

ORIGINAL

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

**Title: PILOT PROGRAM EVALUATION
PANEL MEETINGS**

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1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

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4 PILOT PROGRAM EVALUATION
5 PANEL MEETINGS

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9 Double Tree Hotel
10 Halpine Room
11 1750 Rockville Pike
12 Rockville, MD

13
14 Wednesday, November 17, 1999
15

16 The above-entitled meeting commenced, pursuant to
17 notice, at 8:00 a.m.
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P R O C E E D I N G S

[8:00 a.m.]

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3 GILLESPIE: Since everyone who is here today was
4 here yesterday, I don't think there is a need to necessarily
5 spend the first few minutes summarizing yesterday's meeting.

6 There were some high points that I'm going to try
7 to capture in kind of a quick look report to Sam Collins,
8 that came up from the speakers. Just so he is kind of aware
9 of some of the things that we normally don't look at in the
10 same way, consistency of if we say we're going to do
11 something, we should do it.

12 Jim Riccio's comment that the SDP a reason not to
13 do things versus a reason to do things, that's a perspective
14 that the regulator -- we develop something on why we should
15 do it, yet someone could turn it around and say but it's
16 this way, so context and how we express ourselves become
17 every important.

18 I'm going to capture some of those high points in
19 the next couple of days, to try to get kind of a quick look
20 memo from what was covered.

21 So with that, I am going to try, because it's
22 important to us to hear firsthand from the regional people
23 and we've scheduled Bill Dean to be on first. Bill Dean has
24 been allotted 45 minutes, but he gave out eight and a half
25 hours worth of viewgraphs this morning.

1 If you go by three or four minutes a viewgraph and
2 you count the viewgraphs, I have a feeling there's a lot
3 there. After 45 minutes, it's, about that time, a logical
4 break point. I'm going to ask Bill to stop his presentation
5 so we can get the regional people on and the regional
6 people, it's our one shot as a group to hear from them and I
7 want to hear from them.

8 Bill kind of hangs around here all the time, so we
9 can always pick on him later.

10 With that, Bill. Has everyone got a copy of the
11 presentation?

12 DEAN: Good morning, everybody. Folding off of
13 Frank's introduction, I do have a lot of slides here, a lot
14 of information, but I think in preparing for this, the staff
15 has endeavored to try and make sure that the presentation is
16 streamlined enough to meet the timeliness goals.

17 You see a lot of names listed here and I think that's
18 reflective of the breadth of effort that's been required in
19 overseeing this pilot program, and there's a lot of other
20 people that aren't even on this list that have played a key
21 role in the efforts, Alan Madison and Augie Spector for two.

22 But we wanted to try and spread out the effort, as
23 you will, so that the individuals that have been directly
24 involved with gathering and analyzing the information can
25 provide that information to you and answer your questions

1 directly, if you have any.

2 We basically have a structured format as to how
3 we're going to present this, and you'll see this as we go
4 through the slides, but basically we'll start off each
5 section discussing the criteria, basically revisiting what
6 the criteria are, maybe paraphrase somewhat, but at least
7 discussing the criteria, provide you with a metric or two,
8 if we have one for that area, a description of the results
9 thus far, and our observations and analysis, some of which
10 may be associated with the metric and some of them maybe
11 associated with their anecdotal information or other
12 feedback that we've gotten, and then actions that we've
13 either taken or potentially plan to take in the future to
14 deal with the issues that have emerged.

15 Our focus is going to be more on the facts and
16 program execution results and not so much on philosophical
17 discussions about the underlying regulatory framework. So
18 that's not to restrict you from questions in that area, but
19 our approach was not necessarily to go back and revisit the
20 underlying regulatory framework.

21 The purpose of the pilot was to gather information
22 and when all is said and done, it may cause is to perhaps
23 question some of the aspects of that, but that was not our
24 intent in this presentation to go back necessarily and
25 revisit some of that philosophical framework information.

1 You're going to see some incomplete data.
2 Obviously, we're in November. The pilot program is just
3 about done. But in reality, if you look at how things go in
4 a continuum, there are still inspections being developed out
5 there, there's still PIs being reported, and so there's a
6 lot of information still yet to gather. So you will see
7 some incomplete information.

8 GARCHOW: Bill, when we extended the date till
9 April, the pilots really, by default, are going on until
10 April.

11 DEAN: Absolutely.

12 GARCHOW: Because there is nothing different
13 that's going to happen at the end of November. We're not
14 going back to the nine plants.

15 DEAN: No.

16 GARCHOW: We'll just keep that process moving
17 forward.

18 DEAN: The end of November is basically an
19 artificial date that basically marks a transition between
20 execution of the pilot program for collecting data and now
21 moving into the analysis phase. We're going to continue, as
22 you mentioned, Dave, that the pilot plants are going to
23 continue as they have been, other than the fact that in
24 January they will start quarterly reporting of PIs as
25 opposed to monthly.

1 But we think that there is enough information here
2 to make a pretty good assessment of substantive lessons
3 learned and potential actions that we need to take.

4 As a point of reference, where we are in terms of
5 milestones or where we are in the program. We're about in
6 the middle there, where we're completing the pilot project.
7 But there's still a number of obviously significant issues
8 and events that have to take place, and I've tried to
9 highlight a couple of the key ones.

10 The public comment period in December, and that's
11 kind of a misnomer, because the public comment period has
12 been ongoing. We issued a Federal Register notice very
13 early in the pilot program that asked for ongoing public
14 comment by the end of November. We've extended that to the
15 end of December. So really the month of December is not the
16 public comment period. We've been getting comments all
17 along.

18 The lessons learned workshop in January is going
19 to be very key. Milestone in our process, that's going to
20 be where we're going to gather industry, NRC and external
21 stakeholder representatives in a single locale and lay out
22 the key lessons learned from both the industry perspective,
23 external stakeholder perspectives, and NRC perspective, and
24 try and come to consensus as to what issues exist out there
25 that need to be resolved before full implementation and

1 hopefully develop some consensus or some approaches anyway
2 to how to deal with those issues.

3 That's the week of January 10 and there should be
4 a Federal Register notice out this week on that.

5 Then we're looking for a Commission presentation
6 February, full implementation in April, and as was mentioned
7 yesterday several times, clearly, the pilot program, a
8 six-month pilot program is really not enough time to execute
9 every aspect of this program. I think it's enough to give
10 us insights as to whether we're heading in the right
11 direction.

12 Clearly there are going to be ongoing refinements
13 and really our goal is to determine whether this program is
14 adequate enough and meets the outcomes that we're looking
15 for in terms of safety and efficiency and effectiveness and
16 regulatory burden and public confidence, such that we can go
17 forward and do full implementation. But after a year of
18 full implementation, we'll have a lot larger body of
19 information by which to judge the efficacy of the program.

20 Just to kind of put everybody in the same
21 framework. I thought it was important that we put this
22 slide up in the fact that it's a good one-page graphical
23 description of the oversight process and it kind of forms
24 the structure of our presentation today. We'll be starting
25 at the bottom with performance indicators and inspection and

1 provide you the insights that we've gathered thus far in
2 those areas.

3 Talk about the significance determination process
4 and then build up to assessment and enforcement aspects of
5 the program, basically the outcomes of the information
6 that's gathered as part of the program. We'll also have
7 some discussion on information management systems and
8 overall perspectives. But this kind of forms the framework
9 for what we're going to discuss today.

10 LOCHBAUM: I wouldn't suggest using that to
11 communicate with the public at all.

12 DEAN: I know. It's very complex. But it has
13 nice colors, though, wouldn't you agree, Dave?

14 LOCHBAUM: I'm not the right person to ask that
15 one. But I don't think that would be useful at all to the
16 public. It would actually be a step backwards, or more. A
17 picture is said to be worth a thousand words. Most of the
18 words wouldn't be good in that case.

19 DEAN: I guess the reaction you have is that it's
20 fairly complex and doesn't show a --

21 LOCHBAUM: No, it's not complex. It's the words
22 don't mean anything to the public. Enforcement being a dead
23 end, that looks good. Most people don't know what
24 enforcement is. I mean, those are jargon words to people in
25 this room. The people outside don't know what it means.

1 DEAN: I don't disagree with you, David, and we do
2 find this effective internally to at least show people. But
3 as an external graphic, you're absolutely right.

4 LOCHBAUM: That was the only point.

5 DEAN: Once again, to reiterate, I just mentioned
6 this a minute or so ago, there's four key outcome measures
7 that the NRC has applied and the program that we've
8 developed, this revised oversight process is intended to
9 meet these four outcome goals.

10 If you look at the criteria that we developed, in
11 particular, the overall criteria that exists for the
12 program, they focus on these four key outcome measures. And
13 although we've developed some metrics, it's going to be very
14 difficult for us to identify a specific metric or hard
15 measure to identify this.

16 It's going to be a combination of the qualitative
17 assessments that we get from people, as well as the hard
18 information that we collect, and it's going to require some
19 sort of subjectivity on the part of the staff to ascertain
20 whether this program is meeting these four goals. So we can
21 collect some data that can give us some insights, but in the
22 final analysis, it's going to be a fairly qualitative and
23 subjective assessment as to whether this program will do
24 these four things or not. So that's a challenge.

25 I want to talk a little bit about the extensive

1 effort and reemphasize how much we've done in terms of
2 trying to maintain ongoing dialogue with the multitude of
3 stakeholders that are involved or that touch this program,
4 and certainly from an internal NRC perspective, there's a
5 wide variety at a multitude of levels that we've tried to
6 maintain contact with the staff and with the key managers in
7 the agency on trying to continue to gather their insights
8 and observations about the program.

9 These range anywhere from weekly conference calls
10 to biweekly phone conferences with the senior resident
11 inspectors, periodic briefings of the deputy regional
12 administrators in the region, going out to the regions and
13 meeting with the staff, feedback forms that we get, plant
14 visits, our own internal web site.

15 So there's been a very extensive effort on the
16 part of the staff to try and maintain some sort of
17 continuous communication and feedback loop with the varying
18 stakeholders within the NRC.

19 One of the things I do want to mention is that we
20 are preparing to send out to the staff a questionnaire that
21 will basically solicit feedback from the pilot program
22 participants internal to the NRC about the various aspects
23 of the program, as well as ask the regions to provide a
24 perspective on how they believe this program meets those
25 four outcome goals.

1 GARCHOW: Bill, when we've been getting
2 inspections at the pilot plants that I represent, I've taken
3 the opportunity with some of the regional inspectors and
4 even some of the NRR experts that come in to maybe assist
5 the regional inspectors, and when you chat with them,
6 recognize it's early and it's just the pilot, but an
7 opportunity exists probably to do something maybe different
8 or more with regard to the headquarters versus region
9 communication and understanding of the process.

10 So there's a large body of understanding in
11 headquarters, because the people have just been living this
12 for two years, but when you get down still to the front line
13 inspector, there are still, in some cases, quite a bit
14 further down the learning curve than what we might expect
15 and I think as we go forward to full industry
16 implementation, I think you have to renew an effort down at
17 the inspector level to raise that up before you go to 104
18 plants.

19 DEAN: And I think one thing that may help is
20 that, as you mentioned, Dave, there is a small core of
21 people that have been involved on basically a daily basis,
22 but there's other people that only touch it periodically.

23 This week, as a matter of fact, we did our first
24 training session for basically the non-pilot inspectors. So
25 I think that will be part of the effort to try and engrain

1 everybody else. But you're absolutely right. We need to go
2 back out to the regions and renew, now that we've gone
3 through the pilot, and we'll go back out and talk about
4 things like lessons learned, for example.

5 I'm on tap in the next month or so to go out to
6 two of the regions to talk at their counterpart meetings
7 with all the inspectors about that. You're absolutely
8 right.

9 LIEBERMAN: What are you getting on feedback from
10 the inspectors on the program?

11 DEAN: I'm going to leave that to the -- we've got
12 that embedded pretty much throughout the presentation. So
13 I'd rather -- it will come out in each of the individual
14 sections, I think.

15 Of course, besides our internal stakeholders,
16 obviously, we have the public stakeholders and, obviously,
17 it's a little bit harder to do this. We can't go out and
18 meet with the public on a daily basis, but I think that
19 we've made a fairly extraordinary effort thus far to try and
20 make this process as public as we can. Certainly, when the
21 pilots first started, between the headquarters staff and the
22 regions, we've visited each of the pilot sites in public
23 evening meetings to basically discuss with the public the
24 new process and answer any questions they might have.

25 I will say that the attendance at those meetings

1 was mixed. I think Frank talked about one that we had at
2 Salem, where really the public wanted to talk about
3 everything but the new oversight process. But I think the
4 important thing is we at least are making the effort in
5 terms of outreach to the public and we plan -- we actually
6 have in the works now, once again, meetings in the local
7 vicinity to meet with, in this case, targeted, as you will,
8 stakeholders, those individuals in the area that are key
9 public officials or key public interest group personnel.

10 I know that, for example, David has given us some
11 people in the various areas that we've contacted, and so
12 we're trying to establish roundtable meetings to once again
13 focus on their impressions or observations now that we're
14 coming to the end of the pilot program. So we're making
15 that effort and so we'll see how that pans out in terms of
16 soliciting feedback from the public in the local vicinity of
17 the plants.

18 With respect to other avenues, I guess one thing
19 that all of our, for example, biweekly meetings with
20 industry and NEI have been open to the public. We haven't
21 had a lot of public participation, and that's kind of a
22 misnomer in the fact that they're always in headquarters,
23 and it's difficult for members of the public to necessarily
24 get there.

25 So at least we've made an effort to have those

1 sessions open to the public and we have had a few members of
2 the public. I know Dennis has been -- Zannoni -- has been
3 to a number of the meetings that we've had in headquarters
4 to talk about, but I will say we haven't had much
5 participation there, but we've tried to put the results of
6 those meetings out in the public domain for observation.

7 I mentioned the workshop, that we've got the
8 lessons learned workshop. That's going to be open to the
9 public and we're going to solicit public participation in
10 that workshop in January. So there are a number of things.

11 We've got the Federal Register notice that's been
12 out there, like I said, since early in the pilot program.
13 That has solicited public comment and based on some feedback
14 from Mr. Lochbaum, we have extended that comment to the end
15 of December.

16 But I think the key element that we have in terms
17 of public communication has been our web site and although
18 there probably are some frailties and some flaws in it, I
19 think that it's been probably the most valuable resource
20 that we've applied in terms of trying to communicate with
21 the public and at least get information available out there
22 to them.

23 I think we've gotten some pretty good feedback in
24 terms of the information that's contained on the web site.
25 There are some ways that we can package it better and

1 probably better inform the public about what it's telling
2 them, but at least we're making the effort to try and get
3 this information out and we consider this to be a key
4 element of our program.

5 I guess that's enough introductory remarks. To
6 reiterate Frank's comments on the format, you tried to apply
7 some discipline to the panel and the way you've got it set
8 up is to, I assume, hold questions until after the
9 presentations.

10 GILLESPIE: We'll wait until we get your piece
11 done. We need to hear from the regional people.

12 DEAN: But whether you all will be able to apply
13 that discipline, having seen this panel in work, I doubt
14 that that will be the case. But we are prepared to answer
15 any questions as we go through and we think that our
16 presentation will stay within the time constraints.
17 So without any further ado, Don Hickman is going to come up
18 to the podium first and talk about performance indicators.

19 GRANT: Frank, do you do this by -- we're going to
20 wait until we hear both from staff and the regions.

21 GILLESPIE: Yes, let's wait until we hear from
22 both staff and the regions. Then we can ask everybody, in
23 case there's conflicting information. It may happen.

24 HICKMAN: I'm Don Hickman. I'm the lead on the
25 performance indicators for the revised process. This slide

1 shows the two criteria that were previously established for
2 the performance indicators. The first is if eight of the
3 nine pilot plants, by the end of the pilot program, can
4 report all of the performance indicators accurately, and the
5 second is whether they can be reported in a timely manner.

6 This slide shows the metrics or the measures of
7 the first of the two criteria. What you see here is the
8 column that's labeled inspection verification results. Each
9 number in that column indicates one monthly report by one
10 licensee where an inspection by the resident inspector is
11 found in error.

12 There aren't very many of these shown here and
13 that's because about 25 percent of the verification
14 inspections have been done to date. They are primarily
15 loaded toward the end of the process, so that we can
16 determine in the months of October and November whether
17 they're being reported accurately or not, and that's
18 essentially what the criteria ask for.

19 The column to the right of that,
20 licensee-identified reporting errors are errors that were
21 documented in the monthly reports submitted by the
22 licensees. They would put in the comment field where they
23 had made a correction to a previously reported value.

24 This shows the same information for the remaining
25 cornerstones.

1 These are our results from evaluation of the
2 criteria. Since the inspections have not all been done,
3 haven't all been completed and documented, we're saying that
4 it's too early to determine whether the first criterion has
5 actually been met. So we will reevaluate that upon the
6 completion of the pilot program and the receipt of all the
7 inspection reports.

8 We fully expected to have a number of errors early
9 in the program, particularly with some of the indicators
10 that are new to licensees, and we have seen that. We expect
11 that number to come down and we have seen some trends in
12 that direction.

13 The second criterion, the timeliness, there's not
14 been a problem so far in the pilot program with the
15 timeliness of the reporting. We do understand that
16 licensees would like to have more time to make sure that
17 everything is done accurately. We are reevaluating our
18 processes to see if we can cut down our time, in order to
19 allow a little extra time for licensees.

20 We are still, however, constrained by this desire
21 to get the data out while it's current, within 30 days.

22 We are still seeing minor errors in some of the
23 reporting. Licensees, as indicated in that one column under
24 the licensee reported errors, in their monthly reports,
25 we're seeing some minor problems with getting the data

1 accurately reported.

2 The PIs that have shown the most inaccuracies in
3 the reporting are listed here. The unplanned power changes.

4 GRANT: I think we need to ask questions when we
5 need to ask questions.

6 GILLESPIE: All right.

7 GRANT: For now, the question is not going to be
8 pertinent.

9 LIEBERMAN: Don, if you could stay there. When
10 you say minor, what do you mean by minor? Do you mean that
11 a hit wasn't reported or what do you mean by minor?

12 HICKMAN: In most cases, they don't affect the
13 color band and in some cases, for example, safety system
14 unavailability, it's an accumulation of a lot of small time
15 increments and occasionally they'll miss some of those.

16 In some cases, it didn't even affect the
17 calculation to the first decimal point, which is the
18 accuracy we take it to. In other cases, it may affect that
19 last decimal point a little bit. Relatively minor.

20 LIEBERMAN: Well, I can understand how minor could
21 be that latter stuff that you just referred to, but it
22 doesn't make it -- if it crosses a color band, I don't call
23 that minor. I think that's a substantive error. So I think
24 we need to define, when we present this to others, what
25 minor really means.

1 HICKMAN: Did you say if it does cross the color
2 band? Even if it doesn't.

3 LIEBERMAN: Let's say you need three hits and
4 you're across the color band and you report one hit when you
5 really had two. I still think that's an important error,
6 because when you made that mistake, you don't know whether
7 that's going to cross the color band or not.

8 HICKMAN: I agree with you, Jim. I think that
9 that's, in general, true. We're looking more here at
10 whether they're able to identify the PIs correctly as
11 opposed to the impact on our assessment process and for the
12 most part, they're doing that. They are missing some, and
13 that's part of the learning process, particularly with
14 things like unplanned power changes, safety system
15 functional failures, the EP indicators that they have not
16 been reporting before.

17 I guess that's really what we mean by minor.
18 They're getting most of them. The impact is a different
19 story.

20 GARCHOW: Don, do you have a feel for the
21 licensee-identified reporting errors in your second or third
22 chart, whether those were more -- you don't need to pull it
23 back up there. Were most of those errors at the beginning
24 of the pilot program or have they been pretty much
25 consistently the licensees correcting data right along

1 through the first five or six months?

2 HICKMAN: Many of those errors were early. Many
3 of them relate to the historical data, and we expected that
4 that would be the case. We asked for a best effort.

5 GARCHOW: That's an important perspective,
6 different than just seeing numbers on a chart.

7 HICKMAN: They are still continuing.

8 GARCHOW: I think the chart is the distribution
9 over time, and that will tell a story. Thank you.

10 HICKMAN: They have continued into June and July,
11 but many of them are up early with the historical data.

12 FLOYD: How many of those would have caused a
13 threshold to be crossed, those errors? Do you have a sense
14 for that, Don?

15 HICKMAN: Of the total?

16 FLOYD: Yes. I count them up, there's 54 errors
17 on the chart. How many of those had failed to have been
18 detected or when they were detected and reported, did they
19 cause a threshold to be exceeded?

20 If you don't know the answer, that's fine.

21 HICKMAN: Right offhand, I couldn't say. I don't
22 recall any particular errors, though, where errors in
23 reporting would have caused a threshold to be exceeded.

24 GILLESPIE: Of the 54 errors, did 50 of them
25 result in crossing thresholds?

1 HICKMAN: No.

2 GILLESPIE: I'm using an extreme.

3 HICKMAN: No.

4 GILLESPIE: So the perspective is small number.

5 HICKMAN: If it were any, it would be like one or
6 two, at the most. I'll check that.

7 FROM THE AUDIENCE: I'm not sure either of the
8 exact number, but I would say two at the most, possibly
9 zero. I can't think of any particular --

10 HICKMAN: Not from the reporting errors.

11 FROM THE AUDIENCE: Fitzpatrick reported or had a
12 report of a white PI that they corrected and it's actually
13 green.

14 RING: Both directions at Quad Cities.

15 FROM THE AUDIENCE: But it's been a handful.

16 FLOYD: Just a perspective. I did some quick
17 calcs here. Each licensee has reported six times now, not
18 counting the report that just went in, what, yesterday, a
19 couple days ago, six times. There's 19 indicators, 13
20 units, that's 1,482 data submittals that have been made,
21 data points that have been provided. With 54 errors, that
22 works out to be a 3.6 percent error rate.

23 Just another perspective to give you. WANO tells
24 us that every single quarter, the majority of licensees have
25 to make minor corrections to the safety system

1 unavailability data, because in the course of going through
2 and finding other problems, they go back and realize that
3 there were a few more hours one way or the other that need
4 to be adjusted in every quarter report.

5 So I'm not sure we're ever going to get down to a
6 zero error rate on these things, with the nature of some of
7 this data and some of the indicators.

8 HICKMAN: I'd like to expand on that a little bit,
9 Steve. We have collected some of this information in the
10 old AEOD PI program for many years and even with all that
11 experience, we still occasionally find a new situation that
12 requires people to add some rules to the coding manual to
13 figure out how to handle them.

14 So even if eight out of nine licensees report
15 accurately by the end of the program, that doesn't mean
16 they're good from then on. A new event can occur six months
17 later that requires some discussion as to how to handle it.
18 So those kinds of things will continue to happen.

19 The majority of the errors related to simply
20 missing the data, not seeing it when they reviewed the logs
21 or whatever source data they were looking at. They were a
22 few errors having to do with misinterpretation, the
23 unplanned power change, there was an error there due to a
24 misinterpretation. The safety system functional failures,
25 there were some due to misinterpretation. The majority were

1 simply overlooks, oversights.

2 These are non-metric observations as a result of
3 the pilot program to date. We received a comment from one
4 of the pilot plants regarding unplanned power changes. The
5 definition is 72 hours between the discovery an off-normal
6 event and initiation of a power change.

7 The 72 hours is provided to allow for adequate
8 planning. So if a licensee is required to being power
9 reduction in less time, then we would call that an unplanned
10 power change. The feeling there is that might provide some
11 influence upon licensees to look ahead to that interval of
12 time and wait to do the power reduction.

13 BARNES: Are you really concerned that the
14 licensee would fail to take the appropriate power reduction
15 based on the indicator? I'm just asking if you are truly
16 concerned that that would happen.

17 HICKMAN: I would hope not. We set up this
18 program with the intention that licensees would do the right
19 thing and we would just monitor their performance, and I
20 would hope not.

21 BARNES: Because it kind of takes all the training
22 and all that other stuff that takes place. I'm just
23 wondering.

24 HICKMAN: I agree with you, George. One of the
25 pilot plants had very strong objection to this indicator.

1 BARNES: I'm just wondering. I mean, we're
2 talking about safety and everything else.

3 BROCKMAN: From a programmatic viewpoint, from the
4 panel's viewpoint, from a programmatic aspect, you have to
5 still check on it.

6 BARNES: I understand. I wanted to know if he had
7 a -- if there was a real concern that that was happening.
8 That's a safety issue and I think we need to have that.

9 HICKMAN: I would hope that licensees wouldn't do
10 that in a situation that had risk significance, safety
11 significance. There could be, in a situation that's not
12 deemed to be terribly safety significant.

13 BARNES: Otherwise, you don't have any indications
14 or any real feedback that gives you a real concern at this
15 point that anyone would do that.

16 HICKMAN: That anybody has done this?

17 BARNES: Well, we know -- well, we don't know, but
18 I just need to know, for my own personal knowledge. I don't
19 believe anybody would do that.

20 GILLESPIE: I think it's important. This is an
21 industry comment. This isn't a staff finding.

22 BARNES: Right. And I'm just asking if they had
23 any data to say that there is some belief.

24 HICKMAN: No.

25 CHASE: This also goes into the scrams, too,

1 right?

2 BARNES: Right.

3 CHASE: There is an issue with scrams, on manual
4 scrams.

5 HICKMAN: That's a little different issue. It's
6 similar, you're right, Jim, but it's a little bit different
7 in that operators are trained to manually scram the reactor
8 only if an automatic scram is inevitable. So if that's the
9 case, if they think they shouldn't manually scram it because
10 it's going to count against them, they would get the
11 automatic scram anyway.

12 They're not going to beat the system by not
13 manually scrambling the reactor. The indicator will still
14 catch it.

15 This one, though, they could ride out the 72 hours
16 and not get a hit.

17 LIEBERMAN: You say that's an industry comment. I
18 thought this was the staff presentation.

19 HICKMAN: This includes comments that we've
20 received from all sources, the staff, this was an industry
21 comment. We've got some from Mr. Lochbaum. They're all on
22 here. These are the issues that we know about that we need
23 to address, because somebody has raised a concern.

24 GARCHOW: Steve, we're going to help them write on
25 that, from an NEI perspective, with our internal working

1 group, correct? So even though that's an area --

2 FLOYD: We've already provided substantial
3 feedback at several biweekly meetings on that item.

4 GARCHOW: Right, because at some point, we have to
5 try to get an industry perspective and there might be a
6 client or two out there that has an opinion, it's America,
7 but at some point, there has to be an industry position,
8 because Don will never be able to -- he'll be chasing
9 windmills.

10 FLOYD: And we have reinforced that position at
11 workshops that we've been conducting, as well, not to do
12 that.

13 WRIGHT: I think it's important that we know, when
14 we have opinions here, whose it is.

15 GRANT: A quick question. I think I brought this
16 up way back in April or something like that. Are you going
17 to revise the definition, so that if a licensee comes in
18 with a NOED request, it would be granted and they don't --
19 the power change, that that's going to count as an unplanned
20 power change? Otherwise, absent screening them, discretion
21 against their tech specs, they would have had to shut down
22 or done something. Is that going to be included in the
23 definition?

24 HICKMAN: If they request an exemption and they
25 are given that exemption?

1 GRANT: Yes.

2 HICKMAN: That we should count a power change?

3 GRANT: Sure.

4 HICKMAN: That hasn't been discussed. What we're
5 really looking for here would be --

6 GRANT: What you're looking for are conditions
7 that require the plant to either shut down or take a
8 significant, greater than 20 percent power change.

9 HICKMAN: I think, Jeff, that we would look at
10 that through a different process. For the indicator, we're
11 looking at precursors to scrams, to initiating events, and
12 if there's actually no change in power, there's no precursor
13 to it, but that situation ought to be looked at.

14 I don't think the PI would capture that. That
15 would be captured somewhere else in the inspection program.

16 GRANT: Power changes are precursors to scrams, is
17 that the rationale for this PI?

18 HICKMAN: Yes. The more maneuvering they're doing
19 with that plant, the more they're changing power, the more
20 likely they are something is going to go wrong.

21 BROCKMAN: It wasn't a precursor to scram. This
22 is the one that we've just historically found is indicative.
23 We don't know why, there is no risk basis or anything else,
24 it just matches.

25 HICKMAN: That's the reason we use it. It

1 provides good correlation to our perception of plant
2 performance.

3 GILLESPIE: I think in this case, what we're
4 really looking at here is the difference between an
5 indicator and a measure. This is not a measure. It's an
6 indicator. And there is historical information which would
7 say that unplanned power changes of so much happening often
8 is an indication that there is something that needs more
9 diagnostic review in the operation of the facility. It's
10 more general. It's not tied to scram.

11 GRANT: I would offer that NOED granting is the avoidance of
12 that. With good reason, but it's an avoidance of that.

13 FLOYD: But I think the difference there is when
14 the threshold was established for this indicator, the way it
15 was done was to go back and look at what was the history of
16 power changes. NOED discretions wouldn't have been included
17 in that because they weren't power changes.

18 GRANT: No, there weren't very many. There are
19 many more today than there were then.

20 HICKMAN: One of the primary constraints that we
21 really have that we want to place on indicators is that they
22 be as simple as possible. We don't want to try to get them
23 too involved and make them more difficult for reporting and
24 trending.

25 I do need to point that, as Steve was saying, we

1 took the monthly operating report data to benchmark this
2 indicator. It's not exactly the same as what we're
3 reporting now. That was changes in average daily power
4 level and what we're counting now is any change in power of
5 greater than 20 percent.

6 So we do need to go back and look at that, but it
7 didn't include any of these NOEDs.

8 GRANT: I would personally look at that as a gap
9 in the data, because I think we're seeing half a dozen or so
10 on an annual basis in the region.

11 HICKMAN: This would need to fall into an area
12 where the PI doesn't measure the entire --

13 FLOYD: I guess we have to go back and look at the
14 threshold again, too, then.

15 CHASE: Let me ask you a question. How will that
16 be addressed, the question just asked? How will that be
17 addressed?

18 GILLESPIE: What's that?

19 CHASE: The question that was just asked about the
20 NOEDs.

21 HICKMAN: I think the approach would be the same,
22 the same way that we would address any proposed change to a
23 PI.

24 GILLESPIE: Two different things here. This panel
25 is charged with one effort. This is an input also to the

1 staff and the staff has to take that and consider it. But
2 if you change the base, you have to reconsider the
3 thresholds and then the -- so the comment has to be taken in
4 a whole.

5 And is it worth -- is it the exception, is it the
6 rule, does it just complicate things, that makes it hard to
7 understand, because people can understand the machine had to
8 change power by 20 percent. Well, but we're going to count
9 these non-changes in power because if they hadn't got the
10 regulator's permission saying it was safe not to change
11 power, they might not have done it.

12 All of a sudden, that starts to complicate what
13 was trying to be a very straightforward did power change.

14 GRANT: Perhaps this is a debate outside of here,
15 but we're seeing an increasing number of NOEDs and my
16 thought is that it's an opportunity for a licensee to avoid
17 a power change within the regulations.

18 GILLESPIE: I think that goes to challenging the
19 base regulation itself. That actually may go to the
20 regulatory process. It raises the question of are we
21 issuing too many NOEDs. We have to take that comment and
22 the staff has to take that comment, but we've got to make
23 sure of the context we're taking it in. Does it affect
24 oversight or does it say if we're giving NOEDs out, that
25 we're giving NOEDs out because we have a requirement that

1 shouldn't be there?

2 BROCKMAN: Look at it from a different perspective
3 as to what it is. First of all, I think your aspect on
4 looking at it and not making a mountain out of a mole hill
5 is the right thing to do, but the perspective is that the
6 licensees would have to do -- we don't have a risk base on
7 this. So it would be a required power change.

8 The licensee would have to do it without an NOED.
9 They would be in a position, they would have to take that
10 action. That's they they're requesting the enforcement
11 discretion. So we give it because it's the right thing to
12 do.

13 If the number that we're doing is much more, then
14 the whole basis upon which we said that historical tie, that
15 link, is gone now. We're not doing that. So there is a
16 break in the reason why this was a valid performance
17 indicator.

18 We need to look and just, I think, determine is
19 the difference so insignificant, if the rate has gone up by
20 three in a region divided over 20 plants, you may say it
21 washes out. I don't know, but it probably needs to be
22 looked at from that aspect or the basis doesn't carry
23 forward.

24 GILLESPIE: No, I'm not -- what I'm saying is it
25 could -- the agency giving lots of NOEDs could lead us to a

1 different problem other than just the indicators.

2 BROCKMAN: Absolutely.

3 GILLESPIE: That's all I'm saying.

4 GRANT: It's current agency guidance.

5 GILLESPIE: Yes, it's current agency guidance
6 which is causing us to write exceptions to rules or
7 requirements or tech specs, because it's the right thing to
8 do.

9 HAHN: Frank, I think we should note the issue,
10 not try to solve the problem.

11 GILLESPIE: You got it. You're right, Heidi.

12 HICKMAN: Is that horse sufficiently dead? Moving
13 on. Safety system unavailability. We all noted the
14 potential there for a large period of fault exposure hours
15 to drive the indicator into the white or perhaps even the
16 yellow band for an extended period of time.

17 That causes a couple of problems. One is it's not
18 indicative of current performance if the problem has been
19 addressed and corrected.

20 The other is that it affects our assessment
21 process and our ability to see other problems, if we've got
22 this one large one that's dominating the indicator.

23 RCS activity. In the data that we had submitted
24 to us when we were doing the benchmarking, we noted that
25 there were some spikes in RCS activity and we determined

1 that those are due to power changes.

2 If activity is measured within a short time
3 following a power change, you're going to see that and you
4 will see that whether there's any significant fuel clad
5 damage or not in a plant. They're all going to have pin
6 hole leaks and they're liable to do that.

7 So the first result listed there, that we don't
8 want to count measurements of RCS activity shortly after a
9 transient. We want the steady-state values.

10 Then when we get that information, we're able to
11 see steadily increasing values of activity for plants that
12 are having problems. The question then becomes will they
13 reach the threshold, the green-white threshold, which is
14 intended to be performance-based, reflecting outliers,
15 rather than risk-based.

16 So there may be a need then to reevaluate the
17 threshold.

18 GARCHOW: Don, has the fault exposure hours been
19 revised yet or is it planned to be revised so that when the
20 cause is known and corrected and you get some run time -- is
21 that in Rev. D of 99-02?

22 HICKMAN: We're going to get to that. These are
23 the observations. We're going to get to the actions and
24 I'll discuss that then.

25 The containment leakage indicator, at best, can

1 tell us something about performance during the previous fuel
2 cycle. We would hope that we can get from that a measure of
3 the worst case containment leakage during the cycle. We can
4 only do that if we have the as-found values, but some plants
5 are not required to report as-found. They report as-left.
6 It doesn't really provide any useful information.
7 There was a question about the EP indicators, the drill and
8 exercise performance, and the linkage of that indicator to
9 the ERO participation indicator.

10 That linkage is important, so that licensees will
11 have an adequate number of people trained and that those
12 people are also able to perform the opportunities for
13 notification classification and protective action
14 recommendations. So they need to be linked.

15 There was some concern that industry had on that.
16 The linkage is that you cannot count for participation any
17 drills unless you also evaluate them, the performance in
18 those drills.

19 Licensees said they needed flexibility in using
20 training drills to get credit for participation, without
21 having to count the opportunities that are afforded to
22 people who are in training.

23 Alert notification system reliability. This was
24 an input from Dave Lochbaum. He had noted that there were
25 numerous time periods where, in our event reports, there

1 were sirens that were out of service. If those sirens
2 weren't tested at that time, they wouldn't get captured in
3 this indicator. The indicator is a measure of reliability.
4 It's the number of successful tests to the number of total
5 tests.

6 When I attempt to sound the siren, does it work?
7 It's not a measure of unavailable hours. I think the
8 comment here would say that maybe we need to look at that.

9 The indicator started as an unavailability
10 indicator and for a variety of reasons, that became
11 difficult to do.

12 So we changed it to this unreliability indicator,
13 which is a lot easier for licensees to report, to get the
14 data and to report it. And a comment here says maybe we
15 should go back and look at the unavailability indicator to
16 get the complete picture of the siren performance.

17 Protected area security equipment performance
18 index. The concern here is with the thresholds, whether the
19 thresholds, as they're now stated, would capture many more
20 plants than we intend. What that says is we need to get the
21 data and we need to look at the threshold, and we intend to
22 do that.

23 GARCHOW: So are we working on that, Don? You
24 didn't have the benefit of yesterday's discussion, but this
25 particular issue had a lot of discussion by the pilot plant

1 evaluation panel and I guess from the panel's perspective,
2 this is something that we really need to get done well in
3 advance of probably the Commission briefing, so that the
4 pilot panel can weigh in on ready for industry-wide
5 participation in this.

6 So this was one of two, I think, at this point,
7 issues that we've had as a pilot plant evaluation panel.

8 HICKMAN: In order to resolve the issue, we really
9 need the data. We have some data. We have data from 29
10 perimeters. Some of them, we don't have names associated
11 with them, but in order to really get closure on this, we
12 need to have the January 21 submittal.

13 MADISON: I didn't say anything yesterday, because
14 it wasn't the staff's turn, but this is not a new issue.
15 We've been dealing with this issue for a while. The
16 resolution that we have come to on this particular one is
17 that we do need the January 21 data, we need a lot more data
18 to be able to tell and establish the thresholds at the right
19 level, because what we've gathered from the pilot, it looks
20 like during the pilot, information -- there is an
21 appropriate threshold.

22 What we're seeing from the shadow plants is it's
23 not an appropriate threshold, and we need to resolve that
24 difference. The only way we can resolve it, as Don said, is
25 to gather more data and the only time we're going to be able

1 to do that is January 21.

2 GARCHOW: Get the issue right. If chosen, the
3 utilities could have 100 percent or darn close to
4 reliability and availability of every single piece of
5 security equipment. So the issue isn't is it possible. The
6 issue is, is it prudent to direct maintenance resources to
7 meet an indicator that causes our perimeter to be more
8 available than a RCS pump. That's the issue you have to
9 address. It's not a data issue.

10 It's an issue of does the indicator make sense
11 from a risk perspective, not can we need it.

12 HICKMAN: I hear what you're saying, Dave, but we
13 need to understand the numbers that we're dealing with and
14 I've made --

15 BROCKMAN: From that viewpoint, we've got an issue
16 we've identified and the staff they're working with the
17 industry to do it, and we probably ought to leave it at
18 that. I'm going to go back to that this ain't the forum for
19 us to try to resolve the problem. And I know it's an
20 impassioned issue to many people.

21 LIEBERMAN: One last question. When this
22 indicator was developed, which is based on comp time,
23 compensatory time, was there ever a consideration for
24 considering an indicator, the lack of taking compensatory
25 action and the -- which would reflect the time that this

1 function was not able to be done?

2 That, to me, would be the real concern.

3 MADISON: That is a concern and that, it was felt,
4 was better handled with inspection. This is not an
5 indicator of the availability of the security equipment.
6 That's why it's not called an availability indicator. It's
7 called an index and it is by using compensatory hours to
8 gauge the availability of security equipment.

9 This doesn't count maintenance, routine
10 maintenance of security equipment. So it obviously is not
11 measuring the actual availability of security equipment. It
12 is used as a relative gauge, an index to measure the
13 performance of the licensee to maintain their security
14 equipment.

15 It was intended, as the other thresholds, the
16 green-white thresholds, to capture outliers, nominal
17 performance, and that threshold may not be set appropriately
18 if we're going to capture more than the five percent type of
19 indicator level. So that's why we need to go back and look
20 at adjusting it.

21 WIGGINS: I'm going to weigh in, since it's my
22 turn to put an oar in the water. I would suggest that in a
23 number of these, but certainly, in particular, this one,
24 that I'm sure the staff will do it. You don't make a
25 singular -- you don't make a change in a narrow area.

1 Remember, all these things are connected to everything else
2 in here.

3 What made the big issue yesterday is if this isn't
4 resolved correctly, then you may have a problem with an
5 action matrix item and action matrix may be directing the
6 staff to take an action that doesn't appear to be warranted.

7 However, I'll get back, so you've got the action
8 matrix, but I would also offer you've got to consider
9 inspection also.

10 One way to address this issue that might settle it
11 would be to look at the -- make an adjustment in the
12 threshold potentially, but also make an adjustment in the
13 inspection, to compensate for what you kind of relax a bit
14 on the threshold. You just add to the inspection some other
15 checks.

16 If this is really -- like Al says, this is an
17 index. It's a surrogate for what you're trying to determine
18 here.

19 The equipment performance index, I don't know what
20 it tells you necessarily, but it's a surrogate for what
21 somebody wants it to tell you.

22 I guess it's trying to say how well is security
23 activity supported at the facility, and maybe there are some
24 indications about how well the intrusion detection system
25 works and things like that.

1 So people crafted a surrogate indicator to make
2 some sort of a macro measurement. Fine, you can live with
3 that. If you want to adjust the thresholds, also consider
4 an inspection adjustment also and maybe that will be the
5 path to solve it.

6 GILLESPIE: It may be important in this case to
7 note that within the rules, compensatory measures are
8 considered equivalent and allowed and one of the --

9 WIGGINS: We've been here yesterday, though.

10 GILLESPIE: The staff is working it, I think Ken
11 is right. We should not be unduly influencing the business
12 practices because of a measure, and it has to be integrated
13 with inspection.

14 WIGGINS: Right.

15 GILLESPIE: Is more inspection called for or not?
16 And the staff needs to answer that.

17 Don, I want you to move right along, so we can get
18 the region up. Where are we?

19 HICKMAN: Inspection verification. We need a lot
20 of discussion about this issue. There are big
21 misunderstandings about it. Inspection verification. The
22 procedure seems to be working, seems to meet the goals.

23 There are a couple more issues that we uncovered
24 during the pilot program. The need to develop a rigorous
25 method for revising or adding performance indicators. It

1 needs to be controlled. We need to do it in a thoughtful,
2 controlled manner.

3 And we need to have criteria for declaring a PI
4 invalid. What that means is then if the PI is not providing
5 the information that we think that it needs, then we would
6 have to cover it with inspection. We need to come up with
7 some criteria for doing that.

8 GILLESPIE: Don, invalid from what source? What
9 would be the cause of the invalidation? What is your
10 perspective on that?

11 HICKMAN: If the PI is not being reported
12 accurately, for whatever reason.

13 GILLESPIE: So basically an inspection result or a
14 licensee reporting on himself that he's found a gross error
15 in his ability or collection of data would somehow trigger a
16 supplemental inspection process to back it up.

17 HICKMAN: Right.

18 CHASE: I thought you meant, Don, that the PI that
19 we had already in place was not providing the information
20 necessary to give you a good indication of a licensee's
21 performance. You need some information on how to declare
22 that PI invalid.

23 HICKMAN: That's a good point, but we were
24 addressing really plant-specific issues. If a particular
25 plant is not reporting it accurately, at what point do we

1 decide we need to do something different.

2 GILLESPIE: I forego the introductions. We're on
3 schedule.

4 HICKMAN: These are the actions, the current means
5 that we've taken those actions have been completed. The
6 proposed means yet to be done.

7 Unplanned power changes, we added a sentence to
8 clarify the definition. With regard to the comment that was
9 made about this, we will look at the initial implementation
10 data for a period of time and see if we see any indication
11 that people are misusing this PI.

12 Safety system unavailability, Dave, you asked
13 about that. Rev. D has the change that allows large periods
14 of fault exposure hours, those greater than 336, I think
15 it's 336 hours, to be removed from the calculation upon
16 completion of three actions.

17 One is that the licensee has fixed the problem. A
18 second is that the NRC has inspected it and is satisfied
19 with the fix. The third is a period of 12 months has
20 elapsed. That's in Rev. D.

21 Safety system functional failures. We had
22 misinterpretations of that. We rewrote the section. It's
23 in Rev. D.

24 GRANT: Rev. D is Rev. D to the NEI document?

25 HICKMAN: Excuse me. NEI 99-02, yes. We have so

1 far a regulatory information summary is going out that
2 endorses that.

3 GILLESPIE: Let me ask this. Do we have enough
4 copies? Because this is a public meeting and it's an open
5 meeting and if we're referencing a document, I think the
6 onus is on us to make that document available. That's a
7 question.

8 Alan, Bill, is that possible?

9 MADISON: I had one more copy as of Monday. We've
10 got copies to send out to the region.

11 GILLESPIE: Can we call back to get the print shop
12 to print some up? Because what we're doing is we're talking
13 about what's in a revision that --

14 MADISON: We're going to make it available on our
15 web site.

16 GILLESPIE: I know Dave is interested, because
17 he's hearing -- Dave is hearing word about Rev. D and could
18 we, please, Augie?

19 SPECTOR: By the end of the day, we'll get
20 photocopies. We'll get you copies.

21 HICKMAN: Okay. RCS activity. Again, Rev. D
22 contains clarification that steady-state measurements only
23 are to be reported. Then what we need to do is to
24 reevaluate the threshold. Containment leakage. For plants
25 that are not required to report as-found leakage, we need to

1 do something.

2 There are at least two options. One is to ask
3 them to voluntarily submit the as-found values, to calculate
4 them and submit them. If they don't do that, then the
5 indicator is just not meaningful and we'd have to use
6 inspection to cover that area.

7 The drill exercise, performance and ERO
8 participation indicators, that link was actually provided in
9 Rev. C. In Rev. D, we clarified the guidance to allow
10 licensees to have training drills for certain positions, if
11 those are key positions that are involved in the
12 notification and classification or PARs. They could exclude
13 them from the statistics. Everybody else would get drill
14 participation.

15 BROCKMAN: Say that again, Don.

16 HICKMAN: Licensees are concerned that they may
17 take a new supervisor and put him into a drill he's never
18 been in before.

19 BROCKMAN: For training purposes.

20 HICKMAN: For training purposes. They didn't want
21 to have to exclude everybody else who is not involved.

22 BROCKMAN: So they just exclude those people who
23 are in an initial qual status.

24 HICKMAN: In a training status, and everybody else
25 can count it.

1 Again, the protected area security equipment
2 performance index. We will reevaluate that threshold the
3 same we established all the thresholds.

4 LOCHBAUM: I noticed the alert and notification
5 system reliability didn't make this list. I'm just curious
6 as to where that fell or why that fell.

7 HICKMAN: This was kind of a last-minute thing we
8 added last week. We need to put a statement in there. We
9 will reevaluate the appropriateness of measuring
10 unavailability in that indicator.

11 As I mentioned before, we had an extensive
12 discussion of this and it became very difficult to do this
13 accurately, but we'll go back and re-look at that.

14 LOCHBAUM: We can help in any way you want. We
15 can calculate those numbers, if you like.

16 HICKMAN: Okay.

17 LOCHBAUM: That's the problem.

18 HICKMAN: Getting the data is the problem. It's
19 getting the data that's the problem.

20 GARCHOW: We have to first go through the process
21 to make sure it's measuring what we want. We could have a
22 thousand different PIs. It's which ones do we want to have.

23 HICKMAN: That was a big part of the problem. The
24 inconsistency from plant to plant.

25 GILLESPIE: Part of the other consideration of

1 this was when a system goes down, there's other compensatory
2 actions and plans that get kicked into place that are
3 supposed to offset it, and that was part of why we went to
4 reliability based on testing versus trying to tabulate the
5 unavailability.

6 So we considered the comment.

7 MADISON: In actuality, the reason that count was
8 actually chosen is one of our initial criteria was to use a
9 performance indicator that people were used to collecting
10 data on, just so we have a history on it, and that's the way
11 it's been reported. It's the same report that they make.
12 This would be a change to that, if we were to incorporate
13 that.

14 LOCHBAUM: There's a number of already changes and
15 a number of potential changes to what was advertised as the
16 oversight program. How is the public going to know what the
17 final version is? Are there any plans to put out what is --
18 what these indicators are after all the changes?

19 HICKMAN: Rev. D will be the --

20 LOCHBAUM: That's an NEI document. The NRC cannot
21 communicate to the public with an NEI document.

22 HICKMAN: We are in the process of issuing a
23 regulatory information summary, a new generic communication
24 that endorses NEI 99-02 for the submittal of the historical
25 data that's due January.

1 We will do the same thing for initial
2 implementation in April, endorse that document once
3 everything is final. We have Rev. D and that's what will be
4 used starting initial implementation.

5 If we make changes, there will be revisions to
6 that document, we will subsequently endorse those changes.

7 LOCHBAUM: I guess that's not acceptable. For
8 communicating to the public on what your program is, you
9 cannot endorse an NEI document. One of your key meshes is
10 public confidence. Reducing unnecessary burden is getting a
11 lot of attention, but public confidence -- there is already
12 concern that you're just stepping back from regulation and
13 just letting the industry do whatever they want.

14 If all the way you communicate with the industry
15 is endorsing -- or communicate with the public is by
16 endorsing an NEI document, you've made that point the wrong
17 way.

18 HICKMAN: We have biweekly meetings with NEI. We
19 go through this document every time. The public is invited.

20 LOCHBAUM: Never mind, I withdraw the comment.

21 LIEBERMAN: No, no. The point is that if we've
22 agreed with NEI to have five widgets, rather than saying we
23 endorse NEI's proposal, we should say we have five widgets.
24 So the public sees what we have rather than through a
25 reference to an NEI document.

1 FRAHM: If I may. On our web page, we will add
2 clear definitions of what each PI is and that's probably our
3 main communication tool to the public. So we will try to
4 keep the web page up-to-date with the NEI 99-02 guidance.

5 LOCHBAUM: You have a NUREG document out that
6 explains your program and it doesn't match your program. So
7 are you going to update the NUREG? Are you going to -- you
8 need to do that.

9 FRAHM: 1649 are we talking about?

10 GILLESPIE: Let's take Dave's comment as -- let's
11 not try to get defensive. The comment is a valid comment.
12 The comment on the table is shouldn't NRC's program be
13 described and articulated in an NRC document. That's the
14 question that's on the table. I think it's a fair question,
15 it's a good question.

16 Let's not get defensive. It's a good question.
17 It's shouldn't it be in an NRC document. Doesn't the NRC
18 inspection manual articulate the NRC inspection program? We
19 don't have an oversight manual. Should we?

20 It's a good question. Let's leave that one on the
21 table.

22 Let me ask this. I'd like to take a five-minute
23 break, and I would ask the regional people to come up to the
24 table and put your names on this so the gentleman over here
25 trying to record who is talking, he's actually trying to

1 keep the last names straight on who is talking, for
2 transcript purposes. Here is a marker to fill it in.

3 [Recess.]

4 GILLESPIE: Steve, the region is on next. We're
5 missing two out of three regional people. Steve, could you
6 maybe just give a yell out in the hall?

7 Mark, have you and Brian and Scott had a chance to
8 talk?

9 RING: Yes, we have.

10 GILLESPIE: Okay. Do you have a sense of how you
11 want to start off, to kind of give us the grass roots?

12 MORRIS: To start off, we each have some different
13 experiences we'd like to share.

14 GILLESPIE: Okay. Would you like to go first?
15 Quad Cities? Scott, Salem, do you want to?

16 GARCHOW: Frank, what we're doing, we're stopping
17 at PIs and getting the regional perspective, and then we're
18 going to pick back up with this.

19 GILLESPIE: Then we'll pick back up with
20 inspection and try to keep it in the same sections that
21 we're trying to organization our thoughts and reports in.

22 This way, the headquarters doesn't consume six
23 hours and the region guys only get two at the end of the day
24 when everyone is tired.

25 MORRIS: Brian was going to lead us off on PIs,

1 but I guess I'll go.

2 We didn't prepare anything formal for this.

3 GILLESPIE: That's fine.

4 MORRIS: We essentially got our heads together
5 last night and kind of listened to what was said yesterday.
6 So we'll try to address some of the things that we heard
7 yesterday with kind of the regional spin on it, if you will.

8 These are really in no particular order. I
9 realize the questions have to do with timeliness and
10 accuracy. We'll try to address that. At least from the
11 timeliness standpoint, I've heard the licensees' arguments,
12 at least we've had a number of discussions with the licensee
13 which I regulate and it's been my experience in those
14 discussions that the two weeks is a crunch.

15 My opinion is that if we were to back that off a
16 little bit, even by a week, it's not going to affect our
17 ability to do any verifications of those PIs or even -- the
18 opportunity that we have to comment on the PIs really occurs
19 in an inspection report, which frequently isn't until six
20 weeks after an inspection -- or after a month ends, if you
21 will.

22 So by deferring the data submission by a week or
23 two, from my perspective, I don't see that as a particularly
24 big deal.

25 The data that fits into those PIs, by virtue of

1 the fact that I'm on site a lot, I'm aware of the issues,
2 for the most part, that are going to be recorded in those
3 PIs. So I don't think I'm going to be particularly
4 surprised by a PI if it were to cross a threshold. I'm
5 probably going to know about that early on anyway.

6 GARCHOW: Scott, just a comment. We review those
7 at SORC and the resident inspectors have the ability to come
8 to SORC anytime they want and know the agenda. So they have
9 an opportunity actually to sit through where the PIs are all
10 presented to our station operating review committee,
11 discussed and approved prior to being sent up.

12 MORRIS: In fact, part of the inspection
13 procedures happens to be the plant status procedure, in
14 concert with the PI verification procedure, in essence,
15 provides guidance to the inspectors to be cognizant of the
16 issues that are occurring in the plant on a day to day basis
17 and be alert to those, which would, in fact, be included in
18 PI data.

19 So for me, as an inspector, I'm aware of what's
20 going on in the PI space, in general. Now, how that plays
21 out to the public and how often and how timely the public
22 has that information available to them, I don't necessarily
23 want to comment on that.

24 Although I will say, from our perspective, we're
25 not going to get an opportunity necessarily to verify that

1 and put our stamp of approval on it in public space; maybe
2 once every six weeks, perhaps quarterly.

3 So by deferring the submission by a week isn't --
4 I don't see that as a particularly big deal, my opinion.

5 Maybe one of you two would like to address the
6 timeliness issue.

7 RING: Immaterial.

8 MORRIS: From a reliability standpoint and
9 accuracy standpoint, I myself and the staff that work for me
10 have verified probably 50 to 60 percent of the PIs, the data
11 that's been submitted, and we did find problems.

12 But I would characterize the problems as honest
13 learnings, mistakes, and I've chalked some of that up to the
14 fact that the clarity of the reporting guidance has
15 something to be desired.

16 I look back to the basic premise of PIs and it's
17 really to provide additional objectivity to the oversight
18 process and when you start putting too many caveats and too
19 many "if this, then that" in the calculation manual, it
20 increases the probability that there will be errors and when
21 there's errors, it increases the amount of time the
22 inspectors have to do verifications, and it kind of
23 snowballs, and it just puts more subjectivity into something
24 that's not supposed to be subjective.

25 So I would urge our staff and NEI to work as

1 closely as possible to simplify those PIs and to minimize
2 the number of caveats, because it really -- I'll tell you, I
3 don't see how we're serving ourselves.

4 We've got limited inspection resources on site and
5 for me to divert my time to a significant degree just to
6 verify data, I don't think is the right answer, and I'm
7 finding myself having to do that more than I want.

8 I can point to a couple of indicators where we've
9 really struggled. The unavailability one, very difficult in
10 some cases to resurrect the data. Some of that is startup
11 costs, because we're looking at historical data and maybe it
12 wasn't captured the way we would have liked.

13 But that's a tough one. The safety system
14 functional failures, just way too many caveats in it.
15 People didn't understand. Once we had a discussion, we
16 recognized that it was an honest mistake in most cases.

17 So I would leave it at that. We need to be clear.
18 They need to be clear. Otherwise, we're just going to add
19 more opportunity for subjectivity and divert inspection
20 resources to a place we don't want them to go.

21 My opinion is that some of the thresholds appear
22 to be too high, and we've heard this sentiment expressed
23 over the last day or so with regard to the RCS leakage
24 number, the RCS activity numbers. But I would add into
25 there transients. I looked at the shadow plant data and I

1 looked at the pilot plant data and I don't see but maybe one
2 out of the whole fleet or a third out of the whole fleet, as
3 you put it yesterday, maybe one even crossing the threshold.
4 Maybe it's not even that.

5 And if we're really shooting for a green-white
6 threshold that points out outliers, I don't know that we're
7 getting there with some of these indicators.

8 Then as an inspector, I say, well, why do I want
9 to exert so much effort in verifying these if they're not
10 really telling us much anyway. I just think it sends kind
11 of an odd message to our inspection staff, some of these
12 thresholds.

13 Also, there seems to be somewhat of an
14 inconsistency in the PIs, and I'll talk about this again
15 when we get to inspection, in terms of some of the data
16 that's included.

17 Many of the PIs capture information that is not
18 necessarily a licensee performance issue. Some of it is,
19 some of it isn't. You can point to scrams, you can point to
20 transients, and sometimes things happen and you can't really
21 tie the cause of those things happening to a licensee
22 performance issue, and yet we capture them in the PI data
23 anyway.

24 But there are some other issues, some other PIs I
25 can think of where we restrict the data that goes in there,

1 like the sirens. The hurricane comes by and knocks out half
2 your sirens. Well, we don't count that and it seems to me
3 we're truncating out some of the data.

4 In some cases, we count everything, whether it's
5 licensee performance induced or not. In other indicators,
6 we're only counting them if, in fact, we can say with
7 certainty that the licensee performance drove the numbers.

8 The same is true in inspections and the issues
9 that enter into the SDP, and we'll talk about that later.

10 CHASE: Scott, you said that we were capturing
11 some data in PIs that's not indicative of licensee
12 performance.

13 MORRIS: Take a scram, take a loss of off-site
14 power. That may not be your fault. Something happens, the
15 plant trips. You count it. Right? I mean, there's a lot
16 of things that occur. There could be random equipment
17 failures, a flow transmitter dies in a feed line or
18 something and you take a transient on a -- there's a loss of
19 feed pump or something.

20 That's not -- I don't know that we can, in every
21 case, tie that to a licensee performance issue, and that's
22 fine because it's just an indicator and we set the
23 thresholds, at least the first threshold, to account for
24 some standard deviation across all the plants.

25 So I think we need to be careful in the way we're

1 capturing data. If we just want it to be an indicator,
2 let's count all the information. It's just an indicator.

3 We shouldn't apply discretion at the data
4 collection level. I think our discretion should be applied
5 at the action level. What we do with the data is more
6 important than how we collect it. Maybe I didn't say that
7 exactly right. But I think the data is what it is.

8 The interpretation piece shouldn't be spread at
9 the collection level and then at the action level. I think
10 we should just collect the data, collect the facts, and then
11 take action based on those facts at one level in the action
12 matrix.

13 We can talk about action matrix, but we haven't
14 had many opportunities to exercise it, but I don't see that
15 action matrix necessarily as a hard and fast mandate. I see
16 it more as a guideline.

17 I mean, I still think there's room for
18 subjectivity in the action side, when we decide -- there has
19 to be some interpretation at some level and I think that's
20 an appropriate level to do it, but not at the really low
21 levels of where we're actually gathering the information.

22 We're either -- I just think we need to be
23 consistent. I guess that pretty much summarizes what I
24 wanted to say.

25 GILLESPIE: Brian.

1 BONSER: Yes, I'm next. I'm the Branch Chief for
2 the Harris plant. Quite frankly, we haven't done all the PI
3 verification yet. We're doing it now. So I don't have a
4 lot of feedback for you.

5 During the first six months, we have had one green
6 indicator in the emergency preparedness area and the drill
7 area, and that was the number of people that have been in
8 drills, and they fixed that.

9 We also had an anomaly where we had the reactor
10 scrams go from green to white and that was due to the data
11 reporting. So that showed up as an anomaly, like I said.
12 And we wrote a letter to the licensee basically saying that
13 we understood it to be an anomaly and that the data -- there
14 really hadn't been any additional reactor scrams.

15 So some of the data, during the first six months
16 --

17 GARCHOW: Can you expand on that just one
18 sentence? Either the plant trips or the plant didn't.

19 BONSER: It didn't. Nothing happened. What
20 happened is it was due to the denominator, I believe. I
21 forget exactly the numbers, but it's the way the denominator
22 was calculated.

23 HICKMAN: Brian, what happened was we were
24 reporting monthly and when we went into the next quarter, we
25 dropped off a quarter's worth of critical hours, we only

1 added a month's worth of critical hours for the first month
2 of the quarter. No scram at all. Critical hours went down.

3 BONSER: But really what I'm trying to say here is
4 some of the indicators during these first six months may not
5 really accurately reflect what they need to reflect.

6 So just to keep that in mind.

7 MALLETT: Brian, let me ask a question on that of
8 you and Don. Is there a problem in calculating that number?
9 I mean, is that going to occur again?

10 BONSER: No, it shouldn't, not when we go to the
11 normal reporting frequency, the quarterly rather than
12 monthly.

13 BROCKMAN: Don, could that not happen, if you took
14 out a quarter of full power operations and replaced it with
15 a quarter of refueling operation shutdown? You could not
16 have a scram and find that thing changes threshold again.

17 HICKMAN: Yes, it could. We're aware of that.

18 BONSER: So I guess that's something that we need
19 to get concerned about here. But anyway, I just wanted to
20 bring that up. Anyway, we did follow the action matrix, but
21 there really was nothing to be concerned about, like I said,
22 because of the fact that there had been no events had
23 Harris.

24 The only thing I can say, I would add to what
25 Scott had said, it is taking obviously additional resources

1 on our part and also on the licensee's part to generate
2 these indicators. But so far, we haven't found any issues
3 with any of the indicators, though like I said, again, we
4 have not got that far into verifying the performance
5 indicators both at Sequoyah and at Harris. We're going to
6 be finishing up here in November.

7 RING: My name is Mark Ring. I've got the Quad
8 Cities and Dresden plants in Region III, and Quad Cities is
9 the pilot plant. The way we set this up is so that each of
10 us could kind of play off of what the others had said so
11 that we can hopefully limit how long it took, but that's not
12 going to be the case this time around.

13 Scott is a senior resident and has actually had to
14 do the inspections and interface directly with the licensee
15 over these, so we very much wanted his perspective. Brian
16 and I are both branch chiefs, so we deal with the data after
17 it's already brought to the region.

18 The directions we got from Mohan were to provide
19 our direct experience relative to the appropriateness and
20 effectiveness of the processes and the evaluation criteria
21 and to respond to comments and issues raised by the public
22 and the states. So I hope to do that, based on what I heard
23 yesterday.

24 The question for performance indicators that was
25 posed in the evaluation criteria was can the performance

1 indicator data be reported accurately per the guidelines,
2 and I will start out with my bottom line, which is if you
3 ask can they, meaning are they able to be, my answer is yes.
4 If you ask have they been, my answer is no.

5 If you ask do I have the confidence that the
6 licensee that I regulate has and will report those
7 indicators properly, my answer is still no, based upon the
8 inspection data we have today.

9 We've seen several problems with performance
10 indicator reporting in several different areas. In talking
11 with some of my compatriots at the other stations, not all
12 of them, but most of the plants have seen some level of
13 performance indicator reporting problems.

14 In our case, they've involved protected area
15 equipment, occupational exposure, safety system functional
16 failures, and safety system unavailability.

17 The first two, protected area equipment under the
18 physical protection cornerstone and occupational exposure
19 control effectiveness under the radiation safety
20 cornerstone, were both discovered by the licensee and, to
21 their credit, brought to the NRC and attention was -- or
22 corrective action was taken.

23 In the area of protected area equipment, that's
24 one where the performance indicator reporting was initially
25 erroneous due to the manner of data collection and

1 calculation of the indicator, when the licensee discovered
2 that and ensured that all the information was incorporated
3 into the data calculation. It took the performance
4 indicator to white, did, in fact, change the color.

5 It is the current white performance indicator for
6 Quad Cities.

7 Occupational exposure effectiveness was the other
8 direction. The licensee had been over-reporting in the
9 conservative direction because they were looking at, I
10 think, high rad areas greater than 100 MR per hour, which,
11 in the criteria, is greater than 1000. So when they
12 corrected for that, it dropped out some of them and changed
13 the initially reported white indicator to green.

14 Like I said, both of those were as a result of
15 good efforts on the part of the licensee.

16 Safety system functional failures under the
17 mitigating systems area is the other way around. Our
18 inspection uncovered, I think, ten LERs, contained safety
19 system functional failures that were not recognized and that
20 were not reported initially.

21 A variety of reasons, because these cause several
22 different systems, most of them had to do with some version
23 of interpretation as to whether it actually was a functional
24 failure or not. I didn't bring all the information to get
25 into the details there. If you need them, give me your name

1 and I'll go over them with you.

2 Safety system unavailability and the fault
3 exposure errors issue. We had several there involving the
4 HPC system, the RCS system, and the emergency diesel
5 generators.

6 There were varied causes for the differing
7 performance indicator reporting problems. One of them that
8 I mentioned or the two that I mentioned about the vehicle
9 for calculating the value for physical protection and the
10 different rad levels, which is a misunderstanding of the
11 indicator, several misinterpretations on whether the
12 functional failure occurred under the safety system
13 functional areas, and fault exposure errors.

14 In one case, there apparently had been an ongoing
15 discussion about whether full exposure errors should be
16 included for diesel generator failures. The licensee had
17 chosen not to record any, and this gives you a green
18 indicator, even though there had been failures of the diesel
19 generators for which the cause was not determined. It was
20 never able to be determined, which gives you then the T over
21 2 fact of the last surveillance.

22 And since diesels are about on a 30-day
23 surveillance frequency, that gives you 15 days worth, times
24 24 hours. So there was a large number potentially of fault
25 exposure errors that should have been included there.

1 We also had some situations where determining that
2 something constituted a functional failure would have
3 affected a bonus being paid to the site. So there was a lot
4 of effort put into making that determination. It took
5 longer than it might otherwise because there was a pivotal
6 issue involved with it.

7 I guess that goes a little bit to what I heard the
8 State of New York say yesterday about outside things
9 influencing whether an indicator was declared or not.

10 Yes, I think there are some things that enter in
11 there that we might not have thought of.

12 One of the questions that I heard yesterday --
13 Dave, I think you asked this -- is the problem with past
14 data and retrieving data from historical or is it a current
15 problem? In this case, the answer is both. The LERs were
16 for 1997 and 1998. So that's retrievability of historical
17 information.

18 Had they been properly counted, they indeed would
19 have caused a color change in 1998. That was the sample
20 that we were looking at. We weren't looking at the current
21 stuff, because it's the comp, so it didn't affect the
22 current value of the performance indicator.

23 However, we also had failures in July, August,
24 September and October that constituted incorrect performance
25 indicator reporting. So it was also a current problem.

1 Some of the concerns that I have. While the
2 performance indicators may be okay at a concept level, I
3 guess it's my experience that at the implementation level,
4 we've found many ways in which performance indicators can be
5 miscounted, misinterpreted or influenced, some of which,
6 based on my discussions with the plant over this period, I'm
7 not sure that plant and utility management were even aware
8 of interpretations that some of their staff were making.

9 Some of these took a while to percolate all the
10 way up through the utility management.

11 Also, I'm not sure that the performance indicators
12 tell you a whole lot. I think some of the comments were
13 made here about whether they were proper and whether they
14 were of right value. Scrams was one of them that was
15 mentioned yesterday. I think Jim brought up some historical
16 stuff about there was a period six months, a year ago when
17 Dresden had six scrams, yet we removed that plant from the
18 problem plant list.

19 And if you just look at those two pieces of data,
20 it doesn't seem to make a whole of lot of sense, if you
21 think that scrams are a meaningful indicator. And I guess
22 what we concluded was a more meaningful indicator than in --
23 during those scrams and other perturbations, the equipment
24 to respond to it all operated correctly and the people
25 responded properly, and we saw that as more meaningful than

1 the actual scrams themselves.

2 And I guess I take some comfort in the fact that
3 since that time, Dresden has operated better than they ever
4 have and have had no scrams on either unit since. So I
5 somewhat feel that that was more meaningful than the actual
6 scrams, some of which were caused by some strange
7 occurrences.

8 I guess another concern that I have is at Quad
9 Cities, we're pretty well blessed with three top-notch
10 inspectors. We have an N plus 1 plant. Not all plants have
11 that. The inspectors that we have out there are very, very
12 good. They're experienced, they're smart, they're
13 aggressive, and at a minimum, they're tenacious.

14 I'm concerned that the issues that we've seen out
15 at Quad Cities may not be unique to that plant or that
16 utility, that they may exist elsewhere, but we haven't yet
17 run across them or discovered them. For example, as Brian
18 is pointing out, they haven't yet done that procedure some
19 places.

20 So I guess I would caution you against thinking
21 that these are Quad Cities unique issues or Quad Cities
22 unique problems. I find that a little bit hard to believe,
23 and I think that some of them may exist elsewhere, too.

24 And then the last item, and it sounds like you've
25 already decided on it and that bothers me a little bit, and

1 this has to do with safety system unavailability and fault
2 exposure errors and the concept of reset that I think Tom
3 talked about yesterday, and Rev. D to 99-02 that Don brought
4 up a little bit earlier.

5 I don't know what all went into that, but I'm
6 comfortable with the concept of resetting. I guess the
7 thought that I -- what I thought was true about that
8 indicator from the workshops that we went to is that the
9 three-year average was somewhat due to the fact that the
10 surveillance test that actually checked out these equipment
11 were often on lengthy intervals and didn't occur frequently,
12 so you needed a lengthy period of time to get a clear
13 indication.

14 I don't know where the criteria come from that
15 you're going to use to reset these, but I guess the whole
16 concept of it makes me feel uncomfortable.

17 True, if you have a lengthy fault exposure hours
18 period, it's going to influence the three-year average
19 significantly, and I guess my answer would be fine. When
20 you go to resetting, you may think you have the problem
21 cured today and it may have been inspected, but my
22 experience has been that you don't always and it takes a
23 period of time for some of the problems to show back up
24 again.

25 I'm especially concerned for those issues where

1 the definitive root cause for the failure, whatever it may
2 be, is not determined. You may have approximate cause, but
3 not necessarily the definitive root cause, and I have some
4 specific personal examples where that, in fact, occurred,
5 associated with diesel generators.

6 So I'm highly skeptical of resetting the fault
7 exposure errors performance indicator.

8 I think that's it.

9 GRANT: Mark, real quick. You're talking about
10 whether this is unique to one plant or it might be broader.
11 I thought that part of looking at that also was some
12 evidence that internal to the industry, there has been
13 discussion of fault exposure hours way before the pilot
14 plant activities and that, in fact, there may be some that
15 reported very much differently than others, and that's good
16 to know.

17 RING: That's what we were told by the utility,
18 anyway. We don't have that as a part of our experience.
19 But, yes, we had some lengthy discussions with the utility
20 and that's what we were told.

21 We also have experience that for certain systems,
22 such as RCIC, we recognize, even with 50.72 and 50.73,
23 there's been a variety of reporting for that particular
24 system.

25 LOCHBAUM: I would agree with your comments on

1 exposure hours, because if we're going to risk-based
2 regulation, whether we'd like to or not, but if we're going
3 that pathway, truncating the fault exposure time to 336
4 hours is throwing away risk insights, and we shouldn't be
5 throwing away data, like Scott mentioned.

6 We should take the data, which your actions based
7 on it may be different, but you shouldn't throw away data,
8 particularly bad data. If we're doing risk, that's not a
9 good idea, and I think that's an inherently bad thing to do.

10 FLOYD: I guess in response to that, I don't think
11 it's fair to say we're truncating it at 336 hours. It's
12 whatever the fault exposure hours are that could have
13 exceeded 336 faulted exposure hours. It's not that you're
14 truncating it. You put whatever the value is in the
15 indicator to see if it trips the threshold.

16 So if you have 500 hours of faulted exposure
17 hours, you don't truncate it at 336. You plug 500 hours of
18 faulted exposure hour into the equation and if that causes
19 you to go white, then the indicator shows up white.

20 As was explained, I think, the reason for -- and
21 it's not a truncation. What it is, it's a backing out of
22 those hours after the problem has been corrected, remedied,
23 and the NRC has done a follow-up inspection and four
24 quarters have passed as a reasonable period for, gee, it
25 looks like they might have the problem fixed, so that it

1 doesn't mask future problems and also doesn't reflect
2 current performance of the plant, because, after all, this
3 is an annual assessment cycle and it's kind of artificial to
4 be looking back at a three-year old problem and portraying
5 that, gee, that looks like that's the problem at the station
6 today.

7 That's the only issue. They're not truncated. I
8 just wanted to clear that up.

9 LOCHBAUM: The argument about masking future
10 results. You can't mask it if you're already in the box
11 that you'd be in anyway.

12 GARCHOW: Let's look at what we're doing. The
13 idea is to -- it's not a safe, unsafe, acceptable,
14 unacceptable. I think we hashed that out. It's an
15 indicator and it says should the NRC be applying more
16 resources or more attention in a particular area.

17 Well, if a problem came in in December of '96,
18 been fixed, you have four good surveillance tests that all
19 passed, you maybe even had an actual initiation that might
20 have had to occur, you have no indication at all that that
21 piece of equipment is faulted at all.

22 I think then that for the purposes of getting you
23 into the action matrix and summing up that's indicative of
24 licensee performance, keeping that white to be sitting there
25 with other potentially whites or greens to be in the mix for

1 the action matrix is inappropriate. It doesn't reflect the
2 current performance of the current six-month latter or the
3 one-year annual PPI.

4 LOCHBAUM: But the containment leakage data is
5 based on as-found leakage that has to be corrected before
6 the plant restarts. That the industry wants to keep as a
7 meaningless, but available and simple to calculate
8 indicator.

9 This one they don't want to keep. I don't
10 understand the inconsistency. I don't understand either
11 part of that, but there's definitely an inconsistency there
12 and neither one -- one of them -- both of them cannot be
13 right.

14 GARCHOW: That's presupposing that two separate
15 barrier indicators have to be consistent. I guess I don't
16 accept that as a premise.

17 LOCHBAUM: Not whether they're right or wrong, but
18 in one case, the containment leakage indicator of white,
19 yellow and red doesn't apply to current plant conditions,
20 but the industry wants to keep it as a useless indication of
21 plant performance, acceptable/unacceptable.

22 The other one --

23 GARCHOW: I don't want to debate that here, but
24 relative to this particular one, I think there is an
25 argument to be made and I think we just have to apply it

1 out.

2 LOCHBAUM: According to the staff, it's already
3 been decided, there's not an argument to be made, and I
4 think I agree with Mark Ring's point that that -- I wouldn't
5 agree with that, that that's the right to have done, but
6 it's already been done by the staff.

7 MADISON: One of the reasons we agreed to that, to
8 back that out, is because it allows us to do something,
9 allows the NRC to do something. When we say mask the white,
10 the next white indicator, part of our supplemental program
11 says we will respond to that white indicator by doing a
12 supplemental inspection focused on that problem.

13 Now it stays in the white and we don't get any
14 other white indication, the next problem that comes up, it
15 probably won't turn it into yellow yet. But it's going to
16 be a problem we want to follow up, but our own process
17 doesn't allow us to do that.

18 By backing that out and not masking the next white
19 indication to come in, we can then do a follow-up
20 supplemental inspection on the next white indication that
21 comes up.

22 GRANT: Another way of doing that would be to
23 require licensees, when they submit the data, to indicate if
24 something else would have contributed and made white, to
25 note that. It stays white, but they footnote it and say

1 this equipment failure, okay, independent of where the
2 indicator is today, wouldn't have made it white anyway.

3 MADISON: We felt we accomplished the same thing
4 by doing it this way.

5 GRANT: I'm just saying there's different ways of
6 doing it.

7 MADISON: There are different ways.

8 GILLESPIE: Let's take the comment, because as the
9 data comes in, as the data comes in, realistically, there's
10 a table that's on the web page that shows the cumulative
11 data and, Mark, you'd be smart enough that if it was at 360
12 hours and it was white and you got another 500-hour incident
13 and you see it in the table, the guys at the site are going
14 to know it, the inspectors are going to know it.

15 MORRIS: I was going to add that we're already in
16 the supplemental inspection. We're already outside the --
17 once we hit white, we're already outside the baseline.
18 There's one other stakeholder here, though, and that's the
19 public.

20 GILLESPIE: And what Alan is bringing up is the
21 visibility of the public of the appearance now of a repeat
22 white, and those are different characteristics and different
23 parameters that are being balanced. I think Mark has put an
24 issue on the table, that's what we asked him to do, and
25 we're not trying to solve it today.

1 It's a good issue, but we are trying to balance
2 different parameters and it's the repeat issue for the
3 public, that the public sees, who don't look at the chart,
4 may not look at the numbers, and it's the idea of reacting a
5 second time with additional inspection consistent with the
6 matrix.

7 And, Mark, I sense from you, you'd like to see it
8 stay white so that you've kind of got a placeholder for
9 constant reaction.

10 RING: I kind of go back to Scott's point, to
11 start with. Don't discriminate at the data level.
12 Discriminate at what you do about it.

13 GILLESPIE: Okay.

14 RING: Leave the data available for everybody to
15 look at and deal with. And I think as soon as you start
16 discriminating at the data level, you're going to lose both
17 the public confidence level, as well as your inspectors'
18 confidence level.

19 LOCHBAUM: Any number of indicators, like scrams
20 or unplanned power changes, could stay white for any number
21 of reasons. You don't reset those to pick up the next scram
22 of the next unplanned power change.

23 Somehow the process is smart enough to handle
24 those. I don't know why that process falls down on this
25 one.

1 GARCHOW: The action matrix was to have
2 predictable NRC response. I challenge Scott a little bit.
3 At some point, we have to choose where we're going to be a
4 little bit subject, but the reality is the example from our
5 pilot plant site, from a December '96 RCIC pump failure, is
6 the NRC hasn't done anything different since they closed
7 that event out in December of '97. So the public is out
8 there thinking there is some sort of augmented real good
9 look at Hope Creek's RCIC system.

10 The reality is there is nothing being done but the
11 baseline program. So we can't have it both ways.

12 RICCIO: Thanks for looking out for us.

13 LIEBERMAN: Could we have that clarified, Frank?
14 Is the intent of the action matrix to be a rigid path or is
15 it intended to have discretion? What is the intent?

16 DEAN: Let me address two issues. First, let me
17 address the fault exposure. This is a temporal issue. We
18 have played with over some period of time the reliability
19 indicator which would eliminate having to count fault
20 exposure time.

21 Research, the Office of Research is in the process
22 now of doing some studies on terms of risk-based performance
23 indicators. One of the outcomes of that might be a
24 reliability indicator, in which case this fault exposure
25 goes away.

1 So what we have looked for is an interim solution
2 to an issue that, as Frank noted, addresses a number of
3 different aspects of plant performance, public confidence,
4 what does NRC do in response to it, et cetera, et cetera.

5 So we've come up, through a number of meetings and
6 sessions involving a lot of stakeholders, this as an interim
7 solution. Obviously, we revisit this during the lessons
8 learned workshop. Number one.

9 Number two, with respect to the action matrix, to
10 answer that, even though we're jumping ahead, to assess
11 them, is the action matrix is intended to be guidance for
12 the regions on how to address issues when indicators and
13 inspection findings result in being in that part of the
14 action matrix.

15 I would characterize that as you go farther to the
16 right in terms of degraded performance on the part of the
17 licensee, that the specificity in what we expect a licensee
18 to do probably -- I mean, what we expect the NRC to do
19 probably becomes more specific.

20 But certainly, Ken talked about you may be in the
21 first column to the right and really not do anything besides
22 baseline. That may be the appropriate thing to do. The
23 object is to give the regional inspection management the
24 flexibility to do within their -- what it is that's
25 appropriate for that situation.

1 That's what it's intended to do, and there are a
2 number of tools that can be used, inspection meetings, so on
3 and so forth.

4 GILLESPIE: Jim, I think something, and this
5 really came out yesterday, is the other parameter. Is the
6 public expectation that we publish a matrix and say here is
7 our action? That we have to publish something that gives us
8 the flexibility we want to have, and if that means taking on
9 some comments that says it's too subjective, that's okay.

10 But whatever we put out and say here is what we're
11 going to do if this occurs, it's not that it's a rigid,
12 hard-fast rule, but I think that if we make exceptions to
13 it, we have to have a sound basis, publicly explainable,
14 with a very high threshold to the exceptions.

15 That's kind of what I got a sense of from
16 yesterday, from Jim's comments and some other ones.

17 LIEBERMAN: We probably should talk about this
18 later on this afternoon.

19 GILLESPIE: So it's an internal tool, but it's an
20 external expression of what the agency is expected of
21 itself, and we need to be sensitive to the -- it was made
22 for one thing, but it's going to potentially be used for
23 another, and that's a sensitivity we have to have and I
24 think that's a consideration that this panel would make,
25 would feel free to make recommendations or comment on.

1 MORRIS: Can I just ask a quick question? On our
2 web site, are we going to -- after our six-month assessment
3 or annual assessment, are we going to publish what the
4 agency response to this information is on the web site?

5 FRAHM: Yes.

6 MORRIS: So it will be easy, if I'm Joe Citizen
7 and I see three whites, I can expect to go click on the next
8 button that says here is what the NRC's action is.

9 FRAHM: Right. It will lag a little bit, because
10 we're waiting until we get the official docketed assessment
11 letter, but then we'll have that on the web site.

12 CHASE: Mark, you started off saying on -- you
13 listed some questions and you gave some answers. One was,
14 was the PI data reported correctly, and forgive me if I
15 misquote you, but I thought you said no. Then the next one
16 was, will the licensee report to the PI data correctly in
17 the future, and you said no.

18 RING: No. The question I asked myself was do I
19 have confidence that it will be afforded in the future, and
20 based on the inspection data to date, the answer is no.

21 CHASE: Why is that?

22 RING: Because the inspection data to date is that
23 they haven't. Until I can get inspection data that shows me
24 that they have, it's going to stay no. Why would I think
25 that it would be reported correctly?

1 CHASE: Okay.

2 GRANT: It's interim. Corrective actions are time
3 going to take care of it, but we haven't verified that. I
4 think part of your point also was you get a feeling that
5 some of these discrepancies may exist elsewhere based on our
6 inspection in Region III sites. Don't know.

7 RING: There is one last point I want to make,
8 Frank.

9 GILLESPIE: Go ahead, Mark.

10 RING: Don put up a chart that showed where the
11 various performance indicators were and the inspection
12 results and all that sort of stuff, and I appreciate all
13 that. I would caution everybody that I think the pivotal
14 reports are the next ones that come out, because we've
15 resolved the 50.9 issues and where we go with them sometime
16 in October.

17 So many of these issues haven't yet hit reports,
18 and I would expect that chart to change fairly
19 significantly. I don't think very many of the Quad issues
20 are in there.

21 GARCHOW: So you're expecting the industry to have
22 a rash of corrections come in with this data.

23 RING: I'm expecting the inspection reports to
24 issue a rash of performance indicator problems.

25 MORRIS: I could speak for Salem, I mean, what

1 we've done. The report that documents the discrepancies we
2 identified isn't in that data that Don displayed.

3 GARCHOW: So that's your point.

4 RING: Yes, that's my point.

5 GARCHOW: Okay. I understand.

6 WIGGINS: I'm kind of struggling here myself. I'm
7 trying to think of what kind of a recommendation should I be
8 formulating based on what appears to be three disparate
9 views of the world on the PIs. I'm trying to rationalize
10 it.

11 I guess we have to kind of make a decision. I
12 think we approach a decision that essentially says given the
13 fact that we all recognize there's a certain amount of
14 settling that has to occur in the PIs, whether it's -- you
15 know, what are the errors, what are the thresholds,
16 whatever, what things, if any, should we do to -- as we move
17 forward into initial implementation?

18 First, you have to address the real -- one end of
19 the spectrum is are these problems so debilitating as to
20 throw the whole thing out or to restrain any type of
21 implementation. I don't know that I would get there yet,
22 although they're problematic and I don't mean to downplay
23 the problems that have been described by the industry, by
24 the staff and various sectors of the staff and others.

25 But they kind of tell me there's a certain amount

1 of settling that needs to go on and I don't know that that's
2 going to be able to be done in anything that's got single
3 digit months in it. It's going to go on for a while.

4 So I guess I'm kind of arriving at, well, the
5 staff needs to figure out some way to address that. Staff
6 needs to figure out how it's going to, in effect, compensate
7 for the fact that the PIs aren't exactly what they need to
8 be and may not be telling us exactly what we thought that
9 they would be telling us when we originally started. I
10 think there are ways to compensate for that.

11 So that's kind of where I am.

12 GILLESPIE: What you're saying, Jim, is it kind of
13 has to have a transition thought into it.

14 WIGGINS: We have to identify the fact that until
15 we can show that we've gotten some settling here, we've
16 settled the definitions, we've settled what we think they're
17 trying to tell us, and then we've settled the error rates,
18 then it's hard to make a read that says we ought to sign off
19 completely on the PIs the way the framework anticipated the
20 PIs would be used.

21 We need to do something different. We need to
22 bridge the gap somewhere, whether it's additional inspection
23 or if someone else has a different idea, that's something
24 that I think -- that's where I'm coming from on this.

25 Back on Dave Lochbaum's comment, I think I kind of

1 agree that it's very hard to explain, if you want to get a
2 simple explanation, you can't get a single explanation if
3 each of the PIs is looked at differently. That's true.

4 Fortunately or unfortunately, we come back to
5 significant challenge I see in this program, the way we have
6 it currently applied, that essentially all the important
7 aspects are connected to everything else. It's just so
8 locked together that it's hard to deal with anything
9 separately.

10 What's relevant, for instance, about the PIs, what data
11 resets versus what doesn't, I kind of just look -- I'm kind
12 of visualizing being forced to make an action matrix
13 decision. The effect of not resetting a PI when maybe it
14 ought to be reset, for instance, the one that was discussed
15 that may have a three-year lifetime, that's okay in and of
16 itself and you can make some statements about inspection and
17 that's reasonable decisions on inspection. That's
18 relatively easy.

19 The problem is what happens when you get
20 additional other colored issues and what does that do in the
21 action matrix. Are you getting to the right part of the
22 action matrix and are we getting ourselves set up that the
23 action matrix is telling us to take an action that makes no
24 sense at all because it relates more to performance under an
25 old regime at the facility.

1 Now we're trying to explain why we're not shutting
2 the plant down or why we're not putting a CAL out or if you
3 get into extreme cases, you get -- the problem, as I see it,
4 that argues for some type of a rational reset for some of
5 these is exactly that.

6 You try to find some contemporaneous connection of a bunch
7 of failure and as you get more failures that are
8 contemporaneous, that tells you things are worse in terms of
9 performance.

10 If you don't reset, then you get artificial
11 contemporaneousness, if you like that term. You get a
12 carry-over. You have the gift that keeps on giving. You've
13 got the three-year yellow that you're still stuck with over
14 here waiting for something else to turn white or something
15 like that, then you're moving yourself to the right of the
16 action matrix, again getting more austere, more severe
17 actions, let me put it that way, the term yesterday.

18 And I think that's a pretty big challenge for all
19 of us to kind of work our way through because of the
20 interconnection in the elements.

21 The bottom line, I heard a lot of stuff here and I
22 respect the opinions of everyone over the last two days, but
23 I guess I'm still coming down to the concept is still
24 intact. It ought to be able to be workable still. We're in
25 -- I think there is a need for some kind of a gap-bridging

1 activity here that will run for a while.

2 GILLESPIE: I think what you're doing is
3 re-zeroing us. You did this yesterday, too. This is not --
4 this is a process or an action matrix that tells us when we
5 should have increased involvement. It doesn't say there's a
6 fatal flaw. It's not a direct safety measure. It's
7 something that says when we should have increased
8 involvement.

9 WIGGINS: That's where it started out.

10 GILLESPIE: Yes. And I think we've got to be
11 careful that we keep the original purpose in mind, so that
12 we don't over-extend how it's used.

13 WIGGINS: I wasn't going to bring that up again,
14 because I have an opinion that we've already involved --

15 GILLESPIE: We've already over-extended.

16 WIGGINS: You may be trying to close the door on a
17 barn, but the horse died.

18 GILLESPIE: Could be.

19 WIGGINS: The horse is already long gone on this
20 and it is what it is. People are going to view a yellow
21 finding as a significant safety issue, just because of the
22 way we built the system.

23 We may need to think about now, unfortunately,
24 coming up with a parallel system for interaction, but I'm
25 not going to get there right now. Another time.

1 You get one system that gives you the bottom line
2 safety conclusion and then there's something else you do to
3 figure out the interaction, and then -- but I don't even
4 want to go there.

5 I'll just at least say that this is all part of
6 the transition period.

7 GILLESPIE: But we have to recognize it's being
8 used for two purposes and it maybe wasn't originally
9 envisioned for two purposes.

10 WIGGINS: And the two purposes are of enough difference to
11 be hard to explain without maybe -- it's hard to explain
12 moving forward. It may be easier to explain after 24 months
13 of data looking back and explaining what happened.

14 GILLESPIE: Okay. I've kind of deliberately let
15 this -- because the PIs are such an important new element of
16 this, I let a little extra time go on this one. This is an
17 excellent interface. There's a different perspective you
18 guys brought and I appreciate that perspective.

19 I don't know exactly what to do with it yet, but I
20 do -- it's an important perspective, because that's where
21 the rubber meets the road, is in the regions and at the
22 inspector and the branch chief level.

23 I would like to move on now with the inspection
24 portion and I'm going to try, Steve, if we could, to step
25 through this kind of as quickly as possible. I don't think

1 it needs as much time potentially as PIs.

2 STEIN: Good morning. I'm Steven Stein. I work
3 in the Inspection Program Branch, with Bill Dean. This
4 slide represents the -- paraphrases the metrics and criteria
5 that we had developed for the inspection portion of the
6 pilot program, and these metrics were essentially to answer
7 two higher level questions.

8 That is, is the program adequate for its intended
9 purpose and for that, we looked at the quality of the
10 procedures, scope and frequency of the inspections, and we
11 looked at inspection resources to see if it was taking more
12 or using less than the other program.

13 The other higher level question was does the new
14 program support the new oversight process, the assessment
15 process, and there we looked at how timely inspection
16 planning can be accomplished, its effectiveness, and whether
17 the inspection reports and plant issues matrices can be
18 issued in time to support the assessment process.

19 Now, this portion of the presentation will be a
20 little bit different. I will discuss two of the metrics,
21 the planning metric and scope and frequency. Jim Isom will
22 present the portion of the quality of procedures. Arman
23 Masciantonio will present another portion of the quality of
24 procedures. Then Tim Frye will present the metrics on
25 report and PIM timeliness and resources.

1 Then I will come back, recap all that, and discuss
2 a couple of other elements of the inspection program that
3 were not ready for the pilot at the beginning of the pilot.

4 The scope and frequency of inspections,
5 essentially, I don't have a slide for this, but it was
6 collected primarily through feedback from the inspectors.
7 Jim Isom will discuss the feedback form that we used.

8 One of the questions was, was the scope
9 appropriate, was the scope of the procedure appropriate for
10 its intended purpose. And our responses indicated that
11 better than 80 percent of the procedures the inspectors felt
12 did meet the objectives. We received very few comments on
13 frequency and the comments we did receive were typically of
14 the nature that there weren't enough opportunities at the
15 plant to meet the frequency, in some cases, monthly, and
16 that the monthly frequency didn't fit very easily or very
17 well in planning with a six-week inspection cycle.

18 Now, planning criteria was can inspection planning
19 be timely; that is, can the plan be issued within 30 days
20 from the end of the previous cycle. We developed a new
21 effectiveness measure that essentially just looked at how
22 many procedures were actually used versus those that were
23 planned and we just set an arbitrary 80 percent on that.

24 The timeliness of planning, we have essentially
25 two data points. The first was the initial planning of the

1 pilot, which took place last May. We just arbitrarily,
2 again, picked May 1 as the beginning of the planning cycle.

3 The next data point is the mid-cycle review, which
4 are going to be conducted next month. So the initial
5 planning for all nine pilot plants, where it was all
6 accomplished and letters were issued and plans issued within
7 30 days, we still need to wait for the data next month to
8 see if the mid-cycle is timely, but we don't anticipate any
9 problems.

10 GARCHOW: Steve, any insight on how plants six and
11 seven was tremendously efficient?

12 STEIN: No. Other than that -- other than their
13 planning meeting was probably the last one that was
14 scheduled for that month.

15 GARCHOW: That seems to be quite a difference.

16 STEIN: All this is showing is how many days it
17 took from May 1 to issue the planning letter for the initial
18 planning for each of the nine plants.

19 LIEBERMAN: Did any of them begin working in
20 April?

21 STEIN: All the planning meetings were in May.
22 For the effectiveness, this was a course comparison of the
23 inspection procedures for which hours had been charged to
24 those procedures in inspectable areas that were planned
25 during the initial planning cycle at the beginning of the

1 pilot.

2 Essentially, approximately 80 percent of the
3 procedures that were initially planned have had some
4 inspection conducted. There are some that have not been.
5 Ken Brockman mentioned yesterday that some of the regional
6 inspectors, inspectable areas may not have been accomplished
7 yet.

8 Some also may not have -- I'm sorry. I'm reading
9 from the wrong part of my notes here.

10 There were about 24 procedures that were used that
11 didn't show up on the initial plan. Some of those are
12 attributable to inspectable areas residents would do as
13 needed or other DRS inspectors might do as needed.

14 Some apparently should have been planned, but were
15 not.

16 Now, one of the issues was the completion status
17 in our reporting system is not very accurate, also, and
18 you'll hear more about that from Arman Masciantonio.

19 MALLETT: Why does that not total up to 100 percent? I see
20 80 percent.

21 STEIN: What the 80 percent represents is 80
22 percent of the procedures that show up on the initial plan
23 in June, that's the hours charged against it, and we're
24 about 80 percent through the pilot, because this data only
25 represents data into October.

1 GARCHOW: So the other way you could have done
2 that is there is a total number of population of inspections
3 that we wanted to exercise during the pilot. We had a
4 planning horizon that has to get from the beginning of the
5 pilot to the end of the pilot, where that number would have
6 been all of the procedures or 100 percent.

7 STEIN: Correct.

8 GARCHOW: Another way of showing this. What
9 you're trying to show is that we're approximately through 80
10 percent of the time and we've exercised approximately 80
11 percent of the procedures and you don't see any issue other
12 than the regional-based, event-based inspections, of not
13 being able to get through all the procedures by the end of
14 the pilot.

15 STEIN: That's a fair representation. There are
16 some examples of procedures that were planned that should
17 have been done by this point that do show no hours charged
18 against them.

19 WIGGINS: This is an exercise, though, in what
20 procedures show hours. That's what you took as an evidence,
21 whether they happened or not.

22 STEIN: Correct.

23 WIGGINS: Okay.

24 STEIN: Just that some inspection had been
25 accomplished.

1 WIGGINS: We've just got to be clear here, because
2 this new program, one of the aspects of the program, Bruce
3 is the authority on this, when this program got put
4 together, one of the things you can see when you react to it
5 originally is, boy, this is a difficult planning exercise
6 because the procedure chunks the attachments.

7 It wasn't initially clear how they would be
8 distributed in the regions, so that you could assure that
9 they would all get done, and it wasn't initial -- and Bruce
10 would say, at least what he said in the prior meetings that
11 we've had, his groups, the people that were working the
12 procedures in the baseline program, the people who worked
13 the baseline program didn't care how it would get done.
14 They just focused on what would get done. Isn't that true?

15 So coming out of that, we all knew that it would
16 be a difficult process for a region to kind of split it up
17 between DRP and DRS, in practical terms.

18 So this criteria is really kind of like it's a
19 test of the region's capability of scheduling, of dividing
20 and getting the effort taken care of.

21 BROCKMAN: I've got to answer one question.

22 WIGGINS: Let me finish the -- I try to end with a
23 question. What do we think currently? Have the four
24 regions demonstrated that they can, in fact, schedule the
25 inspection program and get it done within the construct of

1 their organizations? Do you have a few on that?

2 STEIN: Only being 80 percent through the pilot --

3 RING: It's artificial. You're only looking at
4 two plants and you've got 14 or 16 more out there that have
5 an effect on this.

6 GARCHOW: And we tried to jam -- we shortened the
7 cycles of inspections to try to exercise the procedures by
8 design of the pilot program. So it's artificial in that
9 regard, as well.

10 BROCKMAN: And is that 80 percent -- was that
11 taken off of RPS, that 80 percent of the procedures have had
12 hours assigned or given to them?

13 STEIN: Yes.

14 BROCKMAN: Because RPS, one hour, it automatically
15 closes it out. So you'd have no idea if the inspection was
16 completed.

17 STEIN: Correct. That was -- absolutely.
18 Absolutely. I'm not saying --

19 GILLESPIE: Steve. Okay. Steve's got a coarse
20 measure. Its' a snapshot. The question was are we about on
21 schedule. The answer is we're 80 percent done and it looks
22 like we're about 80 percent on schedule.

23 I don't want to attribute an artificial level of
24 accuracy to the data. It hasn't been going and looking at
25 actual reports and saying was the function intended actually

1 accomplished. It's a coarse measure.

2 BROCKMAN: It's really very coarse. All it says
3 is at least one hour was dedicated to it. It has nothing to
4 do with was the task accomplished.

5 GILLESPIE: That's true.

6 MALLETT: One point is, though, I think you need
7 to look at that metric and what you're showing to see if
8 it's really adding any value. I'm not so sure that that
9 means anything, what you're showing as that metric. That's
10 my only point.

11 GRANT: I guess we're not going to revisit the
12 staff's metrics, but Mark made the point, and Jim too, pilot
13 plants have the top priority in the region. For our region,
14 DC Cook. So this was, by definition, going in, going to
15 happen, short of some unbelievable circumstances.

16 But I don't know if this tells you anything about
17 how we're going to implement it when we go to full
18 implementation. It says that given concerted effort and
19 lots of management focus, that you can accomplish 80 percent
20 or more of your inspections at two pilot plants in the
21 region.

22 FLOYD: I have a fundamental question to ask in
23 response to Jeff's comment. As I understand it, the old
24 core program, which apparently you were able to carry out at
25 a two-unit station, ran about 2,300 hours and this program

1 is targeted at around, the number I hear varies between
2 1,850 and 2,000 hours, and yet we're not sure we can do
3 that.

4 I'm struggling with what's different between the
5 two programs fundamentally that allows you to do 2,300 hours
6 for a two-unit site, but makes it difficult to do 1,850 to
7 2,000.

8 GRANT: I didn't say it was difficult. I'm just
9 saying that the metric doesn't tell you that.

10 FLOYD: I agree with that. I agree with that.
11 But what I was hearing was that it's very, very artificial.
12 I'm wondering what's artificial about it, if it's less than
13 what you used to do.

14 GILLESPIE: We've got ten minutes. I think the
15 point here is that a lot of focus was put on doing two
16 plants in each region and it wasn't an integral exercise in
17 planning across the entire regional profile, where you've
18 got activities at one plant that require a reactive effort,
19 that may cause you to have to draw resources from another
20 place. It didn't exercise that full planning process.

21 WIGGINS: But there is a significant part of the
22 process that it had to have exercised, and maybe this -- if
23 I could ask the question to the regional people, including
24 those on the panel, maybe I can get the answer.

25 Were the regions able to make a logical and

1 rational division of the effort in the organizations in the
2 regions so that you can assign an inspection to an entity
3 and get it done? Were we able to figure -- you know, going
4 into this, remember, again, what Bruce was saying, coming
5 out of the effort in November, this was kind of we're going
6 to do all this, and really didn't focus on how a region
7 would accomplish it.

8 So we were able, I think, to get the inspection
9 procedures divided between the residents and the --

10 MORRIS: Certainly in the planning meeting back in
11 April, I think the way it worked is we -- as somebody said
12 over here, we've made this priority items and then
13 everything else that happened in the region was kind of
14 built in around that. But we got it done.

15 WIGGINS: Okay. Let me just be practical here.
16 We were able to divide the effort between the residents and
17 DRS, right? So we made some rational divisions of the
18 effort. So if we were able to do that much, then the
19 scheduling is just a matter of focus and you can do it.

20 BONSER: Can I interrupt for a second? What we
21 did here was, in our region, there were certain resident
22 modules that we knew would be done by the residents. So we
23 assigned them to them. The other ones that would be done by
24 the region we divided amongst the two -- between Sequoyah
25 and Harris.

1 That was based on the number of hours that would
2 be expended at each of those sites and the number of
3 resources that would be necessary. I think in general, we
4 have done those inspection procedures, but we've only done
5 the inspection procedures, other than the resident
6 procedures, once in the region, because of the resource
7 expenditure.

8 I believe in Philadelphia, we put that overhead up
9 to show how we were going to accomplish that, but that's how
10 we planned to do that in the region. I think fairly much,
11 100 percent by the end of November we will have done all of
12 the procedures.

13 DEAN: Frank, if I might, just to help facilitate
14 what we're doing here.

15 GILLESPIE: I need to give the regional people
16 time.

17 DEAN: The way we've structured this and what's
18 happening is that we're getting a lot of tangential
19 discussion that would be better placed under observations
20 and analysis section, where you might see how we have
21 analyzed this information as opposed to trying to jump
22 ahead, and we're finding ourselves doing that and that's
23 causing us to get bogged down, I think, a little bit.

24 GILLESPIE: I want to turn to the regional people,
25 because I think Jim has -- Jim has asked the relevant

1 question.

2 WIGGINS: I think I got my answer. I think I
3 answered my own question and nobody disagreed with me, so I
4 got my answer. You can move the agenda forward. Don't
5 worry about my question.

6 GILLESPIE: I want to hear from Mark and Brian and
7 Scott on what you think of the procedures. Can they be
8 done?

9 HAHN: These guys have like 25 more slides.

10 GILLESPIE: I know, and that's what I'm saying.
11 So I think I'm ready to move -- we need to hear from the
12 regional folks, to give them -- well, can you get through 25
13 slides in the next ten minutes? Give it a shot. Give it a
14 shot.

15 ISOM: My name is Jim Isom. Can everybody hear me
16 in the back? I work in the Special Inspections Branch with
17 Steve and I'll be discussing the feedback we've received
18 from inspectors in the inspection procedures.

19 Specifically, we have one criterion on this first
20 slide here and it has to do with the procedures clearly
21 written and can inspectors consistently conduct inspections
22 as intended.

23 We read that criteria to consist of two parts.
24 I'll be covering the first part. First is was it clear and
25 easy, did it meet objectives. The second one had to do with

1 can it be done at most plants with nearly the same
2 resources.

3 In order to get the information, we asked five
4 questions from all the inspectors when they completed the
5 procedures, and these questions had to do with -- the first
6 question was were the resources that we estimated adequate
7 so you can do the inspections; were the procedure objectives
8 met and were they sufficiently risk-informed and were the
9 procedures clear and easy to use.

10 And the last question we asked them was did these
11 new procedures result in unreasonable impact on the
12 licensee.

13 To date, we have received 182 feedback forms,
14 mostly in the reactor safety arena. As you can imagine,
15 there are 21 attachments associated with that particular
16 procedure, and then received 15 or 16 or so in the EP and HP
17 area, five in security and 23 or so on some of the other
18 procedures that had to do with plant status, event follow-up
19 and problem identification.

20 We took these 182 feedback forms and for each one,
21 for each procedure, for example, if there was five
22 associated with one procedure, we averaged them. We took a
23 look at the average. If the average numerical rating was
24 less or equal to 3.0 on a scale of 1.0 to 5.0, 1.0 would be
25 you would strongly disagree with that particular question

1 and 5.0 would be you strongly agree with that question, and
2 then we focused on the particular procedures that were less
3 or equal to 3.0 and if that criteria was met, we said that
4 particular question was not satisfied.

5 So this was the result that we have received from
6 inspectors so far. I would like to reiterate that these are
7 inspectors' perceptions of the new program.

8 About half or 45 percent felt that they had
9 sufficient -- the procedure had sufficient time estimated,
10 but most or 82 percent felt that the procedures did meet the
11 objectives, and about two-thirds of the inspectors out there
12 that gave us comments felt that the procedures were
13 appropriately risk-informed, they were clear and easy to
14 use, and all of them felt that they had reasonable impact on
15 the licensee. The last one surprised us the most.

16 GARCHOW: Do you have a feel for the sensitivity
17 of that, about how much that would have to be to move that
18 away from 100 percent?

19 ISOM: Okay. Lastly, my last slide, what we plan
20 on doing is to validate results from the perceptions that
21 there is insufficient time allotted for the program by the
22 inspectors.

23 Arman will speak to that and Steve will address
24 it, I think, when he comes back up here.

25 Also, as we speak, we will review and revise the

1 procedure which need further work in terms of not meeting
2 objectives, that were not appropriately risk-informed, and
3 some procedures which the inspectors felt were not clear or
4 easy to use.

5 I think we're the first group in this week to make
6 that happen.

7 Now, just to reiterate one thing. We are
8 addressing each comment, even though this is an average of
9 the comments. We're not just focused on a particular
10 procedure, but we will address all comments that were sent
11 in by the region.

12 LIEBERMAN: Jim, on the 182 forms received, how
13 many -- is that 100 percent of your expectation of the
14 number of forms to be given to us or were there some
15 inspectors who chose not to provide forms, or do you have a
16 feel for that?

17 ISOM: I think the question was have we received
18 comments on all the procedures?

19 LIEBERMAN: From every inspection.

20 STEIN: We've gotten the forms for each
21 inspection.

22 ISOM: Well, with the exception of one in the
23 health physics area, we have received at least one comment
24 on all the inspection procedures we have issued.

25 STEIN: The answer to your question is actually

1 no. The expectation from the beginning of the pilot was
2 that every time an inspector used an inspectable area, he
3 was to fill out a form and send it, and we did not get that.
4 We got a slew in at the very beginning, it tapered off. We
5 just got a slew in just in this past week. So actually this
6 182 is now probably over 200.

7 But what this distribution shows is essentially
8 which areas we got the most comments in.

9 DEAN: We got feedback on all the procedures, with
10 the exception of one. Have we gotten 100 percent
11 participation from the inspectors? The answer to that is no
12 and I don't have an estimate as to what that participation
13 level is.

14 LIEBERMAN: For the validity of the data, I would
15 think we would need to have a high comfort level that this
16 is most of the inspectors.

17 ISOM: Jim, I can say the number of comments or
18 feedback forms were evenly, fairly evenly distributed
19 throughout the region. So I can't say all the inspectors
20 made comments, but I can say the regions are consistent in
21 terms of giving the number of feedbacks back to us.

22 LIEBERMAN: Okay. And then my second question, on
23 the slide that had the percentages, is that uniformly
24 distributed across the regions, divisions, branches? Have
25 you done any analysis from that point of view?

1 ISOM: No, I have not. Really the question is did
2 one region have a problem with the same procedure than
3 another. No. But we're going to take a look at that.

4 GRANT: On the results slide.

5 ISOM: Yes.

6 GRANT: It looks like a discrepancy, but maybe you
7 can explain it. Forty-five percent had sufficient time
8 estimated. So roughly half said that there was insufficient
9 time.

10 ISOM: Right. Correct, Jeff.

11 GRANT: But 82 percent said that it met the
12 inspection objectives. So that means that if they didn't
13 have sufficient time, did that mean that they expended more
14 time than allotted and, therefore, exercised the whole
15 inspection procedure and that's why they felt 80 percent?

16 ISOM: Right. The question was, I think -- well,
17 let me ask the question. When we gave the guidance to the
18 inspectors, we told them to go ahead, get the objectives
19 completed, regardless of the hours. But this is their
20 perception. Given the hours we estimated for the procedure,
21 they felt that had they only expended that much, let's just
22 say a procedure took only eight hours to do, they felt that
23 -- half of them felt that the amount of time we estimated
24 for completing the procedure and meeting 100 percent of the
25 objectives was not enough.

1 FLOYD: I'm going to ask you a question, and I
2 would ask the region folks also to respond to it when you
3 make your presentation on the same issue.

4 Again, we're talking about somewhere around 300
5 and 350 hours difference between the old core and the new
6 baseline. I guess the question would be, if the new program
7 had about the same number of hours as the old core, would
8 that have a significant influence on that 45 percent had
9 sufficient time estimate?

10 I'm trying to get a sense for what's the delta.
11 Are we under in the program by a couple hundred hours or are
12 we under in the program by thousands of hours? I can't get
13 that from that statistic.

14 DEAN: Let me just talk about resources in
15 general. Once again, the estimate that was developed, and,
16 Bruce, you can back me up, and Mr. Mallett back there, is
17 that was just basically an educated swag as to what they
18 thought it would take on a procedure by procedure basis.

19 We went into this pilot program with the very
20 clear understanding that those estimates would be altered as
21 a result of this pilot program. What this data is showing
22 you is that for about half of the procedures, what we
23 estimated, out of Bruce Mallett's developmental effort, was
24 that we probably under-estimated the amount of time that it
25 would take with respect to those inspection objectives.

1 Now, part of what we're doing right now on an
2 ongoing basis, Jim just mentioned, we have several resident
3 inspectors in here from all the regions, looking at the
4 procedures pertinent to the resident inspection area, and
5 we'll do the same thing for most of the other procedures, is
6 to look at, number one, the inspection objectives and,
7 number two, look at the hours that were estimated and try
8 and come to, A, are the inspection objectives the right
9 objectives.

10 Maybe we've got too many in there, maybe we've got
11 too few in there. And then take another look at the data
12 that emerged from this, and you're going to hear some more
13 from Arman, so I would ask you to hold a little bit in terms
14 of perspective from inspectors in terms of the time
15 estimated as opposed to what was actually reported, because
16 they're not 100 percent congruent in that regard.

17 So you're going to get another piece of the answer
18 right here from Arman. So I'd ask you to maybe hold some of
19 these thoughts until Arman finishes his presentation.

20 GRANT: Let me ask mine again, though, I guess.
21 Is the 82 percent that the inspectors felt that they met the
22 inspection objectives in conducting the inspection?

23 DEAN: Yes. Yes.

24 GRANT: Yet 45 percent of them said they didn't
25 have time to do it.

1 DEAN: If you remember, Jeff --

2 GILLESPIE: The estimate -- the estimate was
3 correct. They took more time.

4 GRANT: Are we going to get that data, how many
5 procedures took more time, what percentage of the
6 procedures?

7 DEAN: You're going to get some inkling of that,
8 but once again, that's incomplete data and I think that's
9 one thing Arman is going to state.

10 GILLESPIE: Let's get Arman up here, because Scott
11 has already showed some emotion, just in the way he said it.
12 Now we're getting into the meat, this is the good stuff.

13 ISOM: That's right.

14 GILLESPIE: I would ask the panel, one of the
15 things to consider here is not to necessarily get tied up in
16 the details of the numbers, because they're halfway through
17 their evaluation. But is what they're doing, they're 80
18 percent through their evaluation, but is what they're doing
19 and is the information they're collecting and how they're
20 proposing to deal with it make sense, rather than trying to
21 make individual judgments on individual lines.

22 MALLET: Frank, I think what we said on that was
23 that that makes a lot of sense. It's a good chart, but Jeff
24 Grant's point was that it needs to include something on did
25 we spend more hours.

1 GILLESPIE: Yes. And that's the kind of feedback
2 we need to give them to make sure their analysis is --

3 GRANT: I understand, but we're making a decision
4 on is it clear, easy to use and meets objectives. So I
5 guess if they have the data, I need to hear it to make my
6 judgment.

7 GILLESPIE: And I don't think right now they have
8 the detailed data. I think they're just telling us what is
9 in progress and it may be December and we may have to delay
10 things till January until they get the data. That's a
11 decision the panel has to make.

12 STEIN: I just want to make one point. The point
13 is the original estimate for the procedure has no bearing on
14 the quality of the procedure. That's not what we're
15 measuring for quality of procedure, has no bearing
16 whatsoever.

17 It was just a resource guesstimate that was -- and
18 the way they were developed during the original concept was
19 the estimates were based on some relative importance for
20 that area within the whole program, within the whole
21 baseline, and with the recognition of the number of
22 residents we've got to do the program.

23 That's where those numbers come from and they are
24 not -- they are not a measure of how well the procedure
25 works or whether the procedure should only take that amount

1 of time every time it's used.

2 GRANT: This slide right here says the inspection
3 procedures quality defined.

4 STEIN: Right, and Arman will talk about that
5 second piece. But again, that is not based on the estimate
6 to do the procedure, and Arman will get into that. It's not
7 based on the estimate at all.

8 MASCIANTONIO: Good morning. I guess you know I'm
9 Arman Masciantonio.

10 GILLESPIE: Arman, we're really getting -- this is
11 good stuff. Now we're getting into the meat of the concerns
12 based on the discussion and the emotion. So what I want to
13 do is, Arman, when you're done, what I would like to do is
14 then let's get the regional guys involved in, as Scott said,
15 what it's really like out there.

16 Go ahead, Arman.

17 MASCIANTONIO: I'll continue on with the
18 discussion on inspection procedure quality. Our second
19 measure of procedure quality is the repetitive consistency
20 of the procedure. What we're trying to determine is if the
21 procedures are written so that an inspector can consistently
22 perform the inspection.

23 Our criterion was that consistency is demonstrated
24 if the resources required to perform the procedures are
25 within 25 percent of each other for at least eight out of

1 the nine sites.

2 We arrived at a bottom line number by taking the
3 hours charged at each of the pilot sites and calculating the
4 deviation of the minimum hours and the maximum hours. The
5 deviation of those numbers from the average.

6 What we found out for the initial five-month
7 period, the data showed that for essentially all the
8 procedures, there was a significant variation in the hours
9 charged at the different sites, and the deviation from the
10 average was much more than 25 percent that we had set for
11 ourselves.

12 LIEBERMAN: When you consider the data, do you --
13 when we had Steve's slide and we went through that, one
14 hour, that counted as a procedure they completed.

15 Are you counting hours for procedures which have
16 completed the inspection or just hours charged to a
17 procedure, whether the inspection has been completed, in
18 fact, or not?

19 MASCIANTONIO: For this exercise, it was the hours
20 charged to the procedure, and I'll get more into that a
21 little bit later. That's one of the numbers we have to look
22 at.

23 So this was the result from our observations and
24 what we are faced with is there are a number of reasons why
25 that could account for these results that are unrelated to

1 the procedural quality.

2 First of all, not all of the procedures have been
3 performed at each site. This means we have a small sample
4 size and in some cases, we only had a sample size of maybe
5 two or three, and this by itself results in large variations
6 or could result in large variations in the numbers.

7 Within the information that was readily available
8 to us, we could not establish the correlation between the
9 hours charged and, as Jim discussed to your question, the
10 hours charged and the extent of the procedure that was
11 completed.

12 The extent of the procedure completion could be
13 influenced by a lot of factors at the site. It depends on
14 the specific activities that are going on. For example,
15 adverse weather preparation, we would expect that more hours
16 would be charged at some sites than others, depending on the
17 conditions that exist at the time. The emergent work that
18 comes up at each site could be different, so more hours
19 would be charged at one site than the other.

20 And the size of the inspection sample is directly
21 influenced by the activities that are going on. If there is
22 less going on, obviously there's going to be less hours
23 charged to specific inspection procedures.

24 The completion of the procedure itself led to some
25 discrepancies in the number of hours. There are a number of

1 procedures that have a routine component that is performed
2 regularly by the resident inspector, and they also contain a
3 regional component that is done periodically by regional
4 staff. And what we need to do is get a handle on when the
5 hours are reported on the particular procedure, what does
6 that represent? Is that just the regional -- the resident
7 component or does it include the regional component also?
8 And the hours are going to be different depending on how
9 much was done.

10 There is also some variation in implementation in
11 that the individual inspector may have a preference for the
12 same size that he looks at. In some cases, the procedure
13 will allow a range of samples, let's three to six, or five
14 to ten, and some inspectors will look at ten, some will look
15 at five, and that also could account for differences in
16 hours.

17 And one other factor is the frequency of the
18 inspection. For example, if you have an inspection
19 procedure that is required to be done semi-annually, some
20 inspectors may decide to do the entire thing in the first
21 month or two, others will spread the effort out over the six
22 months. So if you look at any one time, at a particular
23 time, the hours charged to that particular inspection are
24 going to be different, and you really can't correlate that
25 to the amount of work -- or the amount of the inspection

1 that was done. So these are some of the factors that
2 account for our results.

3 The other area is some possible data reporting and
4 data gathering inaccuracies. We did identify a couple of
5 instances in the pilot program where the hours were
6 incorrectly charged, either because a wrong tech number was
7 issued or the hours were charged to an incorrect activity
8 code. Those things happen and we did find a couple of
9 instances where that had taken place.

10 BROCKMAN: Would not also the dilemma you get out
11 of RPS, where it is going to say the procedure is done, when
12 it hasn't been done, will it get captured in this thing?

13 MASCIANTONIO: Right .

14 BROCKMAN: I think it is, the data accurate but it
15 is going to give you invalid data for what you want.

16 MASCIANTONIO: That's correct, yes.

17 BROCKMAN: Okay. Thank you.

18 MASCIANTONIO: I will get to this in the next
19 slide here. So what are some of our proposed actions to
20 address this difficulties that we faced? First of all, we
21 want to identify possible outliers. I mean if a procedure
22 does have some problems and one inspector is interpreting it
23 one way and another one is looking at it differently, and
24 the hours are different, we do want to identify that and
25 take whatever corrective action we need to take to clarify

1 the procedures.

2 We also need to valid the accuracy of the reported
3 hours, and this could involve some possible enhancements to
4 the RPS system to require, or to show us how much of the
5 procedure has been done, so that if we see a couple of hours
6 charged, there is some correlation to how much of the
7 procedure was done that. That way we can normalize the
8 hours for the entire procedure.

9 We would also like to get some regional insights
10 to determine the amount, or the extent of the procedure
11 completed, and correlate that to the hours that were
12 charged. This wasn't available to us and I think we are
13 looking for some regional feedback on that in the near
14 future.

15 And the last two items here, the longer term data
16 goes to the problem with the limited sample size that we
17 have to work with. Hopefully, after about a year or two of
18 working with the data, we will continue to gather the
19 information. And after some longer term data, we should be
20 able to eliminate the short-term variations that we see now.

21 BROCKMAN: I have got one other question that
22 seems to be missing and maybe my perception is wrong. One
23 of the things that I believe from the feedback I have gotten
24 that affects this, is the capability of the licensee's
25 organization to interface with the inspector's. The

1 licensee's can effect definitely how much time it takes to
2 complete the inspection activity.

3 MASCIANTONIO: Okay.

4 BROCKMAN: I don't see any look here to check on
5 that impact.

6 MASCIANTONIO: And I think this won't really
7 address that, but that is something that we should look at.

8 GILLESPIE: Okay. Let me ask -- let's hear from
9 the regional folks, because now what we have got is Jim has
10 kind of addressed his view of averaging and feedback forms
11 which have come. Arman has kind of outlined the sense of
12 where he is at and the problems that they are saying.

13 Who would like to start off? Mark, Brian. Brian,
14 do you want to start off this time?

15 BONSER: Okay. I can start. What we mentioned
16 before, we plan these inspections upfront and we have
17 accomplished all or most of the resident inspections and
18 most of the regional license inspections now at the end of
19 the first six months, and we divided those up between Harris
20 and Sequoyah. Our regional assessment has been that the
21 procedures are comprehensive and do focus on risk, and I
22 think all areas are under the procedures.

23 The biggest concern of my inspectors has been the
24 procedures in that they have given feedback and they haven't
25 had any revisions. And so they have been redoing procedures

1 that they have already given feedback on and didn't have
2 updated procedures. And I understand that we are going
3 through a procedure revision, but they haven't had a chance
4 to go through a second shot at the procedures yet to see if
5 they will work.

6 Now, for the most part, and I think it was
7 mentioned that all the procedures have worked, as has been
8 my perception and their perception, and in some instances, I
9 think they have made them work.

10 As for the resources, there again, I think it
11 varies, and a lot of that varies due to the fact of what you
12 find. If there are some issues that you identify while you
13 are doing the procedure, you don't go to another procedure,
14 you actually do that procedure. So that there has increased
15 some of the hours in those procedures. And, also, too, this
16 is a learning experience. I know real specific was the
17 engineering procedure that we did on a regional basis. We
18 put a lot of hours into that, and it exceeded the estimate
19 that was in the original write-up in the procedure, and I
20 think a lot of that was due to the learning that we went
21 through in doing that procedure, because as a result of the
22 procedure, we really didn't have any findings at Harris.
23 But I just think there was a lot of effort in getting that
24 done.

25 MALLETT: That was the safety system design and

1 capability?

2 BONSER: Right. And, also, we have just done the
3 fire protection procedure at Harris, and, there again, I
4 don't have the results back on that, but that also was a
5 learning experience for us. So we are having to learn as we
6 go along, because we have told the inspectors, do the
7 procedure, and that way, you know, do whatever hours is
8 necessary to get the procedure done, and then we will figure
9 out the hours.

10 Some other areas that the inspectors have given me
11 feedback on is the plant status procedure. You know, that
12 is the procedure where you basically are learning what is
13 going on in the plant that day. And as a general rule, I
14 think they felt that the number of hours allotted for that
15 procedure aren't enough. And that varies because it
16 involves what we used to do I think under the old 71.707
17 procedure, the operations program -- or the operations
18 procedure, where you would basically attend plant meetings
19 in the morning, walk through the plant, walk down to the
20 control room, walk around the plant, and also interface with
21 the management of the plant. And I think, as a general
22 rule, that is taking a little bit longer.

23 There has also been a philosophical --

24 GARCHOW: I have a question. What changed, I mean
25 what changed between the old program and the new program?

1 Is it there is other activities now filling that in? I just
2 I didn't --

3 MORRIS: They have been divided up.

4 GARCHOW: I didn't catch what would have been
5 different, because that is what I perceived our senior
6 resident was doing under the old program.

7 MORRIS: Well, we were, but it was recorded in a
8 different way. The program has been restructured such what
9 we used to count as direct inspection effort doing that
10 activities that Brian has stated, is longer captured that
11 way. Rather, it is binned in a separate category called
12 plant status, which isn't --

13 GARCHOW: Okay, I understand. So it is an
14 accounting type issue.

15 MORRIS: It is an accounting issue.

16 BONSER: Yeah, because it is not accounted for as
17 DIE anymore, that says direct inspection effort. I believe
18 it is one of the procedures that is done, but it is not --
19 you don't look at that as part of the inspection.

20 MORRIS: I have got some amplifying remarks on
21 that.

22 BONSER: So that is one area that I do see that
23 you will get a larger number of hours.

24 The other area that I know there has been some
25 concern to my inspectors is the backshift hours. I know we

1 have come up with a new plan on just performing deep
2 backshift, 50 hours of deep backshift a year. And they have
3 been concerned about the appearance involved in not doing
4 backshift anymore, but I think we have decided that we are
5 going to be doing 50 hours of backshift for the whole site
6 each year, that is deep backshift. We are not doing
7 backshift anymore.

8 The other area of the procedures that we haven't
9 exercised yet is the supplemental procedures. We haven't
10 had any issues or events where we have had to exercise the
11 supplemental procedures during this first six months, so
12 that still is an unknown to us as to how those are going to
13 work and what we will do with them.

14 But going back to the procedures again, I still
15 think their biggest frustration, to me, has not been getting
16 revised procedures, to rework the procedures yet the second
17 time around.

18 GILLESPIE: Let me kind of react to that. We are
19 trying to put a whole new program in place, and actually to
20 turn procedures around that just up and are being tested in
21 the first three months of a six months program, it is
22 probably an impossible task.

23 BONSER: I am not trying to put a value judgment
24 on this at all. This is just factual feedback.

25 GILLESPIE: But I understand the reaction.

1 BONSER: And the other, to go over it again, is
2 just -- is the resource expenditures I don't think we have
3 been able to put a finger on completely.

4 Later on today, I don't know if we are going to
5 get into the inspection report writing, because that also is
6 a big area about what is going into the inspection reports.
7 You do these inspections, and then what appears in the
8 inspection reports. Are we going to be doing that later on?

9 GILLESPIE: Let's hold that.

10 BONSER: Because that is an area also, too, that I
11 need to give some feedback on because of a lot the things
12 that are and are not going into the reports.

13 GILLESPIE: I would like to try to come back to
14 that immediately after lunch, because that is the public
15 interface, it is the licensee's written interface.

16 BONSER: Okay. Go ahead.

17 MORRIS: I have got a couple of categories I want
18 to address. One is we saw some of the data that was
19 displayed, and trying to make heads or tails out of the
20 data. And while I think that is a valiant effort, I am not
21 sure we can really rely on any of that data. And I have got
22 a number of reasons why I think that is the case.

23 One is if you look at a resident inspector's time
24 on site, it is nominally 40-45 hours a week. Well, we have
25 an accounting sheet that has upwards of 40, maybe even 50

1 different bins in which we can document our time. If you
2 understand anything at all about the way residents conduct
3 inspections, you don't do -- it is rare that you do
4 discrete, okay, now I am looking at this, and now I am
5 moving on to that, and now I am looking at this. It just
6 doesn't work that way. It becomes an accounting nightmare,
7 quite frankly, trying to account for 45 hours of your time
8 in 45 different categories, when you are not, you know,
9 doing discrete inspections in any one area for more than an
10 hour or two, it is very hard.

11 CHASE: Is that new to this program?

12 MORRIS: No. But I would tell you that -- but I
13 will tell you that there are more categories now. There are
14 a lot more, I mean there is probably four times as many DIE
15 categories than we had before. Okay. So we are slicing it
16 very, very thin, and it is hard, frankly, I think, to get
17 accurate data. And what that does is it allows
18 interpretation among the various inspectors. Well, I think
19 I am doing this now, and I think I am doing that then. And
20 there is overlap in the procedures themselves such that,
21 well, it makes sense that I could record this hour to this
22 procedure, but, you know, I could also put it in this one.
23 I just don't think the data is that accurate.

24 There have been some recording errors because of
25 the fact that we have got a lot of new codes, you know,

1 there have been errors in just where to put it. The
2 procedures themselves were essentially draft when they were
3 published, and it was recognized that they weren't
4 necessarily the best quality. And so we have learned over
5 time how better to do what is in it. So the scope of the
6 procedure has changed. There is enough ambiguity in the
7 procedures themselves that inspector X may think he has got
8 to do this much, but inspector Y thinks he has to do that
9 much, and it winds up being a different amount of time
10 recorded against that particular procedure. So I think the
11 procedure ambiguity, at least initially, has played a role.

12 There is a tremendous amount of effort being
13 expended in the "plant status" procedure that we are not
14 counting DIE. And I think I understand why we did that, but
15 I would tell you that just because we are not calling it DIE
16 doesn't diminish its importance. It is absolutely essential
17 because it directs -- it directs what you are going to focus
18 on when you do do your DIE, okay. So if you don't do a good
19 job at understanding what is happening in the plant every
20 day, you are selling yourself short on the type of
21 inspection you are doing later in the day, or later in the
22 week. So let's not diminish the impact of plant status.

23 And I absolutely agree with Brian, and I think I
24 represent the majority of my colleagues out there who are
25 doing inspections, then 10 hours that is allocated is simply

1 inadequate. And I will just run you through a quick
2 anecdote. If I show up at 7:00 in the morning and spent 45
3 minutes in the control room, or buzzing through the plant,
4 then I spend 15 minutes on the phone with my branch chief
5 giving him a quick status of what is going on, then I run
6 over to the morning management material so I can run through
7 some things, you know, understand what their priorities are
8 for the day, I have just logged two hours. Meanwhile, my
9 other inspector is running through the corrective action
10 program list, seeing all the new deficiencies that have come
11 in, and he is out walking around the site looking for
12 different things that are going on. Now, we have just
13 logged four hours in one day. If I have two inspectors,
14 that is 20 hours a week, and it doesn't take long.

15 And if Joe Manager walks into my office and wants
16 to tell me about all the wonderful new initiatives that are
17 happening in his department and eats up a half an hour of my
18 time, I will tell you, I am logging that to plant status.
19 And so the morning is eating up three to four hours. And
20 then anything else that happens -- God forbid I want to go
21 in the control room a little bit later on in the day before
22 I go home.

23 What I am telling us is it takes a heck of a lot
24 more time to do plant status than what was initially
25 projected. And I don't want to say that we ought to be

1 recording it as DIE, but it is crucial, it is absolutely
2 crucial. And if I am budgeteer and I see that, well, their
3 DIE is this, that we are not counting the plant status, and
4 we decide to slash plant status, we have done ourselves a
5 tremendous disservice.

6 The other thing, just to add on to what Brian's
7 said, if you do find a problem when you are conducting a
8 procedure, obviously, it is going to take longer to explore
9 the issue and the extent of condition of that issue. And
10 then you start, every procedure there is a problem
11 identification resolution piece, so you are doing extended
12 condition. So, as soon as you find a problem, the amount of
13 time you log against it goes up, and that is the same as it
14 used to be, quite frankly, under the old program. But it is
15 a factor.

16 I would also say that I would tend to think -- I
17 tend to think that in my particular case, I have been
18 under-reporting the amount of DIE that I would normally do,
19 and I am not digging in as deep as I normally would have
20 done, and that is because I am so heavily involved in
21 program development right now, there is only so much of me
22 to go around. Okay. So in my particular case, and in the
23 case of some of the other senior residents out there, it has
24 been a challenge to juggle all the different requirements.
25 So I think we might have skewed it a little low in that

1 case.

2 And, lastly, I almost hesitate to say it, but the
3 time it takes to do inspection, I believe has more to do
4 with the individual doing the inspection than it has to do
5 with the procedure or what the scope and the procedure is.
6 I mean this is the same reason I take my car to a private
7 shop to get it fixed, because he is charging me for his time
8 on an hourly basis, but if I take it to a dealer, they are
9 charging me a flat rate, and that accounts -- that flat rate
10 accounts for the mechanic that is not nearly as proficient
11 as the expert, right, so they come up with an average
12 number, and a dealer is going to charge me a flat rate. But
13 if I go to a good quality, you know, independent guy, he is
14 the expert he will do it quicker and it will ultimately cost
15 me less.

16 What is my point? The point is that the better
17 the inspector, the more efficient it is going to be. That
18 has always been the case. But I think where I am headed
19 with it is that, you know, let's not apply a hard and fast,
20 maybe we ought to consider not applying a hard and fast
21 resource number hours estimate to every single procedure,
22 maybe rather apply a band of some sort. I don't know how
23 you do that in budget space, but, you know, not all -- not
24 everything is created equal.

25 On the general topic of procedure quality, in

1 general the procedures were okay in my estimation. It was
2 the best first effort to be consistent with the guidance
3 that was put out in the SECY paper that Bruce Mallett and
4 his team developed, but there is a ton of ambiguous guidance
5 in the procedure and it just lends itself to -- and what I
6 mean by ambiguous is some of it is not very specific.
7 There's lots of overlap. Some of the things I have already
8 discussed, so it allows for a lot of interpretation about
9 the level of effort, but in general I think they are
10 risk-informed and I think -- I mean, don't get me wrong -- I
11 don't think they are awful. I think it's a definite
12 positive step in the right direction, but there is plenty
13 more work that needs to happen, and we are doing that.

14 By the way, I think it is critical that we get
15 real live inspectors on those teams that are reviewing those
16 procedures, and I appreciate the opportunity that I have had
17 to do that.

18 Feedback forms -- somebody asked earlier, I think
19 it was Jim, about the feedback forms. Personally, when we
20 started out with the program I insisted that each of my
21 inspectors and I insisted of myself that after I had
22 completed a procedure that we complete a form and send it
23 in, but -- and then there becomes the redundancy and, oh, I
24 didn't really notice anything different about the procedure
25 anymore, so what we tended to do and the reason there was

1 such a huge bow-wave of feedback forms that came in last
2 week was we tended to wait and assimilate all the thoughts
3 and problems we had with the procedures over the next four
4 to five months, and then kind of gel them into something
5 that makes a little bit more sense and then fill out a
6 feedback form, because I think it provided a better tool,
7 right.

8 Some of the inspection targets that are listed in
9 the procedures, even if you were to inspect them and they
10 came out bad or illustrated poor licensee performance, it
11 wouldn't even result in an SDP entry, so it kind of begged
12 the question of why are we looking at this if it will never
13 find its way into assessments base.

14 I will give you some examples of the maintenance
15 rule procedure, which by the way I happen to think is a
16 reasonably good procedure and a worthwhile effort. It is
17 very rare that you will ever identify an issue associated
18 with a licensee's ability to implement the maintenance rule
19 that results in an SDT entry because that is really a
20 programmatic failure. It is not a hardware issue and to
21 enter the SDP you really need a hardware issue.

22 If I go out and discover that in every case after
23 a piece of hardware fails in the plant that the licensee
24 didn't record that failure as a system functional failure in
25 accordance with their maintenance rule program, in other

1 words I have identified a programmatic breakdown, there is
2 no risk significance to that. You can't enter the SDP with
3 that issue even though it is a real issue. Just as long as
4 the piece of equipment gets fixed, there is no risk or there
5 is no continuing risk once the hardware is fixed, so there
6 are some targets out there that while they have value in
7 inspecting we are not going to enter the SDP with them.

8 I would point out that the maintenance rule
9 inspection has the, outside of the problem identification,
10 resolution, and the engineering team, has the highest
11 resource estimate of all, so we are allocating a tremendous
12 amount of effort, at least initially, to an inspection
13 activity that will likely not result in much.

14 GILLESPIE: Go ahead --

15 LIEBERMAN: It's my understanding that the value
16 of collecting that information was not to engage the
17 licensee necessarily at that point in time if there is no
18 risk significant matters, if the plant's still green, but if
19 the licensee goes across the boundary to white you have this
20 information to go back and look at it as part of your
21 effort --

22 MORRIS: Well, that gets to my next point, and
23 that is we have a recently-developed tool to help us
24 inspectors determine exactly what level of issue,
25 significance of a particular issue warrants inclusion in the

1 inspection report.

2 I would offer that most of the issues that I have
3 just described in the maintenance rule wouldn't meet that
4 threshold and therefore wouldn't appear in the inspection
5 report because they are not findings and they can't be
6 assessed by the SDP, so in essence we have kind of lost
7 them.

8 Now I am still aware of them because I am there
9 and when the annual problem identification resolution team
10 shows up, I will certainly offer them that insight, but the
11 point is that it won't necessarily appear on the docket.

12 I don't know if we want that.

13 GILLESPIE: Let me -- this is, I think, going to
14 become a very important point because it fits with what Mark
15 said about covering what should be in inspection reports.

16 MORRIS: Right.

17 GILLESPIE: The fact that it doesn't hit the SDP
18 but it still is a green finding still means it still needs
19 to be fixed, and this relates back to a discussion we had
20 yesterday on what is the impact of an NCV. There is still
21 expectation that a violation will be recorded and will be
22 fixed.

23 MORRIS: True.

24 GILLESPIE: And this is a hard point. The agency
25 has wrestled with what should you record, what should you

1 document, and that threshold is an important threshold we
2 need to discuss.

3 BONSER: I have some thoughts on that too that we
4 can go over later.

5 GILLESPIE: What I would like to do -- if we could
6 hold that, and Mark, you said you would like to cover
7 inspection reports, or Brian you did?

8 MORRIS: I want to just quickly run through it. I
9 don't have that much more.

10 GILLESPIE: Okay. Go ahead.

11 MORRIS: With respect to the annual problem
12 identification and resolution team, no, we have not run that
13 Salem per se, but -- well, let me just back up.

14 The problem identification and resolution
15 inspectable area is critical. I think we all realize that
16 it is the foundation of the SECY paper and the whole
17 oversight process.

18 I have not documented one minute to that
19 procedure, not one minute, and that doesn't mean I haven't
20 devoted a heck of a lot of effort in that area. I just
21 haven't documented anything against the 71-152 procedure and
22 where is it? It is in plant status, it's in equipment
23 alignment, it's in maintenance rule, it's everywhere, and
24 you are not seeing it in the data, but we are doing a lot of
25 effort in that area.

1 I would offer that the annual team that comes in
2 is not really a problem identification and resolution
3 inspection. It is a resolution inspection. That team is
4 not necessarily going to have the ability to identify
5 instances where issues that have cropped up at a facility
6 have not been entered into the program. They are only going
7 to be able to look at issues that are already in the program
8 and see how well those issues were prioritized and resolved,
9 but the problem identification piece, I feel like it's
10 completely incumbent upon me and the DRS folks that come out
11 to do their specialist inspections to look for circumstances
12 in which issues come up and the licensees are not entering
13 them in the program.

14 The team is not going to do that, gentlemen. It's
15 just not going to happen -- very rarely.

16 So what is my point? The point is we do a whole
17 lot of effort in problem identification and resolution that
18 is not appearing in this data.

19 GARCHOW: Scott, since you offered it up, right,
20 and I don't care about the mechanics, right? -- but you said
21 you had 50 categories. Is there something unique in how you
22 have binned the hours that's preventing you from assigning
23 time to that or it's just --

24 MORRIS: Well, the way the procedures are
25 developed, I think there is an element of every procedure

1 that has a problem identification resolution piece to it --

2 GARCHOW: I see.

3 MORRIS: -- so if I do 20 hours in equipment
4 alignment in an inspection period, maybe five of it was
5 really problem identification resolution. You don't see it
6 per se.

7 WIGGINS: Your comment really, the way it struck
8 me, is that that is the practical reality. You might want
9 to hear from some of the other regions that perform the
10 inspection. You had it at Hope Creek.

11 MORRIS: That is correct.

12 WIGGINS: If the practical reality is that what
13 the annual team is able to do within the context of the
14 current procedural construct in the time that is generally
15 allocated for it because you have to schedule it -- their
16 effort basically gets focused on the resolution aspect and
17 people have to remember that that inspection is not
18 seriously challenging the problem identification aspect.

19 That makes you want to ask the question whether we
20 are doing enough of it embedded in the rest of the program.

21 MORRIS: That's right.

22 WIGGINS: Because if the rest of the program -- if
23 the program is put together with a different expectation
24 then we have something we have to fix, okay?

25 MORRIS: Well, it's in there. I mean it is --

1 WIGGINS: As to what the expectation was when you
2 set it all up, there's always a question of how much. You
3 can say it's in there --

4 MORRIS: Well, that is the \$64,000 question.

5 WIGGINS: You can always say it's in there because
6 the words literally are where you say they are but whether
7 that is sufficient, given what it is is a question that
8 needs to be addressed.

9 MORRIS: The scope issue. So my last comment in
10 that area is that if a licensee doesn't enter something into
11 their corrective action program or there's lots of little
12 things that would normally be written off as minor issues
13 wouldn't even approach the level of violations of Appendix
14 B, Criterion 16, but there is a pattern. It gets lost and
15 you just need to recognize that. You don't see it.

16 It is not on the docket. I will certainly go and
17 tell Dave, hey, Dave, you know, your guys identified this
18 problem but it is not in your corrective action -- I mean
19 Dave knows I'd do that. We do that, but it is not captured
20 on the docket.

21 I think at some level we need to decide how do we
22 capture that information or do we want to capture that
23 information so that the annual team review has the benefit
24 of assessing the overall posture or ability of the licensee
25 to do that. I have some suggestions in that area, but I

1 won't go there right now.

2 LIEBERMAN: Scott, how was it captured in the old
3 system, those type of minor issues?

4 GILLESPIE: Yes, because we haven't changed really
5 the definition of minor violation. I mean structurally we
6 are operating in the same arena.

7 RING: But in the old system you were not
8 constrained about only putting finding level stuff in the
9 report. You could put all kinds of stuff -- weaknesses,
10 strengths, good performance, lots of different things.

11 MORRIS: The last comment I would make, when you
12 get to an issue that involved SDP and I have only got into a
13 couple, maybe two, that have involved what would be
14 classically defined as a Phase 2 assessment.

15 There is extra inspection buried in that because
16 what you find is you unearth an issue -- oh, I've got to go
17 to the SDP but now you need all this information and all
18 that information and this information, and so there's extra
19 inspection that happens in and around doing the SDP that
20 doesn't get captured in the data either.

21 GILLESPIE: That's probably plant status, because
22 you are asking what is everything else in the plant doing.

23 DEAN: There's a category for that.

24 MORRIS: It is, but it is not captured as
25 inspection.

1 BROCKMAN: I have got one quick thing to say.
2 Either Brian Scott or Mark, one of you, I am interested in
3 your thoughts on the event response procedure. Somebody is
4 going to talk about that?

5 MORRIS: I can comment on it.

6 BROCKMAN: I don't care who.

7 MORRIS: Well, first of all, the event response
8 procedure is in the reactor safety strategic performance
9 area. I think that is the wrong place to put it. I think
10 it belongs -- I mean you could have events in all the
11 cornerstones so why we arbitrarily put it just in reactor
12 safety I am not quite sure, but we need the ability to
13 respond to events in all the cornerstones, okay? -- but it
14 is not there. That is one thing.

15 The second thing is I like the procedure because
16 it is a vehicle for me to -- I mean if there is an event in
17 a plant I am not going to sit in my office and wait for the
18 PI number to go "ch-chinggg" -- I am not going to do that.

19 [Laughter.]

20 BROCKMAN: Good.

21 MORRIS: Right? But I need a vehicle by which I
22 can justify and whatever -- to go out in the plant and do
23 the things that I need to do to satisfy myself and my
24 management that, you know, what is the significance of this
25 event, I mean using some deterministic criteria.

1 I don't even want to get into the CCDPs and all
2 that good stuff. I mean deterministically it is just to
3 make a judgment about, hey, are they handling it? Is the
4 management response good? How is the human performance?
5 Did they follow their emergency plan?

6 But I think more guidance is needed and I know
7 it's being worked on in terms of what additional level of
8 effort needs to be applied given a certain event, but as we
9 develop that criteria, I don't want to lose the
10 deterministic stuff. I don't want it to be solely hinged --
11 I don't want NRC management to solely hinge their decision
12 about how much effort to apply following an event to be
13 totally tied to a risk number. That is a mistake, I think.

14 BROCKMAN: Is it adequate at the moment with
15 respect to your budgeteers, what the estimates are --

16 MORRIS: I think it now says three hours per
17 event. That's probably close. I mean I know there was a
18 scram at Salem six months ago. On Sunday morning I came in
19 at 3:00 in the morning. I was there till 8:00. But not all
20 events are created equal. You know, there may be an event
21 where it is just a loss of feed pump. I can go in and
22 figure out what is going on with that in an hour, so it is
23 hard to say.

24 BROCKMAN: The old contract?

25 RING: Well, I am not sure which event response

1 procedure you are talking about. There is one we've already
2 exercised in the program, and then there is one that looks
3 at the criteria for IITs and AITs and all that.

4 BROCKMAN: Lower level.

5 RING: Okay. There are a couple problems with
6 that one as far as we are concerned.

7 One is that you wouldn't necessarily even go in
8 and find out about a scram that is initially viewed as
9 without complications, wouldn't even use it, yet frequently
10 and following up on those kinds of events you find if there
11 were complications that weren't initially recognized and a
12 couple of examples that we had involved some human
13 performance reactions at a couple of the non-pilot plants
14 where our Quad inspector went over there and dealt with them
15 and found some human performance issues that had we been
16 doing it at Quad Cities we never would have gone in for.

17 They involved things like operators bypassing the
18 feedwater high level trip, not in accordance with the
19 procedure, just doing it -- bypassing the protective action.
20 If you put that in the SDP it shows up nowhere because the
21 scram has already cleared, the plant is already shut down,
22 yet in terms of how people react, things like EOPs, AOPs,
23 human performance side of the coin, that is a significant
24 concern, so not a good way to capture it, so that the human
25 performance side of it bothers us a bit and, secondly, how

1 do you know it's a scram without complications, for example,
2 until you go in and find out?

3 That part of it bothers us a little bit too.

4 In terms of hours, now it may take you three hours
5 just to find out what the heck the story was, sitting in the
6 licensee's meetings.

7 BONSER: I would have to echo what Mark said
8 because at Harris we haven't had an events but looking at
9 some of the events we have had at some of the other sites,
10 it varies a lot, the amount of hours that you have to put
11 into responding to an event, and some of these events do
12 involve like human performance issues and things like that
13 that take awhile to find out what it was all about.

14 I don't think three hours will be sufficient in
15 some instances to get to the bottom of that.

16 MORRIS: But it's hard anyway from a budgetary
17 standpoint, planning standpoint, because you don't know how
18 many events there's going to be. I mean so right from the
19 get-go -- not only are all events not created equal but you
20 don't know how many there's going to be, so to try to apply
21 a level of effort number to event follow-up I think is a
22 folly.

23 BONSER: Some on the surface you know immediately
24 what it is about. Others when you start to dig you start
25 finding all this other stuff underneath.

1 MR. MALLET: Let me make a point of clarification
2 so we don't get bogged down --

3 GILLESPIE: Yes, I was going to say we have
4 probably degraded into a budget discussion.

5 MR. MALLET: That is what I was going to say,
6 Frank. The event response was never intended to cover the
7 hours for that. It was intended as a budget item to just
8 put a place-holder out there so we ought to move on from
9 this.

10 GILLESPIE: Let's move on if we could to the
11 SDP --

12 MR. MALLET: We didn't hear from Mark yet.

13 GILLESPIE: Oh, I'm sorry, Mark.

14 RING: Okay.

15 GILLESPIE: I was actually going to see if we
16 could do the SDP, then inspection reports, because I think I
17 have heard kind of a consistent theme from Scott and Brian
18 and Mark on even though you didn't say it in the sense of
19 inspection reports, you just said, well, if this had
20 happened at Quad Cities we wouldn't have captured the
21 knowledge or at least the information.

22 DEAN: Not per the procedure, yes.

23 GILLESPIE: Not per the procedure?

24 DEAN: Right. Just a point of order. We have
25 some additional stuff under inspections, number one. Number

1 two, inspection reports -- we're focused on the criteria
2 that were established. Inspection reports is not a criteria
3 so it is not something that we have got as a criteria to
4 address. It is something that certainly is an issue but I
5 don't think --

6 GILLESPIE: I was going to have just a little bit
7 of discussion after lunch on level of detail on inspection
8 reports, if that makes sense to the people on the panel,
9 because it seems to be something of at least interest.

10 If it is not of interest --

11 MR. GRANT: -- there's been a wide-ranging
12 discussion.

13 GILLESPIE: Okay, Bill, why don't you continue on
14 inspection then -- oh, Mark, I'm sorry.

15 RING: To make it pretty universal, I pretty
16 strongly agree with just about everything that Brian and
17 Scott have said, particularly in the plant status area and
18 in the problem identification resolution area. In fact, I
19 kind of want to start it there because, hopefully, that is
20 fairly fresh in everybody's mind.

21 In the discussions anyway, that seems to have
22 evolved into a corrective action inspection, and the problem
23 identification part of it seems to be dropping out. That is
24 really only one-half of the equation and problem
25 identification is very important, however, it is extremely

1 difficult to capture because it is basically saying, hey,
2 you know what you don't know. We have concluded that that
3 almost has to be done by the residents because it is very
4 difficult for an outside team to come in and, you know, what
5 was out there that wasn't captured by the corrective action
6 program.

7 We actually did find some issues in that regard
8 when we conducted the corrective action program by looking
9 at the motor operated valve testing criteria and finding
10 data that was outside of the acceptance criteria that was
11 not entered into the corrective action program. So while it
12 is possible, it is very difficult. And in terms of the
13 report, what we have done in Region III, and I think we have
14 been criticized as maybe being a little outside of the
15 program, but we have captured some of those things that
16 Scott was talking about in observations versus findings, and
17 so some of them are in the reports, even though they are
18 lower level sorts of things that may be worth keeping for
19 the later on evaluation of corrective actions.

20 Steve, you asked a question about, if the new
21 program has the same time as the old one, would there be
22 enough time? We can't answer that now because we didn't cut
23 in the total, we cut it in each individual procedure, so we
24 have no way of telling at this point.

25 We have had many issues with the conduct of the

1 inspections. I believe we have put them all into the
2 feedback program and NRR has been diligently trying to
3 address them, so I feel pretty good that they are going to
4 get treated, all the way from, for example, the security
5 inspections that required you to do X number of observations
6 of people passing through the access point, which way too
7 much, the conclusion could be reached in about 10 percent of
8 that, to the motor operated valves, which there is nothing
9 in the program anymore at all about motor operated valves,
10 so that is not nearly enough.

11 GARCHOW: I have a question for the people that
12 are taking these feedbacks, you know, in our complex
13 organizations, where you had numerous people trying to use
14 the same procedure, it is very common that the procedure
15 writer gets 50 comments and 25 of them say I want it this
16 way, the other 25 say I like it the way it is. What is the
17 process for getting to some conclusion on that? Because I
18 am sure you are seeing some of that, especially across the
19 country.

20 MORRIS: Well, I can start to answer that. On
21 Monday, the headquarters guys sponsored the first week of an
22 effort to start incorporating these comments into the
23 guidance, and I was, fortunately, able to participate in
24 that first day, and the way it was conducted is we have
25 every feedback form in front of us. It was tabulated, it

1 was -- it was right there. And we had our own thoughts and
2 biases coming in, and we tried to remain objective and look
3 at all the feedback, look at the SECY paper to see what the
4 basis document said about why we are even doing that
5 inspection, and just, you know, using expert panel type
6 judgment, incorporate --

7 GARCHOW: There is a process to do that, and you
8 have started that process. Thank you.

9 RING: Among the questions that were asked was,
10 can the inspection process be performed in a timely manner
11 to support to assessment, planning and scheduling? We kind
12 of talked around that earlier. I know, Jim, you had some
13 questions. Today what we have learned is, yeah, sure, it
14 can, when you are only doing two plant sites. We are really
15 uncertain about when you are trying to do 16 or 18 or
16 whatever.

17 And some of the significant difficulties, we
18 haven't included in that, and that is, the problem is, what
19 do you do with what the inspections find? And then you put
20 them in the assessment process and you try to include that
21 in the planning and scheduling, particularly when the
22 inspections find problems in the cost-cutting issues arena,
23 problem identification, human performance, safety conscious
24 work environment, or common mode equipment failures. We
25 haven't yet done that in the assessment process, so I don't

1 think we can feed back a good answer into that question.

2 Are the procedures clearly written? I think that
3 the general answer to that is yes. But we were also asked
4 to comment on your criteria, and I think Arman talked about
5 it, the criteria of resource expenditure within 25 percent
6 of the average we feel is a pretty poor criteria. It has
7 little to do with whether the procedures are clearly written
8 or not, because, as Scott and Brian pointed out, the biggest
9 factor in resource expenditure is what did you find when you
10 did it, because that doubles and triples and whatever the
11 resources.

12 And the second biggest one is, when you chose your
13 sample, what did you pick? Just as an absurd example, if
14 you look at mods and you pick steam generator replacement
15 versus some really minor issue, your multiplication is
16 orders of magnitude different.

17 I think we are going to talk afterwards about some
18 resource issues. Are scope and frequency procedures
19 adequate to address the intended attributes? Some are and
20 some aren't. They are all in the feedback forms. A couple
21 of examples we just gave you, there are no MOV inspection
22 procedures, and at least our experience has been is that is
23 not an area we should consider as cured for all time and
24 deserves some periodic look. There are no breaker
25 inspection procedures, and there have been an awful lot of

1 breaker issues in the last three or four years. So there
2 are some areas that jump out as missing.

3 Some of the comments I heard yesterday, I think
4 Jim brought up, and maybe, Dave, you, too, about you getting
5 feedback that some of the inspectors feel like their hands
6 are tied, and they have been cut back on their hours. And I
7 don't doubt that if you talk to some of the people, they
8 might feel that way. The guidance that we put out in our
9 region, and I think II and I from talking to Scott and
10 Brian, is that the guidance was do what it takes to complete
11 the inspection. If you finish in less time, come home. If
12 it takes more, use it.

13 There are some complications with doing that
14 because everybody is matrixed out in further inspections, so
15 taking more may require a little bit of justification, but,
16 in general, that was the guidance given to everybody. So,
17 their hands shouldn't have been tied.

18 There was also a comment made yesterday that one
19 of the Quad Cities inspections identified that there was an
20 increase in core damage probability and the NRC didn't do
21 anything about it. That is not true. Basically, what
22 happened is we, and this goes to one of those procedures
23 that has no value, we looked into the maintenance
24 prioritization and planning procedure, and we identified a
25 plan instance where, if the licensee had taken both the

1 diesels and the high pressure injection pumps out at the
2 same time, there would have been an increase in core damage
3 frequency. We identified it to the licensee, and they
4 didn't do it. So, basically, the issue never occurred.

5 The reason the procedure has no great value, or at
6 least not in the finding, significance determination kind of
7 arena, because if you find something like that, you are not
8 going to keep it to yourself and wait and see if he makes a
9 mistake or not, you are going to go tell him. And unless he
10 is really stupid, he is going to go fix it. So nothing ever
11 happens with that observations, it is basically consulting.

12 GARCHOW: A particular example, the Maintenance
13 Rule A-8 sort of addresses a more regulatory structure
14 around having to do that very thing that you have --

15 RING: That's true. I have some concerns to pass
16 along in the inspection arena also. I guess the major one
17 is with the one that I think you folks should have no
18 surprise about, and that is the cross-cutting issues. I
19 still feel at this stage of the program, we don't have a
20 real good handle on how we are going to treat those, and I
21 am uncomfortable with the push to treat them with the
22 significance of the individual equipment problem that is
23 associated with the cross-cutting issues.

24 And an easy example to use goes back to the motor
25 operated valves again. We identify one or two, or three

1 motor operated valves that have some degree of problem with
2 them. You know, you could have 40 or 50, or even a hundred
3 motor operated valves in your system, and the problem may be
4 a common one to all of them, and it may exist at the same
5 time, However, testing the motor operated valves is spread
6 out over a long period of time, in accordance with the
7 system that is being taken out of service at the time. So
8 if you only deal with the individual failure that you found
9 at that time, you are going to find them one at a time,
10 spread over a long period of time, even though they may all
11 exist at once.

12 And so I feel there needs to be some provision for
13 dealing with a potential common mode failure and other kinds
14 of cross-cutting issues. I lump those with the
15 cross-cutting issues like problem identification and human
16 performance, because they have the ability of causing or
17 affecting a problem all at the same time across multiple
18 systems. And I find it a difficulty with treating them
19 individually as they occur, based on their significance,
20 because, you know, it is real hard to find a single valve in
21 the plant that will ever be significant by itself, but if
22 you find many of them at the same time, you can have a very
23 significant issue.

24 Human performance, same way. I think I described
25 to you a problem about operators bypassing a trip that gave

1 us some difficulty, both from a significance and from
2 whether we would have even looked at it to find that it was
3 there, because the initial impression was it was a scam
4 with no complications.

5 And I guess one other last issue is that there is
6 a new criteria area I guess I would suggest to you folks is
7 the PPEP, and that has to do with -- can new inspectors,
8 without the benefit and experience of the ones that we have
9 existing out there at the plants today, who only will get
10 trained on this new program two years from now, or three
11 years from now, or whatever, and don't have the previous
12 background of having been trained and having worked under
13 the old program, are they going to be able to execute it up
14 to the level that you want to? And I guess I am a little
15 bit uncomfortable with that. I am, as I told you earlier,
16 pretty blessed with some extremely experienced inspectors at
17 my sites, and they find an awful lot of things, and I am
18 real concerned that somebody of a lesser level would even
19 know, particularly if they didn't have the opportunity to
20 operate under the old program.

21 BROCKMAN: The old program you felt would give
22 them, the new wave, that level of comfort, whereas this one
23 won't?

24 RING: What I am concerned about with this one is
25 a lot of things don't end up showing up in the inspection

1 reports, a lot of things get screened out early as not being
2 significant. There is not a lot of diagnostic to this, in
3 fact, we are trying to get away from that. There is not a
4 lot of "connect the dots" to this new program. Those were
5 valuable attributes under the old program, looking for
6 trends, looking for things that could be a problem later on.
7 And I guess I am concerned where that is going to be when
8 your inspectors lose those capabilities and lose those
9 skills. That's it.

10 WIGGINS: Again, I am trying to pick up on what
11 kind of recommendation I can make from this. You know, we
12 have got to watch that we don't fall into some easy traps
13 and stuff. Inspection is never going to be perfect and
14 never was. You know, no matter what program we put out, you
15 can't guarantee you are going to find everything.

16 It seems to me that the major shift that occurred
17 between the current program, whatever you want to call that,
18 and the one that we are looking at here on the pilot is a
19 shift of burden in terms of who is really expected to do the
20 work. And the burden, to me, as I understand the program,
21 is that we are going to recognize, the staff is going to
22 recognize that the burden is squarely on the licensee. The
23 staff's approach is trying to make sure it does enough work
24 to make sure the licensee is discharging that responsibility
25 adequately, you know.

1 And you have to -- and under that, I need to ask,
2 I am struggling to add the question, do we think the
3 program's scope and the level of effort is, you know, is it
4 sufficient that we can make a call that is, you know, have
5 confidence in the call on whether an answer is yes or no, is
6 this particular licensee? Now, you know, you have got to be
7 careful also about pilots. You know, pilot plants, the
8 nature of a pilot is such that those plants have got focus.
9 They get focus from us, they got focus from those plant
10 licensees. And, you know, I assume that everybody in the
11 organization has signed up to do it. So you got an
12 instantaneous commitment.

13 That is not necessarily what is going to happen
14 when you universally apply this thing. And you are going to
15 have probably a spectrum of plants that are going to be --
16 and some of which are going to be significantly less
17 committed in this activity than those folks that are
18 represented around this table, because, you know, just they
19 weren't part of the pilot, they didn't get to build up to
20 it, whatever, I don't know. Just you kind of -- I kind of
21 expect that. Even well-meaning people just don't know how
22 to do it sometimes.

23 So anyhow, the thing I have got to struggle with
24 really is, is there enough in this program to allow us to
25 have some confidence, or to be able to do what we need to do

1 to get that confidence if we don't think we have it in a
2 particular facility?

3 GRANT: Just an observation, I think that is a
4 great question. I think it is maybe -- it is the overall
5 question, you know, isn't it at the end? They were trying
6 to struggle with this. When you look at this as whole, not
7 just scope and depth, like we were talking about, but, you
8 know, maybe the scope is okay, but we are constrained from
9 articulating it in spectrum reports because it is a
10 different part of the process, it doesn't allow you to put
11 it in there.

12 WIGGINS: Right, I agree. I think the scope
13 question is easier to answer than the depth question. I
14 think the scope question will jump out at you. My general
15 sense of the scope question is it is probably all right,
16 because there is enough flexibility even if it is in plant
17 status, that you can get to something if it would crop up,
18 but you can't find something that you can, you know, it is
19 typically stated in some procedure to get to. Like Scott
20 says, that most -- you know, I think everyone will do
21 exactly what -- I think any resident inspector or any
22 regional inspector will do exactly what Scott did, if it is
23 judged to be an important enough thing, they will put some
24 effort in it and it may get assigned to something that is
25 not an inspection procedure. Okay. That is just my guess.

1 My guesstimate is the scope is okay, it is an
2 issue of depth. It is more an issue of, you know, are we
3 confident we will be able to do enough to -- you know, we
4 have got to make a call here that says every licensee that
5 is under this program, all hundred-and-whatever of them, is,
6 in fact, discharging their responsibilities.

7 MORRIS: All I was suggesting was you are never
8 going to make that decision on the data that we currently
9 have.

10 WIGGINS: And I agree, you know, that, again,
11 argues for again, other than the fact that we are still in
12 the large transition program, and this is not something also
13 that is going to be, essentially what we said in PIs, this
14 isn't going to be clear, really, at the end of the pilot,
15 and it is not going to be clear until we have got several --
16 some time in initial implementation. That is my judgment
17 anyhow

18 GILLESPIE: Okay. Some last comments over here.

19 FLOYD: Just a question, and I guess Bill may or
20 may not get to this, but there is a chart in here that shows
21 what was the inspection effort at pilot plants and non-pilot
22 plants during the previous intervals. I have got a question
23 that relates to what Jim was talking about and maybe you can
24 answer it when you get to it, and I won't have to ask it
25 then. If I look at this, it looks to me, it is hard to

1 tell, I was looking at the scale. There is a table on the
2 next page. Okay. There is about 50 hours on average
3 difference between the pilot plants' inspection level of
4 effort and the non-pilot plants' inspection level of effort.

5 And I guess the question that I am struggling a
6 little bit with the comments is, what is so drastically
7 different between the two programs that might cause us to
8 think that we are missing insights that the old program gave
9 us that the new program doesn't, when it looks like the
10 level of effort is awfully, awfully close? What are they
11 looking at today so totally different than what they looked
12 at in the previous six months? I don't really answer that,
13 it is too much to answer.

14 GRANT: What may be a big difference is the
15 ability to articulate an inspection report.

16 GILLESPIE: What I would do is let Bill get on,
17 because I think, Jeff, you are kind of where I was also
18 coming to. In reality, I think the level -- the number of
19 hours, forget the damn budget issue, it is kind of like the
20 same. The risk-informed baseline is kind of like the same,
21 and, in fact, the material or the scope is kind of like the
22 same, although we have managed to reformat in a different
23 way and put more numbers in the accounting system. So we
24 haven't revolutionized the data-gathering portion, I don't
25 think, relative to scope and total effort. So I get some

1 comfort in the sense that we haven't actually turned the
2 entire world upside down, we have maybe turned 10 percent of
3 it around the edges upside down, but the scope and the basic
4 effort I think is there.

5 How we articulate the results, what we do with
6 what the inspector observes is a topic let's put on the
7 table right now. I think it is an important topic, but, as
8 Bill pointed out, it is not one of the criteria. But I
9 think it is a topic that this panel might want to discuss
10 later.

11 GILLESPIE: Let's take a five minute break and
12 we'll go through the rest of the viewgraphs?

13 [Recess.]

14 GILLESPIE: Okay. It looks like we have got a
15 quorum. Tim?

16 We have a lot of detailed information. One of the
17 important aspects I think that the panel has to focus on is
18 does the Staff have a process in place to assimilate this
19 information and all the information that they are getting in
20 and deal with it appropriately and make the corrections that
21 need to be made on an ongoing basis, so I want to be careful
22 that we don't, we as a panel don't try to react to every
23 sentence and everything we have heard but I think as a panel
24 we need to keep it in context, and Jim, as you said, we need
25 to focus on how does this information impact the decision

1 that we would maybe be advising on.

2 GARCHOW: To that point, separate from the details
3 of that is just an observation I have had sitting here, and
4 I think something maybe I would like to see followed up at
5 the December meeting is to just hear about the process and
6 what is being done prior to the industry-wise
7 implementation, to just continue the discussions between the
8 regions and the Headquarters personnel, because one of the
9 things that is pretty obvious to me here is that some of
10 this appears to be first time heard information.

11 That's fine. It's a very dynamic world and things
12 are changing very quickly, but it tells me that we really
13 need, there really has to be some improved -- some real good
14 communication.

15 GILLESPIE: Out of fairness, though, this isn't
16 first time heard -- but what we are doing is we are kind of
17 80 percent into a process and I know Bill and his staff have
18 been getting feedback and they have gotten the forms.
19 There's -- if you go back to the earlier slide --

20 GARCHOW: I used the wrong words -- I didn't want
21 a defensive response.

22 I am just saying it would appear that there might
23 be some room to -- it just accentuates the need is we are in
24 this dynamic, large change, that communication between
25 Headquarters and regions just has to be premium when we go

1 from talking about nine plants to talking about 104 plants.
2 That is my point. Don't be defensive because it's just a
3 comment, an observation, just sitting here listening.

4 Very good information and very good discussion.

5 GILLESPIE: Tim, please.

6 FRYE: Okay.

7 GILLESPIE: By the way, anyone who wants Revision
8 D to 9902, there are some copies here. Feel free when we
9 break for lunch or whatever -- if you want to come up right
10 now and get it, okay?

11 FRYE: Good morning. My name is Tim Frye and I am
12 in the NRC's Inspection Program Branch and there is actually
13 a two pilot criteria that I am going to talk about,
14 inspection report and PIM timeliness and inspection program
15 resources, and what I think I'll do -- and the first
16 presentation was on inspection report and PIM timeliness --
17 in the effort to save time, what I think I'll do is I am
18 just going to throw up the one metric slide, quickly talk
19 about the results, and then get right into inspection
20 resources because I think that is probably of more interest.

21 Again we did establish a criteria for inspection
22 report and PIM timeliness. It is an important attribute to
23 ensure that we can get this information out in a timely
24 manner to support the oversight process, the assessment
25 process, and getting the best information on the web in a

1 timely manner.

2 Very quickly, the results that we have seen so far
3 to date are we are able to get inspection reports out in a
4 timely manner. We are not meeting our criteria for PIM
5 updates. There's a couple reasons for that. One main
6 reason is we didn't get good guidance out until after the
7 pilot started and the guidance really didn't get out until
8 mid-August, so I think that was one main reason why we had
9 some trouble with some early PIM updates. It has gotten
10 better throughout the pilot.

11 GARCHOW: When you drop Quad Cities out, you meet
12 the criteria, so if that's whatever was going on there has
13 been addressed.

14 FRYE: Right.

15 GARCHOW: Then you met your criteria.

16 FRYE: Right, and the other -- we also saw some
17 problems with PIM updates, just with the regions
18 coordinating the PIM updates, assignment personnel
19 knowledgeable in the process, so I guess bottom line is we
20 don't see where there is any process problems that will
21 prevent timely inspection report issuance and PIM updates.

22 CHASE: What date did you validate this?

23 FRYE: I'm sorry?

24 CHASE: Is October --

25 FRYE: All this information is as of the end of

1 October.

2 GILLESPIE: Tim, how do you feel about just a
3 few -- I know this is subjective but subjectively about the
4 consistency, level of detail, kind of the quality of the
5 writeup, the absence of adjectives and adverbs if a presence
6 were warranted?

7 FRYE: As everyone probably knows, there is a
8 significant effort on Headquarters' part to review all the
9 reports, address those kind of concerns, and I think it's
10 gotten better throughout the pilot.

11 If anyone expects that a Region I inspection
12 report will be identical to a Region IV inspection report, I
13 don't think that is realistic but I think we have come far
14 in improving the consistency and the level of detail in the
15 reports throughout the pilot.

16 GILLESPIE: But the level of detail, in a web page
17 you kind of go from the pictorial diagram to the PIM item.
18 It is kind of the first thing that the public sees. Are you
19 feeling comfortable we are making progress?

20 It is almost like you have written a headline
21 right there.

22 FRYE: Right, and part of the guidance I was
23 talking about, the PIM guidance that we had trouble with,
24 was the level of detail in the PIM entry to concisely tell
25 the full story, clearly describe what the problem was and

1 the safety significance. That was a big part of the
2 guidance that we were working on.

3 Once the pilot started and we started seeing what
4 we needed to address this was this guidance, this almost PIM
5 writing guidance that didn't get published until August.

6 GILLESPIE: Well, you are seeing progress being
7 made --

8 FRYE: Yes, I think the PIM entries have improved
9 a lot.

10 GILLESPIE: Good.

11 FRYE: That we have seen progress.

12 GILLESPIE: Okay.

13 FRYE: The next topic, like I mentioned earlier,
14 was the section on resources, so if you flip about four
15 slides past PIM and inspection report timeliness, you will
16 see the section on the inspection resources.

17 I guess just to review the criteria quickly, we
18 felt it was important to try to evaluate the resources that
19 are being expended to implement the new inspection program
20 and it is important to keep in mind that this is the
21 inspection program as a whole. We are not looking at just
22 the baseline procedure against the core. It is the total
23 inspection program.

24 Now the criteria is that we expect that it will
25 take less inspection resources, and the reason why we

1 developed that criteria is based on the developing and
2 reporting of performance indicators and the establishment of
3 a licensee response band less resources should be required
4 to have adequate oversight of licensed activities.

5 That is why we established the criteria. The
6 evaluation we are trying to do is compare the pilot plant
7 resources compared to the same plants for the previous year
8 and then compare the pilot plants against the non-pilot
9 plants during the pilot program, so those are the
10 comparisons we were trying to do.

11 The next slide shows the results. Again this is
12 through the end -- the first five months of the pilot --
13 through the end of October.

14 I guess one thing to point out is the criteria
15 were set up as a plant by plant comparison and that
16 information is in the back of your handout, and we are
17 collecting that information and that is what is driving this
18 graph, but what we did was it's really hard to draw
19 conclusions when you are looking plant by plant, and so what
20 we determined was the best thing to do was to try to group
21 the plants by single unit, multi-unit and look at the
22 averages and make that kind of comparison, so that is why
23 the results are here like this.

24 MORRIS: Did you say the blue line was five
25 months?

1 FRYE: No, all the data -- I'll explain the chart
2 first, but all the data is five months of data.

3 FLOYD: In your plants would you explain why there
4 is such a large drop for the nonpilot plants between the
5 previous period and the current period, if you can? I mean
6 if you can't, that's --

7 FRYE: I am not sure if I can, but I will
8 certainly talk to it a little bit. Let me first explain the
9 data --

10 FLOYD: Surprising.

11 FRYE: Yes, it was kind of surprising but let me
12 first explain the data and then I will talk about what it
13 means to us.

14 Again, all the data is five months of data. It is
15 an average for the plant type. It is grouped again by
16 single unit and multi-unit plants and let me just use the
17 single unit plants as an example to try to explain what the
18 data is.

19 The first bar, the light blue bar, is the average
20 total pilot plant inspection hours for the pilot, first five
21 months of the pilot -- and actually you have probably
22 already seen this, but there is a table on the next page
23 that shows what these bars mean, and for that first bar for
24 the pilot plants, that is both the direct inspection effort
25 and the plant status hours added together.

1 GILLESPIE: You've got apples to apples as you go
2 across --

3 FRYE: Right. Those are apples to apples
4 comparisons between old and new, so that is the first bar.

5 The second bar, the red bar, is the average for
6 the single unit, five single-unit pilot plants for the
7 previous year, from May to October of '98.

8 LIEBERMAN: Is that the same -- the plant status?

9 FRYE: Well, there was no plant status a year ago.
10 Again, this is a complete inspection program look,
11 so for the current program it is the core, initiative,
12 reactive, allegation follow up, and similar scope of
13 inspection hours for the pilot plants. It is baseline,
14 supplemental, the little bit we might have done.

15 The third bar, the yellow one, is the non-pilot
16 plant national average, single unit, 26 single unit plants'
17 national average, for the first five months of the pilot
18 program.

19 The fourth bar, the blue bar, is the same 26
20 single unit, nonpilot plants last year, May to October '98,
21 so that is the data.

22 I know it is kind of confusing so I guess if there
23 are any questions -- Scott?

24 MORRIS: Part of the explanation I think for the
25 DIE or the overall effort at the pilot plants in the last

1 five, six months, whatever it is, is that we front-loaded a
2 lot of big DRS inspections into that six months.

3 FRYE: Right. That is actually part of our
4 analysis of what the data shows, so I will be talking to
5 that in a few minutes.

6 MORRIS: Okay.

7 FRYE: But if everyone understands at least for
8 now the data and how it's displayed, there's probably three
9 things that we have been able, three big picture things that
10 we have been able to conclude or see in our analysis of this
11 kind of data, which Steve has already asked, and I am not
12 sure if I know the answer but it is pretty obvious that for
13 both the pilot plants and the nonpilot plants there has been
14 a reduction in inspection effort from the previous year.

15 It kind of caught me by surprise also, but that's
16 a fact, so whether it is pilot or nonpilot plant, there was
17 a reduction.

18 RING: Tim, I don't think you can do this
19 independent of what is going on at those plants, and for our
20 region for example we had one, two, three -- I don't know --
21 at least three 0350 extended shutdown problem plants going
22 on that aren't there. One of them is left out --

23 FRYE: Right.

24 RING: -- so there is a tremendous difference just
25 from that alone that falls off in the last six months. Then

1 for example in the pilot plant comparison for Quad Cities,
2 well, Quad Cities was a trending letter plant in the
3 previous six months and it is not now. There is a
4 difference there alone.

5 FRYE: That is why we started with a plant by
6 plant comparison, to take those kind of things into account,
7 the specific performance issues that would drive the level
8 of inspection and that data is there and again it is just
9 easier to understand when you look at it as an agency
10 average or an industry average, but all your points are
11 right on the mark. Those are the kinds of things we saw.

12 RING: The problem I have with it is that it makes
13 it difficult to make any meaningful comparison between the
14 two time periods.

15 LIEBERMAN: But does it also reflect expectations
16 of people assigned to implement the new program before the
17 program has actually been implemented? I know I saw in
18 Enforcement when we were talking about changes in the
19 Enforcement Program it started to get implemented before we
20 actually changed it.

21 GILLESPIE: What this graph displays, I think, is
22 that the population of nonpilot plants and the population of
23 pilot plants are fundamentally not inconsistent. I mean
24 that's really all it displays.

25 FRYE: Yes, that's the first question --

1 GILLESPIE: The pilot plants went from high to low
2 and the nonpilot plants went from high to low. It's all it
3 displays. This is the actual numbers. Nobody made them up.

4 [Laughter.]

5 FRYE: Yes. That's the first point. The other
6 probably more pertinent points that you can draw out of
7 this, and they are not any more conclusive is that for both
8 single unit and multi-unit plants for example single unit
9 plants, the five single unit pilot plants, did take slightly
10 less inspection resources than the nonpilot plants under the
11 current processes for the same period of time. It's a small
12 difference --

13 GILLESPIE: It is ever so slight.

14 FRYE: Right.

15 GILLESPIE: And if a statistician was in the room
16 he would probably tell us it is not statistically
17 significant.

18 FRYE: The third thing you can see from this,
19 doing it this way, is there was a bigger drop in inspection
20 resources for the pilot plants from the previous year than
21 for the nonpilot plants for the previous year. You can see
22 that there's a bigger difference between those two bars than
23 those two -- not much, again, but --

24 GILLESPIE: Nothing significant.

25 FRYE: It's not real conclusive but --

1 RING: Does it have anything to do with being a
2 pilot plant I guess would be my question. I don't think for
3 Quad Cities it does.

4 FRYE: I think if you look at the numbers --

5 GILLESPIE: All it is saying is just look at the
6 gross numbers -- if there's anything that says it probably
7 says that the environment in the utility industry drove the
8 same reaction or had the same impact on inspection at pilot
9 plants as it had at nonpilot plants. If that's improved
10 performance like fewer 350 plants, that caused a lessening
11 of inspection needs at nonpilot plants and we saw similar
12 things, although it might not have been a 350 plant. Salem
13 and Hope Creek had had some problems in the previous six
14 months which were being cleared up.

15 The impact of the environment we are in was
16 similar on pilots and nonpilots. That is all it says. It
17 is not trying to say that we saved resources from the pilot
18 plant process. It says there is a similarity, there's a
19 consistency that we haven't drastically changed the world
20 between the pilots and the nonpilots.

21 FRYE: Again, at least my opinion is this is a
22 coarse measure of the inspection program. Again, what we
23 are trying to check is if the new program took a lot more
24 resources than the old program that is a flag that it is not
25 meeting our original expectations and we'd want to look at

1 that.

2 That is really what we were trying to look at
3 right here, to see if that's the case, because we don't
4 think it should be because of the reasons I said earlier,
5 the fact that we have performance indicators and then we're
6 establishing these licensee response bands, so that is what
7 we are trying to check right now, and I think we can see
8 that in the data somewhat, and again it is not real
9 conclusive.

10 Scott made a statement which goes to some of our
11 analysis so far is, well, you can't see much of a difference
12 and it's pretty inconclusive. One thing you have to keep in
13 mind is there's several startup costs associated with the
14 pilot that are affecting the inspection resources that the
15 pilot plants got and they are probably very hard to
16 quantify, but some of the bigger ones are, for example, we
17 did make an effort to front-end load somewhat the inspection
18 at the pilot plants to try to exercise the procedures to the
19 maximum extent possible.

20 That is something we can probably quantify, and I
21 haven't been able to do it yet. It could be 55 percent of
22 the inspection program we did in six months. It could be 60
23 percent. I am not saying it is 80 or 90 percent, but there
24 was some front-end loading, so that is I guess an artifact
25 of the pilot program that is reflected in these numbers.

1 FRYE: I think there is some increased effort to
2 do an inspection procedure for the first time, and I think,
3 over time, you know, the resources will come down, as people
4 will become more familiar with it.

5 I don't know if we can ever quantify that, but
6 that's another -- again, that's another pilot program
7 start-up cost that is reflected.

8 So, bottom-line analysis, I guess, is, taking
9 these into account, it appears that the new inspection
10 program should be more efficient than the current inspection
11 program.

12 Last slide, kind of building on that -- I should
13 almost say this before I even through the last slide,
14 because I kind of feel uncomfortable leaving that statement
15 hanging.

16 Although we feel comfortable that the new
17 inspection program looks like it would be more efficient,
18 more meaningful results, more conclusive evidence -- it's
19 going to take at least a full year of implementation.

20 In no way are we trying to say, you know, it's
21 10-percent more efficient. You know, we just can't say that
22 yet, but based on the data we have right now, factoring in
23 the start-up costs for the pilot that we see, it looks like
24 it will be more efficient than the current program.

25 GARCHOW: Tim, you spent a lot of time talking

1 about efficiency and the implementation, but one of the
2 cornerstones -- bad word -- one of the foundations that this
3 was made is being more risk-informed and risk-based. I find
4 it quite curious we've sat here for five hours and we have
5 talked much about did we actually move the focus towards
6 being risk-informed and risk-based.

7 FRYE: We probably covered it too quickly, but
8 that's being covered under inspection procedure quality.

9 We certainly tried to do that, and on the feedback
10 forms, that was one of the specific questions we asked, and
11 so, we do have results and feedback on that that we are
12 addressing.

13 Keep in mind, there's five criteria for the
14 inspection program, for the pilot. No one of them is more
15 important than another one. Inspection resources isn't the
16 only criteria.

17 We're going to have to look at all the results
18 together, the resources, you know, are the procedures
19 appropriately risk-informed, factor them all together, and
20 come out to the right answer.

21 GILLESPIE: Tim, in December, when we kind of ask
22 you to give us an update, we're going to have a real working
23 meeting in December, because some comments I've heard from
24 the regional people on the panel --

25 Jim, this might have been from you, or it might

1 have been from Ken, that while DIE might be down, at the
2 pilots, there was a whole lot more planning going on of what
3 should we look at, if nothing else, just generated because
4 we've structurally changed things and forced ourselves to
5 ask the question the first time, and one of the comments I
6 got in the halls was forcing that better planning probably
7 gives us better inspection from what we're doing versus
8 people routinely going out and kind of turning the crank on
9 what became kind of a procedure I always did.

10 So, in fact, I think there has been sheerly some
11 benefit just from kind of reformatting and causing people to
12 rethink why am I looking at what I'm looking at, and so,
13 that's some of the comments, I think, that will come up in
14 December.

15 FRYE: A session for later in the day is overall
16 criteria, and one of the things I'll be talking about very
17 closely related to this, and if you look ahead, it's also
18 very similar, but looking at the overall resources for the
19 oversight program, comparing that in a similar way to the
20 current oversight -- so, we get into that a little bit, I
21 guess.

22 GILLESPIE: You do say, I think, something we came
23 to yesterday in some other points. We need a year to step
24 back and look at the details before we do anything too
25 draconian. We need to have a more factual expanded base of

1 information.

2 FRYE: Right.

3 GILLESPIE: That seems to be coming across
4 throughout.

5 FRYE: That's it for inspection resources.

6 STEIN: This slide just sort of recapped the
7 conclusions and discussion we've just been having for the
8 last several hours, so I'm not even going to go over that,
9 because it just repeats what Tim and Jim and Arman said, but
10 there are a number of elements to the overall inspection
11 program beyond the baseline that were not developed or not
12 revised to fit within the new oversight process at the
13 beginning of the pilot, and we were aware of that, but these
14 elements have been worked on since the beginning of the
15 pilot, and I'm just going to go over these real quickly.

16 First is the supplemental inspection process,
17 which is supposed to replace what used to be called the
18 initiative program. The procedures for that have been
19 written. They are keyed to the columns within the action
20 matrix.

21 There's been a couple of rounds of comments from
22 the regions, and in fact, one of them, the procedure for the
23 regulatory response band column has been used at least at
24 one of the pilot plants.

25 The other piece of the program is how we respond

1 to events. We're risk-informing the process for doing
2 inspections beyond baseline for events. Essentially, we're
3 maintaining the deterministic criteria that we use for sort
4 of determining whether we need to respond to an event, but
5 we are risk-informing some of those to determine the level
6 of our response to that event.

7 The guidance documents for those have been
8 written. The baseline program, which includes an event
9 response procedure, is going to be used for helping the
10 region get the information it needs, so it can make its risk
11 determination on certain events.

12 We're also, next week, going to do a review of
13 some real-life events with the new process to see how this
14 new process and risk thresholds would tell us what response
15 we should take or would take under this new process, compare
16 it to the response we did take.

17 GILLESPIE: Steve, are you going to document that
18 review on event response similar to the way you did the
19 bench-marking earlier on on the program?

20 STEIN: Yes.

21 GILLESPIE: So, it will be available.

22 DEAN: Alan's leading that effort.

23 STEIN: Both the supplemental program and the new
24 event response criteria will be reviewed and tested during
25 the first year of implementation of the process.

1 We're also developing several other processes,
2 some of which came up --

3 Yes.

4 CHASE: I may be confused, but isn't the baseline
5 inspection -- there's three types of inspections --
6 verification, supplemental, and comprehensive, I think. Is
7 that the same supplemental up there?

8 STEIN: No, it's not. We're trying not to
9 institutionalize those terms in the baseline; that is,
10 supplemental complementary verification.

11 Essentially, they describe how the inspectable
12 areas relate to performance indicators. That is, it either
13 supplements, provides a little additional information, it
14 complements -- in fact, I usually even forget what they
15 mean.

16 Essentially, it means there is a PI that covers
17 the area or there isn't or we're just verifying. We don't
18 use the word supplemental when we refer to the baseline
19 procedures.

20 So, some of these other processes that we are
21 developing -- one is what will be our inspection response to
22 inaccurate or unreported PI's.

23 Essentially, although it's in an early draft, it
24 would be either collect the PI data ourselves, if it's
25 something that can be collected easily, or it would be doing

1 some additional inspection, and the process would lead the
2 region into deciding what additional inspections it would
3 have to do, and the last process is our oversight process
4 for plants that are shut down for performance issues, the
5 IMCO-350 process, risk-informing that process that is
6 establishing an objective threshold for when we use that
7 process, tied to the action matrix, defining the scope for
8 that, keeping the oversight panel in place for about the
9 first four quarters after restart, and this new process is
10 -- has gone out for public comment on a Federal Register
11 notice, and we plan to issue the guidance in January, and
12 that concludes the inspection program presentation.

13 GILLESPIE: Thank you.

14 I know we're running late. Someone had a request
15 into Heidi, who was not brave enough to look me in the eye
16 and say they want a full hour for lunch. I won't ask her
17 for names. I will say let's go ahead and take a full hour
18 for lunch, but we're two hours behind.

19 So, I'm going to have to, then, for the afternoon,
20 where we had an hour allotted, potentially, for enforcement
21 and assessment, I'm going to have to ask if the staff could
22 do something like what Tim did, get to the meat of the --

23 DEAN: Yes.

24 GILLESPIE: Could you?

25 DEAN: No problem.

1 GILLESPIE: Thank you.

2 Could we be back here at 25 after? I know it's an
3 odd time, but that's a full hour.

4 [Whereupon, at 12:23 p.m., the meeting was
5 recessed, to reconvene at 1:25 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

[1:25 p.m.]

1
2
3 GILLESPIE: The panel itself needs to get together
4 for about 15 minutes, maybe, at the end. So, I do have to
5 allot for 4:45 to 5:00 so that we can kind of make sure we
6 shake hands on where we're going on draft input and report
7 preparation and things like that.

8 BRANCH: I'm Morris Branch from NRR, the
9 transition task force lead for the SDP, and the two criteria
10 that we are evaluating today is the SDP, and we had one for
11 efficiency and one for effectiveness.

12 The efficiency measure was basically can the SDP
13 be used by inspectors in the regions to categorize an
14 inspection finding in a timely manner. We had some criteria
15 that we used for that.

16 The other criteria that we had for the SDP was the
17 effectiveness measure, and Dan O'Neal from the ops support
18 team in the PRA branch -- his group did an independent
19 review of the SDP results for the inspection procedures that
20 have been issued for the pilots, and Dan will report on
21 this.

22 For the efficiency measure, the -- we were
23 measuring whether we can do a -- I'm sure everybody's
24 familiar with the SDP process.

25 There's a phase one, two, and three to the

1 process, and we wanted to make sure that inspectors could
2 get into the phase two and get through a phrase two within
3 30 days of the phase one screening.

4 We also had goals to complete 90 percent of the
5 issues within 90 days for the SDP as it got into a phase
6 three or phase two, and also, we had 120 days to complete
7 100 percent of the issues.

8 Based on what you see here, we had about eight
9 issues -- or there were nine issues that actually got into
10 -- past the phase one screening and got into the phase two
11 or phase three, and I'll explain that in a minute.

12 Of those nine issues, there were zero that took us
13 greater than 30 days to actually do a phase two. Of the
14 ones that got into the detailed review, we had two issues.
15 We had one issue at Sequoyah, one issue at Prairie Island.v
16 Of those two issues, in both cases, we did not resolve them
17 within 90 days or 120 days either.

18 There is some explanation for that, and I'll go
19 into that in a minute.

20 One of the things -- yesterday, I guess --

21 Yes.

22 HOUGHTON: Excuse me, Morris. Was that four total
23 issues?

24 BRANCH: Two issues.

25 HOUGHTON: It's only two out of the nine.

1 BRANCH: Two out of the nine.

2 HOUGHTON: Okay.

3 BRANCH: And both took 90 days, and also, both
4 took 120 days.

5 Based on the conversation yesterday, I think a lot
6 of the members of the panel believe that the 90-day and 120
7 days we should be able to complete an issue in -- one of the
8 things I wanted to -- and I guess it appeared to be a long
9 time for panel members.

10 One of the things I wanted to talk about is, once
11 we actually identify an issue -- and I think the region can
12 talk to this, for the two issues -- there are things that
13 happen concurrently.

14 Licensees are doing the operability reviews.
15 They're making their reportability and operability calls,
16 like we talked yesterday. They're taking the action of
17 their tech specs, and basically, the licensees' program is a
18 look-forward-type program.

19 So, once it's identified, they're resolving it in
20 a timely fashion, in accordance with the tech specs.

21 The way that we're using the process, we're
22 looking back. We're looking at how long the issue existed,
23 what were the assumptions that went into the process, and
24 because of that, that's not always a priority for licensees.

25 So, as we've basically struggled with a couple

1 issues to get them resolved in a timely fashion, that's a
2 couple of things that are coming out.

3 The other thing I'd like to point out is Appendix
4 B requires licensees to resolve issues that are identified
5 at a plant.

6 There's a Generic Letter 91-18 that talks about
7 the time it takes to resolve an issue, and it basically
8 says, if it's a risk-significant issue, you should put your
9 efforts toward that issue to resolve it.

10 GARCHOW: But resolving it, when that was framed
11 in, this whole process didn't exist.

12 So, there wasn't any concept at all in 91-18 about
13 resolving a significance determination process of an
14 inspection finding; it was resolving the action plant issue,
15 causing and correcting it, is what 91-18 is talking about.
16 Obviously, it predated this.

17 BRANCH: 91-18, again, is a look-forward-type
18 process, and it says that, once you identify it, you need to
19 fix it, you need to make an eval as to whether some
20 operability or loss of function --

21 GILLESPIE: That's your responsibility. Although
22 it came out of an inspection rather than one of your
23 processes, it's still your responsibility to take action on
24 it.

25 BRANCH: Also, I'd like to point out that,

1 currently, what we use for the measure -- we're actually
2 taking it from the time of discovery, when the issue
3 actually raised its ugly head, and because of that, we've
4 also built into our process due process.

5 We're allowing through this -- the issue with
6 Sequoyah, once the issue was identified, the inspectors
7 engage the licensees, we learn from each other on the
8 process, we issue the 14-day letter to the licensees
9 requesting them to submit on the docket what their position
10 was, we offered them the opportunity for a meeting if they'd
11 like.

12 So, all of that in itself takes time. It's not
13 something that can be done, you know, real quickly.

14 Also, from a worst-case point of view, let's say
15 an issue was identified on day one of the inspection period.
16 Forty-five days later, the inspector could be writing about
17 it. Thirty days later, he's issuing the report, which is 75
18 days on the clock, for a 90-day or 120-day.

19 I just wanted to bring these up, because that's
20 some of the things we struggle with.

21 We've also -- right now, we don't have in the
22 procedure -- we haven't actually written guidance to the
23 regions as to what the timeliness goals are, and we're
24 trying to really understand what is an effective measure.

25 We know the timing of this has to support the

1 assessment process. It also has to support the information
2 that gets put on the web.

3 LIEBERMAN: In the two cases we've had where we've
4 evaluated the matter at phase three, how many series of
5 interactions have we had with the licensees and the staff as
6 we reach our decision in phase three?

7 BRANCH: How many series of them?

8 LIEBERMAN: Yeah.

9 BRANCH: Maybe the region could talk to that
10 better, because --

11 Mark, I guess you were involved a little bit with
12 the Prairie Island issue.

13 Brian, you may be familiar with the issue at
14 Sequoyah a little bit, but maybe the regions can address
15 that.

16 But basically, as the inspectors are working
17 through the process, it's almost a constant dialogue with
18 licensees, and in some cases, in order to meet this 90-day
19 goal, we actually may be forcing licensees to maybe change
20 their priorities to be able to support our process.

21 There's also, in my mind, some thought that the
22 region may feel the pressure to hurry up and get an issue
23 into the process, into the stream, so that we can resolve
24 it, and in some cases, they may be bringing premature
25 information, you know, forward that we haven't really had a

1 chance to really get our hands around what the issue is,
2 what the finding actually is.

3 DEAN: I know that these guidelines were kind of
4 modeled after getting an issue through the enforcement
5 process.

6 BRANCH: When we first set up the criteria, it was
7 my belief that, if the SDP process could resolve an issue in
8 a timely fashion, that we did model it based on enforcement.
9 We took the old enforcement goals of resolving issues, 90
10 percent within 90 days, and 100 percent within 120 days, and
11 enforcement, I guess, in the past, they have classically
12 started the clock once the initial report goes to the
13 licensee and the licensee is put on notice that there's an
14 issue there, and we've tried, through this process, to start
15 it from the time the issue was actually kicked up in the
16 corrective action program or wherever it raised its head,
17 and in both cases, we've struggled with trying to meet the
18 90-day and the 120-day criteria.

19 MALLETT: Morris, let me give you just a little
20 insight from Sequoyah.

21 We thought the process was good in the fact that
22 we developed -- first identified it during the inspection,
23 the first interaction was during the exit meeting during the
24 inspection, we gave them the results preliminarily.

25 Then, we went back in the region and we, with

1 headquarters, developed what we thought was the results of
2 the SDP phase three, and then we sent back to the licensee
3 the results of that, in writing.

4 I think the process will be -- and then the
5 licensee responded to that, and then we held a meeting with
6 them, and then we made a final decision.

7 I think the process will be sped up in the fact
8 that, a lot of the time, we were debating on what kind of
9 letter to send them back, how should it be worded.

10 You won't have that, I think, once you've gone
11 through a few of these, but from our perspective, the bottom
12 line -- Brian may want to chime in or disagree if he wants
13 to, but we felt that there was too many times going back and
14 forth for the licensee.

15 In the case of Sequoyah, it was an indicator that
16 changed from green to white, and we felt that was not worth
17 the value-added of going back the number of times we went
18 back and forth.

19 It was good to hear their input, but at some
20 point, it was time to make the decision and move on.

21 BRANCH: Also, with the issue at Prairie Island,
22 it pointed out a couple of things, and I think we've made
23 some changes.

24 One, it pointed out that we had not put
25 site-specific work-sheets in the field for the inspectors.

1 So, they were trying to construct, in their mind, a PRA
2 model.

3 They tried to come up with event trees and
4 everything that we're now doing for them, and that took
5 time. I think it was about 50 hours for Region III to get
6 through it, and they did an outstanding job.

7 They did get into some -- making some
8 deterministic assumptions in the process. The issue was a
9 steam break and a door between the rooms and the door hinges
10 had broken several times.

11 They took the steam, you know, with a PRA model
12 and said it's a probability of a certain break occurrence.
13 They took the steam into the room, and then it got very
14 deterministic from that point on.

15 The steam actually -- they gave no credit for
16 dampers, they gave no credit for a lot of things, and the
17 steam got into the control room, and nothing was qualified,
18 and therefore, everything failed.

19 So, it was a hodge-podge of things, and we hope
20 that, with the new work-sheets and with the new guidance,
21 and also with training, that we will see a better output in
22 the future.

23 LOCHBAUM: Was more time spent, from the NRC's
24 standpoint, on licensees doing that effort than to just call
25 it white and send the supplemental inspection team in there?

1 BRANCH: I guess I would have to ask the region.
2 I think yes. I think that, in the Sequoyah issue, there was
3 a lot of back and forth. They did a lot of PRA --
4 remodeling of PRA.

5 They did a lot of extra work on their part, and
6 again, for the Prairie Island issue, we felt, with the
7 oversight panel -- I don't know whether everybody's familiar
8 with the process, but with the oversight panel, we felt the
9 Prairie Island issue probably was not risk-significant, that
10 when more information was known and we could really do the
11 process the way we envisioned it to be done, that the issue
12 would, in fact, be of low risk.

13 At Sequoyah, we didn't believe that. So, that was
14 the reason that we went the track of sending the 14-day
15 letter requesting the licensee to come back.

16 LIEBERMAN: Was there ease or difficulty in
17 reaching agreement to the assumptions for phase three in the
18 PRA analysis?

19 BRANCH: The assumptions -- I think Mark will
20 speak to that when the regions talk, but the assumptions is
21 where a lot of it is.

22 I mean it's almost like, if a licensee determines
23 -- as Jim Wiggins said yesterday, if a licensee determines
24 something to be -- they think it's fully operable and then,
25 yet, we are asking -- we don't really have the calc to

1 support that, then you know, if they're saying it's operable
2 and we're saying it's not operable or, worst case, it could
3 not be operable, then if we go down that path, that's what
4 the difference is right now.

5 LIEBERMAN: I understand most people, given a set
6 of facts, will agree on the outcome of phase two?

7 BRANCH: We envision, when we get the work-sheets
8 out to the field, that yes, phase two should be a repeatable
9 process, that anybody using the same work-sheets, with the
10 same assumptions, should be able to come up with repeated
11 results, and I think, from the shadow plant, you heard
12 yesterday, I think, they've actually done some of these and
13 they feel pretty good about it.

14 LIEBERMAN: Do you feel the same way about phase
15 three?

16 BRANCH: Phase three is a refinement. It's not
17 defined as to how we go about it right now as an agency. We
18 have SPAR models, we have different methods of trying to
19 refine the numbers.

20 The phase three may not be as -- hopefully, if we
21 document -- and our process and our procedure calls for this
22 -- we document our basis for everything we do, then
23 hopefully individuals could take the same data and come up
24 with the same answer.

25 LIEBERMAN: Picking up on Dave's question, if the

1 issue was only whether it's white or not, would we lose that
2 much if we stopped at phase two and reserve phase three for
3 those plants that phase two suggests maybe yellow or red?

4 BRANCH: I believe that, if we had all the data,
5 an issue again, at Quad Cities, could have been red if you
6 assumed that all HPCE, all RCCE off the tanks were
7 inoperable because of the lack of heaters for the tank, if
8 you made that assumption, that all ECCS taking the suction
9 off the condensate storage tank is in-op based on not having
10 an adequate wattage of heaters or whatever the issue was,
11 then you come up with a red, but if you get the data that
12 says yes, it was fully operable, it was degraded but
13 operable, 91-18 call, then that's the difference you have,
14 and if we did that up front, prior to actually getting into
15 the phase two, I think, yes, the phase two would be
16 repeatable and should be as good as we can get with this
17 process.

18 RING: Since we're in the discussion anyway, this
19 might be a good time to contribute the regional perspective.

20 Along with Morris and Brian, I'm on the SDP
21 oversight panel, so we've listened into all these issues at
22 one time or another, and there's been a lot of back and
23 forth, not just with the SDP, actually in the two previous
24 areas we've discussed.

25 The regions and NRR and have back-and-forthed on

1 all these issues quite a bit, maybe even more so with the
2 SDP, because we have a formal oversight panel where we all
3 participate.

4 The problem with the SDP, I guess, as I see it, as
5 a panel participant, is not with the SDP. It's with what
6 you started out with there, given the same assumptions and
7 the same set of data. It's relatively easy to run through
8 the SDP and arrive at the same conclusions.

9 The problem is in getting that data and in
10 verifying those assumptions, and that's what makes all the
11 difference in the world and that's what takes all the time.
12 If each of these issues go to the first point that Morris
13 has up there, it's difficult to completely resolve a complex
14 issue in a short period of time.

15 In the case of Quad Cities -- and I don't imagine
16 everybody here is aware of it, but we had an issue about
17 heaters in the condensate storage tank that weren't
18 operable, and hence, the condensate storage tank might
19 freeze under certain conditions.

20 That then might prevent you from making the
21 suction transfer for all of the high-pressure injection
22 pumps.

23 Well, the condensate storage tank is not a safety
24 system. Records of how many heaters were operable when were
25 not required to be kept. There's little to no data about

1 this.

2 I know there weren't as many as there were
3 designed. What does that mean? Well, it's designed that
4 eight of them would prevent you from getting below 40
5 degrees if the outside temperature was 30 degrees.

6 What if you had four? Don't know. Nobody ever
7 did any calculation for four. You make some guess. We made
8 some guess that took some sort of straight-line
9 extrapolation and says, okay, you're in trouble if you've
10 only got three.

11 Is there any validity to that? Don't know.
12 Nobody's ever addressed it before.

13 What were the actual temperatures? Don't know.
14 Can we get those? Yeah, you can go to the weather service,
15 you can see where they are.

16 Would that actually cause the tank to freeze or
17 not? Are there other things that prevent it from freezing?
18 Gee, don't know, never looked at that before.

19 So, what I guess I'm saying here is each of these
20 issues -- this was also true at Sequoyah, this was also true
21 at Prairie Island.

22 Each of these issues brought up assumptions and
23 data verification questions that there was no system in
24 place to provide you the information; you essentially had to
25 go out and search for it. That took quite a bit of time.

1 Yes, the system works just fine on a conceptual
2 level. If you all have the same info, it's all verified,
3 and you all make the same assumptions, you can come to the
4 same conclusion, but it's in those initial assumptions and
5 data as to where we've encountered problems.

6 GILLESPIE: Let me ask something, because the
7 system's working if it's doing what you just described.
8 That means the system's working, if it's getting us to focus
9 on what the technical question at hand is.

10 Getting off how long it takes to do it, it sounds
11 like what it's doing is actually working, because it's
12 getting people to ask exactly the right questions and
13 resolve what at first is two extrapolations to try to get it
14 factually resolved and accurately articulated, and to me,
15 that a big positive.

16 The system is doing what it's intended to do, and
17 let's get focused on the specific technical disagreement,
18 get the facts, and resolve it.

19 Important here, though, is something you said
20 earlier, Morris, if you could amplify on this a little bit,
21 or Bill or someone else might.

22 The licensee is taking forward action, which
23 means, when we find a flaw, independent of what color gets
24 assigned to it, it's going into a system that means the
25 plant is in a safe configuration while we're trying to

1 retrospectively put a grade on a condition that exists, and
2 I think that's an important aspect.

3 The NRC is not waiting --

4 LOCHBAUM: That may not necessarily be true,
5 though.

6 GILLESPIE: I want to ask Morris if he could
7 address that aspect as to, when something's found wrong,
8 from your perspective, having observed this from the panel,
9 what happens at that point?

10 BRANCH: Well, once it's agreed upon that it is an
11 issue, I think that, like you said, it's correct. I think
12 even at Quad Cities -- maybe you can speak to that in a
13 minute, but even at Quad Cities, once the licensee knew of
14 the inspectors' concerns and of the significance of the
15 issue, if it had gone that way -- in other words, if a tank
16 actually were inoperable, it was a risk-significant issue,
17 and that was focusing our attention, the licensee's
18 attention, and in this case here, the licensee was making
19 the call that, before we get into cold weather, we will
20 obviously have to resolve this issue, but it's all part of
21 our overall plan.

22 The inspectors were looking at trying to force it
23 into a 90-day clock, saying we need the information now in
24 order to get the process to work.

25 We weren't ready to really pass it over to the

1 licensee in letter form, because again, that's a burden on
2 the licensees where we really don't have all the information
3 as to whether it is an issue or not an issue.

4 So, we were struggling with that in this case
5 here, but I think in all the cases so far, even at Sequoyah,
6 the licensee believed that it was the hoses that caused the
7 flooding potential, so they pulled the hoses out, so they
8 did the corrective action to resolve the technical issue,
9 and then now we're going back and looking at what the risk
10 was associated with that issue, and I'm assuming, at Quad
11 Cities, you all did some operability call, saying it was
12 operable because the weather is warm enough and, prior to
13 cold weather, we will do something more, and they went out
14 and fixed the heaters in this case.

15 GILLESPIE: When does the safety question get
16 addressed once you've identified the potential?

17 LOCHBAUM: I think this is setting up a situation
18 that's not too hard to foresee down the future, where the
19 licensee -- some issue comes up, the licensee makes a 91-18
20 call that the thing is degraded but still operable or
21 functional or whatever the nice word is, and then the NRC
22 goes through this phase three thing and disagrees. They
23 come to the conclusion that it's red, yellow, or whatever,
24 which also then kicks you into enforcement space, because
25 the 91-18 call by the licensee was wrong.

1 It's not too difficult to foresee that somebody
2 that's going to occur.

3 RING: The problem will occur with the first call.
4 It's not going through the phase three that gets to you, but
5 if it's the operability call that's incorrect, you're right,
6 but that will be taken on at the time of the operability
7 call.

8 It's not really carrying it out through phase
9 three that changes that, generally.

10 LOCHBAUM: By going that far, you're going to set
11 yourself up. Those things are going to happen.

12 RING: As long as the operability is correct, no,
13 you'll never get to a different answer.

14 LOCHBAUM: If the call by licensees was always
15 correct, we wouldn't even be here today, so that shouldn't
16 be a presumption.

17 GRANT: I don't see that as a difference from
18 today or yesterday. If licensees make a 91-18 call and it's
19 wrong, we end up in enforcement space.

20 LOCHBAUM: Instead of debating this 90-day stuff
21 -- Frank said that the licensees put the plant in a safe
22 condition and that's being done by 91-18.

23 Instead of this debate and the 90 days and the
24 14-day letter and all this other nice stuff, the focus of
25 NRC should be to ensure that that 91-18 call was right.

1 DEAN: Dave, this might help you a little bit.

2 Within the inspection program, the baseline
3 inspection program, there's an inspectable area called
4 operability evaluations.

5 So, if an issue like this were to emerge, there's
6 a specific inspection module for the region to assess the
7 operability evaluation that was made.

8 What we're referring to here is more of a
9 historical look to see is there a performance issue and what
10 is the risk characterization of that performance issue that
11 would then feed into assessment?

12 LOCHBAUM: That module you're talking about isn't
13 done for every 91-18 call.

14 DEAN: I forget what the frequency is. I think we
15 ask them to do a couple of month -- I don't know off the top
16 of my head.

17 LOCHBAUM: Instead of this debate, the more
18 appropriate use of NRC resources would be to review that
19 91-18 call.

20 DEAN: And that would be ongoing at the same time.
21 You're right, that would take the priority. If we've got
22 something that we've identified as potential risk
23 significance, clearly that operability evaluation would jump
24 to the top of the list in terms of priority and what we
25 would look at.

1 GILLESPIE: I think you just hit the key to it.
2 I'm going to guess that the procedure doesn't say that it
3 jumps to the top of the list, and put it in regulatory
4 terms.

5 If you get the call where there's the potential
6 based on the initial finding, going through the SDP, that it
7 has the potential -- and I use that word -- it has the
8 potential for being a white, that that should revert, then,
9 to a timely review of the 91-18 call that goes to that, and
10 I think it's that link that Dave's -- that institutional
11 link.

12 I'm going to guess that that specific one is not
13 in the procedure right now.

14 RING: I don't think that's the way it works in
15 actuality.

16 If the senior resident inspector, for example,
17 knows of an issue that has SDP potential, some risk to it,
18 the first thing he's going to do is say do I agree with the
19 operability evaluation.

20 GILLESPIE: The suggestion is to get the procedure
21 lined up with what really happens. That's all.

22 GARCHOW: I think it does.

23 GILLESPIE: I'm not saying whether it does or not.
24 That's the question that Dave asked.

25 RING: It's essentially a part of your plant

1 status decision-making. It's not, hey, I'm going to go out
2 and do operability evaluation now. The issue you became
3 aware of in some fashion is a potentially risk-significant
4 issue.

5 You immediately go to do I consider operable or do
6 I have some concern about that, and if he has a concern, he
7 goes that path first, SDP later.

8 GILLESPIE: I'm not challenging what you're doing,
9 because you're doing the right thing.

10 You have an outside person in the public who reads
11 the procedure. They don't know what you really do. They
12 only know that you're supposed to do two a month and you can
13 sample them randomly, and therefore, you have the option of
14 not reviewing this.

15 GRANT: Why pick two? All operability evaluations
16 have the potential to be a risk-significant issue, clearly.

17 LOCHBAUM: The point I was trying to make -- I'm
18 not making it at all, but the point I was trying to make
19 was, instead of wasting all the NRC resources and the
20 licensee resources on that lengthy process going from phase
21 two to phase three, cut it at phase two, which can be done
22 timely and repeatable, audit or evaluate the 91-18 call, and
23 forget the phase three stuff, because that seems to be a
24 waste of time.

25 DEAN: Your point is, if the concern is no more

1 than a white issue, which is some risk significance but not
2 large risk significance, why expend a whole bunch of
3 resources and time; let's just deal with the issue and move
4 on.

5 BRANCH: We felt we owed licensees the process,
6 because there's an enforcement that comes out of this. Once
7 we determine it to be white, then there's a notice of
8 violation issued. I guess, through the process, we believe
9 we owed the due process.

10 LIEBERMAN: But the only enforcement that's coming
11 out of this is a notice of violation versus a non-cited
12 violation, and I'm concerned about this cost.

13 Under the old enforcement program, we had an issue
14 years ago where there was a debate about operability and the
15 licensee was literally spending on the order of a million
16 dollars to do the research to determine whether it was, in
17 fact, operable.

18 NRC was about ready to let out a contract for
19 another 100 or 200 thousand dollars to review the licensee's
20 work, all to determine severity level.

21 Then they changed the policy to say that if you
22 have to do a substantial analysis to determine operability,
23 that's enough to get to a level three, and I think some of
24 that same logic could go to this, too, you know, realizing
25 phase two is relatively conservative, but the problem is

1 being fixed, a white is not the end of the world, and I
2 would think everyone could say if we stop at phase two on
3 whites and save that extra effort for the ones which are
4 more significant, potentially more significant from a risk
5 point of view.

6 I know others may have different views on that.

7 FLOYD: Different view.

8 The way we look at the SDP at phase two is it's
9 really a screening tool.

10 If it comes out to be green, then you know it's
11 probably not a very risk-significant item. If it comes out
12 as white due to the conservatism that's built into the way
13 the matrix is put together, it may still be green, or it
14 could be white or worse.

15 So, I think there is a due process issue here for
16 the licensee.

17 If you're going to issue a notice of violation and
18 if you're going to get into the action matrix, where if this
19 white now is what's causing them to have a repetitive
20 degraded cornerstone or a degraded cornerstone, because now
21 this now makes multiple whites, the agency is going to be
22 expending perhaps even more resources than what it might
23 take for the very, very few issues that are going to wind up
24 having to go through this phase three review.

25 You had nine issues in the pilot over five months,

1 two of which went into the phase three review, as I
2 understand it, and those two were largely complicated
3 because they were addressing containment and shutdown issues
4 which the SDP was not really designed to work on, and you're
5 coming up with a revised SDP to address those.

6 So, it may be a shorter time in the future,
7 perhaps.

8 BRANCH: The numbers don't match up exactly like
9 you said.

10 FLOYD: But the point might.

11 GILLESPIE: I think we've got this on the table.

12 BRANCH: The actions that we're recommending right
13 now is that we need to establish reasonable goals that will
14 support the assessment process and then communicate those to
15 both the regions and to utilities so that everyone is
16 working to the same sheet of music.

17 GILLESPIE: Okay. I think we can go on.

18 GARCHOW: One issue is -- it's just an
19 observation. I think Jim and I share an issue; I'll let him
20 take the issue.

21 But the observation would be that these would be
22 for only the reactor cornerstones and we know we still have
23 issues with the security SDP and the fire protection SDP.

24 So, before this gets rolled out industry-wide, I
25 think I, as a panel member, would want to hear somebody come

1 back and say how we resolve both of those open issues,
2 because they are getting considerable attention, both at the
3 NRC and with the industry.

4 So, this has been focused on the SDP process. We
5 still have a couple of holes to fill before this things goes
6 wide.

7 BRANCH: We have several of them to fill.

8 GARCHOW: That's one point.

9 The second point is, I guess, just listening, just
10 an observation, it would be hard -- and since we talked
11 about this Quad Cities one, I'll use that. It's hard to
12 believe that, when you get right down to the fact, whether
13 you chose to do maintenance on a condensate tank heater or
14 not, whether that issue, with this level of effort, is
15 really going to give you a very good picture of the overall
16 operation of the facility relative to this assessment
17 process.

18 So, you've taken an issue, just an observation
19 that, by the time you drill this all the way down, you're
20 just around such a very small part of the operation of the
21 facility, but then if it comes out as yellow, that all of a
22 sudden makes a huge conclusion about the facility based on
23 just a small decision that may or may not have been made to
24 replace a non-class heater in a non-class tank.

25 BARNES: Let me clarify. It was a big decision at

1 the time it was made. It was a historical thing.

2 GRANT: It doesn't make any difference if there
3 are more details. If that turned out to be a
4 risk-significant issue, I don't care if it's one maintenance
5 activity on one heater. If the ultimate answer is that was
6 a risk-significant issue, then it is what it is.

7 BARNES: It was a legitimate question, and the
8 point I wanted to make in terms of this oversight process is
9 this wasn't something that had just happened, this is
10 something that had been around a while, and quite frankly,
11 we didn't drill it into a risk issue until we were in this
12 new process. It didn't even surface.

13 So, I can't speak to Sequoyah's issue or the
14 others, but --

15 GARCHOW: So, Geoff, is it would work the way it
16 was intended. It would flag the discussion, get you in the
17 action matrix, and then whatever it is after you get through
18 that point is wherever it goes.

19 GRANT: I don't want to get into the mode of
20 pre-screening, if you will, and say that's really not a big
21 deal, because everything tells you it is.

22 RING: There's a couple of very positive outcomes
23 that have occurred from the use of this, and that is that,
24 through this process, we've identified three and even four,
25 if we go to the EP one, some risk-significant issues that I

1 don't think any of us had really concentrated on before.

2 The fact that heaters in a condensate storage tank
3 could produce a risk-significant issue was like light bulbs
4 all over the place for everybody.

5 BARNES: When I worked on Grand Gulf in 1983, we
6 weren't testing the heaters on the condensate storage tank
7 lines right, and that was a big issue in the licensing of
8 Grand Gulf in 1983.

9 So, I don't know how that didn't get captured,
10 because that was kind of like a high-profile thing for the
11 agency. We spent a lot of money to fix that at Grand Gulf.

12 So, I don't know how these things are getting
13 captured, because there's not that many plants running. I
14 don't know how that falls through the cracks like that.

15 GILLESPIE: The positive from this is I think the
16 SDP is causing people to think in different terms versus
17 compliance/non-compliance. Compliance becomes after the
18 fact.

19 Dave's issue is we shouldn't spend, I think, a lot
20 of time spinning our wheels, trying to classify it, focus on
21 is the plant in a safe condition and is corrective actions
22 taking place.

23 I think those are fair things to leave on the
24 table right now and not try to resolve.

25 WIGGINS: I think there's another dimension to

1 this, you know, talking about the issues you were talking
2 about. These are basically things that fall out of design
3 review activities, which basically, in these risk analyses,
4 it's one big assumption. There's an assumption that the
5 design works, because you can't -- you don't do the risk
6 analysis on that.

7 So, what are we doing in this? What's the
8 objective of the inspection here to begin with?

9 I would offer that it's not to make sure the
10 condensate storage tank is operable or the hinge pins are
11 intact; it's to measure how well the licensee is maintaining
12 its design basis.

13 The existence of these issues, once they pass a
14 certain level of screening, to me, suggests a strong enough
15 question that the staff should be able to engage the
16 licensee early to address that issue, which means let's look
17 elsewhere, let's look wide and where the implications are
18 elsewhere.

19 Now, at the same time, the specific has to get
20 worked out. The incident operability -- certainly, I agree
21 that has to get worked out, and eventually, the full
22 analysis has to be worked out, because you have to make an
23 enforcement decision.

24 Now, in my way of kind of looking at this thing,
25 for issues, you know, that -- it seems to me practical that

1 when you get an issue that after a certain level of analysis
2 -- let's call it phase two -- comes out such that the
3 licensee is plugged in the lefthand side of the action
4 matrix, you might as well engage, because there's not that
5 much of a down-side at engaging, and complete the phase
6 three to make the enforcement decision. Okay?

7 On the other hand, if the issue is so significant
8 or if it connects with others that drives you to the right
9 of the action matrix, then you want to be a lot more clear
10 about it, because the measures are more severe.

11 So, maybe you would wait till phase three is
12 completed before you take an action in column four or five,
13 but still, you could engage early, because there's going to
14 be a certain level of inspection engagement to resolve the
15 basic question of, if here, where else? If here, why and
16 where else?

17 Because the whole objective was to really test the
18 licensee's ability -- or measure the licensee's ability to
19 maintain the design basis, as I understand it. I might be
20 wrong in that, but how I viewed that inspection.

21 HAHN: I think we're in the position again of
22 solving the problem rather than identifying the issue, and
23 we're never going to get out of here.

24 GILLESPIE: In summary, Jim, what it does is, once
25 the SDP kicks you into another color, you're in the

1 diagnostic mode, the diagnostic approach takes over, which
2 is just what you said, it's looking at the broader problem,
3 whatever it is, whether it's design or --

4 WIGGINS: Most of these design issues, to me, we
5 have to be careful that the agency and the licensee doesn't
6 get sucked into the trap of fixing the problem that's just
7 in front of you.

8 GILLESPIE: I agree.

9 WIGGINS: The fact that the problem exists at a
10 certain level suggests that there's a need for more work,
11 and we've got to make sure that's going to get done.

12 GILLESPIE: I'm hoping that that's in the
13 diagnostic, the reactive procedures on how to look across
14 other areas.

15 You guys are supposed to be designing that in,
16 right?

17 MALLET: At least the SDP is causing us to talk
18 about the same sort of things. Is that a good conclusion
19 out of this?

20 GILLESPIE: Looks like it's giving us a singular
21 focus.

22 MALLET: Some diagram to go by to talk about
23 these issues.

24 GILLESPIE: It gives us a structure.

25 BRANCH: Also, from the previous slide, you saw

1 that there were nine issues that basically got into what we
2 call a phase two/phase three but really only two phase
3 two's, and what that points out is that we still have holes
4 in the process.

5 Containment, shutdown SDPs are still being
6 developed. We are working on the safeguards SDP, but again,
7 this didn't reflect any of the issues in safeguards that
8 came through the process. We are working on that, the fire
9 protection.

10 Again, we are working to try to refine the process
11 as we go along.

12 One of the things, also -- these are observations
13 that we made, and we feel that the SDP and enforcement
14 oversight panel is essential in the new process.

15 I think someone made a comment yesterday that --
16 Maybe it was you, Steve, that said that the
17 oversight panel right now should continue. We agree with
18 that.

19 We also are looking at -- to improve efficiency of
20 rolling in the 50.59 and the maintenance rule-type panels
21 that are currently in headquarters, as well, so that we have
22 one group.

23 When we go into the full -- all the plants in the
24 country, then we really need one place, instead of having
25 regions have to go through three different panels to get an

1 issue resolved, we're looking at one group to do that.

2 GILLESPIE: Morris, I think it's important to say
3 that the reason we can do that now and we couldn't do that
4 before is we're using a singular scale to judge the goodness
5 or badness of an issue versus needing to get a bunch of
6 maintenance people together to decide how bad a maintenance
7 issue is versus some other kind of people to decide their
8 issue.

9 It's unique. The SDP process allows us to do this
10 now, which we couldn't have done a year ago.

11 BRANCH: Right. And also, for this slide, the
12 process is more dependent on SRAs that we originally
13 envisioned. SRAs are the regional PRA-type folks.

14 Right now it's because we still have -- in the SDP
15 for containment and shutdown, we say, since we don't have a
16 tool yet for the inspectors to use, call the SRA in the
17 region, but we are looking at that.

18 The regions, I guess, are looking, also, at maybe
19 staffing levels in that area in the region. There's an ops
20 support team at headquarters, in the PRA branch, that are
21 supporting the regions, and right now, I guess we don't see
22 any big problems with that process as it stands.

23 We also plan to issue site-specific work-sheets.
24 Again, we feel that they are essential in coming up with
25 repeatable results.

1 Once we get into a phase two and we have these
2 work-sheets out -- there was some discussion yesterday, but
3 the SDP tables one and two, and table three, as well --
4 they're kind of a generic table. We'll continue to keep it
5 that way.

6 But the site-specific work-sheets are the sheets
7 that allow -- when we go to table two or look at mitigation
8 credit -- so anyone can look at the same work-sheet and come
9 up, hopefully, with the same answer.

10 We think it's going to also be very useful to DRS
11 inspectors that may not be as familiar with the plant and
12 can't automatically make that connection between my concern
13 with whatever the issue is, an aux feed pump, and what does
14 that mean in the risk base.

15 So, we feel that they are essential. We
16 understand that they're developed by Brookhaven National
17 Labs based on the IPEs that licensees have submitted. We
18 know it's dated information. We're making site visits to
19 the utilities.

20 We're sitting down with the utilities and getting
21 any kind of information they have, and the regions have been
22 very supportive, with their SRAs going with us in some cases
23 to do that.

24 Yes, Ken.

25 BROCKMAN: Do not the site-specific work-sheets

1 also serve another tool, which is in the plant aspects, so
2 that you can -- when you're planning the program that's
3 necessary for that particular site, they allow the
4 inspectors to be focused as to what's applicable to that
5 site as opposed to generic.

6 BRANCH: Right.

7 If you look at the work-sheets, if you have a
8 piece of equipment out, it also tells you the next most
9 important piece of equipment to go look at from an
10 inspection point of view so that you are dealing ensuring
11 that that equipment is operable to support the risk numbers.

12 LOCHBAUM: Are those work-sheets publicly
13 available?

14 BRANCH: We're going to put a cover sheet on the
15 work-sheets we get from Brookhaven Lab and send them out to
16 all the utilities, and we're in the process of doing that
17 now, but the pilot work-sheets have been put in the PDR, and
18 we did pass them out during some of the workshops that we've
19 had.

20 GILLESPIE: This is a major evolution in our
21 inspection and assessment on getting down to concrete -- how
22 many systems are there, what do the systems do.

23 BRANCH: I've already addressed quite a bit on
24 this sheet here, but one of the things that came up the
25 other day was that the SDP is based on -- we're using CDF as

1 our metrics. We believe that CDF is the right number right
2 now.

3 The agency also -- from an agency response based
4 on issues -- events or issues that come up at a plant, we
5 will be using instantaneous risk as our response tool to go
6 out and look and determine whether there was performance
7 associated with it.

8 If it does turn out to be performance, then it
9 fits into our process, and we would measure it.

10 One of the reasons that we saw this as beneficial
11 was that, if you had an issue like a diesel generator
12 inoperable for a certain period of time, if you added it on
13 top of the licensee that may have taken the other diesel out
14 for normal routine maintenance, then the risk really looks
15 -- it is high. It's instantaneously high.

16 So, you find it one day and you add it to the top
17 of that risk peak and you have a red issue. You find it the
18 next day and you add it to a low risk peak and you have a
19 green issue. You take it to another plant and it could be
20 green or red.

21 So, from a consistency point of view, it just
22 didn't make sense at all to use instantaneous risk and stack
23 them on top of each other.

24 Now, it is risk to the public on a given day, but
25 that's what the agency will be using for our response to

1 events and issues at plants.

2 LIEBERMAN: Why use it for the response to the
3 issues at the plant? Why use two different standards?

4 LOCHBAUM: Increases the chance of getting one of
5 them right.

6 GILLESPIE: One is events -- reaction to what
7 could be a very high-risk situation that could have resulted
8 from a random failure of a piece of equipment that just
9 happened to happen when something was being maintained.

10 The response would be to go determine that, and
11 then the results from that determination will be put into
12 the SDP process, just looking to ask the question, is there
13 a bias in the system that caused this to happen or was it,
14 in fact, a random failure. In either case, you need to have
15 that answer.

16 So, there's two scales. One's to deal with the
17 instantaneous -- go out and look at it and make sure that
18 it's not something that's biased and on a continuous basis.

19 LIEBERMAN: It does affect the enforcement
20 process, because that high risk would be only a non-cited
21 violation.

22 GILLESPIE: It could be. If it were found to be a
23 random -- something that happens, yeah, it could be.

24 BRANCH: An example would be in some events that
25 the agency has to deal with where a licensee may have a

1 diesel generator out for maintenance and lightning hits the
2 switch yard.

3 Well, from a risk point of view, that's a
4 risk-significant event, and from an agency, we would
5 probably respond to that. Most likely, we will with our new
6 process, but from a performance point of view, there's very
7 little performance that really led into that situation.

8 FLOYD: And it wouldn't be a violation to have a
9 lightning strike.

10 LIEBERMAN: A lot of these things are not
11 necessarily violations.

12 BRANCH: What we do need to do is we need to
13 clearly communicate that, that we are using that as our
14 metric. I think we were clear when we first laid this
15 process out, but we need to make sure that we do clearly
16 communicate it.

17 Dan O'Neal from the ops support group is here for
18 the PRA. He's going to talk about the effectiveness,
19 whether there's been any issues that were screened out.

20 Before Dan starts, though, there was a comment
21 that came up yesterday that talked about, from reading the
22 inspection reports and also looking at the PIM, sometimes
23 it's very hard to determine what the basis of the risk
24 decision was.

25 We agree with that. We saw that when the first

1 set of inspection reports came through. We've been in the
2 process of discussing that with the regions, and we have
3 seen an improvement with the later inspection reports, but
4 we do agree with that.

5 MORRIS: I just need to make one statement. I
6 kind of alluded to it earlier, and that is, with PI's, with
7 most of the PI's, we count random events and we use it as an
8 indicator.

9 We don't with inspection findings or events that
10 we follow up with for inspection, and I think we just need
11 to be very clear. The question's inevitably going to come
12 up.

13 You know, why are you counting this by one measure
14 and not in the other, and we need to be able to address that
15 answer. It's not consistent.

16 GILLESPIE: I think that has been addressed within
17 the program, and that's why it's an operating band, the
18 licensee control band, and that was the allowance for what
19 was considered, at least theoretically, normal random
20 variation in a complex industrial facility.

21 MORRIS: I just think we need to be able to
22 explain apparent inconsistencies.

23 O'NEAL: My name is Dan O'Neal. I'm with the
24 Probabilistic Safety Assessment Branch of NRR, and I'm on
25 the Operational Support Team, which is helping to do an

1 independent review of inspection findings for the pilot
2 plants, and in order to determine the effectiveness of the
3 SDP process, we're trying to see if appropriate safety
4 significance can be assigned to the inspection findings
5 using the established guidance.

6 Quantitatively, we would like to find that 95
7 percent of the inspection findings were properly assigned a
8 safety significance rating, in accordance with the guidance.

9 To assess this effectiveness, we're looking at the
10 inspection reports and the inspection findings, and we're
11 going through and looking at what we believe would be the
12 significance of that finding and then compare that to what
13 had been done previously for that inspection finding.

14 The inspection finding goes through the phase one
15 screen, phase two screen, or phase three assessment, as
16 appropriate, and then, somewhere along the line, it's
17 assigned a final safety significance classification, and
18 that's what this graph shows, for those inspection report
19 findings that have been reviewed, and it shows whether or
20 not the independent review had agreed with the finding.

21 Currently, there is only a little bit over 20 that
22 we've reviewed, and this is actually cumulative results for
23 all the inspection pilot plants, and it's done for the time
24 period of June through August.

25 There is one inspection finding, if you notice,

1 under the green column that we felt that it could have been
2 something different other than green. That was related to a
3 phase one issue which we felt should not have actually been
4 into the phase one screen process.

5 I think it kind of reflects some of the discussion
6 that had been talked about earlier today about whether or
7 not -- what type of issues should enter the SDP process, and
8 in this case, there was an -- a random equipment failure,
9 and there weren't any performance issues with that failure,
10 and the license appeared to have taken all appropriate
11 actions, but yet it had been colored green under the phase
12 one screen, and we felt that that particular inspection
13 finding should have probably been treated like an
14 observation and not have entered the SDP process.

15 Here, this reflects also that there was one white
16 issue during this time period, and we felt that that was
17 appropriate safety significance rating.

18 These results really shouldn't be used to draw any
19 overall conclusions at this time. These are -- we're really
20 just starting to begin to do the independent reviews, and
21 there's a lot of work ahead to look at all the other
22 inspection reports in the pilot program.

23 GILLESPIE: Dan, would it be fair to say that, so
24 far, given there's a limited amount of data -- and this is
25 the same situation we're in other places -- the intent of

1 the design of the SDP process was to actually allow for
2 false positives, to try to be designed in a conservative way
3 so that things, if anything, would get screened in, rather
4 than screened out too early in the process, and the one
5 exception you've identified actually fits that mold. It was
6 something that you think shouldn't have gotten in and did.

7 O'NEAL: Actually, I was going to talk about that
8 later, but yeah, this -- these charts actually -- they don't
9 distinguish between whether the issue was screened out in
10 phase one, was assigned a green in phase two or assigned a
11 green in phrase three, for example.

12 GILLESPIE: Initially, then, we have no evidence
13 that the design concept of being conservative is flawed.

14 O'NEAL: Well, we've been actually following the
15 phase two assessments as they've been going, and initial
16 screening, you know -- and I'll get to this on the next
17 slide, but the two phase two inspection findings, the one at
18 Sequoyah and Prairie Island, we're counting those as false
19 positives.

20 What that means is that the initial screen was
21 more conservative than the final safety significance rating.

22 GILLESPIE: That's a positive statement. I was
23 trying to get you to say that, if that was the right thing
24 to say.

25 LOCHBAUM: I thought the goals were reduce

1 unnecessary burden and improve efficiency and effectiveness.

2 FLOYD: That's why you need the phase three
3 review.

4 GILLESPIE: It's an attempt not to have it
5 over-designed but to try not to not identify a safety
6 situation.

7 LOCHBAUM: Saying that was a success because there
8 was one phase one that shouldn't have been there --

9 GILLESPIE: No, what I'm saying is it wasn't a
10 failure on the other side. It was a failure in this side,
11 but it wasn't a failure in the other side, and the system is
12 more tolerant of failures in one direction than the other,
13 because then you'd tumble into the next phases of more
14 detail.

15 DEAN: The intent is for the assumptions to be
16 conservative so that if there is a -- to build on what
17 Frank's saying, it's built into the program for the process,
18 through the SDP, to be a conservative process so that the
19 inspector is making his call on the conservative side but
20 identify the assumptions that went into that, so then the
21 focus of the discussions can be on the legitimacy of those
22 assumptions.

23 GILLESPIE: That's why you have a phase one, two,
24 and three. As you go through the phases, you wring out the
25 conservatism, because you're getting more and more detailed

1 information and it's taking more and more effort.

2 LOCHBAUM: There's four goals -- maintain safety,
3 reduce unnecessary burden -- it looks like getting it wrong
4 on either side --

5 GILLESPIE: But on the other side, developing the
6 perfect -- this failed on the maintain safety side, and
7 developing the perfect screening tool -- we weren't up to
8 it. I mean that's flat-out where I come out. We weren't up
9 to developing the perfect simplified screening tool.

10 So, it's in different phases, which causes you to
11 get into more detail and wring it out as you go through, but
12 it's much better than what we have right now.

13 MALLETT: What I thought I heard, so I don't get
14 confused, was that -- was your first bullet up there, is
15 that you did find the SDP as designed, at least in this
16 mitigation systems area, is appropriately focusing
17 discussion on risk. That's what you did find.

18 GILLESPIE: And that's the positive.

19 O'NEAL: The goal of the effectiveness is to say
20 can the inspection finding be appropriately assigned a
21 safety significant color?

22 MALLETT: And you're saying, from your data so far
23 --

24 O'NEAL: Right. The chart said that the final
25 safety significance categorization, we've agreed that, so

1 far, it's working, but you shouldn't really say, you know,
2 that it's resolved for the overall process yet, because
3 there's still a lot of work ahead to do, a lot of inspection
4 findings to review.

5 But the chart also didn't break down into like how
6 well is phase one, phase two, or phase three working, and
7 so, I'd like just to address that a little bit.

8 Phase one seems to be working okay. Most were
9 appropriately screened as green or determined to need a
10 phase two assessment, and I talked about the one that we
11 felt that should have actually not entered the SDP process.

12 The phase two assessments -- I've already
13 mentioned that it appears to be working conservatively in
14 the sense that the initial screen is showing a higher safety
15 significance than a more detailed later analysis.

16 However, there were -- this data shows that
17 there's only two phase two analyses in the three months, and
18 that's not a sufficient sample size to draw any statistical
19 conclusions about how well phase two is working.

20 Phase three was already addressed a little bit by
21 Morris and talked about how it kind of helped arrive at a
22 final safety significance classification.

23 GRANT: How did you arrive at the false negatives?
24 Did you look at all the phase one's and see if they should
25 have been phase two's and three's?

1 O'NEAL: Yeah, but false negative means that --
2 it's the opposite of a false positive. False positive means
3 that the issue --

4 GRANT: So, how do you arrive at zero false
5 negatives?

6 O'NEAL: Because the two issues that were actually
7 phase two were the only phase two issues, so that those are
8 the only -- the others are either a phase three assessment
9 or a phase one.

10 GILLESPIE: You can't digest data you don't have.

11 BRANCH: They read every inspection report that's
12 been written in the pilot up through that period of time and
13 did an independent review of the description that was in the
14 report, and that's why I made the comment that some of it
15 wasn't -- it wasn't always obvious what they used as the
16 decision point to make the risk call, but they reviewed all
17 the reports, and they said that the inspectors, from what
18 they saw, they were using the process and appropriately
19 screening things in and out of the process.

20 GRANT: So, you looked at phase one issues in the
21 inspection report to determine that they appropriately
22 didn't go on to phase two, based on the information.

23 GILLESPIE: Bill, a lot of this stuff is going on
24 behind the scenes, which is not necessarily visible. Is
25 this effort being kind of accumulated and documented

1 anyplace?

2 MADISON: It will be part of the January
3 submittal.

4 GILLESPIE: I think it's going to be important to
5 capture all the work that's been done for the future, when
6 people say, well, why did you decide that, even if it's in a
7 very fat pile, initially, to be able to go and show the
8 basis.

9 MORRIS: That's a little bit of a daunting task
10 there, and his data set is very limited.

11 For him to say there were no false negatives on
12 the basis that he reviewed all the inspection reports --
13 that means one thing, but what's missing is there was a lot
14 of things that we looked at out there that we never even
15 documented, because we made a mental screen or whatever and
16 decided not to even include it in the data set that he
17 looked at.

18 GILLESPIE: And there's a certain trust in the
19 whole system, and that's no change.

20 Hundreds of decisions are made on the part of
21 inspectors every day on what to look at and what not to look
22 at, and basically, at that level, we're trusting the
23 professional staff to make that decision, and our trust
24 almost always has to be there at that point.

25 BRANCH: That's also in accordance with the

1 program, because we've built that into the process, that if
2 it's minor violations there's no need to run it through the
3 process, so it's built into the procedures in the process.

4 MALLETT: This is only talking about the
5 mitigation cornerstone. What are we doing about evaluating
6 the other SDP?

7 BRANCH: Dan's group, being the risk arm of NRC
8 and NRR -- they were looking at basically the reactor
9 cornerstones.

10 The other individuals have been actually going
11 out, with almost every inspection, when they've been in the
12 field, and I've asked them informally and we're going to ask
13 them for a memo, but they are doing the same thing.

14 They're looking at their inspection reports.
15 They're actually out there in the field and making sure
16 that, one, that the inspectors are not struggling with
17 timeliness of being able to do an issue with their process
18 and, two, that they're making the right calls, and we've
19 asked them for that documentation.

20 So, we'll get that when the pilot's over, and so
21 far, the report is that everything seems to be working in
22 those areas.

23 I know industry's had some comments on safeguards
24 SDP, and we're working that, but that's the data today.

25 GILLESPIE: Okay. Keep going.

1 O'NEAL: Some of the actions that we feel might be
2 appropriate at this time -- of course, we're going to
3 continue to do independent review of all the inspection
4 findings for the pilot plants, and if we continue to see in
5 this gray area of whether or not an issue should be part of
6 the phase one screen or not, maybe that should suggest some
7 training, and of course, we'll look at how the -- try to
8 look at the findings and observations in the report.

9 The phase two methodology -- I think we've talked
10 about that a lot here already.

11 It's one of the really important portions of this
12 process to have a tool that could assign a color to the
13 inspection finding in a conservative manner or at least in
14 an appropriate manner and not to have a tool which could
15 assign an inspection finding in a non-conservative way, and
16 so, it's appropriate to continue to review the phase two
17 methodology.

18 At this time, there is some work going on in
19 research to arrive at some hypothetical test on this
20 methodology and compare it to a more detailed PRA type of
21 analysis, and we'll continue to use it as appropriate and
22 see how it turns out.

23 GILLESPIE: Thank you, Dan. I apologize for
24 rushing us through, but I got us two hours behind schedule
25 for lunch.

1 MORRIS: I just want to point out -- there was an
2 earlier discussion about -- I don't remember what the
3 genesis of it was, but I just want to point out that not all
4 risk-significant issues involve compliance, and so, to say
5 that an issue comes up that may have risk significance and
6 the licensee's going to just take care of it because it's --
7 through 91-18 or because it's a compliance issue and so
8 they're going to put the plant in a safe condition -- there
9 are risk-significant circumstances out there that don't
10 involve issues that fall within the purview of Appendix B,
11 and so, that may not occur. Okay?

12 So, it may be that there is a risk-significant
13 issue that is kind of out of out there with nothing
14 happening to it until we work out way through this long
15 process and eventually conclude that it is something that is
16 risk significant, and I can give you a couple of examples.

17 I just wanted to challenge the notion that
18 instantaneous safety will be made because it's compliance or
19 it's an Appendix B.

20 GILLESPIE: I think the illustration that a lot of
21 people here are familiar with was Sequoyah. It was a design
22 issue. It hit a risk threshold. It wasn't a compliance
23 question and had to be treated, then, in a different
24 regulatory forum than compliance. That hadn't been
25 addressed.

1 MORRIS: I just didn't want to that notion to go
2 unchallenged.

3 GILLESPIE: Sequoyah was an excellent test to that
4 process, because we had to deal with it outside of
5 compliance.

6 BONSER: What we're finding in the SDP process and
7 what we're inserting into the process -- is that what we
8 really expected? Didn't we expect to find regulatory issues
9 rather than some of these Sequoyah-type issues?

10 GILLESPIE: No. Remember, this is a process where
11 we get more engaged, and if we find a safety issue, which no
12 one basically had prior knowledge of, but because we're
13 looking at it differently, we owe it to each other to
14 surface it and get it discussed and get it resolved, even if
15 it's in a design basis framework, that, hey, this wasn't
16 considered in the FSAR, should it be? It's a question on
17 the table. I think it's a positive.

18 It's not outside the system, but it's not a
19 compliance question, necessarily.

20 LOCHBAUM: In October of '96, you asked the
21 licensees to do design basis review. So, why isn't a
22 compliance issue?

23 GILLESPIE: In some cases -- we're actually
24 finding some things with people looking at them differently,
25 like the 100-year flood, that actually was never addressed

1 by anybody in the FSAR.

2 LOCHBAUM: But Sequoyah had a flood back in '96, I
3 believe it was, in the same building, so it was less than
4 100 years.

5 GILLESPIE: That's why it got captured as a
6 licensee performance issue and followed up on.

7 LOCHBAUM: But why isn't that a compliance issue?
8 Because it was a design issue.

9 GILLESPIE: Quite honestly, I don't know the
10 absolute details of it, but as I understand it, we weren't
11 in requirements space, and it might have been something we
12 should have fixed in '96 and didn't.

13 It was this thought process and this process and
14 approach that surfaced the question and is now getting it
15 addressed, I think, very visibly and adequately. I think
16 that the successful resolution is now going to come out,
17 versus whatever happened in the past that didn't get it
18 successfully resolved.

19 LOCHBAUM: And this is a positive over the
20 previous program.

21 GILLESPIE: They've done some things to the plant.

22 LOCHBAUM: Big umbrella?

23 GILLESPIE: No.

24 MALLET: Let me make sure the panel understands.
25 I think the SDP in the Sequoyah case did a good job of

1 focusing us on what the risk was, but the reason it surfaced
2 was not through the inspection program. It surfaced because
3 we had an event.

4 Bob.

5 PASCARELLI: Good afternoon. My name is Bob
6 Pascarelli. I work in Bill Dean's group. I'm the
7 assessment task lead for the assessment program, and what
8 I'd like to do is go through the metrics, and we've touched
9 upon the assessment program today, and I understand
10 yesterday a little bit, so if we have any time at the end,
11 I'd like to talk about some of those issues.

12 The criteria for the assessment program that we
13 set up in the beginning -- we had three of them. The first
14 two we have some limited data for, and the third one we
15 don't have any data for because we haven't done it yet,
16 which is the mid-cycles.

17 The first criteria that we had was can the action
18 matrix be used to take appropriate NRC actions, and are
19 those actions consistent across the regions, and on the next
20 slide, I will show that we do have some data on that, and
21 the answer to that -- the short answer to that is yes.

22 Again, on the third one, it regards the mid-cycle
23 review, and we haven't done those yet. We'll be doing those
24 the first two weeks of December.

25 LOCHBAUM: There was some discussion yesterday

1 about what constitutes a deviation. What is the definition
2 that you're using?

3 PASCARELLI: Deviation from?

4 LOCHBAUM: The very first one.

5 PASCARELLI: Oh, I see. Are the actions taken by
6 the regional offices -- are they consistent with the
7 appropriate column of the action matrix?

8 LOCHBAUM: If the response called for like a
9 branch chief going out and somebody else went out, would
10 that be a deviation or not?

11 GILLESPIE: Bob, I'm going to suggest you note the
12 point being made.

13 PASCARELLI: Yes, I'll note that.

14 GILLESPIE: And should the action matrix say that
15 a meeting on the subject matter should be held between
16 regional management and the licensee or should the action
17 matrix say it has to be a branch chief? That's the question
18 on the table.

19 PASCARELLI: I understand.

20 We've had three instances where we've had
21 assessment inputs that have tripped a threshold, and in all
22 cases, they've tripped white thresholds, and they've been
23 PI's.

24 What we show here is the plant names. We had a
25 PI, it turned white, when it happened, what was the

1 appropriate action per the action matrix, and was the
2 response by the region consistent with the actions dictated
3 by the action matrix, and the answer in those three
4 instances were yes.

5 LIEBERMAN: In the fifth column, where it says no
6 additional followup or supplemental, in the action matrix it
7 uses the phrase "baseline and inspection followup." No
8 additional followup means you already had the baseline
9 inspection?

10 PASCARELLI: Well, in this particular instance,
11 what it was, it was the PI for Harris that Brian talked
12 about earlier, where it was a problem with the reporting
13 periodicity vice a performance problem.

14 LIEBERMAN: Was it white?

15 DEAN: It turned white, but it was an anomaly
16 because we were reporting information on a monthly basis,
17 where a quarter of the information dropped off and we only
18 replaced it with a month of data. We talked about this
19 issue already.

20 LIEBERMAN: I realize that, but the action matrix
21 doesn't give you that choice.

22 PASCARELLI: The procedure does. The assessment
23 inspection manual chapter does give you that option.

24 LIEBERMAN: So, that's different from the action
25 matrix.

1 PASCARELLI: The action matrix doesn't stand
2 alone. It's part of the procedure, and the procedure gives
3 you that flexibility.

4 LIEBERMAN: This is only a summary of the actions.
5 This isn't really the document that we're using?

6 GILLESPIE: Yeah, Jim, you're right. The action
7 matrix doesn't stand alone, it's got a procedure with it,
8 and it needs to accurately reflect as a summary document the
9 intent of the procedure.

10 PASCARELLI: Okay.

11 Move on to the observations analysis, the
12 assessment program has been minimally exercises, that being
13 that we haven't done the mid-cycle, the end of cycle, the
14 agency action review meetings, but we have done the
15 continuous -- what we call the continuous and the quarterly
16 reviews already, and in the case of the pilot program, the
17 quarterly reviews have been done on a monthly review, since
18 we've been getting the PI's in every month, and an early
19 adjustment that we made was we increased the time for the
20 regional assessment to do the mid-cycle reviews and the
21 end-of-cycle reviews and get the letters out, and that was
22 based upon what we considered to be an overly aggressive
23 schedule that we had set up in the beginning and based upon
24 some recent discussions with the region, so we extended that
25 timeframe a little bit.

1 Because the assessment program has been exercised
2 only minimally, we anticipate lessons learned from future
3 mid-cycle reviews, end-of-cycle reviews, and the feasibility
4 reviews that we're going to do next week, the second round
5 of feasibility reviews.

6 Finally, the actions that we've taken so far,
7 issue the assessment inspection manual chapter to the
8 regions for implementation of the mid-cycle reviews. That
9 should be going any day now, and then, also, again, we'll
10 have some additional lessons learned from the mid-cycle and
11 feasibility reviews which will occur soon.

12 That's it. Are there any questions?

13 WIGGINS: Have you thought through how the
14 assessment process would work in an instance where you have
15 PI data and you have inspection data, not all of the
16 inspection data has gotten through the end of the SDP but
17 you're at the end of the quarter or at the end of the year
18 you know, you're in phase two, phase three, so you don't
19 have that answer.

20 What happens then? Does the region punt on that
21 and wait till the next quarter? What happens if you hit
22 this thing right at an interface.

23 PASCARELLI: We have something in one of the
24 exhibits in the inspection manual chapter. We call them
25 assessment follow-up letter, and that assessment follow-up

1 letter would be used for a couple of different purposes.

2 One would be if we issue a report at the end of
3 the quarter, if there were any trip thresholds, then we
4 would issue an assessment follow-up letter which would
5 basically say this is what happened, you tripped a
6 threshold, this is our evaluation of what actions you've
7 taken to date, and this is what we're going to do. That's
8 one instance in which you'd do an assessment follow-up
9 letter.

10 An additional time that that would happen would be
11 if you identify something midway through the -- sometime
12 during the quarter and you had sufficient information to
13 write that letter and say, okay, we have this information,
14 we've taken a quick look at it, and this is what we're going
15 to do, we're going to follow up with supplemental inspection
16 or we're not.

17 So, we would expect those letters to be issued.

18 WIGGINS: So, the process --

19 PASCARELLI: -- continuous, and that's part of the
20 continuous review that we talked about.

21 WIGGINS: So, in my instance, you can write a
22 letter that says, based on what we know now, X is this, but
23 bear in mind, we're still reviewing these things and it may
24 change and we'll let you know, and then, when it changes,
25 you just write the updated assessment. Is that what the

1 concept is? Okay. Good. Thanks.

2 GILLESPIE: Jim, understand the impact of what Bob
3 just described we're creeping into. It kind of gets to
4 really a running assessment rather than something that's
5 keyed artificially to semi-annual PPRs and stuff. You're
6 taking a shot when the information's available. We're not
7 there yet, but it's sticking its head out into the more
8 ongoing approach to it.

9 GRANT: And that's purely looking at the
10 assessment part of it, but what you do with it is very much
11 going to be hinged to the mid-cycle, because you won't have
12 the wherewithal to go do anything about it, even though you
13 send them a letter saying this was bad, you know, whatever
14 the case may be, because you've already --

15 BROCKMAN: Let me put just a spin on that.
16 Certainly -- I'm going to put my division director hat on,
17 as opposed to my pilot plant hat on. I'm going to take a
18 risk to look at this.

19 If an issue evolves itself up and it's higher than
20 some other activity I've got on my plate, I'm going to
21 rearrange the chairs and we're going to go on in the right
22 arena, and that's the right thing to do with the resources
23 you've got.

24 So, you're not going to be captured by these
25 letters. I may have to send out two or three letters that

1 this is changed, this is changed, because this is now higher
2 on the priorities.

3 GILLESPIE: What I'm saying is we're getting into
4 more of a real time -- lining up our processes and
5 paperwork, this creeps into a more real-time process, and
6 it's something we haven't necessarily dealt with, I think,
7 as an institution before. It's different. I think it's
8 positive, but it is different.

9 LOCHBAUM: As the public representative on this
10 panel, I notice that this whole assessment process isn't
11 testing the interface between the agency and the public on
12 assessment results. It stops at the mid-cycle. There's no
13 proficiency to test the meetings, communicating the results
14 to the public. That seems to be a shortfall of the pilot
15 program.

16 DEAN: I think when we get into the information
17 management system, you'll see some of that in terms of how
18 we put the information on the web-page and all that, but I
19 think your point regarding the interface with the public is
20 a good one.

21 Our intent is that -- to continue with the pilot
22 plant process and, at the end of March, basically complete
23 the pilot plant year and then do the annual assessment, as
24 you will, and the public meetings as a result of that. So,
25 that's nothing that is contained within the pilot, but we

1 intend to do that as a continuation of the processing and
2 getting lessons learned.

3 So, for that part of the process, you'll have to
4 wait till April and May.

5 LOCHBAUM: In our formal comments we filed last
6 week, we said that the pilot program seemed to be to ensure
7 that the industry and the NRC were happy with this new
8 program, and there wasn't any or much in the pilot program
9 to ensure that the external stakeholders understood or were
10 happy or pleased, displeased, whatever.

11 It all seemed to be focused on ensuring the
12 industry could do things, the NRC could do things, and if
13 you guys were happy, then the public is implicitly assumed
14 to be either happy or uninformed.

15 DEAN: I think, as I mentioned earlier today, the
16 number of initiatives and things that we have in place to
17 try and capture information -- one of them is to go out and
18 do these focused meetings in the vicinities of all the
19 plants to try and capture that information, in the
20 recognition that we have not had the opportunity to lay out
21 the full program, including that piece of it. So, we hope
22 to capture that feedback directly from interested local
23 citizens and officials.

24 LOCHBAUM: But you'll be asking them to comment on
25 something they haven't seen, because they haven't seen the

1 assessment letter, they haven't seen the assessment
2 conferences.

3 So, I think that's an unfair test. It's good that
4 you're doing it. I'm not saying that's a bad thing, but
5 that's not a fair test of whether the public likes,
6 dislikes, or understands what's going on.

7 BROCKMAN: You're saying something else may need
8 to be considered later on.

9 LOCHBAUM: I mean you could have done all this and
10 just polled these various people about whether they liked or
11 disliked before anything was done, and you would have got
12 various answers, and that's what you're doing on the public.
13 You're not giving the public a chance to review the process
14 and see if they like it or not. You are going out and
15 contacting them, just check off that box, yeah, we didn't
16 contact the public, but you're not giving them a product
17 that they could really evaluate.

18 DEAN: I don't disagree with you, but like I said
19 --

20 LOCHBAUM: You agree with me?

21 DEAN: I don't disagree with you, but the intent
22 is beyond the six-month pilot program that we intend to test
23 that aspect of it down the road, but unfortunately, it's
24 going to be after the pilot program, just because we've got
25 a six-month pilot with a year cycle.

1 BROCKMAN: You can't get the information to the
2 people till the end of the pilot that you're asking them to
3 comment on.

4 FLOYD: The pilot plants have not seen what Dave
5 is talking about that the public hasn't seen either.

6 DEAN: That's right.

7 MALLETT: What data will we have that we don't
8 have now by the end of the pilot in measuring towards this
9 metric? In other words, will we have the mid-cycle -- will
10 you do something with the mid-cycle reviews to determine if
11 this is -- metric is met or not met?

12 PASCARELLI: What we get from the mid-cycle
13 reviews -- that will be fed into our Commission paper that
14 we're going to be working on in late December and January.
15 That will be fed into that.

16 MALLETT: Do you have a list of things that you're
17 going to try and put together before the end of the pilot to
18 assess this area?

19 Because it doesn't sound like, to me, in sitting
20 here listening, that we have much data, and I'm just
21 wondering what we might have by the end of the pilot.
22 That's not a criticism. I'm just asking.

23 PASCARELLI: We can only go with what we have for
24 data.

25 ZANNONI: Are the comments that are going to be

1 due by the end of the year going to be factored into the
2 SECY paper that's going to be dated in February?

3 GILLESPIE: Yes, and that's going to be real
4 critical. Alan's going to have his hands full, because
5 we've got a workshop in mid-January where they're going to
6 get a large volume of input, plus we'll have the public
7 inputs coming in the end of December.

8 RICCIO: And we're not going to have the data yet
9 from the last go-round. We're not going to have a full set
10 of data until February, or is it the end of January?

11 MADISON: The historical data -- what we're
12 utilizing the historical data for is to look back at the
13 thresholds and re-evaluate the thresholds. That process
14 will be included in the paper.

15 RICCIO: I'm wondering whether I'm going to have
16 the data in time and the assessment from the regions as to
17 how well they think this program works prior to me having to
18 issue comments.

19 MADISON: That piece of data is not an input to
20 their assessment of that.

21 GILLESPIE: Alan, can you just highlight, when
22 will you be drawing the official line to end the pilot
23 program to start the evaluation process?

24 MADISON: I think that that's already on the
25 slide. We're doing mid-cycle reviews in early December.

1 GILLESPIE: So, assessment letters should be
2 issued and available --

3 MADISON: -- following those mid-cycle reviews.

4 GILLESPIE: -- following those mid-cycle reviews,
5 by mid-January.

6 PASCARELLI: Before that.

7 GILLESPIE: Okay. So, in December, the mid-cycle
8 reviews and kind of the end of the pilot process, mid-cycle
9 assessment and planning -- by the end of December, should be
10 available.

11 MALLET: So, we should have the mid-cycle review
12 data, looking at this criteria again, which deal with the
13 last item. As far as assessments, you'll have the rest of
14 the inspection reports we issue. Is there anything else
15 that we need to help collect?

16 PASCARELLI: I think that's all we're going to
17 have.

18 ZANNONI: Will this report generated by this panel
19 also be part of the SECY paper that's submitted?

20 MADISON: Yes. And we're also attending the
21 January 10th lessons learned meeting. Those lessons and
22 those comments, which will also feed into this, will be
23 captured and made part of that program. It's a lot in a
24 short period of time.

25 LIEBERMAN: Can we just have a minute or two on

1 the process on how you deviate from the action matrix?

2 PASCARELLI: I can talk a little bit about that.
3 We've put that in the assessment inspection manual chapter.
4 We expect the action matrix to be followed. However, we
5 recognize that there are times when deviation from the
6 action matrix may be necessary, and we've tried to put that
7 flexibility in there, and we've also tried to put some
8 discipline in in applying that flexibility.

9 For example, we have a couple of considerations in
10 the process that we call out.

11 One is, if we have a red input that's not
12 indicative of licensee performance and the agency does not
13 want to take actions that are in the multiple/repetitive
14 graded cornerstone column of the action matrix, also known
15 as the fourth column of the action matrix, that the director
16 of NRR has to confer with the regional administrator, and
17 they have to come to a decision about what actions are going
18 to be taken if they're not going to take those actions in
19 that column.

20 LIEBERMAN: How about the situation when you have
21 a plant that's an all-green but because of human performance
22 issues, safety conscious work environment,
23 cross-cutting-type issues, you feel you need to do a
24 diagnostic inspection? How does the regional administration
25 get the authority to do that?

1 PASCARELLI: Well, we also have a consideration
2 that, if we are going to take any actions outside of the
3 action matrix, we call it a deviation. That same type of
4 process will occur, and the example that you gave, the
5 burden would be certainly on the region to prove that they
6 needed to do a diagnostic evaluation for cross-cutting
7 issues.

8 LIEBERMAN: Who does the regional administrator
9 have to get approval from? The director of NRR?

10 PASCARELLI: The director of NRR.

11 LIEBERMAN: And the director of NRR has to get
12 approval from the EDO, or does the director of NRR have the
13 authority to permit the regional administrator to do that
14 additional inspection?

15 PASCARELLI: The way we have it set up right now
16 -- and it's only a mention in the assessment inspection
17 manual chapter -- we recognize that we have to put some more
18 detail into that, but the way we had it set up was that, at
19 that level that decision will be made, the process of how
20 that decision will be made has not been documented yet. We
21 haven't gotten that far.

22 LIEBERMAN: Can you do that before we go to full
23 implementation?

24 PASCARELLI: I believe we will.

25 LIEBERMAN: Is this the point to talk about the

1 thoughts the staff has on how to incorporate views on
2 cross-cutting issues in this matrix, or is that for another
3 time?

4 GILLESPIE: Well, I'd like to get through
5 enforcement, if we could, and then let's see if we have some
6 time to talk about cross-cutting issues, because I'm not
7 sure what your question is, Jim.

8 LIEBERMAN: My question is that the cross-cutting
9 issues we've talked about, you know, corrective action,
10 human performance, management performance, those type
11 issues, the greens, the items which in themselves are
12 greens, programmatic, whatever, could have potential safety
13 concerns.

14 How is that going to be captured, or are we going
15 to just disregard that completely in this process?

16 GILLESPIE: Bill's committed to closing comments
17 on that.

18 PASCARELLI: We have talked about that.

19 GILLESPIE: Anything else?

20 MALLET: From my perspective, I know I'm a panel
21 member, but I'm also a manager in the region. There is a
22 gap, I think the panel needs to know, between what we just
23 said, that there is a lot of flexibility in the action
24 matrix, and what the understanding is by the managers in the
25 region.

1 The understanding, I think, if you surveyed most
2 mangers, they would say is there can be no deviations from
3 that action matrix, it's too rigid. I think that's what
4 most of them would say.

5 So, I think there's a gap communication-wise that
6 the panel needs to recognize.

7 BONSER: I don't know if this is the right place
8 to insert this, but having done several plant performance
9 reviews, we've told many of the stakeholders that we were
10 looking as a substitute for the SALP. Is this going to be
11 the substitute?

12 PASCARELLI: This assessment program that we have
13 developed will be a substitute for SALP, yes.

14 GILLESPIE: It's not one for one. There's the old
15 oversight process and there's the new oversight process, and
16 I wouldn't want to take any one particular piece of this and
17 say this is a substitute for SALP. It's the whole thing.
18 It's the integral. It's the web-page. It's the
19 information. It's the PI's. It's the results from
20 inspection. It's making the PIM publicly available and
21 instantaneously accessible on the web-page.

22 So, it's an integral here and an integral here.
23 It's not one for one. I wouldn't want to try to represent a
24 one-for-relationship between different pieces. I don't
25 think it's possible. It wouldn't do service to what's

1 trying to be achieved in an integrated program.

2 RING: Frank, I've got a couple thoughts. I
3 somehow missed my opportunity on SDPs to throw back in, but
4 from a regional perspective -- and we've had an awful lot of
5 discussions with NRR on it, but there are some issues we
6 still have yet to reach agreement on.

7 One of them was the discussion Morris gave on
8 instantaneous risk versus the part that includes the planned
9 taking equipment out of service, and I recognize where NRR
10 has ended up.

11 I guess I just -- from the regional perspective --
12 and we've provided this to NRR -- from an inspector's point
13 of view, it's very difficult to feel comfortable with any of
14 the risk usages that doesn't use the instantaneous risk.

15 Now, that's essentially coming from all the
16 inspectors that aren't risk analysis, and the risk analysts
17 are quite comfortable with other uses, but inspectors who
18 are not risk analysts are very uncomfortable with any of the
19 vehicles that don't use the instantaneous risk contribution.

20 GILLESPIE: I think part of that is in the
21 integral of training we need to do, in understanding, and I
22 think we're going to continually work the problem to try to
23 get the understanding out there, because everyone who's
24 associated with the program is not instantaneously going to
25 be on this risk level up here.

1 For the most part, they're down a notch, and part
2 of the program is going to be bringing people along in an
3 understanding of why it is what it is, and I understand
4 that, and I think Bill and the team is trying to deal with
5 it, and it's there.

6 It's new. I don't know -- you know --

7 RING: Wasn't looking for an answer. You wanted
8 our views on this.

9 The other ones are -- one of the questions were
10 can inspection findings be properly assigned a significance
11 rating per the guidance, and one of my concerns there was
12 the criteria you're going to use to judge that I don't think
13 is an appropriate criteria, because it includes,
14 "Additionally, by the end of the pilot, there should be no
15 instances where the SDP enforcement panel changes an SDP
16 determination performed by the regions," and heretofore,
17 those two have not been separate. In other words, the panel
18 was integral to the regional determination. So, it's a
19 meaningless criteria.

20 And then I guess my real concern in the whole area
21 of SDP is there have not been enough examples that have gone
22 beyond green to form much of any judgement about -- two that
23 have really gone very far and maybe another half-a-one or so
24 that we've played with a little bit.

25 In the area of assessment -- and I think you said

1 Bill's going to talk about this earlier -- I guess I've got
2 the same concern that I think Jim brought up.

3 We have difficulty with knowing what to do with
4 the various cross-cutting issues in terms of the action
5 matrix, the SDP, and the assessment.

6 GILLESPIE: I think Bill's going to address that
7 in his closing comments, and I know this is a point of
8 continued discussion, but there are some inherent
9 assumptions that were made in putting the program in place,
10 and we still think the inherent assumptions, I think,
11 collectively, are solid, and we've got special inspection
12 programs in there that look at different things, and the
13 idea that a facility could be completely -- have a
14 completely defunct human reliability program and everyone
15 can do everything wrong and yet it will never show up in
16 anything happening or having any risk significance and
17 everything is going to work 1000 percent -- there's a logic
18 conflict with those two concepts.

19 LIEBERMAN: There's probably people who agree with
20 that, Frank, but everything wrong is not real world either.
21 It's the indicator of things going in the wrong direction
22 and stopping it before -- because it may not be true that
23 things will leak before they break. It may not happen white
24 or yellow before red.

25 GILLESPIE: That's a fair comment. I'd like to

1 let Bill cover it in his closing remarks, because it gets to
2 the role of the regulator and the role of the licensee and
3 who's responsible for doing what, and at what level should
4 we be interdicting ourselves, and who manages the plant, and
5 we don't. We regulate the plant.

6 We're not going to resolve. I'd like Bill -- he
7 can just address it in his final comments. I've got to give
8 him, in fairness, some time to do that.

9 Enforcement, why enforcement's coming up.

10 Let me ask the panel members, because I know some
11 people have to catch some trains and planes, and I do want
12 to try to get through the information for those who don't.

13 We've heard a lot of information today. You're
14 taking away the view-graphs. Probably within a week --
15 we're usually pretty good about getting the transcript on
16 the web, so you have access to it.

17 I have copies of Bruce's input to the draft
18 material. If you would come by, in back of me, I have a
19 folder here with it, and take it for the panel members who
20 are leaving.

21 I would like to ask, if the panel members could,
22 when you go back, so that we can have something to react to
23 in December when we meet -- a lot of information came here
24 today. It may change the words that you wrote in the draft
25 material, which is fine. It may cause you to agree or

1 disagree with the words other people wrote.

2 Could you take that very thick package that Mohan
3 sent out and add your new words to it and annotate it where
4 you agree or disagree with some of the existing words that
5 are in there?

6 For you guys, we'll get you something in Word
7 Perfect, and the reason I'm asking for this is so that Mohan
8 and I could take the next two weeks to try to step back and
9 mold something that people can then beat the hell out of us
10 in December about, that we mischaracterized what they
11 thought, and what I'd do is try to ask you to go through and
12 mark up that package and add your additional stuff on.

13 BROCKMAN: Let me ask you a question -- and I'm at
14 a disadvantage, because I wasn't able to get a sense for
15 what Mohan sent out. I believe it's got everybody's in
16 there.

17 GILLESPIE: We're missing Bruce's and --

18 BROCKMAN: Why don't we just mark up what we
19 submitted, because you're going to take it all and re-mold
20 the whole thing. So, why try to fight through that thick
21 thing?

22 GILLESPIE: That's okay. I just want to make
23 sure, when we leave here today, I know what I'm getting, so
24 when Mohan and I sit down -- if you just re-mark up what
25 you've already submitted --

1 GARCHOW: Why don't we just send another version,
2 Rev. A, of what we submitted, and then he can mold it into
3 the next?

4 GILLESPIE: We'll try to then get it back so
5 everyone sees what everyone else submitted, and we're saving
6 a file on all the submissions.

7 When our final report goes out, we're treating it
8 almost like a rule-making effort. The history of the
9 rule-making or the history of the submissions will be put in
10 the PDR so everyone can see the evolution of the
11 information. We're going to be very --

12 LOCHBAUM: That's not going to be a long line.

13 GILLESPIE: I know, but I'm not going to be
14 accused of doing anything behind closed doors.

15 Now, is it reasonable to ask for such a markup in
16 10 working days, five working days? I'm asking for a
17 consensus.

18 GARCHOW: One week from today?

19 GILLESPIE: One week from today? Would that be
20 appropriate? Is that reasonable?

21 By the way, you're not tied into that. What I'm
22 going to do is try to give Mohan and I about a week to just
23 try to narrow it down and get it into an essence of a
24 conclusion and then an attachment that's coordinated with
25 the conclusion, with maybe the raw comments on it.

1 GRANT: Good luck.

2 GILLESPIE: I know. A week from today. When you
3 read through them and step back and look at them, there are
4 certain ones that are very close and other ones that are
5 wider, and I'm going to ask Heidi to help direct me on how
6 to do this the most efficient way.

7 Is that acceptable, one week from today?

8 BARNES: I won't be back in the office until
9 Thanksgiving.

10 GILLESPIE: That's okay. Then as soon as
11 practicable, but one week from today would be very
12 beneficial, so that we can start molding this into what
13 looks like a report.

14 Thank you.

15 GARCHOW: Frank, for purposes of this agenda, we
16 heard, you know, there's a lot of data holes, not enough
17 information. So, I think it would almost be premature --
18 you had an agenda here, overall conclusion of program
19 ability to work.

20 Well, I mean it's going to be real hard when you
21 put this patchwork together of what we heard.

22 GILLESPIE: I you feel that there's a hole and you
23 don't want to submit it and say, you know, unknown, that's
24 fine.

25 GARCHOW: To give some conclusion today, you had

1 as the agenda item, at the end of the agenda, was some
2 conclusion overall.

3 GILLESPIE: I'm going to skip overall.

4 GARCHOW: There's just too many holes.

5 GILLESPIE: We'll roll into continuing to be
6 sponges and absorb information, but you have an opinion on
7 overall, I very much would like to get your first shot at
8 what that is, so I can start molding it together.

9 Okay.

10 So, a week from today, your best input, e-mailed
11 in, would be appreciated it.

12 Thank you.

13 I had to get that out of the way, because I've got
14 a schedule I'm trying to keep.

15 WESTREICH: I'm Barry Westreich from the Office of
16 Enforcement, and I'm going to talk about the enforcement
17 criteria and where we are with the enforcement program.

18 Our objective was our enforcement actions taken
19 under the management system would be assessment of
20 inspection findings result from the SDP, and that was
21 accomplished by an independent review by the Office of
22 Enforcement, which included regional enforcement people.

23 Basically, the enforcement objectives are, if the
24 SDP concludes an issue is green, the enforcement policy says
25 that we'll use an NCV or minor violation, and if it's other

1 than green -- white, yellow, red -- we would issue an NOV.

2 So, we reviewed the inspection reports, primarily,
3 issues identified in the inspection reports, and concluded
4 that, out of the 42 issues that we reviewed, all of them
5 were NCVs or minor violations.

6 So, that was a 100-percent match-up, and there's
7 -- this is through about the third week in October,
8 inspection reports that were issued.

9 There's one pending -- that pending Sequoyah
10 issue. I put it up there. That's potentially a white,
11 yellow, red, and if that comes out, it will be an NOV.

12 LOCHBAUM: I heard from two NRC inspectors that
13 Sam Collins issued a letter after the Senate's attempt to
14 cripple the agency last year to back off on findings. Are
15 you aware of --

16 WESTREICH: I don't know that Sam Collins issued a
17 letter. Enforcement issued enforcement guidance to focus
18 inspectors' attention on --

19 LOCHBAUM: I've seen that. That's not the
20 document that I was -- I'll have to go back to my notes.

21 WESTREICH: I think some people may have taken
22 that as some sign that they should back off inspection
23 findings. That's not what that document said.

24 LIEBERMAN: To my knowledge, that's the only
25 guidance the agency put out after the Senate hearing. In

1 fact, we had additional meetings or video conferences with
2 the regions to make sure that the wrong message wasn't
3 received.

4 LOCHBAUM: We saw some data this morning that
5 showed a decrease on pilot and non-pilot plants, and it was
6 attributed to improving performance or plants not being
7 0350.

8 GRANT: There are a lot of others things, at least
9 in my region. There was a 5-FTE cut on the reactor program,
10 just a programmatic cut that had been on the books -- you
11 know, coming for two years. So, that's X number of hours
12 that just, you know, weren't available for inspection
13 activity.

14 The other one was an extension of SALP periods,
15 because we suspended SALP.

16 There's more behind some of those than --

17 LOCHBAUM: Senator Domenici's threat was in June
18 of '98, and the reduction after that had nothing to do with
19 -- the 40-percent cut in budget was June of '98.

20 WESTREICH: These are the NCVs, the violations,
21 severity level four-type, that have been issued since May of
22 '98, and our EGM that discussed the things you can to do
23 issue non-cited violations and not require responses, which
24 stressed maybe looking at that guidance a little more
25 closely, came out in July, and so, in the following months,

1 I mean the message may have been out there not to cite as
2 many violations.

3 So, we see a drop here following the issuance of
4 that document, and you see no response violations going up
5 in the following months, because the guidance said, if you
6 can --

7 MALLETT: Let me clarify. From Region II, at
8 least, it was clearly understood that the guidance was not
9 to not cite violations. The guidance was clearly, you have
10 a violation, you identify it. It was how you deal with that
11 after you've identified it that was the change in the
12 message.

13 WESTREICH: That's true. In trying to evaluate
14 this -- and we responded to questions -- there may have been
15 some feeling that --

16 GILLESPIE: Let's not re-hash what happened last
17 fall. It was done in a very public forum. Don't apologize
18 for it. It happened. You fix it. Just keep with the data.

19 GARCHOW: How does this relate to the program?
20 This is a separate subject.

21 WESTREICH: That's right.

22 GILLESPIE: Bill had offered yesterday that he
23 would kind of lay out just kind of a history of what NCV's
24 violations -- and what he was emphasizing, Barry, yesterday
25 was that just because we've converted from level four's to

1 NCVs, that the total number -- because it is being
2 documented -- just because it doesn't have a notice of
3 violation, it still needs to be fixed and addressed by the
4 licensee, and the total number of issues that have to be
5 fixed and addressed by the licensee has actually been very
6 stable, and if I take your graph from about August of last
7 year and look across, while it oscillates month to month,
8 Bill's point yesterday was the number of issues that we're
9 finding at licensees and documenting either via violations
10 or NCVs is relatively stable, and I think that's what that
11 graph shows.

12 GRANT: I just don't see how this has anything to
13 do with --

14 GILLESPIE: It doesn't, but Bill felt that the
15 question came up that we're ignoring stuff because of the
16 new program, and he just wanted to show the graph that said
17 we're not. It's actually very stable.

18 While there's month-to-month oscillations, the
19 number of things the inspection force is finding is still
20 about the same as it has been.

21 FLOYD: I heard a perception yesterday that,
22 because we're not writing level four violations and we're
23 writing non-cited violations, that there is, indeed, a
24 perception that we're backing off and not capturing issues,
25 and this says no, that's not true.

1 GILLESPIE: That's the only reason he asked Barry
2 to bring the graph.

3 We round and round on this last fall, when the EGM
4 went out, which tried to clarify when you have to cite
5 something and when you don't, when you give a licensee
6 credit for having corrected it virtually on the spot, and
7 I'm trying to not have Barry have to rerun three months of
8 interface and discussion from last fall.

9 So, let's take the graph down. It's going to have
10 to be part of the hand-outs now, because we put it in as
11 part of the meeting, and that's one of the rules.

12 SPECTOR: We will insert that slide in the
13 official hand-out. I will make sure you have it.

14 GILLESPIE: Could we make sure somehow we leave it
15 at the front desk in an envelope?

16 SPECTOR: Absolutely.

17 WESTREICH: Observations and analysis -- one of
18 the issue that's been identified and something we've had to
19 continually address during the pilot program is the
20 applicability of 10 CFR 50.9 and severity levels associated
21 with identified violations, primarily the handling of errors
22 identified in PI data.

23 Currently in the oversight process in the pilot
24 program, we're using discretion over minor violations for
25 all PI data errors based on the newness of the program, the

1 historical data was best effort.

2 So, issues that are being identified in inspection
3 reports due to the PI verification inspections are all being
4 either minor or using discretion not to cite.

5 We're going to be issuing an EGM by the end of the
6 month that extends this for the pilot plants until full
7 implementation and also applies this to historical data
8 submitted by all the plants in January.

9 LIEBERMAN: You're going to do that even for
10 situations where it's not because of a lack of understanding
11 or lack of guidance, is just a pure error?

12 WESTREICH: Yes. They're in the pilots, and for
13 some period of time, in full implementation, we plant to.

14 LIEBERMAN: Even if it causes the licensee to
15 cross the threshold, or would have caused?

16 WESTREICH: Yes.

17 BARNES: I have a question for you on that one.
18 When I see the issue, a lot of the data that gets done gets
19 compiled out of logs.

20 It's a timeframe, and I say it's this minute, you
21 know, and I've got this other computer printout, and maybe
22 it says another 30 seconds or 10 minutes, and you can really
23 get into splitting hairs on this thing in terms of accuracy,
24 and I mean, at some point, we're going to have to have a --
25 we've gone through, looked at all the historical, and we're

1 working on the going forward, because I think you could just
2 go back forever and dig in historical and find some little
3 flaw somewhere.

4 GILLESPIE: The historical data, because we have
5 not been accumulating it in the intended purpose -- it
6 should be a best effort, a best effort at reasonable
7 information, and I think Bill and the guys -- they're going
8 to work this, on how do you implement that concept, and the
9 focus then should be on the current data and what you're
10 reporting now, what you're self-designing yourself to
11 report.

12 BARNES: At some point, you've got to draw the
13 line. I hate to say that, but we'll have to just draw the
14 line, say, okay, going forward, this is it, guys, it's got
15 to be accurate.

16 GILLESPIE: The EGM isn't written and we're not
17 trying to write it here. This is the way it's going.

18 GARCHOW: The dichotomy is all of Appendix B is
19 written around reasonable assurance. So, now we're taking a
20 small 30-second, one-minute operator log, 12:59, there might
21 be a computer printout, may or may not be synchronized with
22 his watch, says 13:01.

23 We can say that's trivial, but that is what we're
24 getting into in the field around some of these
25 unavailability times, and I think that's beyond a reasonable

1 assurance.

2 I think it actually tends to dilute 50.9, whose
3 intent was really for somewhat egregious, you know, really
4 big mistakes, and there's a dichotomy, and I think we still
5 need to be having a lot of discussion on that.

6 FLOYD: I guess our comment, just to reinforce
7 that, is that the test of whether it ought to even be in
8 50.9 space is is the deficiency material or not? Does it
9 change the action the agency would take or not?

10 WESTREICH: You can make the argument that any
11 information related to PI data is material because we use
12 that information.

13 WIGGINS: Let me just try this one on for size,
14 and let's move the agenda.

15 Yes, this is an issue that's important, because
16 it's at least an irritant to some of the parties at the
17 table and it does need to be resolved.

18 On the other hand, unless there are some -- I
19 don't see that this can in any way approach a fundamental
20 flaw in the process.

21 Unless somebody can articulate that this is a
22 fundamental flaw, regardless of which way the decision goes,
23 unless somebody can articulate it, we're ready to move from
24 a PPEP and let industry and the staff decide this on an
25 enforcement space separately. Then we can move along.

1 Does anyone think that this represents a
2 fundamental flaw? It's an irritant. We all have our own
3 opinions about what ought to be in this, but regardless of
4 which way it comes out, I think we're all generally in the
5 same place.

6 We think it's more important, we think it's more
7 egregious if it's intentional than if it isn't. The rest is
8 a detail that needs to be worked out, but I don't think it
9 affects the implementability of programs.

10 FLOYD: There's one potential for it being a
11 fundamental flaw, and I don't know how real it is. I've
12 just heard a number of comments by a number of executives
13 that if an unreasonable position comes out on 50.9 -- this
14 is a voluntary data submittal program -- I will choose not
15 to volunteer to submit this data rather than be subjected to
16 a large volume of nuisance violations for items which don't
17 change the agency's action that would be taken.

18 If I move from high in the middle -- high in the
19 green band to, you know, 50 percent of the way through the
20 green band and the action is exactly the same but I'm going
21 to start getting 50.9 violations, I'm not going to play.

22 GARCHOW: And there's licensee officials, like me,
23 who sign documents like these under the auspices of 50.9,
24 and that means something to me personally about having it be
25 said that I had contributed to making a material false

1 statement.

2 FLOYD: It is a potential fundamental flaw. You
3 may not get voluntary data submittal without a reasonable
4 resolution to what's a material issue.

5 BROCKMAN: As far as the program it may be an
6 implementation issue that people choose not to play, but
7 with respect to the program and its capability to function
8 as a program, the 50.9 issue really isn't part of that.
9 It's, as he says, an irritant and it may make people decide
10 whether they want to participate or not.

11 WIGGINS: That's more than irritant. I wonder if
12 the folks that hold that view have articulated it in a
13 proper way yet. Have they approached the staff in that way?
14 Are we aware that people might back out of the program
15 because of this particular matter?

16 FLOYD: It's been raised.

17 LIEBERMAN: It's not only an important issue from
18 the industry point of view.

19 It is also, I think, a public credibility point of
20 view, because if the industry is perceived as being
21 uncomfortable in being held accountable for the data they're
22 presenting to the agency for the system, then are people
23 going to believe the PI data?

24 There has to be a balance there. I don't want to
25 argue and talk about 50.9, but because of things people have

1 said, I think I have to, as being the author of that
2 regulation.

3 It is not a material false statement, but that's
4 what people's reaction is. It is merely information which
5 is inaccurate in some material respect, and it has to be
6 material.

7 Material doesn't mean influencing the agency. It
8 means have the ability to influence, and if you're off by a
9 few seconds, I can't see how that will ever have the ability
10 to influence the agency. It has to be a error and it has to
11 substantive enough that it has a reasonable potential to
12 have the ability to influence.

13 FLOYD: So, if I miss five hours out of -- I'm
14 reporting 1,382 hours unavailable over a 12-quarter period
15 and I've missed five hours somewhere and it doesn't change
16 the threshold, would you consider that to be material?

17 LIEBERMAN: Not if it doesn't change the
18 threshold. If that five hours over 1,300, whatever, is
19 really a noise-type change, then I would probably say that's
20 not material.

21 FLOYD: That's not what your EGM says right now
22 for the pilots. It says it would be issued as a minor
23 violation, which says it's still a violation of 50.9.

24 LIEBERMAN: There is a materiality aspect to it.

25 FLOYD: I'm using my example.

1 GILLESPIE: A reasonable resolution or consensus
2 on this point has to be achieved before full implementation.
3 Is that a fair statement?

4 GARCHOW: Yes.

5 GILLESPIE: You're going to be doing this in
6 public meetings, in a public forum. You guys need to work
7 out how you do it, but I think this panel has enough
8 information to realize the severity of the situation if
9 disagreement continues to exist.

10 LOCHBAUM: On the one issue that was not supposed
11 to have been a phase one criterion, that was basically a
12 50.9, if that had been identified by the licensee that would
13 have been a 50.9 issue. How does the NRC handle those kind
14 of factual errors?

15 WESTREICH: I don't know the issue.

16 LOCHBAUM: Earlier, Dan O'Neal presented some
17 information that looked at a review of the PI's or the NRC
18 inspection findings that have been made to date. There have
19 been 20 or 21, 21 phase one issues. One of those was
20 determined not -- should not have been entered as a phase
21 one finding.

22 If a licensee had made that same error, that would
23 have been a 50.9 issue, but the NRC made the mistake instead
24 of the licensee.

25 LIEBERMAN: Is that an opinion versus a fact? An

1 opinion is not an erroneous statement. A fact --

2 LOCHBAUM: But it influenced NC action. There
3 seems to be a problem with the NRC holding the licensees to
4 different standards than themselves, and that seems to fall
5 into that same category.

6 GILLESPIE: Dave's making a point. It's not
7 necessarily an enforcement point, but it's philosophical
8 point. If we hold the licensee to a certain standard,
9 shouldn't we also hold ourselves to the same standard?

10 MALLET: I'm not so sure this panel, though,
11 should answer that question.

12 GILLESPIE: I'm not sure either, but I understand
13 Dave's point. But you won't have to write an enforcement
14 action against us ourselves. It's the reasonableness
15 approach that you guys have to have a process to work out.

16 GRANT: Frank, are we going to be done on
17 schedule?

18 GILLESPIE: We're almost done with enforcement, I
19 hope.

20 WESTREICH: Another issue for the pilots that
21 we're looking at is enforcement of 50.9 based on some
22 Commission guidance related to how we can cite escalated
23 actions for 50.59 violations, that effectively we need to be
24 able to show that we wouldn't have approved a change or that
25 it was a USQ, which means we would have to do the

1 evaluation.

2 That's causing us some problems on how to evaluate
3 these violations when they're identified, and one thing
4 we're considering is using the significance of the technical
5 issue to determine the enforcement action. So, if the
6 technical issue associated with the change is green, we
7 would call the 50.59 violation green.

8 Our actions are, as I talked about earlier, to
9 issue the revised enforcement guidance, EGM 99-06, to extend
10 through the end of the -- for the pilots through full
11 implementation, to include the historical data submitted.

12 We have some input for the SECY paper that NRR is
13 writing on the whole process. We're going to be making a
14 change to the enforcement policy to include this for this
15 way to treat enforcement for all reactor plants, and we'll
16 be issuing a Federal notice of that revised policy, and we
17 also have to issue enforcement manual changes to address
18 those policy changes.

19 That's it.

20 GILLESPIE: Thank you.

21 Does anyone have one more thing they want to say
22 on enforcement?

23 [No response.]

24 GILLESPIE: Okay. Good.

25 What I'd like to do is suggest -- information

1 technology criteria was on the agenda.

2 DEAN: We're just going to focus on --

3 GILLESPIE: External stakeholders and keep it very
4 limited. I don't think anyone wants to hear about the
5 internal NRC bookkeeping problems. You guys can beat us up
6 off-line, but I think the external stakeholder question is
7 -- is that fair enough?

8 FRAHM: Just in a nutshell, RITS and RPS do have
9 kinks in them, but we're aware of the kinks, and we are
10 going to work through them, and they're both going to be
11 ready to go for full implementation in April.

12 We did have three criteria. I'll go through this
13 extremely quickly.

14 I'm going to concentrate on the first one, which
15 is receiving the PI data from the industry and posting it to
16 the web. The other two are the RITS and RPS that we said
17 we're not going to talk about today.

18 I think Don Hickman already mentioned this, that
19 throughout the program, we did receive the PI's within 14
20 days from the licensees. The issue I'm concentrating on is
21 the fact that not only did they send them in on time but we
22 were actually able to receive them and do something with
23 them. So, that's where we're taking credit here for some
24 success.

25 The PI's were first posted on the web in July '99,

1 and the PIMS and inspection reports weren't made available
2 on the web until October '99.

3 Several reasons for that, one being that the pilot
4 started in June, so inspections -- the first inspections
5 weren't even completed until mid-July, so the first reports
6 weren't issued until mid-August.

7 By the time we got the PIM cleaned up, it was
8 mid-September, and that's how we got to October '99 for
9 posting the data on the web.

10 CHASE: What's the goal you have set for once you
11 have an inspection report in hand and signed off to get it
12 onto the web?

13 FRAHM: I wasn't here for that, but I think Tim
14 Frye already talked about that. Fourteen days?

15 FRYE: Right.

16 CHASE: What about getting it on the web?

17 FRAHM: When we do our quarterly PI submittals in
18 the future, we're not going to update the PIM every time we
19 have a new inspection report issued. When we get the
20 quarterly PIs in, we're going to go out and grab the latest
21 and greatest PIM out of RPS and post it to the web.

22 So, quarterly, we'll be posting the inspection
23 results to the web. That's not a continuous process.

24 GILLESPIE: Whoever can answer this, are we going
25 to be, as an agency, set up to keep the inspection reports,

1 also, not just the PIM but the inspection reports? It's a
2 very nice package right now.

3 DEAN: Yes.

4 GILLESPIE: Okay. Or we're going to try our
5 darnedest to do it.

6 FRAHM: We're going to try to do it, right.

7 GILLESPIE: Okay.

8 FRAHM: That might be a resource problem, because
9 it's not as simple as we thought it might have been, and we
10 were hoping ADAMS would talk directly to the web, and it
11 doesn't. You have to actually go in there and pull the
12 documents out and post them to the web.

13 GILLESPIE: But it is a goal we have set.

14 FRAHM: The one thing I did want to point out,
15 though, is that there are several process differences
16 between the way we handled PI's in the pilot program and how
17 we're going to do it during full implementation.

18 So, in essence, we really haven't piloted whether
19 this is going to work during full implementation. It works
20 fine during the pilot.

21 Let's concentrate on the actions that we have done
22 and still have to do to make sure we're ready for April.

23 We have established the protocol for the
24 historical data submittals, as I think Don Hickman mentioned
25 earlier. That's in NEI 99-02, Rev. D. We're in the process

1 of accepting that as a method of submitting the data in our
2 regulatory issues summary that's in the process right now.
3 Hopefully that will go out within the next week or two.

4 We still have to do the same for the quarterly
5 submittals. We have not done that yet. What we'll do there
6 is we'll develop the protocol and we'll put it into the next
7 revision to NEI 99-02, and then we'll go out again with
8 another regulatory issue summary that accepts that as a
9 method to submit the data.

10 For the historical submittals, what we are going
11 to have the industry is send the data, and it will just be a
12 stream of data, that's all it is, and they will send that to
13 a central e-mail address at the NRC, and once we receive
14 that data, we're going to go in two different directions.

15 One is to put it into ADAMS to make it an official
16 agency record, and the other is to basically take it and put
17 it into RPS, our internal system, which will actually
18 compute the PI's and then post them to the web.

19 So, those are the two different directions the
20 data will go once we receive it.

21 It's obviously important that, before we receive
22 the data, the historical data in January and the first
23 quarterly submittal in April, that we do trial runs maybe a
24 month or so beforehand to make sure we're set to receive the
25 data once it comes in.

1 We will continue to make improvements to the web-
2 page. Hopefully everybody's noticed. Hopefully everybody's
3 seen the web-page, first of all, and hopefully everybody's
4 noticed that, from June to today, it's gotten progressively
5 better and more information available and more readable and
6 understandable, but we continue to try to improve it, and
7 I'm certainly interested in any feedback.

8 The two main holes that we still have is we do
9 want to add assessment letters to the web-page, and I think
10 we talked about that earlier.

11 Basically, that's the NRC responding to across
12 threshold. This is what the NRC is going to do based on
13 licensee PI's and PIM's crossing thresholds, and then also
14 the inspection plans -- we'll post those to the web, as
15 well.

16 We still need to design the overall look of the
17 web and how this is all going to tie together, but I'm
18 confident we'll do it and it will look great, and we're
19 looking for feedback.

20 And the rest of this is the RITS. WE still need a
21 little bit of work on the RITS. In fact, the new RITS codes
22 are going to be available this weekend. They're doing the
23 RITS conversion. So, starting next week, the RITS codes
24 will be available.

25 So, we'll have to test those and make sure the

1 regions are using them properly, and also, RPS -- we've
2 heard over the course of the day -- in fact, I've heard
3 feedback over the past couple of weeks that RPS is broken,
4 it doesn't work, things along those lines.

5 What RPS is is that's where we have our PIM and
6 our inspection plans and a lot of our internal documents, or
7 data, really, they're just databases, but what we need to do
8 in the near future is set up meetings with the RPS
9 counterparts in the regions, and I'd really like to go
10 through and come up with a complete list of what we need to
11 do to make this work and then go ahead and do it, because I
12 believe RPS can do whatever we want it to do.

13 So, let's work together and make it meet our
14 needs.

15 As I said earlier, I really do anticipate that all
16 of our systems will be ready to support full implementation
17 in April. Obviously, we still have some work to do, but I'm
18 confident we'll get there.

19 GILLESPIE: Thanks.

20 Bill, are we ready to do a wrap-up here?

21 DEAN: Yes.

22 GARCHOW: We're not going to do overall program?

23 GILLESPIE: No.

24 Bill's going to touch on overall, but as far as us
25 having an overall discussion, if everyone just gets me their

1 input a week from today, then I'll take a shot at putting it
2 together, getting it out to everyone, and start the editing
3 process, so in December we can come in and you can beat me
4 up for having edited your words wrong.

5 I think the panel got the sense of questions, I
6 think, that were raised. Is there a consensus that everyone
7 had a sense of inspection reports and what should be there
8 and what should not be there and different opinions?

9 BARNES: I think there's still an open issue
10 there.

11 GILLESPIE: Yeah, I do, too. I'm not trying to
12 say the answers, but we understand there's an open issue.

13 The staff's going to be coming back in December
14 when we meet and try to give us a brief update of where
15 everything stands.

16 GARCHOW: That might be the way to solve it,
17 because there's still internal agency discussion on the
18 content of inspection reports. So, you could update us
19 right at the first part of the December meeting, assuming
20 those will have worked themselves through, and there will be
21 an answer.

22 BROCKMAN: Right now, the thing is that it's an
23 issue that has to be totally clarified and brought to a
24 final resolution and well-communicated throughout the entire
25 staff before this thing will run smoothly.

1 GILLESPIE: I agree, and we're getting a snapshot,
2 80 percent of the way.

3 LOCHBAUM: You don't say can't disagree with him.

4 GILLESPIE: Actually, there's a number of things I
5 can't disagree with you either. Of course, that's not to
6 say I agree with you.

7 FRYE: I'll try and make this quick.

8 My name is Tim Frye. I'm back.

9 In addition to all of the process-specific
10 criteria that we've talked about today, we did establish
11 some overall criteria, and they reflect the agency
12 performance goals, the four agency performance goals, and
13 the ideas we wanted to attempt to evaluate of the new
14 oversight process, I guess, fits those performance goals --
15 maintaining safety, enhancing public confidence, being more
16 efficient, and the burden on licensees, if that's
17 appropriate.

18 So, we did establish those criteria, and what I
19 want to do is talk about where we're at with some of those
20 criteria very quickly.

21 The one I want to talk about first is the third
22 one. Overall, are the revised processes more efficient?
23 And this is very similar to what we did for the inspection
24 program resources criteria.

25 I'll very quickly -- instead of just looking at

1 inspection, though, what we're doing is we're looking at
2 inspection, assessment, enforcement, SDP, preparation,
3 documentation.

4 So, we're looking at the overall oversight
5 resources and we're doing similar comparisons, collecting
6 the data similar to what we did just for inspection, doing
7 similar comparisons.

8 We're looking at what was expended for the pilot
9 plants, comparing that to what was expended last year for
10 the pilot plants, and then comparing the pilot plants to the
11 rest of the plants in the region during the pilot program.

12 So, maybe not surprisingly, at least the display
13 of the results looks very similar, and the data looks
14 somewhat similar, too.

15 I guess one thing I want to point out is there is
16 a table that does give all the specifics for this
17 information.

18 Unfortunately, I didn't put it in the main
19 hand-out, but you should have a back-up information package,
20 and about halfway through, there's a section that's called
21 Overall Program that has a lot of my supporting charts for
22 both inspection and overall resources.

23 The very first table is the actual data that went
24 into this chart, if you want to look at it, but I really
25 don't want to focus on the actual numbers. I want to focus

1 on more the results.

2 MALLETT: Who all put into this? Was this the
3 managers or just the inspectors that put into this total
4 revised oversight process resource number?

5 FRYE: Well, the hours are coming right out of
6 RPS.

7 MALLETT: Just the inspectors.

8 FRYE: Yeah. The answer to your question is just
9 the inspectors.

10 MALLETT: All right.

11 FRYE: Just a quick summary, what the data is
12 again, the plant-by-plant breakdown is in your back-up
13 information, but just like inspection, it would seem more
14 meaningful if we averaged it by plant type.

15 The data, again, reflects all the oversight
16 resources -- inspection, assessment, enforcement, prep, and
17 doc.

18 CHASE: On Salem-Hope Creek, you've got two
19 graphs, but are they counted as one or two separate ones,
20 and can you distinguish between the hours for the
21 inspections?

22 FRYE: Hope Creek is a single-unit pilot plant;
23 Salem is a multi-unit pilot plant. That's the way it's
24 being treated.

25 CHASE: They're distinguished, then.

1 FRYE: Right.

2 Again, the data is five months of pilot data, May
3 to October, averaged, again, five single-unit pilot plants,
4 four multi-unit pilot plants.

5 Just a quick refresher again, the first bar is the
6 pilot plant total resources for the first five months of the
7 pilot, second bar is the average of those five single-unit
8 pilot plants for last year, third bar is the average of the
9 non-pilot plants during the five months of the pilot program
10 this year, and there's 26, for example, single-unit
11 non-pilot plants that go into this, and the last bar is
12 those same 26 single-unit non-pilot plants for last year.

13 So, what does all the data tell us?

14 Again, the first thing you can see is, for overall
15 resources, there is a drop from last year to this year for
16 overall oversight resources for both pilot plants and
17 non-pilot plants.

18 For the single-unit pilot plants, there was a
19 drop. Less overall resources were applied to the
20 single-unit pilot plants than the non-pilot single-unit
21 plants. You can see the difference between the first and
22 the third bars.

23 Obviously, for the multi-unit pilot plants, there
24 are more overall resources applied.

25 And the last comparison we can make is, while

1 there was a bigger drop for the single-unit pilot plants
2 from last year to this year, there's a lesser drop for the
3 multi-unit pilot plants.

4 So, what does all that mean?

5 Some of the same conclusions that we reached for
6 inspection, I think, also apply to the overall resources,
7 with a few additional things.

8 First of all, there are some start-up costs that
9 we think are affecting the results, and the same start-up
10 costs that affected the inspection program affect oversight
11 program resources.

12 There was some front-end loading of the inspection
13 program. There is an increased effort to perform these new
14 inspections for the first time, and an additional one that
15 you see in here is the increased preparation and
16 documentation time for the inspections. You can see that in
17 the table that's generating these bars, which isn't
18 surprising, and I think it really had an effect on the
19 multi-unit pilot plants which drive the results the way they
20 did.

21 It's hard to make a conclusion right now, but
22 again, taking all these variables into account, we think the
23 new oversight process, overall, should result in fewer
24 resources, and again, more meaningful resource estimates and
25 more meaningful data will require at least a full year of

1 implementation to truly see what kind of resources the new
2 oversight program would require.

3 I guess those are our conclusions based on five
4 months' worth of data.

5 Before Bill gets to the key issues, I just wanted
6 to mention we do have three other overall criteria --
7 maintaining safety, public confidence, and regulatory
8 burden.

9 We don't really have any data yet to make any
10 conclusions on those, but I just wanted to briefly mention
11 what we are doing in the near term to collect data and try
12 to make those kind of evaluations, and it's really three
13 things -- the public comment that will be asking these kind
14 of questions and collecting public comment and try to make
15 those evaluations.

16 We are also performing an internal stakeholder
17 survey of the NRC staff. That will give us some insights.

18 And the third thing, which we've mentioned before,
19 is we'll be conducting roundtable discussions at the pilot
20 plants at the end of the pilot to get some insight from the
21 public.

22 So, that's where we'll be getting some data for
23 the overall criteria.

24 CHASE: These roundtable discussions at the end of
25 the pilot -- is that the end of this month or the end of

1 May?

2 DEAN: January-February timeframe.

3 SPECTOR: November 30th and December 1st.

4 FRYE: That's all I had about the overall
5 criteria, and I think Bill's ready to discuss some key
6 issues.

7 DEAN: Just to reiterate what Tim said in terms of
8 the overall criteria and trying to assess that, I think I
9 mentioned earlier that those other three criteria -- we're
10 not going to be able to collect hard and fast data like the
11 information that Tim just put up regarding hours expended in
12 terms of trying to assess efficiency of the program, and
13 it's really going to require, really, a qualitative and
14 subjective opinion from all the various stakeholders that
15 Tim referred to, and we're just going to have to collect
16 that information and try and add it all up and see what kind
17 of sense it makes.

18 In terms of what the key issues are from our
19 perspective, I think we had enough discussion about PI
20 verification and the 50.9 aspects of that and the fact that,
21 you know, depending on what resolution we come to in terms
22 of enforcement guidance regarding PI reporting issues will
23 have a bearing on what this program will look like in the
24 future.

25 I want to talk a little bit about capturing and

1 reporting qualitative insights, and by this, I'm referring
2 to the cross-cutting issues that we've referred to several
3 times and essentially problem identification and resolution,
4 human performance issues and safety conscious work
5 environment, and really, what is the level of NRC
6 interaction to deal with observations or issues in those
7 areas, and I think what we have here is a challenge on
8 dealing with the paradigm shift that's associated with this
9 program and the difficulty in instituting change, and I
10 heard a couple things during the discussions today.

11 Jim mentioned the burden shift, okay? This
12 program makes a definitive burden shift to the licensee for
13 those licensees that are within the licensee response band.
14 Issues are identified.

15 If they don't rise to a certain significance
16 threshold, then our expectation is that licensees will
17 capture this information in their corrective action program
18 and deal with the issue appropriately within that, and we
19 will come back and verify that through various inspection
20 activities and so on in the future.

21 Frank mentioned the framework principles, okay?
22 Embedded in the framework principles are the very things
23 regarding thresholds and level of interaction, response
24 bands, and so on, in that a lot of these cross-cutting
25 issues are embedded within the process such that they will

1 emerge if they are problematic in either PI's crossing
2 thresholds or inspection findings of white or beyond in
3 terms of significance, and that is a basic principle of this
4 program, but it's a principle that we are having in
5 application difficulty in accepting, and as I would expect
6 any good inspector to have doubts about something until
7 proven otherwise, I think that's what exists out there, that
8 there are doubts on the part of our regional staff and
9 people in headquarters, as well, and the public, and I'm
10 going to get to that.

11 So, we still have to resolve that issue, and we
12 may have to make -- this whole process -- industry, NEI,
13 public, NRC -- has been a negotiated process in some
14 respects, and we've been in the middle of it trying to
15 mediate issues and come to something that has the
16 appropriate balance in all those four outcome areas, okay?

17 Now, do we do that in every area? Maybe not, but
18 we're certainly doing our best to try and give equal
19 weighting to public confidence, equal weighting to
20 maintaining safety -- actually, the highest is maintaining
21 safety, and efficiency and effectiveness and all of that,
22 okay?

23 It's a balancing act, and we've got to continue to
24 refine the process to make sure that it has that appropriate
25 balance, and that's going to take time, and it's never going

1 to be perfect, but is it going to be good enough, and that's
2 a question.

3 Morris talked about significance determination
4 process gaps. Clearly, we need to develop something in the
5 shutdown area, we need to develop something for containment,
6 and we also need to look at continuing efforts to better
7 risk-inform the non-safety SDPs.

8 We need to better risk-inform that. We're not
9 going to be able to totally risk-inform those. Those are
10 clearly much more deterministic in nature and don't lend
11 themselves well to risk assessment, but there are some ways
12 I think we can better risk-inform those to make those a
13 little bit more congruent.

14 Thresholds: We've talked about performance
15 indicator thresholds, in particular the green/white
16 threshold, and is that the correct place to demarcate where
17 the NRC needs to involve itself more in the licensee's
18 activities, where we transition from just collecting
19 indications and doing the baseline inspection program to
20 doing something that's a little bit more diagnostic, okay?

21 Do we have the right threshold everywhere? I
22 don't know, okay?

23 We're going to get some additional information
24 when we get the historical PI's. We're going to get some
25 additional information as we execute this program more

1 fully, and that's going to continue to be the issue, and is
2 that licensee response band the right band, okay?

3 Are we giving them potentially maybe a little bit
4 too much leeway? Certainly, there's a discomfort there,
5 okay, from both the public and the NRC's inspectors, and
6 we've got to ascertain whether that licensee response band
7 is the appropriate band.

8 Exercising all aspects of the program: As I
9 mentioned earlier, six months is clearly not enough time to
10 exercise all aspects of this program. Twelve months is not
11 enough time to execute all aspects of this program, okay?
12 It may be five years before we exercise all aspects of this
13 program, okay?

14 Procedures: What happens if, okay? We don't know
15 what happens with this program if we get a licensee with
16 degraded cornerstones, because we haven't done it yet, okay?
17 We've established a framework and a process that we think
18 will deal with that issue, that everybody can understand and
19 recognize what it is we're going to do, but we haven't done
20 it yet, and nobody's volunteering for it.

21 Resources: What does it really take? You saw
22 some data that gives us some inkling that perhaps this
23 process is going to be more efficient, okay? Is that an
24 overriding issue? Not necessarily, okay? We want to
25 clearly establish a program that is going to make sure that

1 we maintain safety that we can determine that's acceptable,
2 okay?

3 Not that it's safe, because we can't determine
4 that, right, Dave?

5 So, if there's one thing we've learned from Dave,
6 certainly that's it.

7 LOCHBAUM: Two things.

8 DEAN: Two things.

9 Now, let's go back to what the Commission guidance
10 was to the staff with regards to the oversight process. Is
11 it more objective? Is it more scrutable? Is it more
12 predictable? Is it understandable to the public, and is it
13 more risk-informed?

14 And I think, okay -- and of course, I'm biased
15 because of my personal involvement in this process, but I
16 think that there's no question that, on all those areas, we
17 have improved the process.

18 I think the regulatory framework that we've
19 established does that.

20 It's far improved over what we had in the past,
21 and that's not to denigrate what we had in the past, because
22 what we had in the past is a major contributor to what we
23 have identified as a improved industry performance over the
24 last decade, okay?

25 But you look at all the factors that are

1 influencing what we are doing as an agency and what's
2 happening in industry, it is time to take a look at our
3 processes and do something a little bit different.

4 Is it a perfect process, or is it acceptable,
5 okay? That's what the purpose of this pilot program was to
6 determine. Is this acceptable?

7 We're not going to determine if it's perfect. We
8 know it's not perfect. We know it's not going to be perfect
9 six months from now. But is it acceptable for doing what we
10 want it to do, okay?

11 We can't step back from a process that I think
12 everybody can agree has made improvements in all these
13 areas, okay? We cannot go back to where we were before.

14 We've got to move forward, but we've got to refine
15 this process to make it the appropriate tool so that it is
16 an acceptable process for us to oversee the nuclear
17 industry.

18 Now, the question is can we, the NRC, apply the
19 discipline to execute this program properly, and I think,
20 David and Jim, you guys have raised that issue in the past.
21 It wasn't so much the process, but it was our wherewithal to
22 be able to implement that process the way it was intended,
23 okay?

24 We've got to be able to do that. We've got to
25 show the discipline as an agency that, when performance

1 indicates that a licensee is in a particular area, that we
2 take the actions that we think are warranted, and there's a
3 clear burden on the licensees that they can show that they
4 have the discipline and the wherewithal to accept the
5 responsibility that comes with this program developing
6 something like a licensee response band where we, the NRC,
7 have to have the trust and feel the comfort that we can turn
8 an issue over to a licensee and they'll resolve that issue
9 appropriately, and that whole trust issue, you know, between
10 can the NRC do what it is that we think that we should be
11 doing and the public thinks we should be doing and can the
12 licensee do what we think they need to do to make this
13 program work -- that's the real issue, and we're not going
14 to know that, okay? We're not going to know that in April,
15 okay?

16 We're not going to know that for a number of
17 years, whether everybody can do that, okay? But I think we
18 owe it ourselves to apply this program and try and find out
19 if we can apply that discipline.

20 So, time will tell. The devil's in the details.
21 We've heard a lot of detail stuff. We're working on
22 details. We're going to continue to refine issues.

23 We're all not going to agree with where we fall
24 out on resolution of issues, but by golly, we're going to
25 make a best faith effort to make the best balanced approach

1 that we can have that can appropriately impact all the
2 stakeholders.

3 Last but not least, future events: I think we've
4 talked about all these.

5 The feasibility review we're doing next week to
6 execute and exercise some of these parts of the program that
7 we can't -- we have not yet had the opportunity to execute,
8 particularly event response and how those types of issues
9 that emerge from event issues can be processed through the
10 assessment process.

11 The internal survey to ascertain from the regions
12 their feelings regarding the pilot program and how it meets
13 the four outcome goals.

14 A lessons learned workshop where we all come
15 together as one body to try and deal with those issues that
16 have been identified as key lessons learned and are they
17 fatal flaws, are they things that need to be corrected
18 before full implementation, and what needs to be done to
19 correct those.

20 Public meetings, the roundtables that we've talked
21 about to try and solicit the public feedback.

22 We've got a Commission paper and briefings that we
23 hope to have by February -- the paper by mid-February, the
24 briefing by the end of February.

25 And develop the communication protocols. I talked

1 earlier about all the communication that's taking place
2 internally and externally with this process. We cannot drop
3 that level of communication as we go into full
4 implementation.

5 We've got to establish the appropriate protocols
6 to deal with industry, to deal with the public, to deal
7 internally with now a large body of 100-plus plants now
8 providing us insights and information about the oversight
9 process, as opposed to just nine sites.

10 So, a lot of work ahead of us, we're making a lot
11 of progress, but I think we're heading where we need to go.

12 GILLESPIE: Bill, the view-graph before had the
13 word "gaps" up there. Gaps, I don't think, should be
14 interpreted as a void.

15 To go back to something that was said earlier for
16 containment issues, it means we're going to the SRA and
17 we're consuming more good talent. It's inefficient. It's
18 not necessarily evident of an absence. We're dealing with
19 issues that come up in fire protection and in containment.

20 So, I don't want people to leave with the
21 impression that a gap is -- there's nothing there. It's
22 being beat to death with a lot of smart people versus being
23 more systematic and lined up with kind of a more
24 programmatic, procedure-like process.

25 The last element, I think, that Bill didn't touch

1 is, in 1988, we reformatted the inspection program in an
2 environment where there were 10 to 12 scrams a year at a
3 SALP-1 performer, and if you look at the limits and the PI's
4 and the thresholds that we're setting today, that's a whole
5 different perspective.

6 The industry couldn't meet the standards we're
7 expecting everyone to meet in a voluntary program 10 years
8 that we're expecting to meet today.

9 We are in a different environment. It really was
10 time, I think, to step back and look and change, and part of
11 the premise that human factors, human elements, and other
12 things should be seen in these indicators is the fact that
13 the overall indicators are at performance level not pictures
14 as being achievable 10 and 15 years ago under the
15 fundamental program which is kind of the current program,
16 and so, there's an overall context in the limits we're
17 trying to set and push, are much more restrictive than they
18 would have been many years ago.

19 What we accepted as acceptable many years ago
20 would likely be red on these charts. It's kind of an
21 interesting concept to think about.

22 RICCIO: You're ratcheting it up.

23 GILLESPIE: George Apostolakis, at ACRS, at our
24 first briefing, looked me in the eye and said this is
25 probably the biggest ratchet that's ever taken place, but I

1 think, in cooperatively doing this in a public environment
2 with the public and with the industry, it was time to reset
3 our image, reset our goals, reset our focus. So, it was
4 time to do this.

5 I think it would have been intolerable to say we
6 were continuing with the same standards from years ago on
7 today. We needed to reset. There's such a drastic change
8 in the external environment we're working within.

9 With that, I'd like to thank the staff. I'd like
10 to thank the regional people for coming in. Everyone should
11 walk away shaking hands and being friends. There was some
12 emotion exclaimed to me in the halls.

13 I think a vigorous interface in or out of context,
14 I think we should all go away and keep in context the views
15 that were expressed, and I think, as a panel, I do
16 appreciate it, but everyone should go away feeling good
17 about the information, I hope, that transpired today.

18 I hope the panel feels they got some information
19 they didn't have before, and we look forward to your input
20 in about a week.

21 I believe the next meeting is the 8th and 9th,
22 because NEI has a workshop on December 7th. So, 8th and 9th
23 are the meeting.

24 [Whereupon, at 4:07 p.m., the meeting was
25 concluded.]

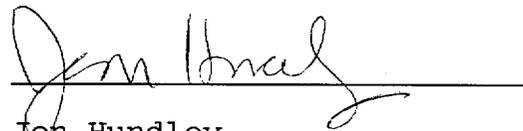
REPORTER'S CERTIFICATE

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

NAME OF PROCEEDING: PILOT PROGRAM EVALUATION
 PANEL MEETINGS

PLACE OF PROCEEDING: Rockville, MD

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings.



Jon Hundley

Official Reporter

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