set
2 too high, the baseline inspections are not robust enough,
3 and the role of the inspectors, we feel, would be
4 diminished.

5 So, we value their participation at the site, and
6 hopefully, the new oversight program will make room for them
7 and not completely eliminate them.

8 The NRC action matrix, we commented, need to have
9 a clear and unambiguous path to unacceptable performance and
10 shutdown. We've raised that. I don't know if it's even
11 been addressed or things are going to be commented on, but
12 again, the people ask us, well, you know, how are the
13 plant's doing?

14 They should be also entitled to know when the
15 plant won't operate, and if it means one red or if it means
16 a combination of different things, that needs to be clear,
17 and that's already been talked about today.

18 But overall, I think, you know, this panel, I
19 know, has a deadline, and I know the program's got to move
20 along, but you have to still be open to the fact that
21 certain aspects of it may not work and you need the
22 wherewithal to say that there could be a better way, could
23 be a different way. I know a lot of resources and energy
24 went into this program, and they're on the fast track to
25 implement it.

1 Overall, if I take a step back, even though these
2 are preliminary, we don't -- we see actually a new
3 inspection program as still covering a lot of -- most, if
4 not all, of the same areas that the current inspection
5 program does.

6 So, that gives us some level of assurance that
7 that part hasn't changed a whole lot, but we see it as more
8 streamlined, more efficient, but again, I still want to
9 defer our overall comments to the ones we submit on the
10 docket December 30th, because they're going to be more
11 specific and, I think, more helpful.

12 We are still plowing through this, and I
13 appreciate the opportunity to participate, and I'll be here
14 tomorrow.

15 SPATH: Frank, could I just quickly tag on to
16 something that Dennis said? Because we had talked about
17 this before, and I would want to second his comment about
18 the NRC's on-site presence.

19 We, too, think that that is critical to providing
20 confidence and assurance that the plants are being overseen
21 properly, and I believe New York would be quite concerned if
22 we foresaw down the road a significant reduction in the
23 on-site -- NRC's on-site presence.

24 LEOPOLD: I guess I'd like to start off by
25 commending you. It looks like an awful lot of work and

1 thought has gone into this, and you've come a very long way.

2 I compared it earlier to a QA process, and part of
3 that means that you can't -- you're never done. You're
4 going to constantly have to change this, just the way you're
5 going to -- the plants are going to have to constantly
6 adjust.

7 So, I would be really disappointed if you roll
8 something out January, March, June, whenever you roll it
9 out, and think that it's going to stop there and be
10 finished.

11 Two other quick things.

12 Because of another hat I wear, security is a
13 really significant issue, and I've heard that there's a lot
14 of disagreement about how security issues are ranked or
15 flagged or whatever we call it. You definitely have to work
16 that out, because you can't ignore it.

17 And lastly, I would like to also say that, as a
18 state that doesn't do any monitoring beyond the Nuclear
19 Regulatory Commission, we hope that you would have staff
20 on-site to continue monitoring and would feel distressed if
21 that didn't happen.

22 GILLESPIE: Jim.

23 RICCIO: First of all, I want to say that it's
24 obvious that a lot of work went into this, and I understand
25 that it cannot be lot of fun to put out your work product

1 and have all of us come in and take pot shots at it.

2 One of the things I am concerned with, however, is
3 that this seems like we're here discussing how to keep the
4 agency in check rather than keeping the industry in check,
5 and we've talked a lot about how the enforcement process is
6 going to work and how, you know, each of the different
7 indicators are going to feed into the process to trigger
8 different action by the agency.

9 The reason we're here to begin with is not
10 necessarily because the agency was overreacting, although to
11 listen to NEI, that's why we're here, is that you're
12 creating a great burden upon these licensees, and I think we
13 should maintain our focus on the fact that you're going to
14 have to work through this process and achieve a
15 comprehensive and also a position that you can support and
16 substantiate, and I'm not sure you're there yet, and I can
17 see down the road you're going to have instances -- and I
18 thought it would take longer than just a day to get to this
19 point, where all of a sudden you're having discussions about
20 what is the risk significance of the cornerstones, and
21 you're going to get instances where I believe you're going
22 to have the industry arguing that -- no offense -- that a
23 security cornerstone does not -- a security yellow does not
24 equate with a reactor safety yellow, and that's going to be
25 a problem in your ability to explain this system to the

1 affected public.

2 Again, the proof is in the pudding, and I should
3 just pull out all by Chairman Jackson quotes and roll them
4 by, but you know, we're going to have to -- okay. I'll pull
5 out one. Regulation is as regulation does. I'm sure I've
6 got a few.

7 But you know, again, we're going to have to sit
8 back and wait and see how the whole thing fleshes out, but
9 again, to all you guys that have been working on this, we
10 realize that, even though we're sitting here, you know,
11 trying to shoot it down, that a lot of effort has gone in to
12 make this process better than it was.

13 I just hope that you keep -- you know, you're
14 going to have to actually enforce this on the licensees at
15 some point, and every time these guys have a little -- pull
16 back on your reins, I'd be a little bit wary of that.

17 GILLESPIE: I appreciate both those comments and
18 your prior comments of viewing what we're doing from the
19 other side.

20 We are groping here for balance, and it's a
21 difficult balance to know where we are in this -- it's kind
22 of like a broad gray area.

23 I think it would be obvious if we're
24 under-regulating and it would be obvious if we're
25 over-regulating, but we're kind of in this broad gray area

1 where we're groping for just the right amount of regulation,
2 just the right amount of intrusiveness, and we're going to
3 oscillate back and forth, and I think is the public interest
4 groups that should call us to task if it looks like it's
5 always getting nudged in one direction.

6 RICCIO: I've already nudged you guys in the other
7 direction over the last few weeks.

8 GILLESPIE: I think the nudging -- we should be
9 trying to oscillate around some ill-defined middle ground,
10 and it is a difficult middle ground to define.

11 So, I appreciate the -- it takes both sides of an
12 argument when you're trying to grope for the middle, and we
13 need that.

14 We need both sides, which actually begs for the
15 challenge the staff's going to have next year, or a year
16 from June, when they're putting their annual report
17 together, because I think, at that point, similar public
18 involvement with the year's worth of data is going to be
19 necessary to get the same kind of inputs so that we're going
20 to have an opportunity for the give-and-take to take place
21 and for the words to get on the record, for the transcript
22 to be made, to kind of force the consideration of both
23 points of view, and I think that's a challenge the staff's
24 going to have next year, and Alan's already grimacing, but
25 we've gone down the path of being a little more open with

1 the decision process here, and it's a path that I don't
2 think we can divert from.

3 GARCHOW: I think there's a perspective we all
4 need to take, too.

5 I recently just got done completing a program with
6 around 44 people from about 38 different countries, some of
7 them in the eastern bloc, some of them in southeast Asia,
8 and I couldn't help, since I just came out of that process
9 of six weeks, recognizing that this process is really not
10 typical across the world, that we would have these kind of
11 dialogues and this kind of public process to get to any
12 policy issue, not just nuclear power.

13 So, it became clear to me, after spending time
14 with other entities, non-utility entities, figuring out how
15 they work through their government's regimes, that there are
16 other systems out there that aren't nearly as participative
17 of these systems are, and I guess I'd say I found this just
18 a wonderful dialogue day, that we ought to not lose sight
19 that this is not true all over the world that these kind of
20 dialogues occur on these kind of matters, and I think we
21 take it for granted.

22 GILLESPIE: Greg, any closing comments?

23 GIBSON: Well, I'd just like to sum up three main
24 issues.

25 Again, the shadow plant program was somewhat

1 self-serving.

2 We wanted to position ourselves so that, you know,
3 we got lessons learned not only from the plants but also so
4 that we could make intelligent comments and set up the
5 infrastructure for our own plants, and hopefully, that will
6 serve us well as move forward into this.

7 But again, from our standpoint, I would encourage
8 this panel to look very carefully at the action matrix to
9 make sure that, for each one of those columns and what the
10 regulatory response will be, that it is, indeed, what you
11 want it to be for a particular level, especially in the
12 areas of the PI's where I can certainly think of some
13 security issues that, by gosh, you ought to be red and you
14 ought to be yellow, and I definitely could think of those.
15 This isn't one of them that I picked to be yellow. I mean
16 maybe we want to rethink even having a yellow threshold for
17 that particular thing. I don't know.

18 But I think that's the job of this particular
19 group.

20 The second issue that I would suggest is to take a
21 look at the area of security.

22 We were struck that not only is the SDP -- as I've
23 mentioned, it hasn't changed. Maybe it's being worked, and
24 maybe it's even been out, as the other one, recently, but
25 there hasn't been any progress on that, and the problems

1 with the security PI have been -- I've participated in two
2 public meetings that I flew in to provide the staff and the
3 public forum with information on those, and I think that
4 security may be an area that this panel wants to focus on in
5 terms of, you know, have they been able to get the support
6 that they need to resolve these issues, because I'm
7 comfortable going into the final implementation phase of
8 this and getting ready for April 1st with those two areas in
9 the state that they're in.

10 So, I'd encourage that these issues be resolved
11 and reviewed.

12 And then the very last item is, again, the
13 question of do you want it fast or you want it right?
14 Fourteen days is doable. You can do anything.

15 On the other hand, one slide I didn't go into is,
16 without any senior management review, the average time to
17 get it into the shadow plant program from the plants that we
18 have was 17 days, a little over 17 days.

19 I'd encourage this group, especially the pilots,
20 you know, certainly -- the VP says let's do it, you'll drop
21 whatever things you may be doing and do it. We can get it
22 done.

23 But for a long term, for the next five years, 10
24 years, is this a timeframe that everybody can help the data
25 come together on in a prudent timeframe.

1 GILLESPIE: I think that's a good point, and it
2 will be interesting to see, when we meet the next time, what
3 the different views are.

4 Dave, I know you had some reaction to the concept
5 that you don't want to get data in that's continuously
6 changing, because that challenges the credibility. Yet we
7 are trying to be timely. We're issuing quarterly reports.

8 I know the pilot plants, for whatever effort it's
9 taken, have done it within 14 days.

10 As a matter of fact, they've been doing it once a
11 month in 14 days, and it's a balance we're going to have
12 grope with, but it also -- it does impact public confidence,
13 and so, it will be interesting to see if Jim -- or if you
14 submit separate comments from Dave -- what your view would
15 be on that, because there is a danger to changing numbers
16 the next quarter and the next quarter.

17 WRIGHT: You'll lose the perspective of the
18 previous assessment period.

19 GILLESPIE: Yeah.

20 I don't have a good feel for the balance. I'd
21 like to just sit here and say, by god, they all did it in 14
22 days on a monthly basis, that's it, but I don't know that
23 that's a fair thing to do, although I don't think 90 days
24 extra is warranted.

25 GIBSON: No, we took care of that with getting rid

1 of the strontium 8990. That went off the table.

2 GILLESPIE: Okay, but is an extra week warranted,
3 and would the gains from an extra week be a sense of
4 fairness? Anyway, that's the kind of issue I think we have
5 to wrestle with.

6 Tom?

7 HOUGHTON: We would like the 14 -- the 14-day
8 versus 50.9, I think, is the biggest issue on our mind, is
9 the resolution of that nexus.

10 I think the most encouraging thing about this
11 panel is to go back and re-look at people who haven't seen
12 it before, raise the questions that we thought we knew all
13 the answers to two years ago, and to test those assumptions
14 and develop the reasoning that I think Jim and Dave feel
15 that the public deserves in terms of what's the meaning of
16 the program and how is it being used.

17 So, I think that's where value on the panel will
18 come in expressing those bases for what we're doing.

19 GILLESPIE: I don't think this panel is going to
20 express bases. We may express the need for the bases to be
21 expressed.

22 HOUGHTON: Because the public confidence issue is
23 one that needs to be clear to people what it is we're doing.

24 GILLESPIE: I think the comments that we heard
25 earlier today and some of the comments that even the panel

1 members, collectively, have kind of just initially put
2 together, bear a lot on the communications aspect, fully
3 articulating the basis for things in inspection reports,
4 fully articulating the basis for why something is there,
5 fully articulating why this indicator doesn't have a yellow,
6 you know, why is it only a green and white.

7 It's a lot of work to be done in the next year.
8 It sounds like we may have -- now that we've created a
9 structure, there's more things to make the structure better
10 to do than there was to make the structure in the first
11 place.

12 The number of comments can, at some point, be
13 overwhelming.

14 HOUGHTON: Certainly, a number of people said,
15 gee, we want to be sure that we don't do away with
16 residents. I don't know where that worry came from, but the
17 industry certainly has not supported the idea of doing away
18 with resident inspectors.

19 GILLESPIE: With that, I would like to thank
20 everyone. I would invite anyone who wants to come back and
21 bear with us and hear the staff's presentation tomorrow.
22 The staff is going to try to go through where they stand on
23 each of these criteria.

24 I know Bill and Alan and the guys were working on
25 a lot of material last night, and -- it looked like a lot,

1 but thank you very much, and eight o'clock in the morning, I
2 believe, back here. You have to take your stuff with you,
3 because we may be in a different room, so check on the front
4 board.

5 [Whereupon, at 3:59 p.m., the meeting was
6 recessed, to reconvene at 8:00 a.m., Wednesday, November 17,
7 1999.]

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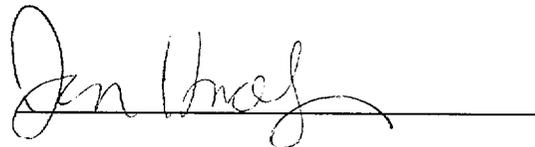
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