

1 UNITED STATES OF AMERICA  
2 NUCLEAR REGULATORY COMMISSION

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4 ROUNDTABLE PUBLIC MEETING ON  
5 THE REVISED REACTOR OVERSIGHT PROCESS

6 Homewood Suites  
7 Mallard Room  
8 100 MacAlyson Court  
9 Cary, NC

10 Thursday, January 20, 2000

11 The meeting commenced, pursuant to notice, at 7:05 p.m.

12 PARTICIPANTS:

13 AUGUST SPECTOR, NRR

14 WILLIAM DEAN, NRR

15 JOSEPH BRADY, Senior Resident Inspector, Sharon  
16 Harris Plant.

17 ROBERT HAGAR, Resident Inspector, Sharon Harris  
18 Plant

19 BRIAN BOSNER, Branch Chief, NRC Regional Office,  
20 Atlanta, GA

21 WELLS EDDLEMAN, North Carolina Citizens Research  
22 Group

23 P R O C E E D I N G S

24 [7:05 p.m.]

25 MR. SPECTOR: I'm August Spector, and I'm with the Nuclear  
Regulatory Commission, from the Washington Office, the Office of Nuclear  
Reactor Regulation. And I'm one of the members of the Task Team that's  
in the process of developing the revised reactor oversight program.

Tonight we have this public meeting, we're going to make  
this different than maybe other public meetings that you might have  
participated in.

We will try to be as informal as we possibly can. We're  
kind of sitting in a circle, and we're calling this a roundtable  
meeting. That's as round as we can get, I think.

We had a meeting a few months ago, I think, in July, in the  
same room, in fact, where we had people from the community, from the  
utility, et cetera, and we talked about the revised oversight process.

That was at the time that we were beginning our pilot  
program. We'll be talking a little bit more about that in a moment.

What we decided to do was to hold another meeting at each of  
the sites, and Cary is one of the areas where there is a site, the  
Harris site, as you all know. What we want to do is give you an update  
as to what the program is about and what has happened so far, and  
basically to get your input.

So we're really looking for your input -- for an opportunity  
now to have a dialogue. In order to do that, we invited some people  
that we had on a list. These are community leaders, public officials,  
mayors, town council people, et cetera, representatives in the  
community, and interested citizens who have indicated in the past that

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1 they were interested in participating in these kinds of meetings.

2 We also have people here from the utility, and other NRC  
3 offices. So people who read about the meeting in the newspaper and  
4 heard and decided to come down.

5 So we have invited some of the people and they're sitting at  
6 the roundtable. The way we're going to run this is, first, Bill Dean,  
7 who is in NRR, and he's a Division Director up there -- are you Division  
8 Director?

9 MR. DEAN: Not unless I got promoted.

10 MR. SPECTOR: You got promoted?

11 MR. DEAN: Thanks for promoting me.

12 MR. SPECTOR: He's Branch Chief. Well, the next step.

13 But, seriously, Bill is the in charge of this program. And  
14 he's going to spend a little time giving the introduction and overview  
15 of what this program is about.

16 Then, I'm going to facilitate this roundtable, and we'll  
17 talk a little bit more in detail about that. It will be an opportunity  
18 for you to participate and ask questions and have a dialogue.

19 Let me just ask, before we get going, is there anybody out  
20 in the audience who was sent a letter, an invitation letter to come?

21 [No response.]

22 MR. SPECTOR: Great, okay. Bill?

23 MR. DEAN: In as much as Augie is trying to promote me, I am  
24 a Branch Chief, not a Division Director, so if you are familiar with the  
25 NRC structure, Division Director is a couple of levels above me.

26 But be that as it may, he is correct that I am the Branch  
27 Chief for the Inspection Program Branch, and under my responsibilities  
28 is the development and implementation of this program, and working with  
29 the Regional Offices and the inspectors to try and implement this  
30 program and get it so that it is an appropriate tool for providing  
31 oversight of nuclear power plant operations.

32 Now, the last time I made this presentation up at  
33 Fitzpatrick up in New York, given the fact that I know a lot about this  
34 program, I tended to talk a lot. So I'm going to try to be a little bit  
35 more concise and allow more for the portion of the meeting where we hear  
36 feedback from you, the interested public, which is really the main  
37 reason that we are here.

38 And we did send out information to a lot of you, so I hope  
39 you've had a chance to some reading and review that material or perhaps  
40 visit our website and gain some familiarity of our new oversight  
41 process, but I am going to spend a few minutes to try and cover it.

42 I'm going to cover basically who we are, the NRC, give you a  
43 brief review of the revised program, and then we'll get into the  
44 roundtable discussion. And we're not going to limit discussion to just  
45 the people sitting at the table; we will also solicit feedback from  
46 people in the audience.

47 But it is important to note that the focus of this meeting  
48 is on our new oversight process. Certainly I am aware that there are  
49 some very important issues here dealing with expansion of the spent fuel  
50 pool at the Sharon Harris plant.

51 It is my understanding that we have scheduled a public  
52 meeting that was just scheduled yesterday, so it should be showing up on  
53 the website fairly soon.

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1           It's for the 28th of February, and I believe that's going to  
2 be held at the Susan McKinney Conference Center at North Carolina State  
3 University on the 28th, so there will be a public meeting to discuss the  
4 NRC's activities associated with licensing, consideration of the  
5 licensing of the Harris plant for additional fuel storage at a future  
6 date.

7           But that is not one of the topics; we do not have the right  
8 people here to talk about that, either the technical reviewers or the  
9 licensing staff. So, that's not a subject of this meeting.

10          But the focus is on our oversight process. And with us here  
11 today to help us from the NRC, we have Joe Brady, who is the Senior  
12 Resident Inspector at Sharon Harris; we have Bob Hagar, who is his  
13 Resident Inspector, and Brian Bosner, who is the Branch Chief in the  
14 Regional Office in Atlanta, that's responsible for the Regional  
15 implementation of our inspection program.

16          And they have all been very much involved in the development  
17 and implementation of this new process at the Harris Plant, and will be  
18 able to hopefully share some of their insights as we go on and get into  
19 questions about the process.

20          Just really briefly -- and the reason we put this slide up  
21 about who we are is that from some of our earlier presentations when we  
22 first started talking to the public in the local vicinities of the power  
23 plants that were involved in this pilot program, people didn't know who  
24 the NRC was, a lot of people.

25          They didn't know that there was a federal agency that was  
responsible for overseeing nuclear power plant operations and with the  
charter to protect the public health and safety. So this slide really  
describes who it is that we are.

We're a federal agency with a budget of about \$500 million,  
and probably less than 3,000 employees, give or take, with four Regional  
Offices, one of which is in Atlanta, and a headquarters office in the  
Washington, DC area, or, Rockville, Maryland, to be more specific.

And the purpose of this organization is to oversee the use,  
the peaceful use, of nuclear material and nuclear power, both in power  
generation, as well as things like medical uses and things like that.

So it's a fairly broad charter to assure public health and  
safety, and one that is of great import to our people, to assure that  
public health and safety.

Let me talk a little bit about our current oversight  
process. You have to have somewhat of a feel of what that process is  
before you can really grasp what it is that we're trying to do with the  
new process.

In our current program -- and I'm talking about things like  
inspection, enforcement, assessment, performance assessment, those types  
of processes are processes that have been developed somewhat  
independently over time.

Our assessment process, those of you who are familiar with  
something called the SALP, or the Systematic Assessment of Licensing  
Performance, that was the methodology by which we every two years or 18  
months, some period like that, we would sit down and look at plant  
performance over the past couple years and try and ascertain what does  
all that mean?

What do all those inspection reports mean, and all those

1 findings and observations that we have in terms of what does that mean  
2 about plant performance? And we would come out with this SALP report  
3 that gave numerical criteria.

4 It really was a fairly subjective process. We overlaid that  
5 with other processes.

6 We have something called a Senior Management Meeting, which  
7 was a process whereby senior managers would meet every six months and  
8 they would look at information developed on each of the plants, and sit  
9 around and cogitate on what all that information meant to them, and then  
10 come out of that meeting with what we think these plants should be on  
11 the watch list for, which are the plants that receive the highest level  
12 of attention from the Agency because they are plants that we consider to  
13 be in a poor-performing state.

14 And so that was another process that got overlaid. And we  
15 had our enforcement process where issues emerge at a plant. How do  
16 those issues go through the enforcement process and you end up with a  
17 civil penalty?

18 Basically, all of these processes were loosely linked, but  
19 not really integrated. So that was one aspect of our current program.

20 Our insights about plant performance were based pretty much  
21 just on inspection results. Our inspection activities from the  
22 Region-based inspectors and the resident inspectors at the sites, those  
23 were the insights that we gained about plant performance and nothing  
24 else; nothing really objective; subjective opinions about what does all  
25 that mean, all these inspection findings.

Our process was compliance-oriented. We have quite a  
lengthy collection of regulations, rules and regulations by which plants  
have to operate. And our focus many times with our inspection process  
was not so much geared towards what is safe and what is not safe, or  
what is risk-significant or what is not risk-significant, but does that  
comply with the regulations?

And that comes from a basis that if you comply with the  
regulations, then you must be operating the plant safely. And though  
that premise is not necessarily incorrect, it has a tendency sometimes  
to focus our attention and the attention of the licensees on just  
complying with the regulations and not necessarily focusing their  
attention and resources on what is the most safety- or risk-significant  
thing we ought to be focusing upon?

And so we're altering our approach to be more oriented  
towards what are the most safety-significant items and operations we  
ought to be focusing our attention on, so we get the most bang for our  
buck from our inspectors.

And enforcement, I mentioned enforcement earlier. In our  
current process, enforcement was kind of a separate entity, and things  
would come out of the enforcement process, like civil penalties and  
violations, and then those would find their way into the assessment  
process.

So the outcome of enforcement was finding its way into  
driving assessments. And that's really not the right thing.

Enforcement ought to come out of the assessment process; how we assess  
plant performance, how we assess those issues that occur in that plant,  
& enforcement ought to be an outcome.

So that's our current program, and that gives us a little

1 bit of a baseline as to what our new program is going to take. It's  
2 important to recognize that our Agency is and has been over the past  
several years, in a period of transition.

3 I mean, everybody is aware of the efforts on the part of  
4 Congress to reduce resources, and the NRC had been affected by that just  
like every other government agency. So we've got to look at how we've  
got to do things smarter.

5 What should our goal and our mission be? So over the past  
6 couple of years, we've developed what we believe are four key outcome  
measures or outcome goals for the Nuclear Regulatory Commission.

7 And the first one, obviously, is the most important: We  
want to maintain safety.

8 Now, just looking at that on face value, maintain safety,  
9 yes, sure, that makes sense. But that is a shift in the philosophy of  
this Agency, and it's important to understand the subtlety of that.

10 Heretofore, we were essentially attempting to try to -- we  
11 saw that there was something that needed to be worked on, or it that  
might have been a potential problem and we would drive towards  
12 resolution of that. And the focus was to make industry better and  
better and better and better, okay?

13 Well, there is a law of diminishing returns. And how much  
14 effort are we trying to expend in order to achieve even a modicum level  
of increase in safety?

15 So, if one were to look at the safety performance of this  
16 industry over the past decade, and you look at some of the more  
substantial measures of safety like challenges to safety systems,  
17 significant events, reactor scrams and automatic shutdowns, radiation  
exposure to the workers; if you look at all those measure over the past  
decade, you see a substantial performance trend increase. In other  
words, performance has gotten a lot better in a lot of these broad  
measures of safety performance.

18 Given that level of performance, given things like  
19 Congressional mandates to be more effective and efficient, we've got to  
drive ourselves to focusing on what do we need to do to maintain this  
level of safety that exists?

20 We believe that we have a good level of safety overall in  
21 the nuclear power industry. We want to be able to at least maintain  
that level of safety. So that is a subtle change, but it is meaningful.

22 Enhancing public confidence: Okay, given all this  
23 transition and all this change, we've got to assure ourselves that the  
public has confidence in what we're doing and how we're trying to go  
about overseeing, in this case, nuclear power plant operations.

24 The purpose of meetings like this is to try and listen to  
25 you, the public, and get a feel for what are the things that we do or  
don't do that you're aware of, that either enhance or degrade public  
confidence in the NRC's activities?

That's not a case of promoting nuclear power or being  
anti-nuclear power, but recognizing that our mission is to assure public  
health and safety from the operation of nuclear power plants. What can  
we do to better assure public confidence in what it is we're trying to

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do?  
Improve our efficiency and effectiveness: Okay, clearly in  
times of budget constraints, we've got to do things smarter, and that's

1 a big element of this program, to try and be smarter, and how do we  
2 expend our resources?

3 And the last one is reduce unnecessary regulatory burden.  
4 This one sometimes rankles people because, well, you're just trying to  
5 reduce what industry has to spend and be less of a pain to them.

6 In any regulatory body like the Nuclear Regulatory  
7 Commission, clearly there is a regulatory burden. And it's intended to  
8 be a regulatory burden because without a regulator, then you would have  
9 an industry that would be going along unfettered.

10 And when you're talking about the use of nuclear materials,  
11 clearly, you want to have an appropriate amount of regulation to assure  
12 that they're operating the plants safely and doing the right thing.

13 But within that whole regulatory structure, and I described  
14 earlier, a broad set of rules and regulations that have been developed  
15 since the beginning of initial construction of nuclear power plants a  
16 number of decades ago, that there are things within our regulations and  
17 within our rules that are probably not appropriate in today's day and  
18 age with a more mature industry, and that we need to focus our attention  
19 on assuring that we are applying the appropriate regulatory burden.

20 So, we want to look at reducing unnecessary burden, not  
21 reducing the needed regulatory burden, and that's an important  
22 consideration.

23 So now that I have described what our current process was,  
24 and some of the objectives that we have as an agency in terms of outcome  
25 measure or outcome goals, let me just highlight a couple of things about  
26 our new process, our new oversight process.

27 It's a single, integrated process. We don't have that  
28 collection of different processes that have developed over time.

29 It's a logical framework, and it's intended to focus our  
30 attention and the licensee's attention on those things that are most  
31 pertinent and most critical to assuring safe use of nuclear power, and  
32 for assuring the public health and safety.

33 It provides for a collection of information in all the key  
34 areas. In a minute, I will show you a diagram that provides you with an  
35 overview of what these key areas are.

36 And we have tried to establish objective standards for  
37 performance with a recognition as to what is going to occur in terms of  
38 what are the Agency's actions going to be if the licensee were to exceed  
39 these objective thresholds.

40 So, these are important considerations with our new process.  
41 Now, let me just show you an overview.

42 If you have any questions as I'm going along, if you need  
43 something clarified, please feel free to ask. Hopefully you all in the  
44 back can see that.

45 But I mentioned earlier about a logical framework. This  
46 process was developed really in two ways: It was developed from a  
47 top-down approach, as well as a bottom-up approach. And what do I mean  
48 by that?

49 From a top-down perspective, we went to what is the major  
50 goal of this agency? It's to assure the safe use of nuclear power to  
51 protect the public health and safety. And that's our overall safety  
52 mission, and that's what you see at the box at the top.

53 Working down from that, within our strategic plan, just like

1 businesses have strategic plans, we, the NRC, have a strategic plan that  
 2 takes our mission and breaks it down into what we believe are the key  
 strategic performance areas that we need to focus our attention on.

3 And there are three of them: Reactor safety; radiation  
 4 safety; and safeguards. Okay, so those things flow directly out of our  
 Agency's strategic plan, and goes back to our very mission to assure  
 public health and safety.

5 Now, underneath that, you have a list of seven things which  
 6 we call cornerstones of safety. And this is where the bottom-up look  
 at, which took a look at historical performance problems at plants, what  
 7 our current inspection program was, and all of those things that we have  
 gained through experiential use.

8 What we meant from the top-down approach, we said we've got  
 9 these seven cornerstones of safety, and if we take these from left to  
 right, they make a logical pattern as to how we're approaching  
 regulation.

10 At the very left is a cornerstone called Initiating Events.

11 Clearly, we want a process and a program that will minimize the amount  
 of initiating events that occur -- reactor scrams, safety injection  
 12 signals, reactor trips, equipment failures, those types of things that  
 would cause safety systems to actuate; we want to minimize those events.

13 As you move over, if there is an event that occurs, nuclear  
 power plants have mitigating systems, systems that are designed to  
 14 mitigate that accident to assure that the core is covered with water, to  
 assure that the control rods insert to control reactivity, to assure  
 15 there's not a release to the public. And those are the mitigating  
 systems.

16 So if there is an initiating event, we want to make sure  
 that those mitigating systems are reliable and available.

17 Now, let's say that a mitigating system were to fail. Well,  
 all nuclear power plants have three major barriers to prevent release of  
 18 fission products to the environment, the key element in assuring public  
 health and safety. We don't want to release nuclear materials to the  
 19 environment.

20 You have the fuel itself, you have the reactor coolant  
 system which contains the coolant in the containment itself, and you  
 21 have -- I mean, the containment itself that prevents release if there  
 were to be a break of the reactor coolant system. So you have three  
 22 major barriers.

23 And that's the barrier integrity cornerstone. We want to  
 assure that those barriers are whole and that they are maintained  
 properly.

24 And finally, under reactor safety, given that a barrier were  
 to fail, what exists at a nuclear power plant to provide another added  
 25 level of assurance for public health and safety? That's the emergency  
 preparedness plan.

Okay, we have to have an effective emergency preparedness  
 plan so that the licensee can do the proper thing in terms of notifying  
 the public and taking the proper protective action recommendations, if,  
 26 by god, there was a release of material. So those all fit under  
 reactor safety.

The two under Radiation Safety are basically the public and  
 occupational, to minimize the release to and the exposure of the public

1 to nuclear materials and to minimize the exposure of those plant workers  
2 at the site.

3 Then, finally, we have Safeguards, which is really the  
4 physical protection. That's the armed guards to prevent the intrusions  
5 and those types of activities where you're concerned about terrorists  
6 and things like that, so to protect the safeguards at the plant in terms  
7 of physical protection of the material.

8 And lastly, underneath are three items that we call  
9 Cross-Cutting Areas. These are items that we could not, in and of  
10 themselves, say this is a singular cornerstone, but these are things  
11 that cut across all those cornerstones.

12 You have human performance, and clearly human performance  
13 affects everything that occurs at any complex industrial activity.

14 A safety-conscious work environment: And by that, I mean,  
15 an environment where workers feel free to raise issues without fear of  
16 reprisal from their management.

17 Lastly is problem identification and resolution, and  
18 probably the most important aspect of the cross-cutting issues in terms  
19 of you need to be able to identify problems. I'm talking about the  
20 licensee here identifying problems, resolving those problems to prevent  
21 recurrence.

22 So, those are the three cornerstones or cross-cutting areas  
23 underneath all of these cornerstones. So that's our regulatory  
24 framework as it applies to this new oversight process.

25 Now, what does all that mean? I mean, what is the public  
going to see?

Let me give you a couple of examples here: Certainly you're  
going to see public meetings like this that would provide direct  
information and an opportunity for you to provide input.

You're going to see performance indicator data, and I'm  
going to talk about that in a second, which is available on our website.

And you will see periodic reports which will be published, as they  
always have been, but will also be available on our website.

So we're trying to provide greater access, and a greater  
volume of information that's presented more timely for the public to be  
able to digest and understand.

Now, let's talk a little bit about the website: How many  
people here have actually had the opportunity to get into our website  
that shows performance indicators? Excellent, several of you there. We  
will be interested later in getting your feedback about what you think  
about that and what we can do to improve that to make it more accessible  
and understandable.

I know you can't read very well from where you're sitting,  
unless you're right up front, but this is an overview of part of that  
web page. And this is the web page that deals with performance  
indicators.

A big part of our process that we've added is objective  
measures, indicators of licensee performance in each of the seven  
cornerstones.

And up at the top here, you've got the seven cornerstones of  
safety that I just talked about, and how they relate to those strategic  
& performance goals.

And underneath that, we have performance indicators



1 measuring activity in each of those areas. But it is important to  
 2 understand that these performance indicators are not, in and of  
 3 themselves, the measures of plant performance, and, in fact, if I was  
 4 going to assign a percentage value, I would say that at best, they maybe  
 measure about 20 percent or so of plant performance as it relates to  
 safety.

The majority of our input comes from our inspection program,  
 and I want to show you a slide here in a second on that.

That's kind of a lead-in to this slide which basically is a  
 real graphical, high-level overview of our oversight process. But  
 basically we have information that we get from performance indicators,  
 and the bulk of our information comes from inspections.

And those feed something that we call the Action Matrix.  
 And the purpose of that Action Matrix is to take the information that we  
 get from both inspection and performance indicators, and where we have  
 performance that is declining, as either evidenced by performance  
 indicators crossing thresholds, or inspection findings of risk  
 significance that occur, the Action Matrix then demonstrates or provides  
 the NRC with the guidance it needs to how is it going to approach  
 additional regulatory oversight of that licensee.

So, this is a basic overview, but out of the Action Matrix  
 comes the impact on the licensee.

Now, within our program, our inspection program, we have  
 what's called a Baseline Inspection Program. This is another depiction  
 of our website. This not quite what it looks like. The one I had  
 previously is a better description of what it looks like.

But I wanted to show you at the bottom, the other piece of  
 that web page that's very important. And that is the inspection  
 results.

Basically what you have there under each cornerstone, we do  
 inspections every quarter, that covers aspects of each of those  
 cornerstones you see. What you'll have is the most recent quarter's  
 inspection results, and then the previous three quarters, so basically a  
 year's worth of inspection will be displayed on this, and the color will  
 tell you what the most significant finding is in that area.

So, for example, here, under the cornerstone of Barrier  
 Integrity, three quarters ago, we had a yellow finding, which means we  
 had a finding of some risk significance.

You could then, in the web page, take your mouse, click on  
 that, and that would take you right to that issue, a description of what  
 that issue was. From there, you could then click onto a link to the  
 actual inspection report, if you want to get into more details about  
 that item and what the inspection consisted of that discovered that  
 issue.

So this is an attempt to try and allow the public to link  
 from what we consider to be the most significant inspection findings in  
 each area in each quarter for the past year, and be able to link  
 directly to what that issue is, and even get into the inspection report,  
 if you need to.

Now, colors: You will see on this graph that there is green  
 and white and yellow. What does all that mean?

Here's what it means: And this applies both to performance  
 indicators and inspection findings.

1           What we're trying to do with this program is relate a risk  
2           characterization to the colors. So a licensee who has got performance  
3           indicators in the green, and their inspection findings are green,  
4           doesn't mean that they don't have problems or issues.

5           But what it means is that those problems and issue that they  
6           have are of a low safety significance such that we, the NRC, believe  
7           that they are within the licensee's own corrective action process to  
8           handle, and that the NRC will conduct its baseline inspection program,  
9           which is an inspection program that will be consistently applied across  
10          all reactor sites across the country.

11          And we believe that that baseline inspection program is the  
12          appropriate level of regulatory action and regulatory involvement for  
13          that licensee.

14          Now, as performance degrades, they come down into a white  
15          band. Let's say a performance indicator in a certain area, let's say,  
16          reactor scrams; let's say they get a couple reactor scrams over the  
17          course of a year so that they trip a threshold. That may cause that  
18          performance indicator to enter into the white region or white band,  
19          which is the regulatory or regulator response.

20          In this area now, we will provide additional response and  
21          additional inspection resources to better understand why is it that you  
22          tripped that threshold?

23          Okay, and what this points out is that our process has been  
24          in the past, somewhat diagnostic-oriented. In other words, we do an  
25          inspection, we'd find an issue, but we want to understand what that  
26          issue was and what the licensee is doing about it, no matter what the  
27          significance of the issue was.

28          What we're trying to do is be smarter with our resources,  
29          and not expend energy on trying to get to the bottom of very minor issue  
30          that occurs, but let's focus our attention on those issues that are more  
31          substantive in terms of safety significance. And that's what this does.

32          As you get into the yellow band and the red band, you're  
33          getting into increasingly degraded performance, and performance that is  
34          degraded across more of the cornerstones, and clearly that requires a  
35          greater response from this Agency.

36          So if you had a plant that had red, bad performance, you  
37          would see things like team inspections. You probably would see major  
38          meetings with the licensee, with the Regional Administrator or Executive  
39          Director of Operations of the Agency.

40          So here we're talking about plants that are akin to like  
41          problem plants or watch-list plants. So that kind of gives you just an  
42          overview of how we intend to respond as licensee performance degrades.

43          Now, what have we done to test this out? We've conducted a  
44          pilot program, and we've conducted this at nine sites across the  
45          country, basically two in each Region. Here in Region II, one of them  
46          was the Sharon Harris plant, just south of there. And we also did  
47          Sequoia, which is a TVA plant in Tennessee in Region II.

48          And it was a six-month program that we started at the end of  
49          May, carried through to the end of November. And it was a good chunk of  
50          time to be able to test out a lot of these processes. Now, was it  
51          adequate time to learn everything about the program? Absolutely not.

52          Now, are there more things that we're going to learn as we  
53          go through grater implementation of this program? Sure we are.

1 But the purpose of this six-month program was to test out  
2 these concepts and test out the processes that we put in place to see if  
3 these things are workable to the extent that we feel comfortable that we  
4 can go forward with implementing this program at all the sites across  
5 the country?

6 And that's where we are now; we're in the process of  
7 evaluating our results from this pilot program, collecting feedback from  
8 all of our stakeholders, and then taking our issues before the  
9 Commission and getting the Commission's buy-in on whether to go ahead or  
10 to do more testing or whatever of the process.

11 Basically we're at the end of our pilot program, and we're  
12 looking towards heading towards a full implementation of this program at  
13 all sites, to that we can gather a lot more information and develop the  
14 process further.

15 Now, what have we done to solicit public input? We've done  
16 a variety of things. Those of you who were here in July know that we  
17 had initial meetings at all the sites where this program was being  
18 tested, all the pilot sites, to inform the public as to what this  
19 process was.

20 Okay, we're coming back now to all the sites, and this is  
21 the seventh, I believe, Augie, is that correct, the seventh out of nine?  
22 We've got two more to go next week?

23 MR. SPECTOR: Yes, sir.

24 MR. DEAN: We're visiting all the sites and doing a more  
25 focused effort to try and solicit feedback. We've actually sent  
26 information to people, we've invited people that are either local  
27 officials or interested members of the public, so that we make sure that  
28 we've got a group of people that have shown an interest in the operation  
29 of the power plant, and will take the time to hopefully learn and  
30 understand the new process.

31 We've had a number of public workshops. We just had one  
32 last week in Washington that we called our lessons learned workshop  
33 where we brought together state officials, public interest groups like  
34 Union of Concerned Scientists and Public Citizen, NRC staff, industry  
35 people, all to get together and look at all the issues that have  
36 emerged, the major issues that have emerged from this process, and to  
37 discuss what should the approach be to resolve those issues, and are  
38 these issues that should be resolved before we go into initial  
39 implementation? It was a very productive and excellent workshop.

40 And we've had something called the PPEP, or Pilot Program  
41 Evaluation Panel, this was basically an independent advisory committee  
42 panel that consisted of public interest group representatives, state  
43 representatives, industry representatives, and NRC managers, all in a  
44 panel to provide an independent assessment and overview of what  
45 information was coming out of our pilot program, and to provide their  
46 own independent assessment to the Commission about whether they thought  
47 this program was ready to move forward to the next phase of initial  
48 implementation or not.

49 We also had a Federal Register Notice that was basically for  
50 the whole length of the pilot process, up till the end of December, to  
51 solicit public comment, and we also had our external web page.

52 So there are a lot of things there that we've tried to do to  
53 inform and solicit feedback from the public.

1           Where are we now? This says Future Events, and, of course,  
2 this is a multipurpose slide, and some of these things have actually  
3 already occurred.

4           The internal survey was a survey of our own internal NRC  
5 stakeholders, inspectors and Regional managers, about the process. What  
6 is their view about this process, and does it meet those four  
7 performance goals? Will they feel comfortable that we have something  
8 that's going to maintain safety? And we got a lot of good insights from  
9 that, and it gives us some direction as to where we need to go.

10           Our lessons learned workshop, I just talked about; public  
11 meetings like this one. We're developing a Commission paper, and we'll  
12 brief the Commission, and right now that Commission meeting is scheduled  
13 for the first of March. That will basically be a rollup of all the  
14 lessons learned, what does it mean about our process and our program,  
15 and what is our recommendation in terms of going forward and seeking the  
16 Commission's approval or disapproval or however they want to weigh in.

17           And then there is initial implementation. This is the  
18 opportunity now to take what we've learned from the pilot program,  
19 refine our process, and now let's go out and do this at every site in  
20 the country and gain more information and be able to even better refine  
21 the process because we're going to get a lot more information from doing  
22 this at a lot of plants than just nine plants.

23           I want to leave you with, I guess, one message before we get  
24 into the roundtable discussion. That's the fact that whether it's the  
25 old process or the new process, it's very important to recognize that  
this Agency's role is to place a continued emphasis on safety and on  
safe plant operations.

We've got strict standards. Those aren't changing. The  
licensee is required to adhere to those strict standards and rules.

Daily monitoring: We have Senior Resident and Resident  
Inspectors at all the sites. They aren't leaving, okay? We're going to  
continue to have onsite inspectors at all of our sites.

We've developed clear and more consistent objectives which  
focus our attention more on those things that are pertinent to safety.  
That's a very important aspect of this new program.

Hopefully the monitoring results that we provide are going  
to be easier for you to understand and allow you to come to your own  
judgment about plant performance as well.

And there is a recognition that enforcement is now an  
outcome of the process. Enforcement is not a driver; enforcement is an  
outcome.

If you have a plant performance problem which is evaluated  
to have some risk significance, then enforcement will be an outcome of  
that.

So, with that, I'll like to ask if there are any questions.

You know, there will be a lot of questions that come up and we will  
certainly answer them, but if there is any particular question on this  
presentation or something that I have said that either bothers you or  
you don't understand, I'm willing to try to answer it now.

[No response.]

MR. DEAN: Okay, excellent.

MR. SPECTOR: Thank you very much. Before I begin, we have  
a sign-in sheet, so if you haven't signed in already -- some people have

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1 -- there's one in the back of the room. I'm just going to start passing  
2 this around.

3 If you'd be kind enough to sign in, we would appreciate  
4 that. And also, as I'm getting ready, I'd like to put up the website  
5 address, if you want to copy that down, if you don't have it. Feel free  
6 and go into it on the Internet. I'll come back to that in a second.

7 What we're going to do on the roundtable is try to have some  
8 rules, so to speak, some guidelines for the roundtable. Basically, the  
9 purpose of this, as I indicated earlier, is to gain insight and feedback  
10 from everybody here, from people in the local community.

11 As Bill indicated, we have been to seven plants already. I  
12 think this is the seventh. That means we have two meetings next week.  
13 We had one last night in Illinois, and we've been to Nebraska. We've  
14 been all over the country.

15 Next week we're going to New Jersey and Chattanooga,  
16 Tennessee, so those will be the last two plants. We're doing the same  
17 thing at each of the sites, and that way we're getting information.

18 The purpose of the roundtable discussion is to consider and  
19 look at the revised oversight process. As Bill indicated, there are  
20 other issues, spent fuel and other issues that are in this local  
21 community and in other plants with other issues.

22 But we're concentrating on the reactor oversight process, so  
23 that's the direction of this particular meeting. So the discussion is  
24 going to be based upon that.

25 I'm going to try to moderate the discussion, and get  
everybody to talk and call on a first-name basis, and that's the way  
we'll do it.

We'd like everybody to contribute. First of all, we'll  
start with the people at the table. If you want to talk, what we'll  
start out with is, you take the tent card, and kind of put it up like  
this. I'll see it, and that's just so I have your first name or  
something, and I'll see it and then I'll call on you.

While somebody's talking, you might want to respond, and  
I'll make sure I call on you. That will be easier that way.

And then eventually we'll just open it up to general  
discussion. This will be informal.

We do have a Court Reporter, and the reason for that is,  
he's taking dictation, what's transpiring at the meeting. And we're  
going to make that available to anybody who would like to have a copy.

If you'd like to have a copy, see me after the meeting, give  
me your name and address, and in about two weeks -- it takes about two  
weeks to get it back from the company that does the Court Reporting, and  
we'll mail you a copy. It will be part of the public record and go into  
the Public Document Room, but we'll send you a copy directly, and you'll  
get it a lot faster that way.

The reason we have the Court Reporter is so that we don't  
have to sit around taking notes. If we have to take notes and kind of  
remember what everybody said when we get back, to try to analyze the  
input, we're going to forget something. So this way, we have it. So  
want everybody to share and that's it, okay? That's what we have the  
Reporter here for.

Does anybody have any questions at all about that?

[No response.]

1 MR. SPECTOR: Okay, what we have is a series of questions  
2 previously sent to you. We're not going to ask all the questions. We  
3 found out that some of the questions are kind of redundant. Instead,  
4 we'll cut out some of the questions. So if anybody would like to have  
5 the questions, we can make that available. Otherwise, I'm just going to  
6 hold them up on the projector and that will be a lot easier.

7 So if anybody wants a copy of the handout of the questions,  
8 just raise your hand and we'll get it for you.

9 Okay, I'm going to repeat the question so that we can get it  
10 on the tape for the Court Stenographer. And these basically are the  
11 same questions that we asked in the Federal Register Notice.

12 We realized that people provide input to the Federal  
13 Register Notice. We got quite a few piece of information from all over  
14 the country, but a lot of people in the local communities didn't have a  
15 chance to do that, or didn't do it for one reason or another.

16 So, we're asking basically the same questions. The first  
17 question is very general:

18 Do you believe that the new oversight process, from what you  
19 have heard, from what you know about it from looking at the web page, et  
20 cetera, will provide adequate assurance that plants are being operated  
21 safely? Any comments on that?

22 Yes?

23 MR. EDDLEMAN: I'm Wells Eddleman, I'm Staff Scientist,  
24 North Carolina Citizens Research Group. We might as well get that on  
25 the record.

26 I don't even know that you can find out from the website,  
27 whether the NRC thinks that the process is working. I was interested to  
28 hear the assessment that only about 20 percent, as Bill Dean indicated  
29 in his personal opinion, I gather -- and I understand that's  
30 guesstimating, you know, would be in the so-called objective indicators.

31 And, of course, there would be concern about them being  
32 fudged. But I think it's almost impossible. And one of the reasons I  
33 think so is just on the face of this thing, so many of these performance  
34 indicators don't have a red line.

35 You can't get in the red for security violations. You can't  
36 get in the red for radiation protection violations. Chernobyl qualifies  
37 to continue operating under these regulations for radiation protection.

38 It doesn't make any sense. And I mean, I could go on, but I  
39 want to let other people have a chance to speak. But one of the very  
40 interesting things I found, or two things from the NRC website: One is  
41 that the system for accessing documents doesn't work, the Adams System.

42 I understand that everybody is all over that.

43 [Laughter.]

44 MR. EDDLEMAN: But without that, you can't get a lot of this  
45 background. But the other thing that was very interesting is, I went in  
46 and I was looking for regulatory assessment performance indicator  
47 guideline draft, which is on the website.

48 But when you go to look, it gives you the address, NRR  
49 Oversight, NEI Guidelines, PDF, and there is no PDF file. There is  
50 nothing there.

51 ANNE RILEY & ASSOCIATES, INC. NEI is the Nuclear Energy Institute, the public relations  
52 and lobbying arm of the nuclear industry, and why they're writing  
53 guidelines for the NRC, I would like to know.

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1 MR. SPECTOR: That is on the website, those guidelines are  
on the website. It's a PDF document.

2 MR. EDDLEMAN: It's not there. You get a blank screen and  
3 there's no way to download it. I tried it this morning four or five  
times.

4 MR. SPECTOR: Okay, we'll talk about the website, the  
5 details later. Maybe that's a problem, but I don't know if it is or  
not.

6 MR. EDDLEMAN: But it did give me that name. I did get that  
right. But, Bill, you might want to address that.

7 MR. DEAN: Let me address two things that Wells raised,  
8 because they are very good issues. And one is that some performance  
9 indicators don't have a red line, as you will.

10 And in the development of this process of looking at  
11 performance indicators, one of the things that we tried to do with this  
12 process is better risk-inform the process.

13 And some of the performance indicators, particularly those  
14 that do not deal with reactor safety-type issues, like systems and  
15 transients and things like that, but the things that are traditionally  
16 the non-reactor safety areas, emergency preparedness, health physics,  
17 security, that they don't have -- there does not exist, a document which  
18 is one of the things we call a probabilistic risk assessment, which is  
19 an assessment of the reactor systems and their contribution to safety at  
the plant.

20 So that exists for mitigating systems and things like that,  
21 so you can make a link to risk. For those that are the non-reactor  
22 safety areas, that linkage to risk is much more difficult.

23 So what we're working on is more deterministic criteria.  
24 And so there was nothing that we could really link to -- for some of  
25 those PIs, that would be indicative of what red performance would be,  
that if someone were to cross a threshold, green to white, or white to  
yellow, then that would be a substantial enough recognition that there  
are major breakdowns in that program that would require the NRC to go in  
and inspect in great detail, why these issues exist.

But is there a direct link to safety in potential for core  
damage? That link can't be made, so there was a discomfort on the part  
of the framework-builders of this process for some of these PIs that are  
not directly related to a probabilistic risk assessment to give that red  
threshold.

MR. EDDLEMAN: Are you saying you basically have to be able  
to lose the plant in an instant to one of these things before it's  
eligible to have a red line?

MR. DEAN: No, no. What I'm talking about is some of the  
support areas that are ancillary to nuclear power plant operations that  
don't have, in and of themselves, a direct impact on the potential for  
core damage, but, for example, like safeguards where you're talking  
about perimeter measurements.

And you have to recognize that with performance indicators,  
performance indicators are not, in and of themselves, a comprehensive  
measure of plant performance in that area. But their name says a  
performance indicator, and so basically they're just indicative in a  
small piece of performance in that overall cornerstone of performance.

And so we wanted to at least be able to have objective

1 indicators for all the cornerstones going forward. Some of them are  
2 more meaningful than others in terms of how they relate to risk at the  
plant, and for some of them, there just isn't that link.

3 Well, okay, I have at least two concerns about what I think  
you're telling me, and let me just bounce them back to you.

4 One is -- I mean it's well known that it's harder to assess  
5 risk of things like sabotage or security problems or so on in a PRA and  
also the PRA process of course has its own weaknesses. You can't just  
6 rely on that, but the other thing that also concerns be a great deal is  
that this appears to be abandoning defense-in-depth because if your  
7 security isn't what it needs to be and the terrorist shows up that day,  
then you could lose the plant.

8 MR. DEAN: I would like to address that. We are clearly not  
abandoning defense-in-depth. That is a major element of the NRC's  
9 regulatory philosophy.

10 There's other pieces of the process. There is something we  
call a significance determination process, and what that is, that's a  
11 process by which we assess inspection findings to ascertain what does  
that mean in terms of risk significance so the scenario you described,  
12 if there were to be, say, a drill at a plant, an exercise to see whether  
terrorists could get access to a plant, and depending on what barriers  
13 they could get through and what areas they could have access to, those  
things would be assessed through the significance determination process,  
14 and so there you could have a red finding, a yellow finding, and there's  
where you would see the linkage to safety significance, in other words  
15 where is it that this guy -- terrorist can get access to that could  
impact systems that are important to plant safety.

16 MR. EDDLEMAN: Well, that sounds logical but most of the  
things I have seen on significance determination -- I have looked at as  
17 many documents as I could readily get hold of -- seemed to show the  
nuclear industry fighting like crazy to be able to reduce the  
18 significance of anything that goes wrong, and, you know, as you were  
saying before, when you focus on something the industry tends to focus  
19 resources on it.

20 MR. DEAN: That's right.

21 MR. EDDLEMAN: Well, it is a lot easier to send lawyers and  
public relations people to argue that a thing doesn't have safety  
22 significance that it is to figure out how significant it is and maybe  
you have to do something about it.

23 MR. DEAN: Which is why it is important in this process that  
we develop criteria that are objective, which is what we have tried to  
24 do with our significance determination process, and with performance  
indicators so it is clear when you have crossed a threshold, there can't  
25 be any argument you have crossed a threshold, whereas in the past you  
could always argue back and forth about, well, we didn't really not  
comply. We really had this in place and so on and so forth.

That is one of the objectives of this program is to try and  
eliminate some of that back and forth and let's be clear as to what the  
threshold is. If you cross the threshold, here is the action we are  
going to take, and hopefully not get into that give and take that we  
have in the past.

26 MR. SPECTOR: Mel, you had a comment on this?

27 MR. FRY: Not on this subject. You asked the question do we



1 have adequate insurance. I don't know if I have enough information to  
2 be adequately insured or uninsured.

3 I was aware that you had the meeting back in the summer. I  
4 spent my full time in health physics so I am aware of what is going on,  
5 but the level that I am aware of it at is pretty low. When the State  
6 Liaison Officers from all the 50 states were in Washington, Bill made a  
7 similar presentation to us there, and I began to get some indication  
8 part of the pilot was to assess how aware we as public people were of  
9 what is going on.

10 MR. SPECTOR: This meeting is part of that.

11 MR. FRY: Yes. I haven't had enough exposure and I don't  
12 have enough information to tell you whether I am assured or not.

13 MR. SPECTOR: Okay. Some of the questions that we are going  
14 to get into later on deal more specifically with how much information,  
15 et cetera.

16 MR. DEAN: I want to get back to one other point that Wells  
17 made and that is the NEI issue.

18 MR. SPECTOR: Yes.

19 MR. DEAN: Wells mentioned that the guidance that exists  
20 right now for collecting and reporting performance indicator information  
21 is contained in an NEI or Nuclear Energy Institute document. This  
22 process has been a very open and in a lot of respects cooperative  
23 process between the NRC and all of its stakeholders and in particular  
24 industry in trying to put together a process that is reasonable and  
25 appropriate.

The performance indicators are a voluntary program.  
Licensees do not have to report the performance indicators. If they  
don't report performance indicators, what that means is that the NRC  
will then do additional inspection to gather the information that we  
would otherwise get from the performance indicators, so one of the  
reasons why that is an NEI document is that this is a voluntary industry  
initiative to report this performance indicator information to us.

Now the guidance that exists is guidance that we, the NRC,  
have worked to develop and have come to an agreement with industry is  
this is what we want you to report and how we want you to report it, so  
it's been a very open process in developing that guidance. It has gone  
through a lot of review. We have gotten public feedback and we continue  
to get public feedback and, as a matter of fact, I have got with me a  
number of the issues that were raised at our Lessons Learned Workshop  
last year, which a number of these issues are issues raised by the  
public with respect to performance indicators and things that we will  
take to try and enhance the performance indicator process.

But it is a unique situation. We have gotten this feedback  
from other people is that we would have more confidence if you, the NRC,  
were the ones who issued that guidance, that it was the NRC's guidance,  
okay?

What we do with issues like this where there is a voluntary  
initiative by industry to improve performance and set down guidelines  
that all of industry is expected to meet is that guidance documents like  
this are given to the NRC and the NRC uses a regulatory tool like a Reg  
Guide, Regulatory Guide, or some other device that says we agree that  
that is the appropriate type of guidance and the way you should report,  
for example in this case, collect and report PI information.

1 We have done that and we will do that when the final  
2 guidance is developed later this year, before we get to initial  
3 implementation, so there will be an NRC imprimatur, if you will, but the  
4 guidance document is an NEI guidance document that has been developed in  
5 concert with the NRC.

6 MR. EDDLEMAN: I don't want this to go on forever.

7 MR. DEAN: Right.

8 MR. EDDLEMAN: But I guess it's hard for me to understand  
9 why the NRC chose not to -- if you have confidence in these indicators,  
10 which I have less than you apparently do, but if you had confidence in  
11 them, why don't you require them to report them?

12 You require them to comply with your other regulations,  
13 don't you, at least in theory?

14 MR. DEAN: I mean I can't answer that question. That is an  
15 issue that we will bring forward to the Commission as an item that says,  
16 you know, basically says from a public confidence point of view why  
17 don't we have a rule or regulation that says we require you to report  
18 performance indicator data, and that is what that would take would be  
19 for us to develop a rule to do that, and in our efforts one of the  
20 things that I put up as our performance goals is unnecessary regulatory  
21 burden, so there is a balance there, where are we in public confidence  
22 space by not issuing a regulation and where are we in unnecessary  
23 regulatory burden by not making it a regulation and making it a  
24 requirement and having all these pages and pages of regulations that are  
25 essentially, you know, rules and regulations that have to be followed.

It is a fine line and it is something that the Commission in  
a number of areas is wrestling with and this is an example of one.

Rick, did you have a comment?

MR. GIVENS: Yes, I did. Just quickly, on the performance  
indicators --

MR. DEAN: Could you just introduce yourself?

MR. GIVENS: I am Rick Givens. I am the Chairman of the  
Board of Commissioners in Chatham County, and on the performance  
indicators, you talk about the different colors and I come from a  
background of airline pilots so we have red, green, white dowels all the  
time, but my question was how did you arrive at what standard you would  
go from, say, it was in green to white to yellow, red? Is that a  
cooperative effort of the inspectors, the NRC, the plant?

Who came up with the values that said I am only half-way  
safe today. I am talking if we are talking safety -- I am only half-way  
safe today and then this crossed the line? Where did the variables come  
in and who set the standards I am interested in.

MR. DEAN: Okay. That is a good question.

First of all, let me talk about the green/white threshold  
because that is the lowest threshold before you go from utility response  
band to NRC response, beyond the baseline inspection program.

What was done to develop the thresholds for many of the  
performance indicators was to go back during the period of time from  
1995 to 1997 and look at the historical information that existed for  
those performance indicators that had information at that time, things  
like safety system failures, safety system unavailabilities, scram  
rates, so a number of those performance indicators are things that have  
been reported for quite a period of time, so we had a good body of

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1 historical information.

2 Well, what we did was we looked at a distribution curve of  
3 performance and what we looked for is what is the tail piece of that  
4 distribution curve where 50 to 10 percent of the plants fall? In other  
5 words, you would have 5 to 10 percent of the plants that would be  
6 outliers from nominal industry performance, and that is what we used as  
7 a cut-off, if you will, for the green/white threshold.

8 So that threshold is probably less risk-informed than the  
9 yellow and red thresholds, which are related more specifically to  
10 specific agency risk calculations -- in other words, what impact of  
11 having a certain number of these types of events would contribute to a  
12 certain level of risk to the plant? -- and that is what the yellows and  
13 reds are, so those are much more based in risk information for those  
14 things that pertain to reactor safety items.

15 For those items, for example emergency preparedness,  
16 security, safeguards -- those thresholds were developed from more of a  
17 deterministic and experiential basis and so those are ones that did not  
18 have a good history of basis behind them, and in reality the pilot  
19 program has really been the first testing of those performance  
20 indicators.

21 One of the things that we are going to do later this month,  
22 and in fact tomorrow, all the nuclear power plants in the country that  
23 have not been reporting performance indicators, so we have 103 plants --  
24 thus far we have been collecting them from the 13 at the nine sites --  
25 we are going to get information on all the plants from the last couple  
years. They have gone back and done basically a best faith effort to  
try and take the guidance for reporting PIs that have existed over time  
and report that information to us.

We are going to use that information to better define in  
particular the green/white thresholds as we go forward, so we are going  
to take a better shot to try, now that we have a wider distribution and  
more information we can get a better distribution curve and better set  
that first threshold where your criteria basically still be the same,  
that you're looking where five or ten percent of the outliers.

MR. DEAN: Right.

MR. FRY: So, you anticipate that from your total database,  
good plants and bad, that 95 percent of them will be in the green  
historically.

MR. DEAN: Ninety to ninety-five, and it will depend on how  
the data falls out. You may have -- you know, some may be a normal bell  
distribution curve. Some may be -- I forget what the -- you know, where  
you just have kind of like a long tail and then everybody peaks up here.

It depends on what the distribution is. But, basically, we're looking  
for those people that are outliers from industry norms.

MR. FRY: That's contrasted with 50-50 or --

MR. DEAN: Yeah.

MR. FRY: -- 95 the other way.

MR. DEAN: Right. And the only -- there is an exception to  
that right now. It's one that we've got a lot of public comment on and  
that has to do with the barrier integrity performance indicators, the  
things that measure fuel leakage, RCS leakage, containment leakage,  
those types of measures. Those performance indicators right now are  
based on technical specification limits. And those of you that are

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1 familiar with the term "technical specification limits," those are  
2 basically the key operating limits for nuclear power plants. And they  
3 basically define the margin of safety; so that if you were to exceed a  
4 tech spec limit, the technical specifications direct you as to what you  
5 need to do, which is frequently, you have to shut down within a certain  
6 period of time and go and fix the problem.

7 What we've done with those barrier integrity performance  
8 indicators is we've set thresholds that are percentages of the technical  
9 specifications. In other words, a consideration was the technical  
10 specification of itself is the key margin for safety. And if you get to  
11 the point where you exceed a tech spec limit, you have to shut down and  
12 take the safe action, okay. So, the green-white threshold was then set  
13 at a percentage below that and it was not set to be a percentage of  
14 nominal performance.

15 That's something that we're looking at, in terms of is that  
16 the right concept. What do we want to demonstrate with the barrier  
17 integrity performance indicators, because those are the key items that,  
18 you know, really get to protection of public health and safety. And so,  
19 we want to make sure that the public has a good understanding about what  
20 those performance indicators are showing and is it the appropriate  
21 measure.

22 MR. SPECTOR: Mary?

23 MS. MACDOWELL: Yeah. You mentioned that we were less firm  
24 basis for some of the emergency preparedness funds. And on the alert  
25 and notification system, we received the comments from many of the  
26 concerned scientists about their reaction to the pilot system -- pilot  
27 process and they pointed out that even though --

28 SPEAKER: Can you talk in the mike?

29 SPEAKER: Keep your voice up.

30 SPEAKER: There's an amplifier.

31 SPEAKER: These aren't amplifiers; these are just pickups.

32 MS. MACDOWELL: Okay. Even though the percentage of success  
33 of the testing of the sirens was well over 90 percent, that the daily  
34 event reports showed a number of instances where the sirens were not  
35 operable. And there was one date on which 28 sirens -- all the 28  
36 sirens in the whole county were inoperable and that lasted over 11  
37 hours. Now, that -- I would want that to be included on a Web site that  
38 would describe the availability of notification for our county.

39 MR. DEAN: That's a perfect example -- I was hoping that  
40 somebody would raise an example like that, where I can discuss the  
41 relationship of performance indicators and inspection. And let's take  
42 the alert notification system performance indicator, which, right now,  
43 is really a measure of reliability of the sirens. Basically, when you  
44 test a siren, did it work or not and what rate of successful tests did  
45 you have? So, it's a measure of reliability, but it does not measure  
46 the availability of the sirens.

47 What if there's a malfunction or a storm or something like  
48 that, where you have a lot of sirens unavailable for a certain period of  
49 time? That performance indicator will not give you an indication of  
50 that aspect of the alert notification system. We have to rely on our  
51 inspection reports. We have to rely on the fact that an event like that  
52 would require the licensee to report the unavailability of those sirens  
53 and then our inspectors would have to go out and investigate and

1 ascertain why did that situation occur and is there a performance issue.  
And that would be described through our inspection process.

2 MS. MACDOWELL: But that wasn't on the Web site. There was  
3 nothing -- it was a green finding for Chatham County and there was no  
way to ascertain that that had happened.

4 MR. DEAN: Was it -- and I don't know the timing and all of  
that stuff and, I don't know, maybe Joe, you can -- have any insights on  
5 that, you know, when the timing, when that occurred. I mean, has that  
occurred in the past six months or so? I guess we can talk about this.

6 MS. MACDOWELL: August 3, 1999.

7 MR. DEAN: Okay.

8 MS. MACDOWELL: August 16, '99; August 30, '99. So, that  
was within the pilot test period.

9 MR. DEAN: Yeah. Not knowing -- was there something that  
was ascribed in an inspection report? Do they talk about going out and  
10 looking at this situation or --

11 MS. MACDOWELL: It wasn't on the Web site and I don't recall  
receiving an inspection report.

12 MR. DEAN: Okay. Not having --

13 MS. MACDOWELL: Didn't mention it.

14 MR. DEAN: Not having the detailed knowledge, I'm looking at  
Joe and Brian.

15 MR. BOSNER: Well, just one thing: often, sometimes if  
those sirens were down for a short time, we probably wouldn't write  
something about them in an inspection report. We would investigate it  
and find out that they were probably returned in a short time -- you  
16 know, returned to service in a short time. And then we normally most  
likely wouldn't say anything in an inspection report about it, unless it  
was a real significant issue with reliability of the sirens.

17 I can't think of a specific incident where they went down  
for that long. I know there were some high winds from the hurricanes  
18 that came through this part of the U.S. last year, but I'm not sure if  
that were it or not.

19 MR. DEAN: But the other thing this points to is how  
complete should our performance indicators be. And this is one that  
20 we've gotten specific comments from, from a number of the members of the  
public, that they would like to see a performance indicator that  
21 measures the unavailability, as well as the reliability of the sirens.  
And that's one of the things that we're looking at and we're considering  
22 including into a process, by which we'll develop additional performance  
indicators that would provide that additional measure of the  
23 availability of the sirens, in addition to the reliability.

24 MS. MACDOWELL: If something had happened during those 11  
hours, nobody in Chatham County would have heard the sirens, and that's  
25 important to local people.

MR. SPECTOR: And I think that's a good point, too, that we  
should take back with us to look in. In this particular instance, I  
don't think we have the information; but, generally speaking, I think  
you're right. And that leads us to -- okay, but this leads us to  
another question on the Web site -- I'm sorry.

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MR. MARTIN: I wanted to say that what you had up there --

MR. SPECTOR: Okay.

MR. MARTIN: -- the first question, where this thing began

1 --

MR. SPECTOR: This one?

MR. MARTIN: Yeah, you can leave it.

MR. SPECTOR: Okay; sure.

MR. MARTIN: Okay. Now, these are members of the public that are reading it. Do you believe that this new oversight process will provide adequate assurance and so forth?

MR. SPECTOR: Yeah.

MR. MARTIN: What kind of education of the people that answer this question for you? What do they know that I don't know, obviously?

MR. SPECTOR: I would --

MR. MARTIN: And I guess I was wondering, this is a very difficult question. Did you get -- you've had seven reactor -- seven sites. Did you get a number of people that said, yes? Did you actually get people that said yes on that?

MR. SPECTOR: Yeah. I think -- I think others expressed --

MR. MARTIN: About how many?

MR. SPECTOR: Others expressed the -- those numbers I wouldn't know off hand. But, others expressed, I think, the same view that you're expressing and that is how do people know about the details of what's going on with the old program and the new program, etc. Now, we sent you some information in advance, which I assumed you -- you know, you kind of studied it and became familiar with as much as you physically could in the few weeks that we sent you the material.

But, we did find out in our other meetings, and we have another question that's going to relate to this specifically, that people are not aware -- the general community, any -- you know, stopping somebody in the shopping center, so to speak, would be aware of the details of the new program or the old program. So, that's a lessons learned that we're getting from people like yourself, that people might not be aware and we have to come up with ways of making people more aware.

We have Web sites, public meetings, and we're going to be asking a question later on to get some ideas from you all as to what else we could do. In fact, we could ask that question right now, since it's come up.

MR. DEAN: Before we get to this lady here, I just want to say, you know, David, to answer your question even more specifically, I think most of the feedback that we've gotten has been, you know, informed questions like this. But, I think a lot of people fall in the camp that Mel was, is I don't know that I really know enough or understand enough about this to make an adequate judgment of will this assure safety or not, you know. The feedback we get is it appears to. The structure you describe appears to be a good structure, appears to be a logical framework; but, I don't really know, you know, and time will tell.

And, you know, we can come out here and describe our old process and you would have the same questions. Well, I don't know, you know. And so what we're trying to do is at least better inform the public and at least give you an inclining of what it is we do and what we're trying to do and hopefully stir questions in your mind like we're getting tonight.

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1 Let me get this lady back here.

2 MS. CULLINGTON: Yes.

3 MR. SPECTOR: If you could just mention your name for the  
4 machine.

5 MS. CULLINGTON: Oh, yeah. My name is Liz Cullington. I  
6 live in Chatham County. I just wanted to point out that you didn't  
7 invite Professor Martin, I told him about it, and that I rather suspect  
8 that if I hadn't called a few people, who had called a few people, the  
9 only people who would be in this room would be Mr. Givens, Mary  
10 MacDowell, people from CP&L, and people from the NRC.

11 MR. SPECTOR: No. Well, I had a list of people, who we  
12 invited, and I'll show you that list, if you'd like, after the meeting.

13 We did invite a large number of people. Several mayors called me  
14 during the week and some meetings were canceled and they couldn't come.

15 MR. DEAN: Augie, if you could just describe just real  
16 briefly how --

17 MS. CULLINGTON: Well, let's, also, point out that none of  
18 the newspapers in the area that I talked to knew anything about this  
19 either, which would have been a very simple way to get people, who were  
20 interested. I mean, my experience is if you try to ask people  
21 individually to come to an event, that's a very hard way to do it, if  
22 that's the only way that you do it.

23 MR. SPECTOR: Absolutely. We --

24 MS. CULLINGTON: Not to mention it's a little elitist and  
25 selective.

MR. SPECTOR: Okay. In order to get people to come -- we've  
never done this kind of a meeting. This is kind of a little different  
than what we've done before. So, in order to do that, we had to start  
someplace. So, what we did was we started at previous public meetings  
-- excuse me?

MS. CULLINGTON: I just -- was just wondering to myself have  
you never had a bake sale? I mean, the principle is always the same.

MR. SPECTOR: I'm not familiar with bake sales. But, as --  
we had to start someplace, so we started at previous public meetings  
that we've held over the years. Mary, for example, came to the last one  
and we talked about having this one and she was invited. We invited  
people in the -- all the mayors that we could identify within the local  
community, some of them -- whether there was an election in this  
community or not, I'm not too sure, but there was some crossover with --  
that's a problem we came up with. But, we invited town council people,  
depending on the political structure within the community. So, we tried  
to invite the mayors, the town council, president, or whatever it would  
be called within the local community.

We invited other people, who were public interest people.  
We asked David Lochbaum of the Union of Concerned Scientists to give us  
a list of names, which he did, in local communities. We invited those  
people. So, we even checked telephone books and e-mail addresses, etc.,  
on the Web sites, to try to identify who the people were and we came up  
with a list of about 25, give or take, names in each of the communities  
and we invited those people.

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We, also, made direct telephone calls to as many people we  
could identify on the list. We'd get telephone numbers and we even  
asked them to invite other people that they might know.

1 SPEAKER: Press releases.

2 MR. SPECTOR: And we had press releases that went out.  
3 Whether the newspapers published them, that's another story; but, we had  
4 press releases that went out. So, we're going to put your name on the  
5 list and we'll make sure the next meeting come up, we'll send you an  
6 invitation -- personal invitation.

7 MS. CULLINGTON: Well, that's hardly the issue, but thank  
8 you.

9 MR. SPECTOR: Well, that's what we're trying to do, we're  
10 trying to get names of people and we will send you invitations to the  
11 meeting. So, if you have names -- if you have suggested names, call me.  
12 My e-mail address is on the Web site. Send me the name, send me the  
13 address, send me the telephone number, and we'll make sure that they get  
14 an invitation. It's like a bake sale, I guess, I'm not sure, but that's  
15 how we did it.

16 Yes, Jim?

17 MR. WARREN: I'm Jim Warren, Director of North Carolina  
18 Waste Awareness and Reduction Network or NCWARN. One quick point on  
19 that: when you do this again, we'll help give you some ideas of how to  
20 get folks out --

21 MR. SPECTOR: Great; great.

22 MR. WARREN: -- or to get the word out, anyway.

23 MR. SPECTOR: Sure.

24 MR. WARREN: One thing I will tell you, you are sort of in a  
25 secluded area here. This is not an easy place to find. I would suggest  
26 holding a meeting like this much closer to the plant, in a community  
27 type of meeting place.

28 MR. SPECTOR: Okay.

29 MR. WARREN: My other point, I want to punctuate one quickie  
30 behind what Mary MacDowell said was there, that time in August, when  
31 there was the siren outage, and Mr. Bosner referred to it possibly being  
32 related to hurricane winds. That's not a very reassuring situation,  
33 given that a loss of cooling or offsite power is one of the concerning  
34 conditions about a nuclear power plant. If you did have a problem  
35 during that time, it would -- you know, having sirens out, it just  
36 exacerbates it.

37 My original point was, back to your question, and this is  
38 one that you've probably addressed, because you've had some time since  
39 you did the survey, but when you ask the public how assured they are  
40 with the new program, I guess my question is one of concern about the  
41 fact that a high percentage of NRC rank and file employees express a  
42 lack of confidence and a "considerable sense of frustration" with the  
43 new program. And, in fact, only 19 percent of those surveyed believe  
44 the new program will catch slipping performance "before significant  
45 reduction in safety margins."

46 Now, you're three months away, apparently, from getting  
47 ready to implement this program. What are you learning? How are you  
48 addressing that situation? If NRC employees don't have confidence in  
49 this program, how in the world can you expect members of the public that  
50 do know about it to have confidence in it?

51 MR. DEAN: Yeah. But, let me address that.

52 MR. SPECTOR: Okay.

53 MR. DEAN: What Jim is referring to is within inside NRC, a

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1 couple of days ago there was a summarization of the internal survey that  
 2 we conducted. And one of the questions that was asked on the survey, as  
 3 one that Jim reflects, is that do you feel confident that this program  
 4 will appropriately catch declining performance in a timely enough  
 5 fashion to prevent a substantial degraded performance. And many of the  
 6 inspectors noted that they didn't agree with that and I think that the  
 7 actual value was 45 percent of the inspectors said they did not agree  
 8 with that, okay. So, the majority agreed that they thought it would,  
 9 but there's enough that are uncomfortable.

10 And it gets to really what Mel's issue is, in a lot of  
 11 respect, is that the inspectors don't have enough experience with this  
 12 program and inspectors being what they are, we choose inspectors to have  
 13 a questioning attitude about things. Well, they've got a questioning  
 14 attitude about this process. And it's like all of our inspectors are  
 15 from the State of Missouri, okay, you've got to show them. And the only  
 16 way that they're going to be shown is by having experience implementing  
 17 the program and being able to have an experience where we have a plant  
 18 that has performance degrading and recognize that this process will pick  
 19 up that degradation of performance. But, that confidence levels is not  
 20 there, because the experience level is not there to pick it up.

21 Now, you go back and what was our previous process? Were we  
 22 capable of doing that with our previous process? Certainly, there's  
 23 enough examples that are scattered across the NRC regulatory landscape  
 24 that shows -- Millstone, how come we didn't jump on Millstone? Salem,  
 25 how come we didn't jump on Salem? How about Maine Yankee, okay?  
 Clinton? Dresden, okay? There's enough examples that dot the landscape  
 that shows that our previous program probably wasn't effective in some  
 cases of picking up that either, okay.

So, what we've tried to do is develop a process that we  
 believe will allow for appropriate NRC intervention at appropriate times  
 as performance degrades. Is everybody convinced? No. Should they be  
 convinced? No. Okay, this is a change process, okay, and part of any  
 change process, there's a period of time that you go through doubt,  
 okay. And until you get enough experience with it and comfortable with  
 it, you don't know. And I'd be the first one to tell you, I'm not sure  
 if this process is going to do that either, okay.

MR. WARREN: A quick follow-up --

MR. DEAN: Yeah.

MR. WARREN: -- may I? On the survey, there was a response  
 option to indicate whether there was a lack of experience and knowledge,  
 and that was the undecided version.

MR. DEAN: Correct. And there was a substantial number  
 within that one that did have undecided.

MR. WARREN: Okay, but the 45 percent that said that they  
 don't have confidence at this point and then there was another  
 percentage that didn't -- that was undecided. But the other part of it,  
 where there were -- you know, when the question was asked, would the  
 program catch slipping performance before significant reduction in  
 safety margins, only 19 percent said yes.

MR. DEAN: Strongly agreed.

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MR. WARREN: Strongly agreed. Then, you've got a lot others  
 there, but -- so I guess I'm not buying this -- the argument that the  
 NRC employees aren't sure enough and so they're raising questions,

1 because those that aren't sure or undecided are saying I'm undecided;  
2 but, you've got others that are saying clearly, we are not.

3 MR. DEAN: We have Bob and Joe, resident inspectors, they  
4 filled out this survey. I'm not going to ask them to tell you how they  
5 voted on this, but let them give you some feedback.

6 MR. BRADY: I'm not sure that the numbers would be any  
7 different for the old process.

8 MR. WARREN: I think that's probably fair to say, okay.  
9 That is not an inspiring --

10 MR. BRADY: And the experience that we've had with the new  
11 process, we're gaining confidence that this process is probably going to  
12 find significant issues quicker than the old process did. The old  
13 process was more of a reactive type process once things had already gone  
14 down the tubes. This process, with the performance indicators, would  
15 look at particular areas, as Bill has pointed out, coupled with the  
16 focused inspections on risk significant areas, are going to get to those  
17 problems quicker than what we did in the past.

18 So, I think as the inspectors gain experience with this,  
19 they're going to find that those inspections that they're doing are  
20 actually focused on the things that affect those people out here in the  
21 audience, the public health and safety, and that some of the compliance  
22 issues that we spent a lot of time going around and looking at, which  
23 didn't directly impact public health and safety, we're not going to  
24 spend as much time with. So, the amount of time that we spend on the  
25 important stuff is probably going to increase, based on what we see in  
the program.

MR. DEAN: Bob, you want to --

MR. HAGAR: No, I wouldn't anything to that. I agree with  
what Joe says, that we're seeing that the process is enabling us to  
focus on the issues that really are most risk significant and the  
process is really asking us, as inspectors, to not spend time on things  
that aren't risk significant. And I'm confident, from my experience and  
from what I know about nuclear power plant operations from more years --  
over 20 years in the nuclear power industry, that we are inspecting all  
of the important issues and important areas of plant -- power plant  
operation. I'm confident, if there is an issue that's significant in  
the power plant, we're going to find it.

MR. SPECTOR: Mary, why don't you do this, and then I'd like  
to kind of get on to a slightly different tact there. So, Mary?

MS. MACDOWELL: Yeah. What troubles me about Joe's and  
Bob's comments is if the inspectors were inspecting things that were not  
safety significant before, why weren't they letting the NRC know that  
their work wasn't being focused properly and why weren't they -- did  
they have enough independent -- independence and protection -- whistle  
blower protection, or whatever, to give feedback to the NRC about this,  
such that this was corrected over time?

MR. SPECTOR: Could you give me --

MS. MACDOWELL: I would like to see that the NRC inspectors  
were strong advocates for safety and could play an independent role that  
would give feedback to the NRC, so that those guys that are on the front  
lines would be listened to and their opinions on what regulations are  
& important would be considered.

MR. SPECTOR: Yes.

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1 MR. DEAN: That's a good point and maybe I'll let Joe and  
2 Bob lay in. In the design of this process, okay, the team that  
3 developed this process consisted of a number of representatives from all  
4 the regional offices. And so the design of the inspection procedures,  
5 the design of the regulatory framework relied very heavily on the  
6 insides and inputs of our region-based inspectors. And, in fact, Joe  
7 played a major role in the development of a lot of our inspection  
8 procedures that are associated with the new baseline inspection program.

9 So, we are relying heavily on the insights of those people in the  
10 design and development of this process, okay. This is not a -- this is  
11 not a process that's being developed by, you know, some white tower  
12 group in headquarters. It's a very cooperative process with the  
13 regions, in terms of assuring that their concerns and issues are raised.

14 Now, Jim mentioned a comment about a sense of frustration of  
15 the inspectors, and Joe and Bob might be able to amplify on this a  
16 little bit. Through the pilot process, we developed a number of  
17 feedback processes for our inspectors to give us feedback on the  
18 efficacy of procedures, are they clear and understandable are they  
19 hitting the right notes, and we would get a lot of feedback forms. And  
20 we made a concerted effort in headquarters not to try and make changes  
21 on a week-by-week basis, because changing frequently is not a good thing  
22 to do. If we saw a major issue that needed to be addressed, we would do  
23 that.

24 But, perhaps, what we didn't do very well, from the  
25 headquarter's point of view, was get back to those individual inspectors  
about their issues and say, we got your issue, we're going to hold it  
for a period of time until we can collect a lot more information and  
then at the end of the process, let's go back and look at all of the  
inspection procedures. And so, I think there was a sense of frustration  
that built over time, because inspectors were not seeing an immediacy to  
their issue.

We've got to do a better job at headquarters of  
communicating with our inspectors. But, I will say that when the pilot  
program was done, we brought inspectors from all the regions together at  
headquarters, gave them all the feedback forms that we had received on  
the inspection procedure, and said, okay, given the collection of this,  
what kind of things do we need to do with these inspection procedures to  
make them more usable and more appropriate, okay. So, I think that  
comment about a sense of frustration is probably an accurate reflection  
of what was felt in the regions that went to the pilot program. But, I  
think now that we've gotten to the end and they're seeing how their  
issues are being resolved and considered and refining the process, I  
think that level of frustration is fading.

Does the regional manager and, in general, Bob, if you've  
got anything to add to that?

MR. BRADY: Well, I agree with you, Bill. Of course, we, in  
the field, like things to be done instantly, much like you and the  
public would. And there's always a sense of frustration out in the  
field that if you -- if you've got a problem and you want something  
changed, that it ought to be able to be changed instantly. But when we  
sat down and looked at how important were these changes and were the  
procedures hitting on the rights things and did the inspectors have the  
experience to go beyond the technical difficulties in the procedures and

1 get to the important safety issues, what we came to the conclusion was  
2 that the procedures were focused on the right things. Although other  
3 changes needed to be made, it wasn't time sensitive that those be done.

4 And so, I think the frustration that maybe we expressed early on began  
5 to kind of subside and the fact that the procedures were going to get  
6 changed and that the focus was on the right -- on right aspects.

7 Does that help?

8 MR. HAGAR: Let me agree with part of that and disagree with  
9 part of it. Some of the frustration still has not gone away. And  
10 truly, those of us in the field that started implementing these  
11 procedures in the program last June experienced considerable frustration  
12 right away, because many of the procedures -- and I guess that's fair,  
13 many of the procedures were not what they should have been. And we  
14 identified early on that, hey, this procedure is not as good as it could  
15 be and as good as it should be and we provided that feedback. And we  
16 did experience some frustration, because they didn't -- the NRR didn't  
17 act on that feedback right away. And I know from talking with other  
18 residents, we all felt like, hey, we ought to be moving faster and  
19 improving this process. And we understood the need to hold on and take  
20 a longer look at it and get more feedback. But, those -- some of us  
21 were real impatient and said let's don't wait six months; let's wait a  
22 month, collect the feedback, make changes, and then go another month and  
23 try to get several iterations in. So, I know, I experienced that  
24 frustration, a lot of other people did, because we weren't moving as  
25 fast as we wanted to move.

26 But, I, also, agree with Joe, that the scope of the  
27 procedures and the focus of the procedures was good. We didn't identify  
28 in all of this that there was any major area that we should have  
29 inspected that wasn't being inspected and we didn't identify any area  
30 that the procedures were asking us to inspect that we felt like we  
31 shouldn't have inspected. The issues we had was, there's a better way  
32 to describe what we ought to be doing here or this guidance isn't as  
33 clear as it could be, that kind of thing. So, that's -- in that sense,  
34 I agree and disagree with what's been said.

35 MR. SPECTOR: Wells, just one more and after that, I want to  
36 get -- if it's related to this, then I want to get on to another  
37 question.

38 MR. EDDLEMAN: Well, I can skip that, because I think I can  
39 bring in what I wanted to say about this under your next question.

40 MR. SPECTOR: Let me try that. Let me hold off on it,  
41 because I want to -- we have a time limit here and I want to get others  
42 to participate.

43 The next area is the information provided by the NRC, and I  
44 think we started to talk about this a little earlier, adequate --  
45 appropriate to keep the public informed of agency activity related to  
46 the plant. And we started to talk about this a few moments ago. We  
47 have the Web site. When we say the Web site, we're talking about the  
48 Web site that's related to the revised reactor oversight program. The  
49 NRC has many Web sites, many pages in their Web sites. What we're  
50 talking about is a Web site related directly to this program.

51 We've had the public meetings. We have this little booklet  
52 that we created, sent out. We have it available here, NUREG 1649, and  
53 that's going to be revised in April. We're going to come out with a new  
54

1 edition of this.

2 Is this information appropriate, the information that we're  
3 giving? Did you want to ask --

4 MR. EDDLEMAN: Well, actually, you caught me with a  
5 different question. Let me try to --

6 MR. SPECTOR: Okay.

7 MR. EDDLEMAN: Okay.

8 MR. SPECTOR: That's okay, go on.

9 MR. EDDLEMAN: All right. Well, let me first say, I did  
10 prepare these -- I didn't have to, but I'd like to submit for the  
11 record, and I'll give anybody who wants a copy of this thing, I did put  
12 together, so I don't have to say all the stuff on this sheet.

13 MR. SPECTOR: Right.

14 MR. EDDLEMAN: But --

15 MR. SPECTOR: Well, let me just tell you, Wells and I, I  
16 think we talked on the phone, right?

17 MR. EDDLEMAN: Right.

18 MR. SPECTOR: And I said, you know, people don't have to  
19 prepare a testimony, you know, a meeting where you're going to sit and  
20 read the testimony. And he said, well, he wants to prepare a sheet. I  
21 said, go ahead and do it, and we accept that.

22 MR. EDDLEMAN: Okay.

23 MR. SPECTOR: Thank you, very much.

24 MR. EDDLEMAN: There is a front side and back side. Okay.  
25 Well, I guess there's two things. I mean, the Web site, it's got a lot  
of problems. And what I would say is that there's a lot of fuscatory  
language and when you talk about plain language, there's a reluctance to  
say anything in plain language that would allow you to get through it  
fairly fast. So, you have to spend a huge amount of time learning this  
system. It's an awkward system. And, you know, I'm sure you can get  
with some Web designers. You know, you want to work faster and smarter.  
There's some Web site designers, who can help you on that.

MR. SPECTOR: Right.

MR. EDDLEMAN: But the other piece of it is --

MR. SPECTOR: We call that navigation.

MR. EDDLEMAN: Yeah.

MR. SPECTOR: That's the term that we're using and we're in  
the process of making major changes.

MR. EDDLEMAN: But, I think you, also, need to pay some  
attention to your water quality; that is, the quality of the prose,  
because that --

MR. SPECTOR: Yeah.

MR. EDDLEMAN: -- that can snag you pretty well.

MR. SPECTOR: We agree.

MR. EDDLEMAN: But the other thing is that the Web site  
leaves out a lot of information that you might want to get. And one of  
the things that inspires a great lack of confident in me is to look at  
how the NRC commissioners, themselves, deal with some of these issues.  
For example, Bill was mentioning, you know, your three major barriers  
toward the release. Well, the fuel -- well, what happens when there's  
failed fuel in excess of the limits? Well, the Commission, itself,  
& refused to take action. That happened last year, two situations, okay.

Then, there's containment. Well, we've got a lot of plants

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1 operating, including the Brunswick plants in North Carolina, they don't  
2 have an external pressure containment. They have a sheet metal wall and  
3 90 percent probability of early failure of containment in 30 minutes.  
4 Harold Denton from N.C. State was the NRC official who said that. So,  
5 you know, it's very hard to get the information you need.

6 And I guess the other piece of it is, I'm very concerned  
7 about how the information might be manipulated before it gets to your  
8 Web site. The ability to fudge these things is just amazing, if you  
9 look at them. You're talking about objectivity. Well, the first rule  
10 of objectivity is it either is or it ain't; and if you can't tell, you  
11 need to look closer, okay. But, in this case, well, is this shutdown a  
12 safety significant shutdown? Well, having eliminated many of the other  
13 required causes of shutdowns, you know what's left; but, yet, there is  
14 all of these fudge factors. I mean, it looks to me, as one of the  
15 people I talked to about it on the environmental side or safety side, as  
16 I look at it, said the industry is terrified that this information will  
17 become rapidly available to the public and they're doing everything they  
18 can to make sure that the information that gets out won't embarrass  
19 them.

20 MR. SPECTOR: Bill?

21 MR. DEAN: Two things -- Wells, you make a real good point  
22 -- your last point is a real good point. Anytime you spotlight  
23 something and it gets out into the public domain, it immediately gets  
24 amplified. And I think that your perception that, you know, industry is  
25 concerned about having something on a Web site that displays performance  
that's other than green, there's a concern. And that's certainly  
something that we've got to be attuned to and sensitive to and make sure  
that in our review of issues, that -- you know, that we, basically, hold  
the line.

Now, the ability to fudge data, one of the pieces of our  
baseline inspection program is something called performance indicator  
verification inspections. And the intent of that is that over the  
course of a year, our inspectors will go out and look at the process and  
the methodology by which licensees collect and report information for  
all of the performance indicators, to assure ourselves that they are  
doing things in accordance with the guidance and not, as you say,  
fudging the information. That's a key part of our baseline inspection  
program, to go look at how licensees collect and report that PI  
information.

MR. EDDLEMAN: Well, there's a key problem with that, which,  
also, was a key problem with the previous process, and that is that even  
if the inspectors do a wonderful job, there are higher levels within the  
NRC, in which the industry can argue, that are hidden from the public.  
In other words, I would like to know if something happened and a  
determination that was made that it's not safety significant. I'd like  
to know those numbers. Without that, I don't see how anybody can say  
they have confidence in the numbers that are on the site, because you  
don't know how many things actually happened and you don't know how many  
of them were waved away by hand waving.

MR. DEAN: Well, what you're talking about is the purpose of  
our inspection program and how we report those items that come out of  
our inspection process. No?

MR. EDDLEMAN: But, also -- I mean that's part of it, yes.

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1 But the other part is, suppose the inspectors come in and they say,  
 2 well, look, this thing really was safety significant; this leak at Three  
 3 Mile Island, by gollies, it's significant. Okay. Then the owners of  
 4 Three Mile Island number two, I'm talking about here, of course they  
 5 come into the higher levels of the NRC and say, well, you know, we've  
 6 got lawyers, we've got studies, we've got this, we've got that, ya da ya  
 7 da ya da, it's not significant, is it? Oh, well, you know, the NRC  
 8 agrees with them. And see, if we don't know that that process has taken  
 9 place -- I mean, yeah, if you're really determined, you can go in and  
 10 get the report from the inspector and you can say, gee, what part did  
 11 the NRC manager didn't agree with the inspector. Because, for example,  
 12 that public sentiment was real strong about this and I think -- you  
 13 know, I've read a lot of the Millstone stuff myself, it's real clear,  
 14 the inspectors didn't do a bad job. They did a good job and they did  
 15 inspect, but the higher levels of the NRC refused to take action.

16 And it's really scary when you see things like, well, you  
 17 know, we selected the lowest five percent to be green to white, when,  
 18 you know, before it was said, well, red was kind of like the old watch  
 19 list. The old watch list was 10 or so plants out of 130, and that's  
 20 about 10 percent. So, it looks to me like the industry has already  
 21 gotten a tremendous push to saying that everything is good, compared to  
 22 what was under the old watch list.

23 And I guess the other piece about it is the transparency;  
 24 that over many years -- and I have 20 plus years outside the nuclear  
 25 industry looking at this and looking at the NRC -- over many years, it  
 26 got to the point where you really could dig the information out. And  
 27 whatever you might have thought of the previous system, at least you can  
 28 get a hold of the information and see how it was and compare it to how  
 29 it had been going.

30 When they bring in a new thing, even it were an improvement,  
 31 and I'm very far from convinced, but even if it were, how do you get  
 32 your baseline? There's not a good way to have confidence in this. I  
 33 mean, I'd be very interested to see what you guys get in that thing  
 34 you're collecting tomorrow, and I wonder if that's going to be on the  
 35 Web site.

36 MR. SPECTOR: It will.

37 MR. DEAN: Although, it will take us several weeks to  
 38 process it.

39 MR. EDDLEMAN: Who do I call if I can't bring it up?

40 MR. SPECTOR: Call me.

41 MR. EDDLEMAN: Okay, I'll do that.

42 MR. SPECTOR: Call me, (301) 415-2140.

43 MR. DEAN: Hey, that's my number.

44 MR. SPECTOR: Oh, I'm sorry. No, that's my number and you  
 45 call me and I'll make sure you'll get the right Web site URL. We'll  
 46 test it out.

47 MR. EDDLEMAN: All right.

48 MR. SPECTOR: All right. If you have your computer on and  
 49 my computer on at the same time, we'll make sure we're doing it right.

50 MR. DEAN: And, Wells, do you have an e-mail that you can  
 51 give Auggie, so we can address that PDF issue? We'll go back and check  
 52 that --

53 MR. SPECTOR: Yeah.

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1 MR. EDDLEMAN: I'll give you one when I turn this stuff in.

2 MR. SPECTOR: Let me get on to a different tact here. One  
3 of the other things that we're interested in was -- and this might,  
4 also, be difficult to answer here, but we're asking the question: do  
5 you believe the new oversight process improves the efficiency and  
6 effectiveness of NRC's regulatory process, focusing agency resources on  
7 those issues with the most safety significance, from some of the things  
8 that you know and some of the things that you might have heard? I'm  
9 just going to just Mary for a second and see if I can get some other  
10 people and then we'll go back to Mary, okay. Anybody out there in the  
11 audience that have any comments on this or observations or input --  
12 feelings from what you've --

13 SPEAKER: You want us to vote? I vote no.

14 MR. SPECTOR: Vote?

15 [Laughter.]

16 MR. SPECTOR: Tell us why?

17 SPEAKER: I don't really understand it enough to articulate  
18 why. I'm just terribly suspicious of the way these things go.

19 MR. SPECTOR: How is that? How do you know?

20 SPEAKER: Well, I have a lot of questions. One question I  
21 have is -- I'd like to know about the efficiency, the speed, and the  
22 firmness with which actions are taken to correct problems. We haven't  
23 heard much about that, you know. How often -- what does it take to trip  
24 a regulatory action? Discipline -- and what capacity do you have to  
25 discipline a transgressing plant? And how often are these actions  
taken? And how much time do you give them to comply? I want to know  
something about that end of it, the end that affects us most.

MR. SPECTOR: Okay. The assessment and enforcement --

26 SPEAKER: I, also, wonder -- I don't know enough about this  
27 really to grasp. Frankly, I'm a bit confused by what you have said.  
28 But, if there is -- as I understand it, there's a permanent full-time  
29 resident inspector at every plant. What does he or she do? What power  
30 does he or she have? Why do we need all of these other procedures, if  
31 you have a full-time resident inspector at the plant? Does he or she  
32 have the authority to attend staff meetings of plant officials? Does he  
33 or she always know what's going on? Does he or she report every little  
34 thing -- every little problem they see? Those sorts of things confuse  
35 me.

36 MR. SPECTOR: Okay. I think those are fair questions. And  
37 that's getting to really how does the NRC do some of its jobs and what  
38 it does. I'm going to take the liberty -- we have two resident  
39 inspectors here, who might want to address at least that part, and then  
40 Bill might want to get into the other corrective actions in some of the  
41 other areas. So, Joe, can I pick on you for a moment?

42 MR. BRADY: Let me -- we'll try and explain what we do.  
43 Part of -- particularly in this new program, there's a procedure called  
44 plant status. Obviously, Bob and I don't wing it every day. I mean, we  
45 don't go in and say, gee, you know, I'd like to go watch the lake today.

We have certain requirements of things that we need to go view and we  
have planned inspections that we go and do.

46 Part of that is a procedure called plant status. A plant  
47 status, basically, has us go and look at what's going on in the plant,  
48 what has happened that's risk significant today, and should I deviate



1 from the planned inspections that I had thought I was going to do today,  
2 because there's something more risk significant that's gone on that I  
need to look at.

3 In addition, we have procedures that address events; for  
4 example, plant trips, significant events that we would go and follow up  
5 on. But the procedures basically are the tools that we use to tell the  
inspectors, the residents and the regional inspectors that come in, what  
6 are the things that need to be looked at; what are the things that  
7 address the cornerstones that Bill showed up there.

8 When we sat down and built this whole process together, the  
9 inspectors sat down -- they had a group for the inspection aspect of it  
10 -- and they sat down and went through all of the things that they  
11 thought needed to be inspected. The performance indicator group sat  
12 down and tried to work out performance indicators for each of these  
cornerstones. So, the whole inspection aspect of it was laid out and  
13 the inspectors from the regions that were on this team laid out all of  
14 those things that needed to be inspected. From that list, then came  
15 these procedures and the procedures basically are those things that need  
16 to be inspected. So, when working out there on an everyday basis, there  
17 are certainly these that are things that the resident inspectors would  
18 do on a regular basis.

19 That's how our day is set up. And we schedule those things  
20 on a six-month basis of which procedures, how many times do we need to  
21 do these particular procedures; how many activities do we need to go  
22 look at this month. Then, we sit down and plan our time and look at  
23 what is CP&L doing at the Harris plant this next week. Of those things  
24 that we're planning on looking at, what are the most risk significant  
25 things to focus our time on. That's how our day -- that's how we plan  
our time and that's how the inspection program essentially works for the  
resident inspectors, so that we maximize the amount of time that we  
focus on risk significant issues.

MR. HAGAR: Let me add a couple of things to that, a little  
more general. We have a set of about 20 or so inspection procedures  
that we implement full-time. We implement the inspection program at  
Harris and each of these procedures have different frequencies. Some,  
we have to do twice a month; some we do once a month; some we do daily,  
like plant status; others, we do every chance we get. Like we have one  
called plant performance during non-routine evolutions. The only time  
we can do that is when they have a non-routine evolution. You know, so,  
we jump on that.

But the other point -- I lost the other point.

SPEAKER: What's a non-routine evolution?

MR. HAGAR: Well, a plant trip, for example.

SPEAKER: Oh, okay.

MR. BRADY: When they have a plant trip. We, specifically,  
go look at -- let me give you an example that would -- is probably more  
relevant to you folks sitting in the audience. A non-routine evolution  
is like driving in the snow in North Carolina, okay. It's not something  
you do everyday. It's something that only occurs so often. And when  
you go out to do your driving in the snow, like you did this week, you  
have to think about, gee, do I have ABS brakes or do I have the old  
style brakes? Do I need to pump? Do I need to stay in second gear most  
of the time, so that I don't have to hit my brakes? Is it icy out

1 there? Well, you don't think about those things in August, do you,  
2 because you don't need that, okay. That's a non-routine evolution.

3 So, if something happens at the plant that causes the  
4 operators in the control room to do something that they very seldom have  
5 to do -- they very seldom have to exercise a lot of the procedures. If  
6 they get in an abnormal situation that requires them to use these  
7 unusual procedures, those are opportunities for us, the inspectors, to  
8 go and see how do the Harris plant operators handle unusual events.

9 We get a chance to go look at them in a simulator, as part  
10 of these procedures. But, sometimes, operation in a simulator is  
11 different than when the thing actually happens in the plant. And part  
12 of our function is to see is the training that they did in the  
13 simulator, is that being carried out -- the lessons that the simulator  
14 teaches them, is that being carried out on an everyday basis? Is that  
15 ingrained in them? Is the training causing them to think about, gee, I  
16 need to pump my breaks; I need to stay in second gear; I don't want to  
17 be as close to that car in front of me, as what I normally am.

18 MR. HAGAR: I remember what the other point was. You asked  
19 about access. We have free access to everything in the plant. The only  
20 area in the plant that I cannot physically go into is the closet where  
21 the guards keep the ammunition locked up. That's physically the only  
22 place I cannot get to. Every place else, I can. And we have the  
23 authority to sit in on any meeting that the licensee has and we  
24 regularly do every time. Nearly everyday, they have meetings about  
25 plant status and what's going on; one of us is sitting in on it. When  
we hear about special meetings, we go sit in on that. And other routine  
meetings they have, we sample periodically, just to see what's going on  
in this area and is that meeting doing what it should do and what's  
going on in that area. That's really part of that plant status  
inspection.

MR. BRADY: One of the regulations that applies to the CP&L  
license is that NRC inspectors have what's called unfettered access to  
the facility, which means that if there's anything that we need to look  
at relevant to the operation of the plant under the operating license,  
or the implementation of the regulations as required in the Code of  
Federal Regulations, we have access to do that.

MR. HAGAR: And really --

MR. BRADY: If we're denied that, that is a violation of the  
Federal Regulations, which we can cite Carolina Power and Light on and  
they have to then respond to.

MR. HAGAR: And that's a very serious violation.

MR. SPECTOR: So, how is that for an answer?

SPEAKER: Well, that's a bit reassuring.

MR. SPECTOR: Okay; okay. How about some others out there  
related to that issue? Yes, sir?

SPEAKER: I think it's somewhat related to the issue.  
You've been talking about how the new process focuses in on safety, as  
opposed to the old process, which was sort of more overall, and the  
inspectors were focusing on the safety issues in the plant. What kind  
of issues in a nuclear power plant are not safety related; and if they  
are not, why were you inspecting them before and not now? I guess  
that's my question.

MR. DEAN: Let me take a shot and then I think Joe can

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1 probably jump in. Our previous process -- and let me just focus on  
2 inspection, because that's basically what we had; we didn't have  
3 performance indicators before -- consisted of several elements, and one  
4 was what we called our core inspection program. And what that was was  
5 basically a compilation of inspectable areas that we felt that we needed  
6 to look at on a periodic basis.

7 Another piece of that inspection program was called regional  
8 initiative, and that would be a body of resources that the regional  
9 administrator would have available to look at things that were of  
10 interest to him -- you know, something might have occurred at a plant  
11 that raised some issues in their mind and they say, why don't I go and  
12 look at some other plants. So, he would have this body of resources to  
13 go out and look at some things that were under -- of concern to the  
14 region.

15 And then there's a piece called reactive inspection, which  
16 is when events occur, issues -- a plan of some significance. We would  
17 go out and follow up on that. And, typically, we get a lot insights  
18 from the reactive inspection.

19 And so those kind of were the pieces by which we gathered  
20 information. But, for example, the core inspection program was based  
21 not so much on what were the most significant aspects of plant  
22 performance or what were the most significant systems that pertained to  
23 protecting the plant, but were focused around the scope of the  
24 regulations and what do I need to do to go out and assure compliance  
25 with the regulations. So within that, clearly, we were looking at  
things that were safety -- of safety import. But we, also, had things  
that we looked at that probably were not very safety related, in which  
we very rarely, if any, got any sort of findings; and if we did have a  
finding, it didn't mean anything, okay.

And so, that was one of the approaches for this new process,  
was let's redefine what that inspection program is. And now instead of  
calling it a core inspection program, we call it baseline inspection  
program and it's probably -- and I'll let Joe answer, I think it's more  
expansive than the old core. I think it looks at a broader spectrum of  
issues; that it looks at issues that are more pertinent to those systems  
and components and activities that play a role in maintaining plant  
safety. And that's the program that we've tried to establish, so we can  
look at all plants across the country consistently, looking at the same  
types of things, the same type of system performances, use the same type  
of procedures and processes that the licensee has.

And so in using all the experience that Joe talked about in  
putting this framework together, we used all the inspector experience  
and all of our lessons learned from things like Millstone and Maine  
Yankee and all these plants where we've had significant problems, to  
give us the insight, just what are the things that are really important  
and have led to risk significant issues in the past. We want to make  
sure that our program encompasses all that stuff. And that's what we've  
tried to do with the baseline inspection program.

Joe?

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MR. BRADY: I think you've covered it pretty well. Just to  
give you an example --

SPEAKER: Yes, please.

MR. BRADY: Okay. We have requirements that say that

1 utilities have to have procedures to do things by, and we go out and  
 2 look to see if they're following those procedures. Some of the things  
 3 that are associated with these procedures, for example, is say someone  
 4 makes an error on a document. They're writing down a number and they  
 5 say, oops, I made the wrong -- I wrote the wrong number here, okay, and  
 6 so I'm just going to cross this number out and put another number there.

7 And so they do that. But, their procedure says, you have to initial  
 8 that and date that, also, okay.

9 In the past, we have spent hours of time writing up those  
 10 type violations; hours of inspector time, where we could be out looking  
 11 for significant things. Now, we can take those things, we can go to the  
 12 -- go to the utility and say, you did this wrong, you need to fix it.  
 13 They, then, have to put it in their corrective action program and fix it  
 14 like before, but we don't spend the hours of time going through the  
 15 regulatory paperwork to do that. We've changed the threshold for some  
 16 of these things, so that those type things we can get off quicker and  
 17 get over and spend more of our inspection time looking for the risk  
 18 significant things, such as cracks in safety injection system pipes;  
 19 diesel generators who have alarms on them that indicate that they are  
 20 inoperable. What is the risk impact of those type things, as opposed to  
 21 not initialing and dating the particular document.

22 Does that help you?

23 SPEAKER: Yes, that's the kind of thing I was actually  
 24 looking for.

25 MR. BRADY: We, in the past, have spent lots and lots of  
 time in what we call these our compliance issues, in writing these  
 violations up and writing reports on a lot of these compliance issues  
 that don't have any risk significance to those of you sitting out there,  
 okay. And the new program focuses us more on the risk significant  
 stuff. When we find these other things, it allows us to get off of them  
 faster, waste less time on those, and allow the utility to go and fix  
 those things without having to -- us to send in a notice of violation  
 and then they write us back, here's what -- we admit this violation and  
 here's all the things that we're going to do to fix it.

AUDIENCE PARTICIPANT: So if somebody were to do that now,  
 would you ever even see it?

MR. BRADY: We might -- if we saw it, we would bring it to  
 the attention, to their attention, just like we did before and they  
 would go and fix it, but we wouldn't have to spend the hours on the  
 paperwork. We would go on and continue looking for those  
 risk-significant things that are going on.

MR. DEAN: Does that help you?

AUDIENCE PARTICIPANT: Yes, it did.

MR. DEAN: Yes, sir? In the back, yes?

AUDIENCE PARTICIPANT: At this time of day my brain is  
 usually suffering from a nonroutine evolution.

[Laughter.]

AUDIENCE PARTICIPANT: If the old process was so flawed, so  
 focused on matters of little safety significance, so unnecessarily  
 burdensome for both the utilities and the inspectors, why was it allowed  
 to remain in place for so many years?

MR. DEAN: That's a Program Office issue.

MR. SPECTOR: He's now a Division Director.

1 [Laughter.]

2 MR. DEAN: I guess I go back to your initial statement and  
3 address was it so flawed and was it so burdensome, and I think I would  
4 take out the word "so" and say that certainly there were flaws in it.  
5 Certainly it was burdensome, but -- and there's a number of things that  
6 come together in time over the last number of years, last several years,  
7 that have driven us to be more conscious of what it is we are doing.

8 Certainly the emphasis on producing Government resources,  
9 which was a clear effort on the part of Gore and Clinton when they came  
10 into office, to reduce the Federal workforce and reduce that burden on  
11 the taxpayer.

12 Up until that time the NRC, as other Government agencies,  
13 operated in a aura of we can do whatever we want and add whatever  
14 program we want because the taxpayer is paying the bill and we don't  
15 have to worry about being fiscally responsible. Those times have  
16 changed for all Government agencies, okay, including our own, and so we  
17 have had to take a look based on that aspect of it, based on the  
18 criticisms that we have received from industry, that we have received  
19 from public interest groups, which in a lot of respects are very  
20 similar.

21 NRC -- you have got a process that is not objective, you  
22 have a process that is not clear and understandable, you have a process  
23 that is not predictable. We don't know why you are taking the actions  
24 you are taking because it varies sometimes from region to region and  
25 plant to plant and situation to situation and we expect you to have a  
26 process that is clearer to the public as to why you are doing what you  
27 are doing, and we expect you to have a process that is more objective.

28 So we have gotten a lot of pressure, not only from Congress  
29 in terms of fiscal restraints but in terms of our external stakeholders  
30 about what does our process do and how does it give them information  
31 about how it is we are dealing with nuclear power plants and the  
32 problems that emerge at those power plants? So there's been a lot of  
33 driving forces over the last couple years, and basically the clear  
34 message is NRC, you have got to get smarter about what you are doing,  
35 you have to be more effective and efficient with the resources, and you  
36 have still got to make sure that you are maintaining public health and  
37 safety.

38 All those things have come together and caused us to take --  
39 and this process, even though we have only pilot tested it over the last  
40 year, last six months from May to November, has been something that we  
41 have been working on for a number of years. This is something the  
42 Commission back in '96 and '97 told us we had to start working on,  
43 trying to improve our processes to make it all those things.

44 What you are seeing now is the end result of a number of  
45 years of activity, not just the six months of the pilot program, but the  
46 two and a half years before that when we were going through various  
47 developmental stages and models as to how we ought to change our process  
48 and our oversight approach.

49 So, yes, we had flaws. Yes, it was a burden, but the fact  
50 that nobody was holding us accountable I think played a part in it. Now  
51 we are being held much more accountable for what it is we do and how it  
52 is we influence the industry and the public, and I think that is a key  
53 driver as to what we are doing.

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1 Does that --

2 AUDIENCE PARTICIPANT: It doesn't really fill one with  
3 confidence, to be told that none of this change would ever have occurred  
4 if your budget hadn't been cut.

5 MR. DEAN: Well, that was an element. There was other  
6 elements too -- the public criticisms that we received about our  
7 processes --

8 AUDIENCE PARTICIPANT: I really hate to want to believe that  
9 people realized that the system needed improvement all these years and  
10 it wouldn't happen and it is only because you are nudged in that  
11 direction by having your budget cut that it happens.

12 I mean one really does wonder if deep down inside the NRC  
13 believes that this new system is superior to the old system, which  
14 certainly had produced a rather high level of compliance, which is a  
15 dirty word, I gather, by the nuclear power industry, and to abandon the  
16 system that has achieved this is what bothers me.

17 MR. DEAN: I guess there are some words you are using that I  
18 do take a little bit of offense to, and one would be abandoning the  
19 concept of compliance.

20 Compliance is still an important aspect, okay, but what we  
21 want to focus on -- our attention, our efforts on those issues that  
22 pertain to compliance that also have a safety significant element.  
23 Those lower level issues of compliance that we identify, those are  
24 turned over to the licensee. They still have to comply with the  
25 regulations. That is not changing, okay?

What is changing is what is our emphasis going to be within  
that realm of compliance issues, things that are of minor nature, things  
that Joe described we don't want to waste our time writing up that  
violation, because in terms of the grand scheme of things and safety  
significance it doesn't mean the same.

We want our inspectors to spend more time looking at  
mitigating systems and looking at barrier integrity, and things like  
that, and we just have to get smarter with what we do with what we have,  
so we are not abandoning those concepts and certainly I hope you don't  
leave with that notion that we are.

What we are trying to do is just be smarter with what we  
have got.

MR. SPECTOR: You might want to mention the corrective  
action system in this context too, because that was something that came  
out of -- I don't know what your name was, I'm sorry, but this gentleman  
here -- the corrective action program. That relates also --

MR. DEAN: You are talking about a licensee's corrective  
action program.

MR. SPECTOR: Yes.

MR. DEAN: In my earlier presentation we talked about  
briefly the cross-cutting areas and one of them is what we call problem  
identification and resolution, and basically that is tied to the  
effectiveness of a licensee's ability to identify their own issues and  
correct those issues to prevent recurrence.

That is clearly a very important aspect of this program, so  
much so that we have incorporated within each inspection an element to  
look at the licensee's problem identification and resolution performance  
in every inspectable area, so any time Joe or Bob or a Region-based

1 inspector go out and do an inspection they have to look at licensee  
2 performance and problem identification and resolution as it is  
3 associated with that particular technical inspection that they are  
4 doing, so we have tried to embody this concept throughout the whole  
5 inspection process, and I think a clear recognition on the part of  
6 licensees is that they need to have an effective corrective action  
7 program.

8 If they don't, they are going to suffer. They are going to  
9 have issues that are going to compound. They are going to have  
10 thresholds being crossed in performance indicators. They are going to  
11 have incidences of inspection findings that are going to be risk  
12 significant, and that is going to cause a greater and greater level of  
13 attention on the part of the NRC.

14 So problem identification, resolution, the licensee's  
15 corrective action program, it's very important that they have a good  
16 one, otherwise they are going to have trouble with this new process.

17 MR. FRY: My Mickey Mouse goes tick-tick. I can watch my  
18 watch. I'll pick up the same --

19 MR. DEAN: It's getting late but --

20 MR. FRY: -- comment that Wells did. I'll see if I can make  
21 my comment match your question.

22 I have four points in the minute that you are going keep  
23 doing this.

24 One is that when I got the letter of invitation to  
25 participate and my first thought was you were trying to get even. We  
26 have been a grand champion of the idea of public discourse on issues,  
27 very pleased to hear the announcement of the February 28th meeting, and  
28 appreciate and think that is an integral part of the public confidence  
29 that you are looking for is the ability to do just this kind of dialogue  
30 and I want to say that.

31 The other thing that made a great impact on my ability to  
32 understand what was going on was I guess as a member of the public I  
33 have got some obligation to try to go ferret stuff out. I turned to  
34 John, who is on my staff, and said help. In turn, we went to the plant  
35 a week ago and the Resident Inspector, Bob, and the Director of  
36 Regulatory Affairs, Donna, spent two hours with us.

37 I would encourage anybody to avail themselves, certainly the  
38 Resident Inspectors are our employees -- we pay their way as ratepayers,  
39 I guess, Donna's we pay a big price there as well, but that was a very  
40 helpful thing to me as a member of the public to try to understand what  
41 was going on, and I had an 11 o'clock appointment so I rushed out of  
42 there. I got my points made and my questions answered, but promised  
43 both of them that I would come back in a more leisurely event to try to  
44 better understand, so I guess I have that obligation, to try to ferret  
45 more information out.

46 It is still not real clear to me how the performance  
47 indicators and the inspection findings come together, particularly now  
48 inspection findings are turned into green stripes, white stripes and  
49 yellow stripes and red stripes, and how those stripes fold into the PIs.

50 That is not for tonight. That is for my trip back out to talk some  
51 more along that line.

52 Then I guess the thing that came to light relative to how  
53 the indicator, particularly how the green/white indicator barrier --

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1 MR. DEAN: Threshold?

2 MR. FRY: -- threshold came about and I guess I need to get  
3 straight in my own mind, I'll go back to my university teaching days.  
4 Am I in graduate school where I am working on a pass/fail and green is  
5 pass and white is fail, or am I back in undergraduate school teaching  
6 where green is A and white is B and C and D and I know what bell-shaped  
7 curves look like, and nobody in my undergraduate class, no 95 percent of  
8 them ever got A. Pass/fails? I've been in a lot of classes, taught in  
9 classes where everybody passed in a pass/fail school, so I am still  
10 trying to comprehend -- you asked the question early on would this  
11 process pick up problem plants?

12 Well, if your pass/fail mark or if your A/B mark is 95 of  
13 the industry as it exists today, I don't know how you are measuring  
14 that.

15 Now I don't know which question that matches, just as well  
16 as to know which question his comment matched to, but certainly those  
17 four points. I am still trying to better understand the inspection  
18 indicator.

19 One of the things you did in the illustration, you drew a  
20 big circle in one of your illustrations and said plant safety is this  
21 big circle, and one piece of plant safety is performance indicators, and  
22 we have heard tonight the 20/80. That was a new number to me, but  
23 anyway the rest of what constitutes plant safety has to be dealt with  
24 with inspections because indicators only do a piece and that was helpful  
25 to understand.

Like I say, I am still not real clear how those pieces fit  
together, particularly how inspection findings turn into green stripes.

MR. HAGAR: When you have some time, we can talk about it  
some more.

MR. FRY: I will be back.

MR. HAGAR: Make an appointment after the meeting.

MR. FRY: I got my schedule.

MR. SPECTOR: Okay. Very good. Thank you.

Mary, you had your card up?

MS. MacDOWELL: Yes. It really relates to what Mel was  
talking about.

The green area, the green marking, I had spent some time  
with the website. I had read this and the various other things about  
it, and my impression looking at the website was that green was fine.  
Green was okay. Green was acceptable performance.

Even though the concept of white would take an NRC  
intervention had been stated, it still looked like green is go, green is  
fine, green is an A mark, and when I was talking to -- I availed Bob  
Hagar of time this afternoon to do the same thing you did.

MR. SPECTOR: Good.

MS. MacDOWELL: And we have got to coordinate and get other  
people in the public so that it isn't done one at a time.

MR. FRY: No. I guess I would come back to say it is  
probably better done one -- we had about a half a dozen. I couldn't  
take it one at a time, but I think there's some distinct advantage for  
that close one on one, where -- I got my questions answered by the sheer  
fact of I'm the boss. It was my meeting.

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1 MR. FRY: To have shared that with this group would have  
2 been very difficult for me to have gotten done what I needed done, so it  
3 may be better to do it individually.

4 MS. MacDOWELL: But Bob pointed out to me that anything  
5 below -- anything that was in the green and if it wasn't at the top with  
6 zero was actually not what would be desired as the desirable performance  
7 of a plant and that the inspectors actually check and follow up  
8 inspection on anything that is below the very zero point.

9 That is not at all clear, I don't think, to the public, and  
10 I really think there ought to be another band in which complete  
11 compliance with the regulations and avoidance of problems is there so  
12 that the public doesn't assume that green is fine.

13 MR. SPECTOR: You are pointing to a picture. Which one?

14 MS. MacDOWELL: It's scrams with loss of normal --

15 MR. SPECTOR: Just hold one up. Okay.

16 MS. MacDOWELL: And unplanned scrams with 7,000 --

17 MR. SPECTOR: It's the concept, not those specifics, but the  
18 idea of that. Okay, here we go.

19 MR. DEAN: I showed this slide. I might have gone through  
20 it a little bit quickly. Let me talk about it again in the context of  
21 your question, Mary.

22 Your discussions with Bob pointed out that items that are  
23 characterized as green, whether it is using our significance  
24 determination process associated with inspection findings or whether it  
25 is performance within a performance indicator, okay, is acceptable to  
the extent that we do not believe we, the NRC, need to take any more  
regulatory response other than executing our baseline inspection  
program.

In other words we expect there to be issues at plants. We  
expect there to be a performance band where you are going to have things  
come up. We have a complex industrial activity. We have humans that  
are operating complex machinery. There's going to be mistakes that are  
going to be made. The question is how significant are those mistakes  
and what do those mistakes mean in terms of are the overall performance  
or culture at that plant?

So if the issues are of low significance they may be a  
violation of an NRC requirement, and more than likely they are, but  
there may be items that fall within -- and those of you that still have  
the mindset about enforcement, okay, an issue that is in the green area  
is probably akin to a Severity Level 4 violation.

Now we have things below that that are called in current  
enforcement space "minor violations" and those are things that are  
issues kind of like Joe described. The guy didn't initial and didn't  
date. That would be a violation but that would be a minor violation and  
not something that we would annotate in our inspection reports, but it  
would be an issue we would raise with the licensee and make sure they  
get in their corrective action program, so there is a body below this  
green which are minor violations. They don't even reach the green  
threshold in terms of safety significance.

MS. MacDOWELL: They are not below. They are above in the  
sense that they are --

MR. DEAN: They are less significant, much less significant.

MS. MacDOWELL: They don't even count as green, so they are

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1 up in the zero band.

2 MR. DEAN: They are up in the noise, noise level, in terms  
of plant operation and activity.

3 MS. MacDOWELL: But I think you are missing our point, if  
you don't mind my interrupting just briefly.

4 MR. DEAN: Sure.

5 MS. MacDOWELL: Which is that the website by operating as a  
more accessible public medium means, okay, log on and if you can figure  
6 out how to check your local plant or if you just look at the matrix of  
all the plants, initially it looks so good, why investigate further? I  
7 mean if you even sort of find that you can click on the little diamonds  
to get written paper for the vast majority, for instance on the Harris  
8 plant, for the vast majority of those quarters in those parameters there  
is no paper for you to read through the graphs that look like that.

9 MR. DEAN: In actuality, well --

10 MS. CULLINGTON: Because there were no findings, so you  
can't click on them. It doesn't tell you there that you can go look at  
11 other stuff with the Adams program or whatever, and I am sorry, I may be  
misinterpreting what Mary is saying but I suspect that she was saying a  
12 little bit more about the fact that the whole green band is in a  
numerical range below the norm.

13 You interpret and the public is going to interpret that as  
meaning that.

14 MR. SPECTOR: What you are saying, in other words, if you  
clicked on the points down here under the inspection reports, if you  
15 clicked on down there you would get nothing?

16 MR. HAGAR: Augie, I think she is pointing out that for  
Harris most of those down there are blank. They say in real small  
17 letters "No findings this quarter."

18 MR. SPECTOR: That's right.

19 MR. HAGAR: And that is because there were no risk  
significant findings during that period. It's as simple as that.

20 MS. CULLINGTON: But in the past you used to be able to read  
the inspection report even if the inspection report --

21 MR. DEAN: And you can still do that. You can still do  
that. My understanding is, and I will have to go back and check, you  
22 can still click on that box --

23 MR. FRY: I don't always get snowpake on the screen when I  
use a computer. That's how much improvement I've got. I specifically  
went looking, because the SLO, whatever that is, State Liaison Officer,  
24 report said to me if you want to see the inspection report, go to the  
webpage, so I went to the webpage.

25 MR. BOSNER: I do know the answer to this is if there were  
findings in an inspection report, right now the website works where the  
inspection report will show up. If there were no findings in that  
inspection report right now the way the website is configured you won't  
be able to get to the inspection report, but my understanding is you are  
reconfiguring the website so you can get all the inspection reports,  
even if there were or were no findings.

Now we are going to get green whether there were findings or  
not findings in that report. Those areas will still indicate greenening.

MR. DEAN: We are looking at improving that to deal with  
that type of issue.

1 MR. BOSNER: I think that was the source of confusion here,  
you're green but there were no findings.

2 MR. DEAN: Right, and what we should have is a different  
3 coloration as you will -- because green should indicate that you had a  
4 finding of some significance that quarter, so we have to go back and we  
are in the process of taking --

5 MR. SPECTOR: We are in the process of updating, of cleaning  
up what -- I think now we are clear on what you are saying. That is one  
6 of the things they are trying to clean up.

7 MS. CULLINGTON: I think Mary had something that she wanted  
to say that I interrupted her.

8 MR. MARTIN: I just want to make a statement that might help  
a little bit.

9 This green, white and flag colors and so on is not going to  
change anything. It's just a way of stating some probabilities and you  
10 have got risk analysis involved in this management of the reactors, and  
that is the same thing. That is a statement of probabilities. They  
11 could be written in other ways, numerically or whatever, and here by  
putting it as a color and putting it on the website and all that is  
going to glamorize things a little bit but it isn't going to help.

12 People -- I would say that risk analysis is not well  
understood. It's a very complex kind of thing, and to ask somebody  
13 whether they have confidence in it or no confidence is way off base. My  
confidence for the NRC has dropped this evening because apparently you  
14 want to keep on asking a question that nobody can answer, and maybe that  
will help politically but it is not going to solve those problems.

15 You can't solve the risk analysis for a nuclear plant. You  
16 can get some numbers and you can play around with it, but you are not  
going to solve those -- the equations that are involved, so I think if  
17 you want to get the confidence of the public you have got to ask them  
some things that they can answer. Let them talk, you know, but they are  
18 not talking when you ask them do you believe in this? What is this  
anyway, some kind of a fundamentalist meeting of some kind of  
19 fundamentalist meeting where you "believe" -- I don't know. My answers  
don't come up that way.

20 MR. SPECTOR: We possibly should be wording some of the  
questions a little differently. We are trying to get the idea of public  
21 confidence and you don't seem to have that.

22 MR. MARTIN: Yes.

23 MR. SPECTOR: Mary?

24 MS. MacDOWELL: The risk significance. I wish David would  
speak a little more about that, but it appears that whether something is  
25 a problem or not is determined by whether that failure of that piece of  
equipment is in conjunction with other pieces of equipment in the plant  
and procedures, whether based on maybe past history whether that piece  
of equipment is out of service, whether the chances that that would lead  
to an accident or a significant increase in the changes of an accident,  
and I think from a sort of common sense point of view, the public would  
like to know that all the equipment is working and that the plant is  
operating only when all the equipment is working and that the redundancy  
ANN RILEY & ASSOCIATES, built into the design is all there, that the equipment -- that we are  
not sort of banking on the probability that there will be -- that two  
bad things won't happen at once and a human will make an error at the

1 same time, and that probability, and using that in the risk assessment  
 2 makes me uncomfortable and question whether that really protects the  
 3 public and whether that is really reducing the redundancy that is  
 supposed to be built into the system so that things can break down and  
 we are still safe.

4 MR. DEAN: Joe, do you want to -- I guess the one thing I  
 want to mention, and I may ask Joe to weigh in here a little bit, is  
 5 that what we can't lose sight of -- yes, we're risk-informing our  
 processes and we are doing very close to what you talked about, Mary, in  
 6 terms of if there is an equipment failure we want to look and see what  
 other equipment is in place that would be available to mitigate a  
 7 potential accident while there are other pieces that might be out of  
 service so that the confluence of all these components either being out  
 8 of service or unreliable or whatever may lead to, for that period of  
 time, an elevated risk profile at the plant, but what we can't lose  
 9 sight of is that each plant has within its license technical  
 specifications that are associated with all the key pieces of safety  
 10 equipment and define how long equipment can be out of service that is  
 considered to be an acceptable period of time, after which they have to  
 11 shut the plant down to fix that system for just that very reason.

12 I don't know, Joe, if you want to add anything else in terms  
 of that, but we can't lose sight of the fact that there's other things  
 13 that exist besides what is in this regulatory oversight process that are  
 part and parcel of a licensee's license, things that they have to adhere  
 14 to in terms of their operations, and the technical specifications play a  
 very major role in that.

15 MR. BRADY: One of the things, if you look at the history of  
 the nuclear plants, the problems tend to happen when you tend to  
 16 perturbate the plants.;

17 MS. MacDOWELL: Perturbate?

18 MR. BRADY: Perturbate -- change power levels and so forth,  
 as equipment is taken off the line, as you make rapid changes in power  
 and so forth, as equipment configurations change things can happen, so  
 19 when the technical specifications were put together certain of the key  
 equipment was allowed certain out of service time that was a reasonable  
 20 period of time thought by the Staff to allow that piece of equipment to  
 be fixed before the risk of perturbating -- from perturbating the plant  
 21 was required, so that is where the times -- and you are talking about we  
 would like to have all of the equipment operating all the time.

22 Well, we would like to also, and so would the utility, but  
 the real facts are things break. I mean regardless of how much  
 23 maintenance you do on your car, how often you look at it, eventually  
 something is going to break and you have to deal with that. Sometimes  
 24 you stop the car. Sometimes you drive on to the repair facility and get  
 it fixed.

25 What Bill is trying to say is the technical specifications  
 build those times into it. Now where we get into the risk significance  
 is on the back end of an inspection finding process. The risk  
 significance doesn't factor into the decision of whether the plant has  
 to be shut down or not if it is a technical specification.

The plant has to comply with the technical specifications.

It is plain and simple. If they don't, they will as a minimum get a  
 violation and if it is a fairly serious thing where we think they need

1 to be down right now and they are not down, and they are refusing to go  
2 down, we have the power through the enforcement process to order them  
down immediately.

3 So all of that is still there. Where the risk significance  
4 comes in is where you have an inspection finding and in the old process  
we used to categorize these as Level 1, Level 2, Level 3, Level 4 and  
5 then below that really was these minor violations that Bill was talking  
about.

6 What we found when we started the risk assessment stuff was  
these Level 1, 2s and 3s and 4s really didn't correspond directly with  
7 the risk to public health and safety, so when they came into the new  
process, being smarter now than what we were 30 years ago when these  
8 plants first started, is why don't we build into these enforcement  
actions the risk to the health and safety to the public.

9 How they did that was through these green, white, yellow,  
10 red and then had the enforcement actions match up through the action  
matrix with those things, so when they talk about risk-significance and  
11 so forth you are talking about an inspection finding and what does the  
NRC do with that and what is the NRC reaction.

12 From the standpoint of follow-up inspections it doesn't  
affect what happens when a technical specification is not met. They  
13 still have to do what they had to do five years ago, 10 years ago.

14 Since 1987 when this plant was licensed they had to comply  
with their technical specifications and operate the plant in accordance  
with that and their procedures.

15 MS. MacDOWELL: So no technical specifications can be  
excused by a risk significance analysis? They have to comply with all  
16 those or they get a violation?

17 MR. BRADY: That is essentially true. There are some  
processes where the utility can apply for an exemption for relief from a  
18 technical specification. They have to provide that in writing to the  
NRC and then the NRC has processes where they analyze that and can get  
relief. Those are unusual exceptions.

19 MR. DEAN: There's some very stringent criteria that have to  
be met in order to get that discretion.

20 MR. SPECTOR: Rick, you had your card up?

21 MR. GIVENS: I have listened to all this and I have called a  
number of people too, because I'm certainly not a nuclear scientist or  
22 engineer but I do understand lights, colors just from my experience over  
the last 30 years, and Mary asked some very essential questions but it's  
23 kind of like you are driving in your car. You have oil pressure that is  
in the green. It might be at the lower end of your green. Well, you  
24 know there might be a problem starting, but it's not a problem now so  
don't, you might want to go home and then you'll have someone look at  
25 it.

Well, it sounds to me from what you are saying that there's  
various levels in these colors that kind of point to that. You lose a  
bolt off your generator that's holding a wire but it is not anything  
that controls the electricity when you get home you can work on it and  
if you found it in an inspection you can fix it, or if you have got 400  
hertz and have plus or minus 8 and it's running 6, out of synch, you  
know you have got a problem starting but you don't have to address it  
right now, and I think that's what they are saying, that there's a lot

1 of things that just like initialing a mistake in the number -- it's just  
2 a mistake, but it is not a mistake that requires all the time put on  
3 this one little item.

4 I think they are streamlining. I haven't seen anything yet  
5 that compromised safety. Now I am sure in the guidelines there's some  
6 that some would argue but without seeing the technical specs, there's no  
7 way here, and I understand what the gentleman said, you can't answer  
8 these questions I can't answer these questions even though I might know  
9 some of the answers, but from what I have gathered I don't have enough  
10 information to give a logical and educated answer to the questions  
11 asked, and maybe if they were reworded it might be, but I understand in  
12 theory what you are doing and I don't -- now how you arrived at your  
13 thresholds only you have those numbers, but I do know you have a number  
14 of years of experience to look at the charts to see what significant  
15 change constituted a problem, and when you look at that you have a  
16 guideline to go by, and I understand that part.

17 For that part I appreciate the openness and I know we have  
18 had a problem maybe sometimes not being open. Even though I didn't  
19 understand everything you said, I at least appreciate your taking the  
20 time to address the public and I know from our side, we are living right  
21 next to you, and that has always been a problem and an area that  
22 everybody is interested in, but we have always had experts on both sides  
23 that couldn't even get along with the same simple question, so I think  
24 maybe simplifying some of your questions, some of your answers would  
25 help the public, help someone who is not a nuclear engineer like some of  
26 these gentlemen who spent their life studying this, they might  
27 understand perfectly, but you are going to have to put it in layman's  
28 terms, that's all I am saying, so that the old boy that can fix your car  
29 could understand when you are talking about your power plant because it  
30 all relates to common sense if you get down to it, if you could get it  
31 down on that level that you could understand it.

32 MR. SPECTOR: We appreciate that. Thank you very much.  
33 I think we have an opening for a Regional inspector -- seriously. But  
34 thank you very much.

35 MR. GIVENS: I'm retired.

36 MR. SPECTOR: I know.

37 [Laughter.]

38 MR. SPECTOR: Wells?

39 MR. EDDLEMAN: I want to come back to this thing about  
40 exemptions from the tech specs, because unless things have changed  
41 remarkably since the last time I looked into this, those things -- I  
42 mean it depends on your definition of the word "rare" but I would say  
43 they are far from rare.

44 I have seen this stuff time and time and time again. The  
45 NRC has given people permission to operate outside of the tech specs,  
46 and not only that, they get found to be operating outside of their  
47 design basis or their design basis isn't properly defined.

48 These are extremely serious safety issues and the NRC  
49 basically does nothing about them except to disperse the people who  
50 analyzed the stuff and found it. You know -- find your people who used  
51 to be in AEOD and ask them.

52 But I think there's a couple other points I wanted to make  
53 kind of quickly -- actually more than a couple but the first one is that

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1 nobody has enough information to answer that question of adequate  
safety, and one reason that is true is that accidents tend to sneak in.

2 I think it was Mark Twain -- might have been somebody else -- who said  
3 it's very difficult to make things foolproof because fools are known to  
be so extremely ingenious.

4 [Laughter.]

5 MR. EDDLEMAN: The point of it is there's a wonderful  
6 formulation of Murphy's Law that I like that says "Whatever could go  
7 wrong will go wrong unless somebody makes it their business to make  
8 certain that it won't" and to make certain is very difficult, but when  
9 they are teaching you defensive driving like you have to do on your snow  
out here or your ice, they always warn you about the unexpected, and  
that is very difficult to build in to any kind of a program, but if you  
look at the history of real accidents, a lot of the precursors don't  
look significant by themselves, but when they line up at the same time,  
by golly, you are in it deep.

10 I would like to finish up with a couple of points that  
11 haven't gotten in here yet, but I understand -- now, this may not be  
12 correct information but I got it from what I think is a good source --  
13 that the NRC is planning to cut back their total inspection effort, the  
14 amount of inspector hours available per plant, on average by about 15  
15 percent under this new program.

16 There's no indication that safety is improved by 15 percent.

17 There are a lot of problems with these indicators in these plants.

18 The other thing is they appear to be allowing the owners and  
19 operators to reduce the frequency of certain tests on safety equipment.

20 There is a Murphy's Law of that built in because when you do test it,  
21 the strain on it of testing it and the time it takes to test, those are  
22 costs.

23 On the other hand, if you don't test it, some of this stuff  
24 can freeze up. I know in some of my consulting work that is not nuclear  
25 that there are safety systems that haven't been exercised for 30 or 40  
years, and almost all of them are corroded to the point where they won't  
function, and this particular industry doesn't do a doggone thing about  
it, and some day they are going to kill somebody.

But I think in the nuclear industry the consequences would  
be much greater. It's like the worst accident that I ever heard of  
happened in a coal-fired power plant wrecked a lot of the inside of the  
plant, but I think the number of casualties was less than 10. Now the  
worst accident that you can think of in a nuclear power plant is a heck  
of a lot more consequential than that, and therefore I think if you are  
talking about your society's allocation of resources it pays to put some  
more of these resources which, by the way, I think all the NRC's  
inspection resources still come from user fees and not taxes, it makes  
sense to me to get the resources you need because if you are saying,  
well, this stuff hasn't had a problem lately so we will just test it  
less and we will just inspect it a little less, well, in the middle of  
life of something that might be a fair assumption, but you don't know  
how fast it is coming to the end because you don't have the experience  
base to tell.

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No nuclear plant has gone through this 40-year licensed life  
yet in the United States and if you -- and Murphy's Law is striking  
here. I have lost my last thought.

1 Oh, I know what it is. It's about the Harris plant itself.

2 I think probably most of the people here know this, but just in case  
3 you don't, that a lot of the safety-related systems at the Harris plant  
4 were built with pipe that is too thin to start off with, when the thing  
5 was new, and everybody knows that leak before break is a wrong theory,  
6 so you can't count on leaks to show you what is going wrong, what might  
7 fail catastrophically.

8 That is something that I think really needs to be looked at  
9 specifically but there's things like this involving stuff out of spec  
10 that was built, fraudulently certified stuff throughout the nuclear  
11 industry and that needs to be built-in too. There needs to be some  
12 stuff that's both industry-wide and plant specific that says here are  
13 things that we found to be problems that could cause some serious  
14 trouble that we need to find an effective way to look at, because when  
15 the pipe is full of water and the water is radioactive as anything,  
16 well, gee, you can't x-ray it because the radiation from the pipe is too  
17 much, that's all, so you have got to have some way to effectively find  
18 out what that pipe is doing, and it might involve shutting the plant  
19 down for awhile or keeping it out more when it has an outage, but if you  
20 don't find out and something goes wrong I guarantee you there's going to  
21 be some inspection.

22 MR. SPECTOR: Okay, thank you. Bill, did you want to comment  
23 on a couple of those points?

24 MR. DEAN: I just want to take the opportunity -- I know we  
25 have gone way over our time, but obviously the discussion has been very  
26 good and we don't want to cut anybody off. I know people are starting  
27 to get to their ends.

28 But I do just want to address a couple things. One is the  
29 cutback on the total inspection effort that he referred to, 15 percent.

30 In the original design of the criteria used to measure this  
31 program, this new oversight process, one of our goals, as you saw, was  
32 to be more effective and efficient. Well, the thought was that we  
33 should at least have a criteria that says we would consider this to be  
34 more effective and efficient if inspection, overall inspection resources  
35 used to implement the oversight process, and that is all aspects of it,  
36 were reduced by 15 percent.

37 It was not a mandate to reduce inspection resources by 15  
38 percent. All it was was a criteria that existed that we would consider  
39 this to be a more effective and efficient process if resources were  
40 reduced.

41 When we briefed the Commission on this process before we  
42 implemented it, they said there is a problem with that criteria because  
43 it could become a self-fulfilling prophesy and it is not the right  
44 approach, so we eliminated that criteria as being something that we  
45 would measure, okay? -- so there's no intent whatsoever in this program  
46 to reduce inspection resources. es.

47 What is important about this program is that in gathering  
48 the information in the pilot plants and the information that we are  
49 going to gather on executing this program for the other plants when we  
50 execute the program for all sites is that we will gather information  
51 that will tell us more definitively than what we have now what does it  
52 take to execute this inspection program, and so we have already  
53 committed to the Commission in 2001, after we get a year's experience at  
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1 all sites under our belt with this program, come back to the Commission  
2 and say here is what we have found in terms of what resources did it  
take to execute this program.

3 We will use that to help develop our budget model, so there  
4 is not an intent to cut resources. There is a reference in the original  
5 design of this program as to what we estimated it would take to execute  
various parts of the inspection procedures, but that is not a driving  
factor or a need for this process

6 The Commission has told us to determine what is the right  
7 program, determine what are the resources needed to execute this  
8 program. That is Item 1 I wanted to address.

9 The second thing I wanted to talk about was, and this kind  
10 of links your beginning and your ending -- your quote from Samuel  
11 Clemens or Mark Twain and the fact that how do we address problems that  
12 occur.

13 One of the things that we need to build into our process is  
14 a self-assessment process. You know, things are going to happen that we  
15 didn't predict, okay? -- and can we design a process that is going to  
16 predict everything that is going to happen? Absolutely not, and anybody  
17 that says that we can is not a realist, but we certainly need to design  
18 a process that hopefully gives us enough indications that things are  
19 going wrong so that we and the licensee can step in and correct those  
20 things before they become more problematical.

21 Be that as it may, we recognize things are going to occur  
22 that will provide us insights that say there is an element of your  
23 inspection program that should have caught this and didn't, so we need  
24 to go back and reassess on a periodic basis what is our inspection  
25 program and what are the performance indicators telling us and do we  
need to adjust those? Do we need to alter the approach or alter the way  
a certain inspection procedure is written to make sure that we focus on  
those elements that have over time proven to cause problems?

26 The other thing I wanted to mention with respect to your  
27 concern about plant degradation, there's a rule that the NRC instituted  
28 a number of years ago called the maintenance rule. The purpose of that  
29 rule was for, number one, licensees to identify all of the equipment  
30 that was important to safety that had a contribution to safety at that  
31 plant, and that they needed to do periodic monitoring and testing of  
32 that and when they found that the testing indicated that the thing was  
33 not performing as it should, then the frequency of that testing needed  
34 to increase until they got enough confidence that they had corrected  
35 whatever deficiencies led to the problems with that equipment, so there  
is a rule in place that licensees have to follow the maintenance rule  
that I think deals with that very issue about safety equipment going  
unmonitored and unreviewed for a period of time.

They are required to monitor all their safety equipment. I  
don't know, Joe, whether you want to add anything about that in terms of  
the maintenance rule, but I think that gets at the very heart of your  
concern.

They are required to do that and if they start finding  
problems, they need to test more frequently, so that is an important  
rule to keep in perspective.

MR. HAGAR: If I may, let me respond to one other thing  
Wells said as you went along.

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1 I am one of the people that implements the inspection  
2 program and I have see no flexibility at all in implementing the  
3 inspection program based on the types of findings.

4 That is to say we can't -- we don't have the freedom to cut  
5 back on the number of inspections we do simply because there's no  
6 findings. We implement the inspection program regardless of whether  
7 there's findings or not. There isn't that flexibility there, so even if  
8 we have no inspection -- no findings at all for a year, we are still  
9 going to be doing that inspection regularly, looking for findings.

10 MR. DEAN: Our inspection process is a sampling process and  
11 we have got two Resident Inspectors in the Region. We don't have the  
12 time or the resources to look at every single thing that a licensee  
13 does, so by necessity our process has to be sampling, which means we  
14 have got to go back time and again and there may be that one inspection  
15 every couple years that we find that nugget that gives us the thread  
16 that we can pull that uncovers some significant issues.

17 MR. SPECTOR: What I would like to do -- we are really  
18 about, we are quite a bit over our time here, so what I would like to do  
19 is, if it is all right with you, is call this formal session part of the  
20 meeting to a close and thank you very much for attending.

21 We will be here later in case some people have some  
22 unresolved questions or issues that they want to cover, but I want to  
23 thank you again for coming and if you would like a copy of the  
24 transcript if you give me a card or your address after the meeting -- I  
25 will be up here -- I will make sure that it is sent to you.

MR. FRY: Thank you again for doing that.

MR. SPECTOR: Well, thank you, Mel. We appreciate all the  
comments.

MR. EDDLEMAN: It is a good turnout.

MR. SPECTOR: We will make sure that your material -- I have  
a copy but I'll make sure that --

MR. EDDLEMAN: I have got a copy for the Reporter.

MR. SPECTOR: No, we will put it into the minutes. Thank  
you very much.

MR. DEAN: Thank you, everybody.

[Whereupon, at 9:50 p.m., the meeting was concluded.]