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Implementation Evaluation Panel
Meeting

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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REACTOR OVERSIGHT PROCESS

INITIAL IMPLEMENTATION EVALUATION PANEL

MEETING

+ + + + +

MONDAY

JANUARY 22, 2001

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BETHESDA, MARYLAND

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The Panel met at 8:00 a.m. in the Embassy
III Conference Room of the Four Points Sheraton Hotel,
8400 Wisconsin Avenue, Bethesda, Maryland, Loren R.
Plisco, Chairman, presiding.

PRESENT:

LOREN R. PLISCO Chairman

A. RANDOLPH BLOUGH

R. WILLIAM BORCHARDT

KENNETH E. BROCKMAN

MARY A. FERDIG

STEVE FLOYD

DAVID F. GARCHOW

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1 PRESENT: (CONT.)
2 RICHARD D. HILL
3 ROD M. KRICH
4 ROBERT A. LAURIE
5 JAMES H. MOORMAN III
6 FRANCIS X. CAMERON Facilitator
7 JOHN D. MONNINGER Designated Federal Official
8 ALSO PRESENT:
9 THOMAS BOYCE
10 DOUG COE
11 WILLIAM DEAN
12 DON HICKMAN
13 JEFF JACOBSON
14 PETER KOLTAY
15 ALAN MADISON
16 ROBERT PASCARELLI
17 AUGUST SPECTOR
18 STEVEN STEIN
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P-R-O-C-E-E-D-I-N-G-S

(8:17 a.m.)

1
2
3 CHAIRMAN PLISCO: Welcome to the Third
4 Meeting of the Reactor Oversight Process Initial
5 Implementation Evaluation Panel. This is a public
6 meeting. We do have a sign up sheet by the door. I'd
7 appreciate if you'd sign in, attendees not Members of
8 the Panel.

9 We'll receive any public comments at the
10 end of each session. We didn't receive any written
11 comments before this meeting, right, John?

12 MR. MONNINGER: Correct, we did not
13 receive any.

14 CHAIRMAN PLISCO: The meeting will be
15 transcribed.

16 The meeting minutes from the last meeting
17 John sent out by e-mail as requested by everyone, did
18 everyone receive that?

19 MR. MONNINGER: There is also information
20 in the back that included the meeting summary in the
21 last meeting. The only thing not there was the
22 transcript of Friday. We did receive a copy of the
23 transcript. We'll send out an addendum to the meeting
24 summary and then post it on the web probably sometime
25 late this week.

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1 CHAIRMAN PLISCO: Okay. Any questions on
2 the summary of the last meeting or information we put
3 out?

4 I'll briefly go over the agenda for the
5 next two days. This morning we'll have a discussion
6 of the issues identified through the input of the
7 Panel. Everyone sent in their input and we tried to
8 collate that. John did most of that work, pulled
9 those together and we've got a copy of those for
10 everyone and there's a copy of those on the table
11 also. We'll talk some more about that this morning.

12 This afternoon we have a presentation by
13 the staff. As requested by the Panel, there's three
14 subjects that they're going to focus on. They're
15 going to discuss some of the initial data they
16 received in their self-assessment, the first six
17 months of information. They're going to talk about
18 their current initiatives and the status of their on-
19 going activities and the issues that they already have
20 on their plate, identified through workshops and
21 through feedback processes. And the status of the
22 recommendations and issues that were identified in the
23 Pilot Program Evaluation Panel Report and the
24 Commission Staff Requirements Memorandum. There were
25 several actions when the process was started in April

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1 and they'll report on where they are in those actions.
2 They'll finish up today.

3 Tomorrow in the morning, we're going to
4 hear presentations from some invited stakeholders, the
5 New Jersey Department of Environmental Protection will
6 be here. We have a Panel of Senior Reactor Analysts
7 that Jim Trapp has put together and they're going to
8 provide a presentation on their views on the process
9 and we'll have opportunities to ask them questions and
10 the same for -- we have a Panel of NRC Inspectors that
11 Jim Moorman has pulled together. We'll do the same
12 with them.

13 In the afternoon, depending on how much
14 time we have left after these Panels in the morning,
15 we'll continue our prioritization discussion of the
16 issues that the Panel has submitted and their input.
17 We'll try to make it through that list. We'll see how
18 far we get through that tomorrow.

19 Then we'll do some final agenda planning
20 for our February meeting and also try to schedule out
21 our remaining dates in preparation of putting together
22 our final report.

23 Any questions on the agenda? Any other
24 topics we should be talking about?

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1 MR. FLOYD: Did we set the date yet for
2 the February meeting?

3 CHAIRMAN PLISCO: Yes. It's February 26th
4 and 27th, is that right? Yes, February 26th and 27th.
5 We haven't picked any dates after that and that's what
6 we need to do by tomorrow.

7 I have a couple of time periods to propose
8 and then we'll see if --

9 MR. HILL: The February meeting will be
10 here or have we decided that?

11 CHAIRMAN PLISCO: We haven't talked
12 location yet. And I guess it will be dependent on
13 what we decide agenda-wise too. If we have any other
14 external -- I think when we have a number of external
15 people this seems to be the best location in the D.C.
16 area as far as central location, getting the invited
17 speakers in. We can look at that once we look at what
18 agenda items we want.

19 Any other questions before I move on?

20 This morning what we plan to do is do an
21 initial review of our collation of the input we've
22 received from the Panel Members. What we did was all
23 the input we received, John made his best attempt to
24 collate that, collate the issues. We took all the
25 inputs. We first tried to sort them into the main

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1 topic areas for the program, for example, the
2 Significance Determination Process or the Inspection
3 Process. We broke them into those groupings. Or we
4 put them in the overall category if we thought it was
5 an issue that cut across all the areas.

6 And then we tried to look for similar
7 subject areas or issues, either where there were a lot
8 of common issues or where there were a lot of varying
9 viewpoints on an issue. We tried to capture all of
10 those in this packet that you've got.

11 This is meant to be a dynamic list. This
12 is our first cut at it. I'm sure there's going to be
13 other issues as we discuss and go through them that
14 we're going to need to it or expand or look at how we
15 define an issue.

16 What we want to accomplish this morning is
17 to first of all make sure we all have a common
18 understanding of what the issues are as we go through
19 them, make sure as a panel we understand the different
20 viewpoints and perspectives on the issue. I don't
21 want to try to solve the issue or what the problem is
22 here as we go through these items, just make sure we
23 understand them and Chip's going to give us some
24 guidelines as we go along to help us out, but we're
25 going to try to start reaching a consensus on what we

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1 think the priority of these issues are and help us as
2 we go along and how much time we need to focus on
3 them. And what other information we're going to need
4 or anyone else we want to hear from to help our
5 perspective on these issues.

6 As we talked last time, and I think we put
7 it on the front page of the sheet, we're going to
8 prioritize them in these three categories. The first
9 priority is if the issue is not correct, it could
10 threaten meeting one of the goals of the reactor
11 oversight process. That's what we're calling Priority
12 1. Priority 2 is the issue that should receive high
13 priority. And the third category is an issue for
14 consideration by the staff as they're reviewing the
15 process.

16 Chip, do you want to talk some more about
17 --

18 MR. CAMERON: Sure, thanks, Loren. I'm
19 here again to try to give you any organization help
20 that you might need in your discussions. I guess the
21 ultimate objective and I think it would be important
22 to make sure that everybody on the Panel is on board
23 on how we're going to work through the issues over the
24 next two days, but the ultimate objective coming out
25 of this meeting, I think, from my discussions with

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1 Loren and John is that you should come out of here
2 with a rough idea, at least with what the priorities
3 are on this set of issues that's been provided to you
4 and along those lines, going into this first session
5 this morning, as Loren pointed out, I think we want to
6 check in and make sure whether the Panel understands
7 all of the issues that are in this chart. Is there a
8 common understanding of what the problem is and is
9 there more information that you might need in order to
10 make priority determinations on these issues, and to
11 get an idea of what the -- whether there might be a
12 consensus in terms of what the importance of the
13 issues are. And I think that because you're going to
14 have presentations coming up that at least in the SDP
15 area and inspection area, perhaps this morning we can
16 find out what that rough idea of consensus is.

17 So one way to proceed with this after we
18 find out whether everybody understands this process
19 we're going to go through and whether anybody has any
20 suggestions on other ways to do it, is to -- Loren,
21 did you want to start with --

22 CHAIRMAN PLISCO: Yes. I'd like to
23 mention as we were talking about how we were going to
24 do this, we're obviously not going to get through this
25 whole list this morning, at least based on our

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1 experience so far with the last two meetings. I'd be
2 very surprised if we did.

3 But since we do have some Panels tomorrow,
4 one, the Senior Reactor Analyst and the Inspectors
5 tomorrow, I thought it would be worthwhile to probably
6 go through those areas first and try to get through
7 those, at least part of those this morning because
8 that may develop some questions for us to ask the
9 Senior Reactor Analysts and the Inspectors tomorrow if
10 there's other information we want. It would be a good
11 opportunity for us to ask those questions to them
12 directly, if we go through those two areas first.
13 What I was going to suggest, if there's any ideas or
14 thoughts on that, and proceed.

15 MR. CAMERON: Does anybody have any
16 problems or any ideas on how you might want to go
17 through these issues other than what was described?

18 All right, so Loren, do you want to start
19 with the SDP issues?

20 CHAIRMAN PLISCO: Well, first, just to
21 help everyone out, it may be self-evident, I just want
22 to make sure I just want to walk through with you what
23 you've got in your handouts so you can see what you've
24 got and how it's got arranged.

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1 On the first page, John's reiterated these
2 three criteria that we came up with at our last
3 meeting, what the eight goals are and these first
4 three pages and bullets are just a summary of what
5 John and I have come up with, what we thought were the
6 common issues as we went through all the inputs that
7 we received. A number of these are either issues or
8 questions and if you look further in the packet,
9 starting on page 4 is more detailed information of
10 each one of those issues.

11 A lot of these are word for word out of
12 your input or are paraphrasing of a long paragraph is
13 how, what we tried to capture in these as we went
14 through.

15 MR. BLOUGH: What's the "O" stand for?

16 CHAIRMAN PLISCO: Overall. We tried to
17 break it into overall, the performance indicators, the
18 inspection program, the significance determination
19 process, assessment and enforcement and I think that's
20 it.

21 What we decided for this meeting is we
22 didn't include any of the -- what we called positive
23 comments. We have started pulling those together too,
24 but they're not in this package. We also made an
25 attempt where we saw issues going across here, that's

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1 where this overall came from. Some people gave it to
2 us as overall and some -- so we pulled out ourselves
3 as we went through all the inputs.

4 I think you'll see as we walk through all
5 of these, there's a lot of commonalities between some
6 of these issues once we start talking about, once John
7 and I start reading them. There is a lot of overlap
8 and I think -- that's why I said this list is dynamic.
9 We may want to, as a Panel, decide to move or rephrase
10 how we have some of these as we go through this. But
11 there a lot of common issues.

12 Any questions about the package, how we
13 have it laid out?

14 MS. FERDIG: I just want to make a
15 comment, an acknowledgement of the effort that Loren
16 and John went to to synthesize these comments. Good
17 job and very helpful for us.

18 MR. MORRIS: Thank you.

19 CHAIRMAN PLISCO: I propose we go ahead
20 and start with the Significance Determination Process
21 and talk about those issues first. They start on page
22 15.

23

24 What we may try to do for each one of
25 these is just try to summarize some of the issues that

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1 we saw, any input, and then we can just open it up for
2 discussion and make sure we understand all these.

3 The first area is clarifying the process
4 for evaluating and communicating Significance
5 Determination Process issues. These are in no order.
6 This is just the order that as we pulled the inputs
7 together.

8 One issue under this category is that the
9 Significance Determination Process communication
10 between the licensee and the NRC during Phase II is a
11 question of when the clock starts as far as timeliness
12 and processing issue, what happens in the process as
13 far as an understanding of what goes on, what the NRC
14 and the licensee after the Inspectors leave the site.
15 Is the door closed for communications? How do they
16 interact with the NRC during that process before the
17 regulatory conference, I think is what that issue,
18 this issue is about.

19 The next one was -- has to do with the
20 regulatory conference on -- there's been a number of
21 issues and feedback. I know the staff has received
22 and I have heard from other attendees some confusion
23 as far as what was the regulatory conference in
24 comparison to what the enforcement conference used to
25 be. Is it different? Are the objectives different?

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1 Should the attendants be different? And that is not
2 clear to a number of the participants.

3 The next one had to do with an appeal
4 process to dispute risk characterization of even green
5 findings and how that's supposed to happen.

6 The next had to do with control and public
7 access to information having to do with risk
8 characterization. There are a number of discussions
9 that go on between the NRC and the licensee's risk
10 analyst and what kind of controls should that
11 information have? Should any information be placed in
12 the docket that's submitted by the licensee and what
13 about public access of that information?

14 The next has to do with issues involving
15 equipment performance and personnel performance issues
16 and how the SDP be applied to those.

17 The next one is similar to the one that
18 we've already talked about having to do with access to
19 information when the risk characterization is being
20 developed and who should be involved with that.

21 The last was more of a statement, a
22 perception that appeared to be excessive time spent in
23 resolving disagreements on a low level SDP results and
24 inspection findings. Whether that's worth the time

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1 and effort to be doing that from either side, either
2 people.

3 MR. GARCHOW: Loren, do you see this sort
4 of unfolding, thinking that the end in mind that we'll
5 make a conclusion and the Panel like say relative to
6 the overall category which you've labeled is S-1 and
7 then you'd say the types of examples that came up
8 during the Panel discussions that sort of support the
9 need to clarify and communicating the SDP process were
10 as follows and you sort of see the report, saying that
11 not limited to these issues. There could be others
12 that we would never find in our panel, but we saw
13 enough that -- do you see the sort of "we would
14 concur" that we see enough that this is an issue that
15 is going to -- that we've recommended to the NRC that
16 they'd have to go --

17 CHAIRMAN PLISCO: Yes. We're hoping the
18 end point is is as we've collected all these issues
19 from the individual Panel Members. Actually, I should
20 have mentioned these issues that we put in here were
21 not only, the Panel Members -- John also went through
22 all the external input we've gotten to date. The
23 external presentations and the written input that
24 we've received. He's also put that in here too and
25 try to embed it within these.

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1 MR. FLOYD: Just looking at the
2 compilation that's been done, I'm not sure it's
3 possible to come up with an overall rating for the
4 category. I looked through some in here and I saw
5 issues that could be priority 1, 2 or 3 below a
6 heading so I think it's going to be pretty useful to
7 the staff and the Agency, I think, if we for each of
8 the sub-items that are in there we characterize
9 whether that was just an issue for consideration or
10 whether it's really a show-stopper.

11 CHAIRMAN PLISCO: You're talking about
12 like what we've --

13 MR. FLOYD: S-1, you've got seven
14 comments?

15 CHAIRMAN PLISCO: Right.

16 MS. FERDIG: The variation --

17 MR. FLOYD: I'd hate to say they're all
18 things that have to be corrected and the fatal flaws.
19 If they're not all taken care of when some of them are
20 just kind of comments, you know, and things to
21 consider, clearly, but they not necessarily require
22 resolution. And if we lumped them all and said S-1 is
23 a high priority. It's got to be fixed, I don't think
24 that's -- I know it's going to make the day a little
25 longer to go through each one and say is that a 1, 2

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1 or 3, but I think that's what we're going to have to
2 do. That's my opinion.

3 MR. GARCHOW: And if you did that, I think
4 that would tell you whether the overall category would
5 be one or not, based on whether or everything was a
6 problem or a whole category of beneficial
7 enhancements.

8 MR. BORCHARDT: Well, will we also be
9 discussing to see if there's consensus for each one of
10 these sub-bullets? I mean there may be some that one
11 or more people just don't see it as an issue, don't
12 agree that there's even a problem.

13 At some point we're going to have to come
14 out with a report that's going to be a group report
15 and we could really get ourselves bogged down if we
16 start having dissenting opinions on
17 sub-bullets. I think we would lose focus on what
18 we're really trying to accomplish.

19 MR. GARCHOW: I think that's the benefit
20 of what John did of rolling these up into broad areas
21 because even if you didn't agree with every single
22 sub-bullet, I mean it might be easier to get consensus
23 that there would be some need to clarify and
24 communicate the SDP, whether you agreed with the sub-
25 bullet exactly or not, the recommendation would be on

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1 the overall roll up and so what I thought I heard
2 Loren say.

3 CHAIRMAN PLISCO: Yes. Well, our original
4 intent was to do our initial prioritization on these
5 bullets such as S1 and then decide, okay, which one of
6 these -- you'll see in some of these there are just
7 statements, some may even be a statement of fact.
8 It's not really, we're trying to make a point to
9 support that issue. And maybe what we can do is talk
10 about the issues, make sure we understand them and
11 then discuss what we think the initial priority, of
12 these issues and then maybe okay, what are the primary
13 issues and concerns and embed in here to support that
14 rather than talk about every one.

15 You'll see as you go through there's a lot
16 of them that duplicate each other on very similar
17 issues. We didn't try to go out and cull all those
18 out.

19 Maybe from that standpoint, maybe if we
20 need to, we can come back and do more detailed review,
21 if there is not agreement on some of these issues. We
22 can go back and look at some of the
23 sub-bullets.

24 MR. CAMERON: Are you all on the same page
25 here about how you're going to do this? David stated

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1 out with prioritizing based on the overall category
2 and Steve made the point that well, some of these
3 individual dashes here may be a three, some may be
4 one. So are you going to go through each of these
5 issues and assign a rough prioritization to them?

6 CHAIRMAN PLISCO: I'd say at this point my
7 preference is not to do that now. It is to do an
8 initial prioritization of the main bullet and then
9 discuss what we think as we discuss what the issue is
10 and make sure we all understand it. I think what I
11 hope is it would fall out what are the primary issues
12 in that area that we need to bring forward.

13 MR. CAMERON: And there may be -- people
14 may have ideas that they would want to put in here
15 that aren't included.

16 CHAIRMAN PLISCO: Right. I'm sure they're
17 not all in there yet.

18 MS. FERDIG: So let's try it and see if
19 that works and then --

20 MR. REYNOLDS: We are saying, Loren, that
21 in one point in time that we will go through more
22 details because I agree with Steve, some of these
23 points, I may not disagree with the overall heading,
24 I may disagree with the sub-issue or may want to
25 clarify something or somebody -- 1s, 2s and 3s -- and

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1 some of them may actually contradict each other.
2 Maybe not in this one, but other ones, I read it as
3 one says yeah, one says nay.

4 CHAIRMAN PLISCO: Yes, there are a number
5 of those areas you'll see as you go through the
6 bullets. There are different views on that same area.

7 MR. REYNOLDS: I don't have a problem
8 going through the headings and saying whether we think
9 that's a 1, 2 or 3 as long as we have the flexibility
10 at some point in time to come back and talk about, at
11 least talk about the subheadings that we think need to
12 be talked about, if not every one, some of us.

13 CHAIRMAN PLISCO: Yes. Which ones support
14 our discussion and that issue.

15 MR. REYNOLDS: Right.

16 MR. CAMERON: Any other --

17 MR. BORCHARDT: Well, it may be relatively
18 easy -- is to decide whether or not it's a priority 1.
19 Even through a fairly quick decision, we can say is
20 this thing so fundamentally broken that it's got to be
21 fixed? And then that's probably the most important
22 decision we need to make.

23 Then once we decide that -- in those cases
24 that it's not a 1, whether it's a 2 or a 3, is really
25 a resource allocation issue down the line, right? So

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1 I'm going to think even in the early discussions if we
2 just focused on -- does anybody see a show-stopper
3 here? If not, then we'll go to the next one and plow
4 through the list.

5 MR. REYNOLDS: Did you just redefine
6 priority 1?

7 MR. BORCHARDT: I don't think so.

8 MR. CAMERON: Okay. I shouldn't use the
9 term show-stopper, but if threatens one of the goals
10 of the reactor oversight process, that's a fairly
11 serious deficiency I think.

12 MR. SHADIS: This is good. I appreciate
13 that comment. I'm just looking for a little
14 clarification. Measuring against your goals, your
15 objectives and that element, I think, just needs to be
16 on the other side of the conversation, consistently.

17 CHAIRMAN PLISCO: That's it. I want to be
18 reassured that that's how we're prioritizing.

19 MR. CAMERON: Let's test that with
20 everybody. Does everybody understand the first
21 prioritization criteria and when you discuss these
22 issues, you should also explain why it does or it does
23 not meet that particular criterion. If you're going
24 to do these broad categories, in other words, assign

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1 rank by major issues, but focus on which ones are the
2 -- meet criterion 1, right?

3 CHAIRMAN PLISCO: I think one subtle thing
4 that we talked about the last time too in this
5 category 1 is that it's not just something as Bill
6 said, a show-stopper. It's something that over the
7 long haul, if it's not corrected it could jeopardize
8 one of these. I mean it's not just today it's going
9 to jeopardize the program, but over the long haul, if
10 it's not corrected, it's going to jeopardize one of
11 those goals. I think that's a subtle difference you
12 need to keep in mind.

13 MR. SCHERER: I guess I'm concerned with
14 defining down the criteria for 1. It sounds like
15 again when I read those words, I had set that as
16 relatively high threshold, you know, clear and
17 imminent danger so that -- if we're defining -- keep
18 defining it down, then we're making a very, very close
19 2 and we'll end up with a lot of category 1 which
20 should be close to a show-stopper. It should threaten
21 an underlying principle and it should have a clear
22 nexus.

23 I mean I can start any one of these --
24 stretching it and explaining why if it's not corrected
25 it will ultimately threaten overtime, the program, and

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1 I don't think it's in anybody's best interest in my
2 terms to define down this category somewhere closer to
3 item 2. I thought it was intended to be something
4 that we would put in our report that said boy, if this
5 is not corrected, there's a clear and imminent danger
6 of even going forward.

7 MR. CAMERON: What gave you the idea that
8 we were going to -- that it was being defined down so
9 to make sure that we understand that.

10 MR. SCHERER: Well, the adverse reaction
11 or my perception of an adverse reaction to the word
12 "show-stopper" and also that when I read on the way
13 here, if the issue is not correct, it could threaten
14 meeting one of the goals. I mean to me it was a
15 little bit softer than I had recalled and I remembered
16 the discussion and I thought Bill had been the one
17 that created these three or at least thought of these
18 three categories and I tended to agree and I left
19 Atlanta with the perception that this was going to be
20 a relatively high threshold.

21 MR. CAMERON: Ray, did you -- you sort of,
22 I don't know if whether you triggered the reaction
23 against show-stoppers or not.

24 MR. SHADIS: No, that wasn't my term.

25 MR. CAMERON: All right.

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1 MR. SHADIS: You get all the way back to
2 the objectives of the regulatory reform and there's a
3 vast difference in the way this program is coming
4 across on each of those four objectives and I would
5 say just stop right now because in terms of enhancing
6 public confidence, you could say that's a real problem
7 area. That would be my perception and it's a heck of
8 a lot of work that needs to be done there. So I could
9 take almost any one of these items that applies to
10 enhancing public confidence and say it's a show-
11 stopper, if that's the way you're going to break it
12 out and I think that's what I was getting to before
13 when I was asking about weighting this against some
14 objective or goal, something on the other end of the
15 balance.

16 MR. FLOYD: Then I think I really do
17 support what Ed had to say. I also had the impression
18 that priority 1 would be those items that if not
19 corrected very, very soon would threaten the ability
20 to meet one of those, not that it could. I think
21 could is a little bit loose. I think "would likely"
22 threaten it might be a better criteria for it.
23 Because I agree with Ray, I think you could take every
24 single one of these items and if they have any element
25 of confusion or any element of inefficiency, you could

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1 say well that could result in not meeting the goal of
2 efficiency and therefore everything is a priority 1
3 and I don't think that's necessarily where we want to
4 wind up on these.

5 MR. CAMERON: Does "would threaten" --
6 Steve's suggestion of "would threaten" does that
7 equate to show-stopper with the rest of you?

8 MR. SCHERER: My feeling was if the issue
9 is not corrected, would cause us not to meet one of
10 the goals. I mean that's sort of the tone that I had
11 --

12 MR. CAMERON: Not just have the potential,
13 but it would.

14 MR. SCHERER: Maybe I've been living in a
15 regulatory environment too long, but when I hear the
16 words "could" and "threaten" I can stretch those words
17 to mean almost anything. And I would say if the issue
18 is not corrected would cause us not to meet one of the
19 goals.

20 MR. SHADIS: I think that "if" is
21 tentative enough.

22 MR. CAMERON: Anybody else around the
23 table on this issue? I guess you could go back and
24 define -- I think everybody -- show-stopper is one of
25 those terms that you sort of know what it means. I

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1 mean you may go back and articulate that in writing in
2 terms of something along the lines that Ed said, but
3 is there any disagreement that what you're talking
4 about for this criterion 1 that it is a show-stopper,
5 it's going to prevent the program from meeting one of
6 the goals? Anybody else?

7 MR. KRICH: That's how I took it from
8 Atlanta that what we're looking for is it was a fault
9 that was fatal in the short term, that if you didn't
10 fix it, the program will not work properly.

11 MR. CAMERON: A fatal flaw.

12 MR. KRICH: Fatal in the near term. So
13 that's the way I understood it from the beginning. I
14 think that's the right way to prioritize these.
15 Otherwise, I don't think it's going to be meaningful,
16 the results wouldn't be meaningful.

17 MR. REYNOLDS: But that's different what
18 Loren said because he said including over the long
19 haul.

20 MR. KRICH: I understand. I took in the
21 shorter term.

22 MR. CAMERON: Yes, Jim?

23 MR. SETSER: I think from a broader
24 perspective there's always going to be forever the
25 identification of issues and actions which have to be

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1 corrected or which need to be corrected. That's part
2 of continuous improvement and there are a lot of those
3 in here that you could have just simply correct by
4 guidance or by experience and I don't think we ought
5 to be dwelling on recognizing those and making those
6 so important that we waste our time.

7 And for me to be able to indicate
8 something goes into priority 1, it's going to have to
9 have a lot of seriousness associated with it to me.
10 Otherwise, it falls into one of those other
11 categories. So I agree that we have a pretty good
12 perspective, I think, around the table of how serious
13 things are. I certainly agree with improving
14 communications with the public and we can all say if
15 that that doesn't it's all going to fail, but that's
16 all subject to on-going action and other issues and
17 other ways of doing it. We can't solve all those
18 problems here from that standpoint, so I think we need
19 to look at it as a really serious situation before we
20 would put it in a priority 1.

21 MR. KRICH: I agree. I think priority 1
22 should be a high threshold.

23 MR. CAMERON: And you're again, do you
24 apply that to each of the objectives going back to
25 Ray's point about public confidence. Is there

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1 something that you're going to get into prioritizing
2 these and end up getting into prioritizing these
3 objectives? In other words, if there was a public
4 confidence problem, a public confidence objective
5 problem, but it really contributed to -- there was no
6 problem in terms of the safety side, does that rise to
7 whether it's a show stopper, serious? Maybe you need
8 to get into the discussion of that to find that out.

9 MR. MONNINGER: I guess one thought I had
10 had, on the right hand column you have initial
11 priority and area. You'll pick a 1, 2 or 3 and then
12 the thought is to have a slash and maybe you would
13 then code it with an MS, you know, if you thought it
14 was a 1, maintain safety overall, you know that's how
15 you would do it. Just because you put a 1 there, you
16 would also have to put the corresponding area that
17 that one related to.

18 Some of them -- the areas to me clearly
19 would focus on safety, whereas others, you know, you
20 will see some very large categories relating to public
21 confidence, communications, etcetera, so even though
22 S-1 doesn't say safety or public confidence, I think
23 when we start working through it, you'll find out that
24 some of the big categories do break up into some of
25 the goals were some relate, but in your prioritization

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1 you would assign a 1 PC, a 1 risk informed, a 2,
2 etcetera.

3 MR. GARCHOW: I find it sort of an unusual
4 conversation because probably the least impacted part
5 of ensuring reactor safety is public confidence. So
6 I recognize one of the Agency goals is to have public
7 confidence, got that, but as far as dominating -- of
8 all the elements of reactor oversight that impact real
9 reactor safety, there's an element of the public that
10 won't believe anything that the NRC says or we say
11 independent of the process, but relative to managing
12 a complex technology and doing it in an ethical and
13 I'll say a true fashion, you may or may not end up
14 with public confidence on the other side of that. And
15 I think the focus on that is something that would be
16 a show stopper in this conversation is to me, a little
17 bit misguided that the real elements are reactor safety
18 or in more of the technical oversight and the
19 interaction with the utilities and actually assessing
20 the performance because I mean in the end the public
21 either will or will not accept that. But the proof is
22 in the pudding, whether we have any reactor accidents
23 or not. The reality is that we're managing
24 significant events lower and lower every year which is
25 indeed the case and the performance of the plants

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1 continues to increase, then I would say the NRC's
2 process is helping that along and ensuring public
3 health and safety. The public may or may not ever
4 believe that.

5 MR. CAMERON: Bob, you have a reaction to
6 David?

7 MR. LAURIE: I would respectfully dissent.
8 In any business enterprise, you have it the technical
9 aspects of the work that you're performing. Then
10 somewhere in some department you'll have your
11 marketing division. Well, in no successful businesses
12 that I'm aware of, you don't complete the project and
13 then ship it over to the marketing division, but
14 rather try and deal with the marketing people while
15 you are performing these tasks so that you're
16 marketing and your technical work is moving in a
17 parallel fashion. That has to be done here not to
18 prove whether or not there's an accident, by that it
19 would be too late. The proof is whether the public is
20 going to have enough confidence in a nuclear industry
21 to allow you the freedom to do the work that you have
22 to do.

23 So it is essential in my view that there
24 are two paths that must run in a very parallel fashion
25 and I think it's clear that the language of both

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1 elements differs. The people who are involved in the
2 public education process are different from the
3 nuclear scientists who deal with the technical issues,
4 but you cannot segregate them if your program is going
5 to be successful.

6 So I respectfully dissent from the view
7 that the proof of the success of the program is
8 whether or not there's an accident. I believe the
9 success of the program will be whether the public has
10 sufficient confidence in the program to allow it to
11 continue and to allow the nuclear industry to survive
12 and if necessary expand.

13 MR. CAMERON: To clarify this for a minute
14 in terms of what's on the table, I think what David
15 was saying is that in terms of the show stopper that
16 unless it was a show stopper here to maintain safety
17 it would not be a show stopper and what Bob is
18 suggesting is that there may be other -- may be
19 deficiencies in some of these other goals that would
20 make it a show-stopper.

21 Steve?

22 MR. FLOYD: I would just like to make the
23 observation -- and I agree with much of what you had
24 to say, Robert, but I would just like to make the
25 observation no matter how good your marketing is, not

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1 every consumer buys every product, even with a good
2 marketing program to go along with it.

3 MR. GARCHOW: I was coming from the fact
4 that you start the first sentence at 10 CFR 15 so the
5 Agency's role is to maintain the health and safety of
6 the public through oversight of commercial nuclear
7 power. So I think the oversight process we're talking
8 about is focused towards that. As part of that, there
9 is a definite need to have the public be aware of
10 what's going on and have some understanding of how the
11 Agency is completing its mission.

12 Did I characterize your statement before
13 --

14 MR. GARCHOW: Yes. I mean they're all
15 important but there'd be a ranking of those of more
16 important than others and I think we need to make sure
17 we stay focused on safety.

18 MR. CAMERON: I think by implication --
19 it's definitely on the table here. It may be that
20 after we hear a few more comments that if you did a
21 discussion of one of them, one area, maybe it would
22 put a finer point on this stuff. But several people
23 had some comments. Steve and then Rick.

24 MR. REYNOLDS: Yes, I also have to
25 disagree with David. The Agency has come out with

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1 these four goals, the four goals being maintain the
2 safety, increase public confidence, increase
3 effectiveness, efficiency and reduce unnecessary
4 regulatory burden. And let me explain something that
5 may be not clear. Increase public confidence is not
6 increase the public confidence in nuclear power. It's
7 increase public confidence in how the NRC conducts its
8 business to true public health and safety.

9 MR. GARCHOW: That's where I was going.

10 MR. REYNOLDS: And we go back to the four
11 goals of the Commission, the ones we just stated and
12 we can't do away with one because we don't like it or
13 it's not as important in our minds or important for
14 utility to perform their function. They're all
15 important and it may have some more importance than
16 others, to an individual, but the Commission says
17 these are our four goals.

18 We further added four other goals, but if
19 we're looking for -- to really evaluate the new
20 program, we need to evaluate them against the
21 Commission goals because that's what they asked us to
22 do. They didn't ask us to pick which one we think is
23 the most important. They asked us to compare it
24 against these four goals and further, the four other
25 four objectives are listed down here.

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1 So I think it's incumbent on us to look at
2 all four of these goals, in fact, all eight, and
3 evaluate them.

4 MR. TRAPP: I think even the Chairman
5 though has brought up the fact that maintaining safety
6 was a more important goal than the others.

7 MR. GARCHOW: Recently, just brought that
8 up. It's not an either or, so respectfully, right,
9 I'm just saying as we're deliberating I agree that we
10 have to check in on all of them, that I think we're
11 bungled up when we start using words like show-
12 stopper. I mean even if we came up with a show-
13 stopper, what would we do the next day after we
14 concluded it and the day would occur. So even that,
15 the power of this Panel is not that powerful as far as
16 we found the show-stopper, what would that mean?

17 So I think we go back to just evaluating
18 as we started and I think you chose the words for
19 number one carefully. It could threaten. So that
20 means it would have to be taken up by the NRC very
21 quickly and with a very high priority, if we concluded
22 that we had a Category 1. And we could end up with
23 maybe a Category 1 and any of the objective areas.

24 MR. BORCHARDT: Could I throw out one more
25 proposal just for consideration? Some of the goals

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1 are very difficult, if not impossible to measure,
2 whether or not you're meeting -- public confidence is
3 a good example. Does it make sense, perhaps, for us
4 to evaluate these issues that we've raised and to
5 determine whether or not any of these issues, if
6 implementing the ROP with this issue in existence
7 would act counter to the goal. For example, if it's
8 something that's in this new program that would
9 actually work to decrease public confidence or to
10 decrease safety or to work in the opposite vector that
11 the goal is stated, then that would be a significant
12 problem that would need to be addressed. Rather than
13 putting the burden on this new program of establishing
14 public confidence, we may never have public confidence
15 in some people's view. We don't know if we have it
16 today. We hope we do and we're trying to do things to
17 improve it, but to look at the issue as it affects the
18 vector in relation to the goal and if it's doing
19 damage, then that's something that needs to be
20 corrected.

21 MR. CAMERON: I see a lot of people --

22 MR. GARCHOW: I appreciate your comment
23 though, that's probably articulated better than I did.
24 Because that's sort of where I was coming from.

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1 MR. CAMERON: Let's go to Ray in the
2 context of that comment. You had something from
3 before.

4 MR. SHADIS: I just think two meetings
5 into this, third meeting, it probably would be a good
6 idea to avoid absolutes, the S word and other
7 absolutes and yeah, we are asked -- Steve said it all.
8 I think he was looking at my notebook, but we are
9 asked to evaluate based on the four objectives of
10 regulatory reform and so it would be arbitrary and
11 maybe based on the weighted prejudices of our Panel to
12 try to toss any one of these things out or modify it
13 as we go and so maybe the thing would be to avoid
14 that. And again, rank these things as to whether or
15 not they meet those objectives.

16 MR. CAMERON: Do you want us to move,
17 Steve, so that he doesn't look over your shoulder?

18 MR. SHADIS: No, no. He did a perfect job
19 of saying what I wanted to say. Much better than I
20 would have, too.

21 MR. CAMERON: Maybe we need to -- you
22 know, Rod brought up the point of fatal flaw, short
23 term. I mean it may be in the public confidence area
24 it may be a long term situation, but with this
25 backdrop of discussion, do you want to go through --

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1 maybe it would be instructive to on these issues that
2 you raise to perhaps go through one area here. We've
3 had a lot of things put on the table, including Bill's
4 use of the abusive term "vector" which David agreed
5 with. Would it decrease safety? Would it prevent
6 public confidence?

7 Jim, do you have anything else to say on
8 this before we go on? I wanted to make sure -- you
9 raised the serious aspect. You've heard the vector.
10 You've heard the -- are all of these objectives
11 created equal to short term/long term? What do you
12 have on that?

13 MR. SETSER: Well, they're all interactive
14 and they all hinge on each other. Certainly, if you
15 have immediate impact on safety, that's going to take
16 care of the rest of them. Safety is not the only
17 issue because we're no longer going to be able to
18 regulate in the sense of how we think it ought to be
19 done or in the best ways because the public goes to
20 the legislature or the Congress and they change the
21 laws and they change the way we regulate and that's
22 why we're here today, trying to improve the process.
23 So I think that we're going to have to look at least
24 differentiating between the serious and those that can
25 be corrected from that type of standpoint. So I don't

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1 see us trying to worry to death the subjective
2 decision process of just how closely this meets their
3 goals or doesn't. It either doesn't meet it or it
4 does. But there are a lot of in betweens of how close
5 you get to the goal and those kinds of things. So I
6 really think that if we could nothing more than for
7 the category decide whether or not to start with it
8 anything in here made this a very serious situation,
9 that would be a good started, because I guarantee you,
10 we can be here another seven days if we get bogged
11 down into all of these processes and discussing our
12 various opinions back and forth. Those opinions
13 aren't likely to change, so we just have to keep in
14 mind that the public is looking over our shoulder and
15 I mean I spend millions of dollars every year on
16 problems that aren't real, simply because the public
17 expects to have that assurance in what I'm doing. So
18 we're going to have to look at that approach here in
19 terms of the whole thing. But I don't think we've got
20 the time to take every single thing that's written
21 down here and discuss around the table and decide
22 whether it ought to be a 1, 2 or 3. If we just get at
23 some general things, whether it's a sticky dot method
24 or holding up two fingers or three fingers -- some way
25 or another getting a general consensus. If we accept

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1 the fact can we live with it, that's enough of a
2 starter because that doesn't mean it's perfect. We
3 somehow or another have to find a way to come together
4 here on this stuff.

5 MR. CAMERON: Ed, you've heard all this
6 and you made a comment before. What do you think at
7 this point, sort of go forward with the discussion?

8 (Mr. Scherer nods head.)

9 MR. MONNINGER: So you're back to the old
10 criteria as far as the modifications?

11 MR. CAMERON: I think that we're sort of
12 testing the criteria.

13 MR. SCHERER: I originally tried to raise
14 the issue of raising that threshold. I thought I had
15 heard consensus that it should be a relatively high
16 threshold and so I'm satisfied that the discussion
17 accomplished what I was hoping it would accomplish and
18 that is to raise the threshold definition of a 1.

19 MS. FERDIG: Can we not agree on one
20 underlying holistic goal among all of us and assume
21 that that would carry also the concern of the public
22 and that is to ensure safe operations of nuclear
23 reactors through this program? Isn't that ultimately
24 what all of this is about? So if there's something
25 that comes up that threatens that or at a high

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1 threshold level, then that's going to be a Pri. 1,
2 whether we're public or regulator or industry.

3 MR. REYNOLDS: I can agree with your last
4 statement. I can't agree with your first part,
5 because again, I go back to the Commission's four
6 goals and of those four goals, not just one and --

7 MS. FERDIG: I'm looking at the mission of
8 the NRC which underlies all of that, the statement of
9 the mission, the purpose for being, why do you exist?

10 MR. REYNOLDS: Right.

11 MS. FERDIG: My impression is that it is
12 ensure public health and safety.

13 MR. SHADIS: My guess is that at least
14 half the people at this table would not want to put
15 that sticker on something, on an item.

16 MR. CAMERON: Is it not only maintain
17 safety in the real sense, but if the public is not to
18 use a couple of the terms, if the public is not
19 comfortable or not assured of safety, that that would
20 also be important if there were something about the
21 process that made the public skeptical, does that all
22 come into it besides just the reality of how it
23 affects safety?

24 MR. SHADIS: It doesn't help, but
25 primarily the public wants to be assured at least in

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1 terms of this process that the NRC is doing a good
2 job, that they're doing what they're supposed to be
3 doing and that the issue of safety as far as this
4 process is concerned revolves around that. So we're
5 back to that. And the NRC even stated it in terms of
6 -- and I pointed this out in my criticism, friendly
7 criticism, maintain, it's not enhance safety. It's a
8 static verb they chose, maintain public safety. And
9 that's one of the bases for judgment that we have
10 here.

11 I don't think -- and as I said earlier, I
12 don't know that the Panel in total or that many of the
13 people on the panel may not be able to judge whether
14 or not the program -- every item in the program
15 enhances safety or doesn't enhance safety or maintain
16 safety or doesn't maintain safety. You're getting up
17 into the pretty high up into the air because that is
18 -- that is what is at issue with having a reactor
19 oversight process.

20 MR. BLOUGH: I think we have to make our
21 best call. We think there are issues that could
22 threaten the Agency's goal of maintaining safety.
23 It's important for us to say that, but I think we do
24 have to in prioritizing the issues, we have to
25 consider all of the -- in my opinion, all eight there

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1 and I'm also of the view that issues that go to the
2 question of maintaining safety are -- do have more
3 importance, but I don't know if we need to try to
4 define that explicitly or more or less just when
5 that's the question, kind of lean toward a higher
6 priority for those if it seems an important issue in
7 that area. I mean that's basically what the
8 Commission has done is they've set the four goals and
9 that in terms of maintaining safety they say that's
10 the important one, so if there are tradeoffs that's
11 the one that we'll lean toward. And that's all it is
12 is really -- a leaning toward that one without
13 disregarding -- without disregarding the others or
14 saying how explicitly the -- what explicit advantage
15 that one gets.

16 MR. SHADIS: Randy, do you know if there's
17 someone in the NRC literature where those objectives
18 are ranked, those four regulatory reform objectives?

19 CHAIRMAN PLISCO: They're not ranked, but
20 I think the strategic plan says obviously -- to
21 maintain safety is the preeminent goal of the four.

22 MR. SHADIS: I just thought that they are
23 interdependent. It may be wrong to think of the
24 public as a bunch of uninformed superstitious,
25 whatever it may be people who confronted with all the

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1 facts that science can muster, still will not be
2 happy. That picture and I know a lot of people
3 entertain that, that may not be an accurate picture.
4 The public may actually be a partner in reactor
5 oversight in maintaining safety. Sometimes, a little
6 common sense, can overcome a hell of a lot of theory
7 and bean counting and numbers tweaking. And the
8 public can point out to you that under the old system
9 plants that receive consistently high SALP scores when
10 they were faced with a diagnostic evaluation team,
11 there was a myriad of safety problems that surfaced.
12 So a plant that was previously ranked as very safe
13 turned out to be not even worth keeping running, just
14 the case with Maine Yankee, because so many safety
15 problems surfaced. The public places a judgmental
16 value on that kind of contradiction, that somehow the
17 Agency manages, I don't know what through a set of
18 contingency responses or something to try to explain
19 away, but the fact is and I've had industry executives
20 tell me that neither the NRC nor INPO is able to
21 identify early enough problem plants. When the public
22 sees this and they weigh in with their judgment, that
23 ought to help inform NRC's regulatory regime and
24 decision making process.

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1 So maybe the public is not as ignorant or
2 as stupid or noncontributing as we might guess. Maybe
3 they actually do have a productive part in this whole
4 process.

5 I can tell you one real productive part
6 they have and that is that I think, if I guess this
7 correctly, these four objectives came out in part out
8 of the directions that Congress gave this Agency. And
9 maintaining that or enhancing public confidence is
10 something that works out there in the political world
11 which ultimately provides the money for this Agency to
12 run.

13 So yes, it does affect safety, if only that
14 the Agency has to depend on public confidence in order
15 to get its funding to do its right job.

16 I'm sorry to take so long to say that, but
17 I'd like to, I think it was suggested that maybe we
18 try some of these. Sometimes a little practice can do
19 away with a lot of theory.

20 MR. BORCHARDT: But let me just add
21 something and I don't know what the right answer is,
22 but the oversight process is not the only thing that
23 assures that plants run safely. There's regulations.
24 There's tech specs. There's a lot of elements that go
25 into the safety of nuclear power plants. And if we're

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1 saying -- what we seem to be saying that the reactor
2 oversight process is the -- that's the last barrier to
3 reactor safety. It's not.

4 So I think we ought to just bring out that
5 that maybe ought to be kept in mind, that if the
6 reactor oversight process went away tomorrow, we still
7 have our tech specs. We still have the regulations.
8 We still have all of the things that we do, day in and
9 day out to operate the plant safely. The reactor
10 oversight process does not find necessarily bad
11 performing plants. Bad performing plants pretty much
12 find themselves eventually through self-revealing
13 problems.

14 I mean the NRC depends on the licensee to
15 operate the plant safely. It's not the NRC -- the NRC
16 can't possibly watch every single thing we do. It's
17 just not -- it doesn't work that way.

18 MR. CAMERON: So what you're suggesting
19 Rod is that when you look for fatal flaws or
20 show-stoppers, it's a show-stopper in terms of what
21 the objective of the reactor oversight process might
22 be, not necessarily a show-stopper in terms of it's
23 going to decrease safety because there's regulations,
24 tech specs, etcetera, etcetera that worry about those.
25 So you should be thinking about show-stoppers in terms

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1 of the reactor oversight program or as Ray pointed
2 out, a credibility of the reactor oversight program.

3 MR. KRICH: Yes, that's what I'm saying.

4 MR. SHADIS: Would you make a promise?
5 Would you promise to stop using the word
6 show-stopper?

7 MR. CAMERON: Okay. I can promise that.
8 You may hear it from other places. Serious may be the
9 best word here, but why don't you go through that S1
10 with everybody, Loren.

11 Ed, final comment on this before we go?

12 MR. SCHERER: I have a somewhat different
13 process question. I'd like to, after we go through
14 the details and I would like an opportunity at the end
15 to leave some time to come back and make a decision
16 whether we agree with the categorization or would
17 suggest a different categorization once we've had a
18 chance to work through the details. So we'd just like
19 to have that opportunity before we move on from --

20 CHAIRMAN PLISCO: Well, John and I were
21 careful to call this initial prioritization.

22 MR. SCHERER: And I think it's an
23 excellent start. I just think that we ought to have
24 a chance to come back and visit that at the end.

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1 MR. CAMERON: I think it's likely. We
2 have other groups to talk to and other input, our
3 views may change after we hear some of it.

4 MR. SCHERER: We'll go back at some point
5 and review -- after we've worked our way through it,
6 but then come back and entertain suggestions of a
7 different way of categorizing.

8 MR. CAMERON: Okay. Well, why don't we go
9 through -- S1 may be a good one that would test some
10 of the issues that you've been discussing.

11 CHAIRMAN PLISCO: It was a while ago when
12 I went through these issues.

13 (Laughter.)

14 I just will one, one and take a break.
15 The first objective is to make sure we understood, I
16 guess, what these issues are and what the issue is.
17 Some of these are kind of cryptic.

18 The first objective was to make sure we
19 all understand what the issue is and what we're
20 talking about. Is there any discussion on that?

21 There are a number of issues having to do
22 with open communication with the public and what goes
23 on in the process of characterizing an issue after
24 it's first identified in that process between that and

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1 the regulatory conference and then when the final
2 decision is made of what that characterization is.

3 Does everyone understand those issues and
4 what we're talking about or want to add some more

5 MR. BORCHARDT: The first one talks about
6 communicating. It's between the NRC and the licensee.
7 It's not communicating to the public and that's one we
8 can talk about someplace else.

9 CHAIRMAN PLISCO: That's embedded in there
10 too. There are conversations that occur, I know
11 between the risk analysts, between the NRC and the
12 licensee risk analysts during the formulation of that
13 Phase 2 analysis. We can talk to the SRAs, I mean Jim
14 can talk about that now. How much of that should be
15 made public? When should it be made public? You
16 know, what information should become available.

17 MR. BORCHARDT: The first sub-bullet
18 that I think is at least part of the first
19 sub-bullets is one of the issues that I raised which
20 is what Loren was referring to, that under the old
21 process, if you will, once the inspection exit was
22 conducted and the inspection report got issued, all
23 other discussions, if you will, to resolve that issue
24 happened through the docket. So it was all publicly
25 available information.

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1 Now there is a heightened interaction
2 between the SRA staff and the licensees' PRA staff to
3 assess the significance, all of which is treated as if
4 it were a continuation of the inspection, right? And
5 what the issue is is we need to, I think, clarify what
6 the expectations are for that interaction. I'm not
7 saying either one is necessarily bad, but it's
8 certainly different and I don't think we anticipated
9 or thought about that difference in public
10 availability of that information.

11 MR. TRAPP: Technically, when we complete
12 the report we're supposed to document a paragraph in
13 there to show people, the public, that we've reached
14 the significance determination for that issue. So
15 ultimately, if it works the way it's supposed to work
16 that piece of the inspection report should put out in
17 the docket how we've reached our conclusion.

18 So it's not void. It's just how we get
19 from Point A to Point B.

20 MR. GARCHOW: Jim, is the interaction that
21 we're having, I know limited on a couple of cases, is
22 mostly to make sure that the plant specific
23 information is factored into some generic models that
24 the senior reactor analysts have, correct, because
25 you're doing this over 50 different plants, so it

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1 gives a chance, I'll say of making sure all the right
2 inputs are being given to get to the right output,
3 does that characterize the interaction?

4 MR. TRAPP: Some. There's a lot of
5 different degrees. It varies. You do a detailed
6 Phase 3, you know, we're relying pretty heavily on
7 licensees' PRA information so we need a lot of
8 information to make sure that's all valid. There's a
9 huge spectrum on what we get.

10 MR. GARCHOW: Then you say you capture
11 whatever you capture, whatever the differences are in
12 that paragraph --

13 MR. TRAPP: That's the intent.

14 MR. GARCHOW: -- in the inspection report?

15 MR. TRAPP: Right.

16 CHAIRMAN PLISCO: That has evolved in the
17 beginning.

18 MR. TRAPP: Right.

19 CHAIRMAN PLISCO: The staff has made some
20 changes on the level of detail on that information and
21 we put it in a report to make sure it's clear how we
22 reach that conclusion. It wasn't like that 9 months
23 ago.

24 MR. FLOYD: I guess from my perspective on
25 this, even though there are obviously some differences

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1 in the nature of the information, I don't see this as
2 being dramatically different than what's been done in
3 the past. Licensees didn't docket all their
4 procedures. They didn't docket the details of their
5 programs. They had a higher level, over-arching
6 programs which were docketed and were part of the
7 licensing basis, but certainly not all the details and
8 yet most of the inspection activity and oversight
9 activity that went on was at a very detailed procedure
10 and programmatic level at the station.

11 I don't see this as being dramatically
12 than -- the nature of the information might be
13 different, but it's not a significant departure from
14 the licensing process in my view.

15 MR. TRAPP: There's a real efficiency and
16 effectiveness piece of this element too because there
17 are certain licensees that licensing wants to get
18 involved in any interaction between the risk analysts
19 and the licensees and the NRC's SRAs and when
20 licensing gets that piece, certainly delays things
21 because they need to verify and check. So there's
22 that element as well.

23 MR. SETSER: But the question is is there
24 something that needs to be corrected here? If there's
25 something that needs to be corrected, is there any

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1 infrastructure to correct it? And who does it and
2 move on with it. What needs to be corrected here? Or
3 is there anything that needs to be corrected here?

4 MR. FLOYD: My view in talking to
5 licensees is that what needs to be corrected is there
6 needs to be some additional guidance put out and it
7 just needs to be some decisions made as to what are
8 the rules and when does the clock start and stop for
9 starting the dialogue versus some official
10 transmittal. I mean it's not significant, it's an
11 administrative clean up clarification type issue in my
12 view.

13 CHAIRMAN PLISCO: And some things have
14 been wired as we've gotten through these. I think
15 some of these were unexpected things. Once we got
16 into it, we're learning --

17 MR. CAMERON: Can we just and I know you
18 might want to do this by the broad category, but just
19 to test our previous discussion, if you looked at this
20 first issue that you're talking about right now, it
21 doesn't sound like it would be a 1. I won't use the
22 S-word, but serious is an S-word too, but I don't
23 think that's what you meant. It doesn't sound like it
24 would be serious in terms of threatening one of the
25 goals of the reactor oversight process. Is it an

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1 issue that should receive high priority? Whatever
2 again, high priority means. You throw resources and
3 try to solve it over the next year? Or is it 3, just
4 an issue for consideration?

5 Ed is saying this would be a 3.

6 MR. FLOYD: Three. Ongoing administrative
7 improvement.

8 CHAIRMAN PLISCO: And I can tell you a
9 number of these issues are already being worked and
10 Bill Dean can probably address some of those in the
11 afternoon. Some of these they're working on, some of
12 these issues that we've identified during the lessons
13 learned in the process.

14 MS. FERDIG: And I would just say from a
15 public confidence standpoint, the kind of
16 communication between licensee and NRC during this
17 phase that occurs for clarification, exploration,
18 understanding and learning is exactly the kind of
19 thing I want to see happening and to the degree that
20 gets slowed down by having to document docket and do
21 the things, I think it needs to not be required in
22 such a way that would impede the free flow of that
23 kind of interaction.

24 MR. CAMERON: That's a good example of
25 relating it to that public confidence goal.

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1 MR. SHADIS: There's a flip side to that
2 and that is when does it stop being the public
3 business as to what these communications are? It's
4 really difficult when you're engaged in public
5 advocacy and you're working with a licensee or working
6 at a particular plant to know when the communications
7 between NRC and the licensee contain information that
8 the public really should have in order to be able to
9 determine for itself how things are going in the
10 plant.

11 We have in a decommissioning plant right
12 now, we have a case where there are conference calls
13 from time to time that at least to some degree take
14 the place of on-site inspection and we ask for access
15 to those conference calls and NRC made a decision that
16 it was not worth the resources to allow us to monitor
17 those calls. That was only after licensee told me
18 that the conversations were rather free-wheeling and
19 it would put a freeze effect on the fellows at the
20 plant being able to talk freely about what they saw as
21 problems or not problems with NRC.

22 So that left us very suspicious of what
23 might be going down in those conversations, what kind
24 of issues might they be resolving in terms of just
25 sort of putting away, putting them aside.

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1 MR. CAMERON: So you're going to talking
2 about the nature of the conversation?

3 MR. SHADIS: Yes. The conversation and
4 this is -- I can't talk about the whole program in
5 terms of huge generalities here, but I know
6 anecdotally what we've experienced in terms of trying
7 to determine when it's properly numbers crunching,
8 material that public may not be particularly
9 interested in or have the savvy to understand, but
10 there are other issues and we don't -- this first item
11 raises that question. When does the clock start?
12 When is this part of the process that we ought to be
13 aware of?

14 I see it as problematic. I don't know
15 what the answer is and I don't know that it would --
16 how largely it would affect meeting that objective.

17 MR. CAMERON: Is this an example of
18 perhaps an overarching -- an example, even in and of
19 itself it wouldn't be a 1 or maybe even a 2 from a
20 confidence perspective, but it might be when you go to
21 the overarching issue of public availability of
22 information that that's when you should evaluate
23 whether it's a 1 or a 2? I mean just to sort of get
24 you through this because we're sort of walking through
25 this as an example and hopefully, if you're going to

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1 go through each of these for each of these issues,
2 you're going to be here a long time.

3 CHAIRMAN PLISCO: When we get to overall,
4 we did include an overall issue in there as far as
5 public access.

6 MR. CAMERON: I think you have to re-
7 characterize that.

8 CHAIRMAN PLISCO: This is one of the
9 supplements related to that one too.

10 MR. SHADIS: It occurred to me and I was
11 looking through this material last night and it
12 occurred to me that there are a lot of problems,
13 potential problems and real problems that this whole
14 program may not be capable of answering. They were
15 there before the reactor oversight process was
16 initiated and they're going to continue dogging the
17 whole regulatory scheme. So I think that we also need
18 to keep that in mind as we're chugging through this.
19 I don't think we can answer a lot of those things.

20 MR. CAMERON: And when we get to that
21 discussion too Mary's point that there's
22 countervailing considerations in terms of public
23 availability, in terms of encouraging spontaneity,
24 whatever that is. But I don't see anybody around the

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1 table who would say that this first dash was a 1 or a
2 2. So that's one of the issues that's here.

3 CHAIRMAN PLISCO: Is there general
4 consensus for an initial priority, it's a 3.

5 MR. REYNOLDS: Would there be the
6 possibility of having like a 2 in a certain goal and
7 a 1 in another goal or a 3 for the same issue? Like
8 say this could be an S1, it could be a 2,
9 understandable, and a 3, maintain safety, whatever?
10 We're just going to pick one number and one --

11 CHAIRMAN PLISCO: Actually, John and I
12 talked about this and our proposal, as we go through
13 the first time, there's a lot to go through here.
14 We'll give it general priority looking at all the
15 goals. We really want to narrow it down, I think to
16 be that specific is we decide something is a 1. I
17 think then it's worth our time and effort to narrow
18 down what exactly are the goals that it affects and
19 what the problems are, to narrow it down when we have
20 a 1. I don't think it's probably worth the time to do
21 that in these other two general -- in the 2 and the 3
22 categories.

23 If you have a 1, then you can define what
24 it is.

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1 MR. BROCKMAN: We're not going to worry
2 about 2 or 3 --

3 CHAIRMAN PLISCO: No, 2s and 3s go in the
4 report. I don't mean -- I'm saying they're going to
5 go in the report, but I don't think we need to define
6 them as well as the ones that we have designated as a
7 category 1.

8 MR. BROCKMAN: I certainly thing the 1s
9 required a lot more time and depth of discussion, but
10 still will be identified --

11 CHAIRMAN PLISCO: These issues are going
12 to go in the report. It's just the level of detail
13 we're going to talk about.

14 MR. CAMERON: Is the suggestion for how
15 you do your work, are you going to -- the corporate
16 memory of this discussion, although we're focusing on
17 whether it's a 1 or not, any of these issues, are you
18 going to keep track of them? Will they be, for
19 example, in the draft report for people to react to?
20 Even though you want to focus on the 1 now for these
21 discussions they raise good issues about what should
22 be done, etcetera, etcetera. Are you going to capture
23 all of that --

24 CHAIRMAN PLISCO: Well, I think what we
25 talked about when we talked about our real short

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1 discussion on our outline of the draft report, that's
2 where these three categories came from is our report.
3 The Panel's vision was there will be this Category 1
4 where we highlight those issues and then also include
5 these category 2 and category 3 issues within the body
6 of the report, using these characterization of a
7 priority.

8 MR. CAMERON: Okay.

9 CHAIRMAN PLISCO: Are we ready for the
10 next one or are we going to take a break?

11 Let's take a 10-minute break.

12 (Off the record.)

13 CHAIRMAN PLISCO: All right, we'll
14 continue with our review of the Significance
15 Determination Process issues. It was suggested that
16 during the break that what we do, we'll go to each
17 topic and I'll give you some time to read through the
18 individual bullets here and open it up if there's any
19 questions or someone needs a better understanding of
20 what the bullet is, and then we'll try to reach our
21 initial characterization of the category and then move
22 on to the next item to try to speed up the process.

23 MR. CAMERON: Are you going to ask people
24 does anybody think that this amounts to a 1 or a 2 and
25 would that be by all of the eight goals? In other

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1 words, someone could offer, I think it's a 1 because
2 of a confidence, etcetera, etcetera.

3 CHAIRMAN PLISCO: Right. And again, we
4 took some of these bullets right out of the input, so
5 if someone wants some clarification before we do our
6 characterization.

7 The second item in this category had to do
8 with the fire protection SDPs. There were a number of
9 inputs. We had some issues with the fire protection
10 SDPs. I'll let you read these bullets.

11 MR. CAMERON: Loren, this S1, I'm
12 assuming, I'm writing an assumption up here, no 1s or
13 2s?

14 CHAIRMAN PLISCO: That's a 3.

15 MR. BLOUGH: I'm sorry, I don't want to
16 slow things down. I thought I was only voting on the
17 first bullet. I didn't think I was voting on all of
18 S1.

19 MR. SHADIS: You didn't pay attention.

20 MR. BLOUGH: I guess I didn't.

21 MR. CAMERON: It's the hanging chad.

22 (Laughter.)

23 MR. BLOUGH: But you want just for people
24 to be clear on this. When you look at all of those
25 individual bullets, dashes, I guess what Loren is

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1 asking, rather than going through each one to discuss
2 it, saying does anybody have a 1 here and why?

3 CHAIRMAN PLISCO: Or is there a specific
4 1 in there.

5 MS. FERDIG: I would suggest before we
6 move on to S2, we ask that question about S1.

7 MR. CAMERON: I agree. I think you need
8 to clean that up. That's right. So do it for --
9 let's do it for S1.

10 MR. BLOUGH: First of all, I just wanted
11 to ask, I had three issues and I wanted to see if
12 they're covered someplace else, were covered
13 adequately in S1.

14 From our public meeting, there was a
15 discussion from external stakeholders that they have
16 the perception that the NRC and the licensee are
17 negotiating these things and that impacts objectivity
18 and public confidence that there would be an actual
19 negotiation of what's supposed to be an objective
20 outcome. That seems to be covered within S1, but it's
21 not where the word "negotiation" is used, it's not
22 exactly that context.

23 MR. LAURIE: When it comes to negotiation
24 is it the NRC view that that's an okay thing to do or

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1 it's not an okay thing to do without public
2 participation?

3 MR. BLOUGH: It's not. The term
4 "negotiation" is a purple word for us. We're trying
5 to get a fuller understanding of the issue and the
6 details that would impact the risk determination, the
7 significance determination, so we're seeking to get
8 the best answer, most accurate answer and that's what
9 external stakeholders perceive as negotiation, this
10 back and forth, how did you --

11 MR. LAURIE: The reason for question is in
12 California's licensing process, that's a basic issue.
13 And we are distinguishing between negotiation and
14 education or information sharing. And I want to know
15 how you by definition segregate the two except by
16 saying there shall be no negotiation or conclusions
17 reached, except through some public process. So I'm
18 interested in that issue and how NRC defines
19 negotiation from information.

20 MR. BLOUGH: We say there is no
21 negotiation and what we're doing is sharing
22 information to get at the answer, but you would have
23 been told by external stakeholders and it came up at
24 the Region 1 public meeting again that it's perceived

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1 as negotiation when it happens. So -- but I don't
2 know if this is adequately covered in S1 or not.

3 MR. GARCHOW: There's an interesting part
4 of that too and maybe Loren you can expand. The fact
5 that this was framed in, as I recall, back when it was
6 being written up for the original Commission paper the
7 SDP process by design was sort of failing, I'll say,
8 conservatively, that we worked the process so that it
9 would come out, fail towards green rather than non-
10 fail towards white, rather than green and that the
11 intent was with the SDP is to get the more information
12 to characterize it correctly, but use the fact that it
13 would fail, I'll say more conservative, is the basis
14 for the conservation, to support Randy's point, maybe
15 we've created an unwilling, an unanticipated
16 consequence of that as a design assumption because it
17 almost opens up the door for that further discussion
18 by design which if the public sees as negotiation, it
19 ends up being an unintended consequence.

20 CHAIRMAN PLISCO: Practically, I think the
21 other thing that's going is more of this discussion is
22 going on. Jim can talk to this better than I can is
23 and we're going to get to this issue later is Phase 2
24 worksheets are not out. What that requires the SRA to
25 do is a lot more what we call Phase 3 analysis for

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1 issues they normally wouldn't see. So there's more
2 discussion with the risk analysts than there was
3 designed to be in the process until these Phase 2
4 worksheets get issued. I think that's caused part of
5 this perception, I think, too because there's more of
6 this going on than there normally would and what was
7 designed in the process until we finally get these
8 Phase 2 worksheets out that can be used and that
9 they're validated.

10 Would you say that's true, Jim?

11 MR. TRAPP: Partially, I've had a lot of
12 interactions with licensees and most say that if we
13 come up with a Phase 2 that's other than green, by
14 default they're going to go into a Phase 3. I think
15 a lot of that probably is going to still occur. But
16 I think the Phase 2 will screen out a number of the
17 issues that is currently -- we go in and find out that
18 they're green, go with Phase 3.

19 MR. BLOUGH: I guess I'd just like to add
20 -- propose adding a bullet to S1 that there's an
21 external stakeholder perception that a negotiation
22 occurs between the NRC and utilities in determining
23 the SDP.

24 MR. CAMERON: Let me ask a question on
25 that too, Randy. I take it there's probably going to

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1 be other examples of the negotiation perception that
2 might come from other categories beside SDP areas? I
3 am going back to this. Is there an overarching issue
4 here that if you looked at that overarching issue you
5 might say that this is a one or a 2, but if you looked
6 at this particular example in this and I wanted to ask
7 you this, are you -- given Loren's question to the
8 group, besides adding this in, are you saying that
9 this is a 1 or a 2 for this category?

10 MR. BLOUGH: I think that one is a 2 for
11 this category, but I wouldn't -- the consensus is it's
12 a 3, that this category is a 3 I would -- I'd go along
13 with that. I don't feel that strong about it.

14 MR. BROCKMAN: Personally, I think Randy's
15 comments are really going to of all under S3 a lot
16 more.

17 One of the things that I've got as a
18 supplement is numerous of the issues here address the
19 efficiency and effectiveness of the NRC's internal
20 processes. To me, I don't think some of these have to
21 be -- come up fairly high so I put -- I've just got
22 overall with this, a level 2 concern on the internal
23 effectiveness and efficiency on how we do business.

24 MS. FERDIG: I would see the issue of
25 public perception of negotiation fitting in as an

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1 overarching and it would probably even go into what
2 Steve and John have categorized as 02.

3 MR. CAMERON: 02?

4 MS. FERDIG: And we can just kind of keep
5 it floating as we go and keep pushing forward.

6 CHAIRMAN PLISCO: I'll put that up on the
7 parking lot, those two. We have 1 in the overall
8 public access.

9 MS. FERDIG: I think we needn't spend a
10 lot of time on that now. Let's keep moving.

11 MR. BLOUGH: Since we're at the parking
12 lot, I had two other questions on the SDP category,
13 issues that I've heard that I don't see up here at
14 all. And first, there's been some questioning of the
15 use of the callers at all. I think we heard that from
16 Vermont last month and I know New Jersey as well,
17 early in the program was questioning whether using
18 colors at all was the right thing. So although I kind
19 of like the colors. I think I've heard at least a
20 couple of places that -- questioning whether the use
21 of colors at all was a good framework.

22 Was that in the inputs you got and should
23 it be somewhere on these sheets?

24 MR. MONNINGER: Yes. I'd have to look
25 exactly to see where we did put it in.

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1 MR. GARCHOW: So you're talking to, Randy,
2 relative to SDPs or relative to the whole program?

3 MR. BLOUGH: Relative to the whole
4 program. Colors as opposed to numbers. Colors as
5 opposed to anything else like Vermont would seem to be
6 saying last month that they thought the South was --
7 they liked that better, to them more understandable
8 and what not.

9 MR. FLOYD: We've heard the Illinois
10 Department of Nuclear Safety say that the codes made
11 a lot of sense and were very understandable to the
12 public.

13 MS. FERDIG: Are you talking specifically
14 SDPs or overall, colors in general in this program?

15 MR. BLOUGH: Both.

16 MR. CAMERON: But the question that you
17 may be answering is are there other issues, forgetting
18 for the moment what category to put them in. Are
19 there other issues that you think are important enough
20 that should be included on the summary list.

21 MR. BLOUGH: Right.

22 MR. CAMERON: And that use of colors would
23 be one of those?

24 MR. BLOUGH: Yes.

25 MR. CAMERON: All right.

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1 MR. BLOUGH: And then just the other one
2 is the overall threshold where there's been a lot of
3 comments on the preponderance of green and just how
4 could that be and at our public meeting in New Jersey
5 got up and they had run the statistics and 98.8 or so
6 percent of the PIs had been green so far in the
7 program and there was very few nongreen findings so
8 the question was that's a framework question. Is the
9 overall threshold right or would it be better to have
10 a program that provides some more differentiation and
11 maybe once you have more differentiation between green
12 and other colors, then you handle it within the Action
13 Matrix. So the preponderance of green is a concern
14 that I've heard from external stakeholders. I'm not
15 sure I saw in here when I looked at the issues.

16 MR. CAMERON: John or Loren, is that issue
17 of the threshold addressed anywhere in our summary?

18 CHAIRMAN PLISCO: I think if you just put
19 it there in the parking lot, we'll see if it comes
20 later on.

21 MR. MONNINGER: It's under the PI.

22 MR. CAMERON: Okay. We've identified a
23 couple of issues for later. The question on the floor
24 is still looking at S1, are there any 1s or 2s there?

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1 Ken, you suggested that there's an
2 effectiveness and efficiency of NRC internal processes
3 in this area that arises that comes up to the 2?

4 MR. BROCKMAN: I think it does. There's
5 numerous of them here to me just point in that
6 direction. It's not an immediate prioritization
7 issue, but it's still something that resources need to
8 be put on in a relatively timely manner.

9 MR. REYNOLDS: That kind of goes to my
10 earlier question whether we were going to put them up
11 by goals, but I would agree with Ken that efficiency
12 and effectiveness is more than just an issue to be
13 considered. When I think of the other seven goals,
14 I'm not sure raises that same level.

15 MR. BROCKMAN: Overall, I had it as a 3,
16 but that one area I saw there was an -- I'm really
17 looking, I'm sorry I grabbed the 8 and say it's any
18 one of them. 3, well 2.

19 MR. CAMERON: Well, from any of the goals,
20 the standpoint of any of the goals, efficiency,
21 effectiveness, public confidence, are any of these
22 sub-categories, do they rise to a 1 or a 2 and you may
23 document that in a report, even though this doesn't
24 come up to a -- the entire category doesn't come up to
25 a 1 or a 2. Anything else like that?

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1 Bob?

2 MR. LAURIE: I'm sorry, I didn't have an
3 answer to that question.

4 MR. CAMERON: But you wanted to say
5 something?

6 MR. LAURIE: Yes.

7 MR. CAMERON: Go ahead.

8 MR. LAURIE: As we go through all the S's,
9 is it clear that all of the sub-bullets or all of the
10 bullets adequately reflect all of industry's concerns
11 over the SDPs? Because as we get into the overall
12 goal of the SDP and probably industry is most
13 concerned about getting clarification on all of these
14 issues, are we going to be able to talk about them in-
15 depth, saying that industry is most concerned about
16 all of these items? So is there anything within the
17 S category that does not reflect industry's concerns
18 at this point?

19 MR. CAMERON: Well, I think that's part of
20 the larger issue of the Panel Members suggesting, as
21 Randy just did, are there items or issues that have
22 not been captured in a write up, whether they're
23 industry or someone else's issues. But I guess that
24 I would rely on Rod and Steve and Dave, Richard,

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1 others from the industry to make sure that important
2 issues are captured.

3 MR. FLOYD: The short answer is yes and
4 we'll add them.

5 MR. SCHERER: I guess you didn't include
6 me in that group, but I'll put myself in that group
7 anyway.

8 I would say that we ought to do that after
9 we continue this journey to the end of the Ss, then we
10 ought to come back and figure out whether or not we've
11 -- people, everybody that's commented, whether they're
12 satisfied with the S category or --

13 MR. CAMERON: Let's do that and we'll come
14 back at the end of the Ss and see what might not have
15 been captured.

16 MR. MONNINGER: Just for a point of
17 information, we tried to capture all of the comments.
18 Now you have to recognize this afternoon or I guess
19 tomorrow, the inspectors, the State of New Jersey, the
20 SRAs, we may beef up S1 with five more bullets. We
21 may develop an S-11 category so if it was meant to be
22 a running list tally, whatever -- so.

23 MR. CAMERON: Okay. Are we going, going,
24 gone on this S-1 category in terms of 1s, 2s and we
25 heard a suggestion that at least one person's opinion

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1 that this would be an overall be a 3 and I see a
2 couple of people have written that down on their
3 sheets.

4

5 Keeping in mind that Ed and other people
6 at the end of the Ss may give us an issue that would
7 cause us to go back and re-evaluate. Now is this
8 overall a 3?

9 Anybody disagree? Just as sort of a place
10 holder with the information you have before you now.

11 MR. GARCHOW: I actually would think that
12 it raises -- pieces of this raise up to be a 2 for the
13 reasons that Ken talked about, both the efficiency --
14 because when it's inefficient for the NRC, it's
15 inefficient for us and also when it's -- this issue
16 about how, when information is shared in the public
17 light, i think is an issue that comes up when we talk
18 to our people around the plant that have an interest.

19 MR. BLOUGH: So you have 2 from efficiency
20 and public confidence standpoint is what you're
21 suggesting?

22 MR. GARCHOW: Right.

23 MR. REYNOLDS: I think what you're going
24 to end up with would be no distinctions. You're going
25 to end up with it being a lower category than you

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1 would otherwise because if you compare it to all eight
2 goals and say five of them are less important, the
3 issue is less important than five of them than is to
4 three, does the five outweigh the three?

5 In this case, we have two, maybe three
6 effectiveness, efficiency public confidence that may
7 be understandable. That is more important than those
8 goals, but less important for other goals. So how do
9 you make that distinction, if at all, or how do you
10 determine which one overrides?

11 CHAIRMAN PLISCO: I think --

12 MR. BROCKMAN: Whatever you're comfortable
13 with.

14 CHAIRMAN PLISCO: I think it would be
15 useful to do this because we pull out 2 then maybe
16 we'd call 2 and I think as we go through that may
17 cause us to resort or recharacterize what these are.

18 We want to reword some of these and
19 combine them to make a priority 2 issue out of it and
20 then the rest of them --

21 MR. GARCHOW: I don't think that will
22 happen, Loren, because you could pull out the things
23 that make it a 2 and make it its own issue and
24 separate out for the staff those that really are an

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1 enhancement that you wouldn't want to drop, but not
2 necessarily priority enhancement.

3 MR. CAMERON: This goes back to Steve's
4 first comment, I think, at the beginning, is that are
5 we, should we be doing these, rating these by
6 categories or should we be rating them by the bullets?
7 Maybe the categories are a good way as a working
8 outline to discuss it and as David suggested you find
9 certain bullets that are going to be 2s or even 1s and
10 then maybe you re-do your categorization scheme.

11 CHAIRMAN PLISCO: I think it was suggested
12 during the break, as you read through these, I'll give
13 you time to read them and then I'll ask is there
14 anything in there someone considers individually as a
15 1 or a 2 in that list? And we'll do it that way.

16 MR. FLOYD: I think I hear what we're
17 actually doing now is not so much doing it by
18 sub-bullet, but we're asking ourselves is there any
19 objective that is worthy of getting a 1 or a 2 of the
20 eight objectives in this overall area. It seems to be
21 what's happening. People saying well, I think there
22 are many elements that might rise to a 2 for
23 efficiency and effectiveness, for example, but
24 otherwise it's a 3.

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1 MR. CAMERON: Exactly, that's what I've
2 heard.

3 MR. FLOYD: So we're not doing it by sub-
4 bullet, we're doing it really I think what Ray was
5 proposing earlier, against the eight objectives.

6 MS. FERDIG: So what we just said about S-
7 1 then is that from an EE standpoint it's a 2. From
8 a public confidence it's a 2. And overall, it's a 3?

9 MR. CAMERON: That's what I heard. I
10 guess in terms --

11 MR. SCHERER: I guess -- when did I hear
12 the public confidence?

13 MR. GARCHOW: I brought that up and we've
14 got some in our work with our stakeholders in some of
15 the public meetings Randy was talking about, there's
16 a mystery around how it goes from the inspection
17 report to the final significance determination and its
18 assignment of color that's not well-understood by the
19 folks that are --

20 MS. FERDIG: And we may kick that up in
21 another one, but for now, we'll highlight it here.

22 MR. REYNOLDS: Maybe it's not a public
23 confidence issue. Maybe it's an understandable issue.

24 MS. FERDIG: Right.

25 MR. REYNOLDS: Goal 8, understandable.

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1 MS. FERDIG: Right.

2 MR. REYNOLDS: If it's understandable,
3 internal to a licensee, internal to NRC --

4 MS. FERDIG: Is it possible for us to
5 simplify this process if we narrowed it to focusing on
6 the four and think about understanding how that
7 impacts one of the four or not?

8 MR. REYNOLDS: You have eight goals.

9 MR. CAMERON: You may want to focus on
10 those four first and then -- as I'm just thinking it
11 complicates it even further, doesn't it. Is
12 understandable always included as part of the
13 confidence in terms of good communication? I mean you
14 get into questions like that. But keep in mind that
15 the 2 for public confidence, this may be -- we may
16 find examples here that we put into an overarching
17 issue later on and if that -- if that helps you in any
18 way.

19 MR. SCHERER: Probably does.

20 MR. FLOYD: Just so I understand when we
21 say a 3 overall with the exception of these two 2s,
22 what we're really saying is we've got two 2s and six
23 3s? Is that the way to look at this?

24 MS. FERDIG: If we're counting all eight
25 objectives.

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1 MR. FLOYD: If we are. Good question.
2 Otherwise, I don't know what an overall 3 means with
3 some 2s. Are we really saying we've got two 2s for
4 goals and we've got six 3s for the remaining goals?

5 MR. GARCHOW: And therefore you have some
6 basis of saying general consensus says that when you
7 look at the eight in totality it's a 3.

8 MR. FLOYD: But I don't care what the
9 overall ranking is. I think in the final report we're
10 going to cull all the 2s together. And do we really
11 need to put a pension on these and here's a bunch of
12 3s you might want to consider.

13 CHAIRMAN PLISCO: I think we're back to
14 your original suggestion. We really have two 2s and
15 the other issues are 3s. Technically, there's no
16 overall --

17 MR. CAMERON: Does everybody agree with
18 the statement that looking at these bullets, we have
19 six 3s and --

20 CHAIRMAN PLISCO: Well, why don't we just
21 say we have two 2s.

22 MR. CAMERON: Two 2s.

23 MS. FERDIG: So from a process standpoint,
24 going forward, can we look at it overall, get a
25 general sense of it, then identify what we're seeing

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1 as exceptions to 3 and are those exceptions a 2 level
2 or are they a 2 level and then label which of the
3 eight goals they correlate with.

4 MR. REYNOLDS: I would question whether
5 understandables, if we want to clarify a process, it's
6 -- understandable shouldn't be a 2. I mean if we need
7 to clarify something --

8 MR. FLOYD: It was one of the 2s we
9 identified.

10 MR. REYNOLDS: Not on that list. That
11 list says efficiency and effectiveness and public
12 confidence. I said earlier understandable, but nobody
13 seems to want to comment on it.

14 MR. BLOUGH: I agree with that. The first
15 four and the second four of the eight objectives are
16 different ways of cutting it, so if there's something
17 in public confidence area, one of the top four
18 objectives, there's probably -- it's got to be
19 reflected somehow in the program.

20 MR. SCHERER: We might as well address it
21 now. I believe if you're going to ever -- those two
22 are going to be linked. I tend to agree, the
23 underlying issue is it's not understandable, but I
24 can't imagine a case where we're going to decide
25 something is not understandable that won't

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1 automatically have a public confidence issue with it.
2 So you know, we're slowly, but surely going to end up
3 with all eight anyway because I can sit here and
4 immediately go on to reduce unnecessary regulatory
5 burden because it is -- causes more dialogue between
6 the licensee and the NRC and putting in additional
7 processes will cause everybody to spend more effort.

8 We need to get a better focus and I might
9 as well do it early, rather than late. My concern
10 with these definitions, I can't -- I'll come back to
11 my comment. I can't imagine anything that we would
12 say is -- has a problem with understandable, that we
13 won't automatically give public confidence.

14 MR. BROCKMAN: But I can't come up with
15 the other confidence issues that may not be related to
16 understandability, so I think we ought to try to focus
17 on what the root issue is. If we want to keep those
18 types of things running in a parking lot because we've
19 got a couple of big tickets in the overalls of public
20 confidence that I think all of those things will roll
21 into --

22 MR. SCHERER: So my suggestion is that we
23 delete public confidence in this case and leave it as
24 understandable because I think that it goes without
25 saying if it is not understandable, then it has an

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1 impact on public confidence. But the cure is to
2 address its clarity and transparency and that would
3 automatically address the issue of public confidence.

4 MR. BROCKMAN: As part of our wrap up, we
5 can take those ones, understandability, and things
6 like that and make sure they have been appropriately
7 captured in whatever vehicle we choose to address
8 public confidence with that in mind. I don't think we
9 lose anything and would support that.

10 MS. FERDIG: So what has emerged in S-1 as
11 priorities are two 2 level priorities. One is
12 efficiency and the other is understandability.
13 And we haven't identified any 1 priorities and the
14 rest then presumably are 3s.

15 MR. MONNINGER: The only problem with
16 saying the rest are 3s, certain ones, you know we bin
17 it out may be public communications, atoms, the
18 website, it may have nothing to do with safety or risk
19 informed. So to imply that the overall rates
20 everything else as a 3, you know, some of these ways
21 that's it been binned, you know, that wouldn't be
22 entirely true, so --

23 MS. FERDIG: So we even stop short of an
24 overall rating. All we're doing is abstracting out
25 either 2s or 1s and in this case they're 2s.

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1 MR. MONNINGER: Or it could be 3 --

2 MR. BROCKMAN: How about the 2s and the 1s
3 by definition if everything else is a 3?

4 You can't get away from that. We'll just
5 live with it and --

6 MR. CAMERON: Richard and Bob had
7 something. Richard, what did you want to say on this?

8 MR. HILL: I guess my problem is trying to
9 say we have two 2s and however many 3s, doesn't do
10 anything for -- what are we going to tell somebody?
11 It doesn't matter that we've got two priority
12 subjects. What we need out of here is what needs to
13 be changed or what needs to be considered that -- or
14 what should receive high priority? So if we're going
15 to say something in here, for whatever reason it
16 becomes a 2, then we've got to summarize what is that
17 that needs to be done?

18 Now maybe that's the next step later, I
19 don't know. But it doesn't tell me anything that
20 we've got two priority 2s, one's public trust or
21 confidence. So if we're going to come up with
22 something that needs high priority, whether there's
23 all eight categories or one category, we've still got
24 to come up with the words, what do you do, what are we
25 recommending?

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1 I'm not sure that we've gotten to that
2 point --

3 CHAIRMAN PLISCO: Well, one of them, I
4 think we've -- the public confidence issue had to do
5 with the external stakeholder perception that
6 negotiations occur. I think the heading is where we
7 really need to clarify the process and how that's
8 going to work and what information is available in the
9 risk characterization process. I think that's the
10 public confidence issue and what needs to get fixed.

11 Now I'm not sure, Ken mentioned the other
12 priority 2 was efficiency and effectiveness and I'm
13 not specifically what that issue is we're talking
14 about.

15 MR. HILL: Well, I guess if we're going to
16 split it up like this, it's almost back to you've got
17 to identify every bullet as to are you telling that
18 this is -- this first item is a 3 or it's a 2 because
19 if we're saying part of this here is a 3, it still
20 needs consideration. You've still got to break out
21 some of these considerations. Some of it needs high
22 priority, what is what?

23 You can't just say clarify a process for
24 evaluating is a 2 sometimes and a 3 other times.

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1 MR. BROCKMAN: I agree, but I think one of
2 the key things is to try to go through and identify
3 those -- I hope we'll some areas where we'll all say
4 3s, move on, and then we can come back and cull out
5 those types of statements like that. I'll just give
6 an example. Loren brought up the point what's
7 efficient, efficiency and effectiveness? Agenda
8 topics attendant to regulatory conferences, the
9 process that we establish for disputing findings or
10 the comment that negotiations are taking place and
11 persons don't understand the SDP, I would -- those are
12 issues that can be brought together that are how the
13 NRC internally is doing its business in an effective
14 and efficient manner. And I probably would just put
15 a sentence or two together, leave these bullets in
16 here and say here's the E & E issue we see as related
17 to this way and that's a recommendation that that be
18 addressed with a priority of 2 associated with it by
19 the staff. Now that's the vision I've had, but I
20 think we can come back and grant those later or
21 afterwards try to -- have John with his magic pen
22 capture them for us.

23 MR. CAMERON: Can we -- the report, there
24 is going to be a draft report that's going to come to
25 everybody, but obviously you need to discuss things

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1 like well, what does Ken think makes this level 2?
2 Can we do that at the end, go through the Ss and try
3 to do some just flagging of things like this and then
4 when we come back to put in some of the issues that Ed
5 or others might see should be in here, then have
6 people who suggested this is a level 2 to just give
7 some articulation of that and John and Warren in
8 writing up the report will try to capture that. But
9 at least you could get a feeling. I mean, could we do
10 that?

11 Mary, you had a summary of this area and
12 is it a moving summary now, a moving target?

13 MS. FERDIG: I was just reflecting on
14 where I thought we had -- we could use that as an idea
15 for --

16 MR. CAMERON: Yeah. That's why I was
17 asking you about it.

18 MS. FERDIG: So to the extent we can just
19 continue and say if that's true, what are our overall
20 observations around what Loren has invited us to read
21 and what do we see as priorities to concern ourselves
22 with and then move forward.

23 MR. CAMERON: So we've done that for this
24 category, is that correct?

25 MS. FERDIG: Absolutely, yes.

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1 MR. CAMERON: Okay.

2 MR. MONNINGER: So you end up with a 2 E
3 & E and a 2 understandable and a 3 overall and no 2
4 public confidence?

5 MR. CAMERON: Because the 2 public
6 confidence is going to be, I think, this will be an
7 example that will be moved into this category. Is
8 that correct?

9 CHAIRMAN PLISCO: Yes. S-2. Fire
10 Protection Significance Determination Process.

11 MR. FLOYD: I propose a 2 in
12 understandable.

13 MR. BORCHARDT: I would agree a 2. I'd
14 almost go across the board in my mind, but --
15 because of questioning the validity of this SDP, you
16 need to change it, a process that instills public
17 confidence. I mean there's all kinds of -- I think
18 you hit almost all -- it's a solid 2 in my view.

19 MR. FLOYD: I don't disagree with him. I
20 think the key underlying cause though is it's
21 understandability and that really causes all those
22 other goals to be challenged.

23 MR. KRICH: Steve, I'm not sure I agree
24 with that. I think that there's more to it than just
25 understandability. I think it's broken. And that

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1 goes beyond just understanding it. It needs an
2 overhaul.

3 MR. BLOUGH: And fire is a risk
4 significant area, so many people believe that. So it
5 seems to rate it 2, maintain safety, I guess that's
6 what I think.

7 MR. GARCHOW: To put it in perspective
8 compared to the old. I mean in the old, fire
9 protection inspection, we do the inspection, but we
10 talk about licensing letters from the 1970s written by
11 people that no longer you could even find debating the
12 finer points of what DPP951 or whatever appendix our
13 licensing basis for a particular plan. Today's fire
14 protection inspection, we're actually talking about
15 penetration seals, fire protection equipment, fire
16 risks. So I mean I think we got on to a very big
17 improvement and I think it's an understandable piece
18 to take it the rest of the way home, but the way we
19 look at fire protection now in the new inspecting
20 process I think is far superior to the way it was
21 looked at before with the risk insight. I think it's
22 complicated and in that, it's got this reaction that
23 everybody has. Fundamentally, I believe it's a far
24 more sound approach than what we did in the past.

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1 MR. BLOUGH: The way we parse this we're
2 talking significance determination so I wasn't
3 thinking the inspection. I would agree the inspection
4 is vastly improved.

5 MR. TRAPP: Exactly. It's a pretty
6 successful application of the SDP.

7 MR. GARCHOW: Right. I mean it hasn't
8 been universal --

9 MR. KRICH: We had just the opposite.

10 MR. FLOYD: And that's why I think the
11 issue is really understandability because as I
12 understand what happened in the two was the folks at
13 Salem had a much better underpinning as how the STP
14 was supposed to be applied, what assumptions were
15 valid to make and not valid to make, whereas in some
16 of the other SDP applications, the inspectors were
17 less in tune to how the SDP was to be used and there
18 was an awful lot of what-iffing going on in the SDP
19 that wasn't supposed to be there, but because of the
20 complexity of it, people didn't understand it unless
21 they'd gone through some very detailed training on it.

22 I think that was the issue and that's why
23 in some cases it came up not being risk informed.

24 MR. CAMERON: Ed, you had something on
25 that?

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1 MR. SCHERER: Yeah. I don't disagree with
2 the comments that are made. Everybody has their own
3 view and I probably would agree to a solid 2. I
4 probably wouldn't characterize it the same way in
5 terms of understandable. I think it's predictable.
6 I would put the two as predictable because no two
7 issues seem to go through the process and come up with
8 the same result.

9 So to me, it's not a lack of being able to
10 understand it. It's the fact that it doesn't seem to
11 work in terms of grinding out a predictable finding.

12 Now people may argue and I really don't
13 have a strong, such a strong feeling that I would
14 oppose it being a two as under understandable. I will
15 just go along with the consensus. I think it does
16 need to be improved. I think it needs priority
17 attention and it needs it on a relatively short-term
18 basis.

19 MR. CAMERON: Okay, and I think aren't we
20 going to revisit these at the end of the Ss and people
21 can put a finer point on some of these for purposes of
22 John's drafting and to see how much agreement there
23 are around the table. There seems like there's a lot
24 of agreement on this as a 2 for various reasons.

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1 MR. SHADIS: I'm sorry. In the public
2 interest end of things, fire protection, there have
3 been a number of high profile issues people have
4 focused on, penetration seals, going back to the
5 thermal lag thing, you know. We've got fire watches
6 institutionalized at some plants and so for the sake
7 of enhancing public confidence my guess is that that
8 part of the public that's tuned to this would like to
9 see these issues resolved. So it does play into
10 public confidence.

11 MR. CAMERON: And it may be that the
12 public confidence issue is because of the fact that
13 there's a lack of predictability or it's not
14 understandable. Whatever, okay.

15 MR. SHADIS: Some of the different issues
16 that we're going to deal with, the public is lethally
17 unaware of. Others they have been sensitized to at
18 particular plant locations around the country. This
19 would be one. Fire protection would be one.

20 MR. CAMERON: Anybody else on fire
21 protection?

22 MR. MONNINGER: So to sum it up to keep it
23 2 overall or do you want to see that it's 2 for the
24 three categories and 2 overall?

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1 CHAIRMAN PLISCO: We're not necessarily
2 doing overall. We're saying that fire protection SDP
3 issue we're considering that a 2 initially, a 2 for
4 those three categories.

5 CHAIRMAN PLISCO: Well, I mean all of
6 these bullets are really saying the same thing. This
7 is one where it's not -- that's why it's kind of
8 deceiving in some of these. There's a lot of
9 duplication in some of these issues.

10 I think as we do others, you'll see
11 there's even conflicting bullets.

12 MR. BLOUGH: So I think it's a 2 overall.
13 There's no real exceptions. We're not calling out, no
14 one needs to call out any exceptions to any of the
15 eight. It's just a 2.

16 MR. MONNINGER: So it's not a 2 PC. You
17 want to see it as a 2 overall?

18 MR. BLOUGH: Just 2 overall. And we
19 don't need to list any exceptions.

20 MR. CAMERON: It may work there.

21 MR. FLOYD: I just don't see where this
22 one affects maintain safety. I mean safety has not
23 been impacted one iota as a result of the inefficiency
24 and the lack of understanding in this SDP worksheet.

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1 MR. REYNOLDS: That may be debatable to
2 some people.

3 MR. SHADIS: You may want to racket the
4 safety down to 3, but it's there nonetheless.

5 MR. REYNOLDS: It's there, that's true.

6 CHAIRMAN PLISCO: Okay, No. 3, S-3. We
7 talked about this indirectly already is having to do
8 with the revised significance determination process,
9 Phase 2 worksheets to issue valid worksheets for
10 inspectors to use for their risk characterization.

11 MR. GARCHOW: It sounds like the last one.
12 That's a structural issue that needs to be fixed
13 because it has tentacles that cause problems in many
14 areas because those aren't cleared up.

15 MR. SHADIS: Certainly in the
16 effectiveness and efficiency issues.

17 MR. TRAPP: But that should be a cover
18 letter, my opinion, because the process is a three-
19 step process and we really haven't tested it all. The
20 second step would probably be the most important. The
21 first step is a major screen of issues. The second
22 step is really when you get into risks and the third
23 step is using PRA and then the second step has been
24 void. We haven't exercised it. We don't really know
25 what it's going to look like. We don't know if it's

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1 going to work. I think that's actually the only issue
2 I had, that I thought was a 2.

3 I'd give it a 2 on regulatory burden
4 because it's closely tied to efficiency and
5 effectiveness.

6 MR. BROCKMAN: But I've to ask a question.
7 What regulatory burden has been placed upon you in
8 that you don't have the Phase 2 worksheets?

9 MR. FLOYD: I think there's a lot more
10 dialogue that goes on between, unnecessary dialogue
11 that goes up, trying to explain the differences
12 between what the plan actually has versus what the
13 SPAR model sheets have.

14 MR. BROCKMAN: When the Phase 2 worksheet
15 comes out, you're going to get a white based on SPAR
16 and then we're going to engage in the same regulatory
17 dialogue we're correctly engaged in.

18 MR. FLOYD: It's not going to be based on
19 SPAR.

20 MR. BROCKMAN: You'll have some
21 plant-specific aspect. I can't imagine -- my guess is
22 that any time an issue is evaluated in white or
23 greater, you're going to a Phase 3.

24 MR. FLOYD: Oh, I agree, but I think
25 that's happening --

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1 MR. BROCKMAN: And there's no additional
2 burden?

3 MR. FLOYD: I think there is. I think the
4 new worksheets that come out will have enough plant
5 specific information in it is what I've been told,
6 that you'll have fewer issues that originally get
7 colored as white and you'll have more that go straight
8 to green and you'll avoid that Phase 3 evaluation on
9 some issues.

10 MR. TRAPP: That's the intent.

11 MR. FLOYD: That's the intent.

12 MR. CAMERON: So we've got a 2 for
13 effectiveness and efficiency, a 2 for regulatory
14 burden on this category. Anything else?

15 MR. BROCKMAN: This is one where I really
16 believe these parts are going to relate to the public
17 confidence aspect of roles, it's because of some of
18 the comments that you got here as to exactly the
19 assumptions that we use and everything else. I think
20 we covered it in our overall, so it's not needed
21 specifically to be put here, but we don't want to lose
22 sight of that.

23 MR. CAMERON: So what you'd like to say is
24 that this should be, when we get further down the line
25 that we should consider the overarching issue?

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1 MR. BROCKMAN: I just don't want to lose
2 it.

3 CHAIRMAN PLISCO: S-4. S-4 is just one
4 suggestion, the process that was applied to the
5 performance indicator program, the FAQ also be applied
6 to the SDP process. Right now, there is a lot of
7 interaction between the risk analysts. There's only
8 10 of them, Jim?

9 So they talk to themselves, but to make it
10 more efficient and effective and make it assessable to
11 other people is when issues come up, interpretation,
12 things like that that an FAQ process be set up.

13 Did that answer your question?

14 MR. SHADIS: Yes.

15 MR. FLOYD: I vote 3 on this one. I think
16 it's a good idea, but --

17 CHAIRMAN PLISCO: It's a good enhancement.

18 MR. FLOYD: It's a good enhancement, but
19 it's not a significant concern right now.

20 MR. SETSER: One thing, just to comment on
21 it, isn't a lot of discussion been brought up that
22 it's really a misnomer. It's not frequently asked
23 questions, it is more interpretations?

24 MR. BROCKMAN: It's any asked question.

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1 CHAIRMAN PLISCO: The overall issue about
2 FAQ is going to come up again. We have it in the
3 overall categories from a bigger picture standpoint.
4 It's going to come up again.

5 MR. CAMERON: So what do we have on this?

6 CHAIRMAN PLISCO: 3.

7 MR. CAMERON: 3 overall.

8 CHAIRMAN PLISCO: S-5. Improve the
9 timeliness of dispositioning greater than 3 issues.
10 As we've talked about all the interrelations, this is
11 related to not having the Phase 2 worksheets. That's
12 one part of this issue. It's that the risk analysts
13 have to do the Phase 3 analysis.

14 It also relates back to this process for
15 evaluating and communication SDP issues, clarifying
16 the process and how the communications occur. That's
17 another piece of it.

18 MR. FLOYD: I'm not sure I see anything in
19 here that isn't subsumed already in S-1 and S-3.

20 CHAIRMAN PLISCO: In S-1 and S-3.

21 MR. FLOYD: Right, the combination of
22 S-1 and S-3, I think covers S-5.

23 CHAIRMAN PLISCO: Yes, that's why I was
24 mentioning it. I think S-3, the causes, the root
25 causes of why this is an issue.

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1 MR. BORCHARDT: I don't know if the issue
2 of the performance measure for the program is covered
3 in those two. I think prior to S-5 has to do with
4 putting the NRC and the industry on some kind of an
5 objective to quickly resolve identified issues, both
6 in the plant and through the inspection report process
7 so that we don't discuss it for three years and
8 nothing happens.

9 MR. BLOUGH: Well, the action may be based
10 on how contemporary a picture of licensee performance
11 the NRC can follow an objective regulatory response.
12 So if issues are -- and there's already a lot of
13 challenges on that because most issues that define
14 them has some age on them to begin with. So if you
15 stretch out the evaluation of an issue you're very --
16 you're even later to the decision of what action the
17 Agency should take. So it's important from that
18 standpoint.

19 I don't know how much it sticks out from
20 the other issues we've already discussed.

21 MR. SCHERER: Why not just take the item
22 and make it part of S-1 and we can eliminate S-1?

23 CHAIRMAN PLISCO: This is part of the
24 efficiency and effectiveness issue in S-1?

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1 MR. HILL: Well, let me ask a question
2 about the way it's worded. Because there are
3 non-colored issues, should this say improve the
4 timeliness of dispositioning issue, colored issues
5 that are greater than green? How does non-colored fit
6 in? Is it greater than a green issue or less than?

7 MR. FLOYD: Richard, non-colored don't go
8 through the SDPs, so it's really not applicable in
9 this. They're in another section area. l

10 MR. HILL: But this says issues that are
11 greater than green, so is it greater than green or not
12 green. That's why I'm saying should we say colored
13 issues or something like that?

14 MR. FLOYD: Oh, I see.

15 MR. SCHERER: This is an SDP that we're
16 talking about. The SDP in non-colored in my mind by
17 definition can't go into the SDP. That's why they're
18 non-colored.

19 MR. HILL: But part of the problem is
20 there is no real definition of it, so when you're just
21 talking here about issues, should we just add the fact
22 that we're talking about colored issues?

23 MR. FLOYD: Make it clear when we're
24 specifically not talking about no-colored issues.

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1 CHAIRMAN PLISCO: Improve the
2 dispositioning white, yellow, red issues.

3 MR. CAMERON: So we're going to fold S-5
4 into S-1.

5 MR. BORCHARDT: I'm personally not
6 favorable to that idea. I think the timeliness issue
7 is unique enough not to have it buried within a pretty
8 large S-1 already.

9 MR. SCHERER: I thought timeliness was one
10 of the key elements of S-1. When we were discussing
11 S-1, I thought that was one of the primary reasons we
12 made the decisions we did.

13 MR. CAMERON: So Bill, what you're saying
14 is that you think that this is important enough to
15 stand on -- and it would get lost in the S-1?

16 MR. BORCHARDT: Yes, I mean I think that
17 would be my concern and if we wanted to do some
18 efficiency as far as the list were concerned, I think,
19 my personal preference would be to take the timeliness
20 issues out of S-1 and put it into S-5 rather than move
21 it the other direction. I think timeliness is an
22 important issue because it leads into the Action
23 Matrix and there's a number of issues relating to how
24 we disposition these things. I think it feeds the

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1 public confidence, how long we take to correct the
2 finding.

3 MR. CAMERON: Ed?

4 MR. FLOYD: I don't know on that point I
5 am not aware of any dispositioning or any problem in
6 the length of time it's taken to go through the SDP
7 and actually fixing the condition that resulted in the
8 finding. It's been more of an argument about whether
9 it's -- why they're yellow or green, but actually
10 fixing the issue has not been held up while you go
11 ahead and go through the arbitration about what the
12 actual color is.

13 Now it does have an impact on the Action
14 Matrix, but it doesn't have an impact on fixing the
15 underlying condition as far as I'm -- I'm not aware of
16 any, in other words.

17 MR. BORCHARDT: I'm not aware of any of
18 those either, but the longer it takes to fully
19 disposition the finding so that it goes into the
20 Action Matrix, the longer it potentially interferes
21 with the NRC's ability to conduct follow-up
22 inspection. Right?

23 MR. FLOYD: Right, that's correct.

24 MR. BORCHARDT: And I think that's
25 significant. We haven't had that many greater than

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1 green findings so far, but even with the high level of
2 attention they're getting, they're taking longer than
3 I think any of us would have hoped or expected. I
4 think it's just a topic that needs to be continued to
5 be focused on.

6 MR. CAMERON: So, Ed, what about from your
7 perspective Bill's suggestion of taking the timeliness
8 issues out of S-1 and to gather all the timeliness
9 issues here in S-5? Or anybody else. Steve?

10 MR. SCHERER: I guess I certainly don't
11 object to it, but I can't see how you're going to
12 resolve the timeliness issue without addressing the
13 process and if you address the process the two issues
14 that I thought we had discussed under S-1 would
15 exclude the ability of the process and the timeliness
16 of the process.

17 So by taking it out of one which I see the
18 logic in that. I don't have a particular problem, but
19 it's still going to be one solution which is to work
20 on the process to make it more scrutable and more
21 timely.

22 So whether we put it in 1 category or 2,
23 I still think it's going to be one solution. But we
24 need to go in either direction. We can't make it a
25 separate item.

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1 MR. CAMERON: Okay, so we'll keep it
2 separate for now. When you write this up at some
3 point it may become obvious, more obvious that it all
4 fits together. So perhaps you can wait until then,
5 but is the implication that I'm getting from
6 --

7 MR. SCHERER: Well, let me make it clear.
8 My concern is that there is a competing objective.
9 The more scrutable you make it, the more you put it in
10 the public domain, the more you put -- add steps, the
11 more you put it on the web page for each step, the
12 more you're going to extend the time period for the
13 process and therefore you're going to have a less
14 timely process or that would be my impression.

15 So those are in some ways competing
16 objectives for the same issue. That's why I was more
17 comfortable lumping them together because it's a
18 balance. As you go through the process of having it
19 more scrutable and timely and if you separate them out
20 and say I want to have it more scrutable and I want to
21 have a separate objective to have the results timely,
22 you may, in fact, be working at cross purposes as you
23 work on Step 1 and as you work on Step 5.

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1 MR. CAMERON: So it would be more
2 efficient to consider all of those trade offs when
3 you're talking about what category --

4 MR. SCHERER: That's at least why I made
5 the suggestion I did.

6 MR. CAMERON: Bill, what do you think
7 about that?

8 MR. BORCHARDT: I have a hard time
9 thinking much about it because I jumped to what the
10 solution is.

11 (Laughter.)

12 That's not what we're all about here. If
13 the ultimate evaluators and implementors of these
14 suggestions and issues end up combining them or
15 integrating them in ways that we don't foresee, I
16 think that's their job.

17 MR. CAMERON: For right now I'll just put
18 question mark under S-1 and let's see if we can close
19 it out when we come back at the end of the Ss, but
20 keep in mind Ed's point in competing considerations
21 and I guess that in terms of a category for this, I
22 was sort of hearing by implication that this would be
23 a 2, this timeliness?

24 CHAIRMAN PLISCO: For efficiency and
25 effectiveness.

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1 MR. BORCHARDT: That's my view anyway.

2 MR. CAMERON: And is it also public
3 confidence?

4 MR. SHADIS: Well, it's very important in
5 terms of public confidence. If public confidence
6 largely depends upon communication, then there's a
7 time factor that plays into it. If the process is
8 extended because you have these stages that were
9 mentioned, that would not be harmful to public
10 confidence as long as the public was tuned into what
11 those processes were, as long as they had access to
12 them. And it really does, it plays both ways. Public
13 attention, if there's an event at a plant and it is
14 entered into this process, public attention is of
15 limited duration. And they may or may not ultimately
16 see that since it's on page 8 of the newspaper that
17 this has been given a lower safety significance.

18 MR. TRAPP: I think it could be a real
19 public confidence issue though if you don't take the
20 time it takes to do it right. If we come up with
21 white, yellow, green, red findings that are incorrect,
22 or if we come up with green findings where it's a red
23 finding, I think then you have a real problem.

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1 MR. SHADIS: I agree with you. I think
2 it's problematic as to what one means by timeliness.
3 You don't want an instant decision.

4 CHAIRMAN PLISCO: And I think what you're
5 saying is you also don't want long periods where
6 there's no information available if you don't know
7 what's going on.

8 MR. SHADIS: Six, eight weeks, three
9 months later and then if a determination is appealed,
10 the public has got problems with that.

11 MR. SCHERER: I think there is a public
12 confidence issue. I agree. I think on the other side
13 you want to get it right. You want to have all the
14 information and you want to have a scrutable process.
15 You also don't want to spent a year later and not have
16 the regulator and the licensee and the public and
17 other stakeholders not being in agreement on the
18 significance of what occurred.

19 MR. BROCKMAN: The issue which we're
20 discussing here is not related to the SDP. It's
21 coming out of the end, the final action. The initial
22 SDP determination is just one step in a long process.
23 The whole thing needs -- you're proceeding on a
24 pathway, still each step needs to look like it's got

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1 a proper prioritization and everyone understands where
2 it is and it just doesn't wax along forever.

3 MR. CAMERON: Okay, I think we explored
4 that one.

5 CHAIRMAN PLISCO: And this discussion too
6 is a good area. We can probe the SRAs tomorrow of the
7 timeliness issue and what's caused, from their
8 perspective, what's causing those issues.

9 MR. MONNINGER: So to sum it up, do you
10 have a 2 overall and then you just want to reflect E
11 & E and public confidence? Is that how you want it
12 documented?

13 MR. CAMERON: See, John, has the
14 unenviable task of putting a little number next to
15 these overall --

16 CHAIRMAN PLISCO: Okay, ready of S-6. PRA
17 quality and consistency.

18 MR. REYNOLDS: Can I go back?

19 (Laughter.)

20 I agree with the 2, the public confidence
21 and efficiency and effectiveness. but if that's a 2,
22 I'm going to have lots of 1s.

23 MR. BROCKMAN: If what's a 2?

24 MR. REYNOLDS: S-5. If it's an overall 2,
25 we have two areas now. We put up there 2 overall. I

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1 would say it's a 3 overall with 2 being public
2 confidence and efficiency and effectiveness.

3 MR. BORCHARDT: I would say, in my mind,
4 it's a 2 overall because of the significance of the
5 impact that it would have on the -- that poor
6 timeliness would have on our ability to follow up
7 inspections, to enter into the Action Matrix, to
8 provide the public with a understanding of what the
9 issues are and how we and the licensee are
10 dispositioned.

11 MR. SCHERER: I guess the region I might
12 have a different perspective on that is most of the
13 SDP findings are done quickly without controversy.
14 Everybody is in agreement and we go forward. It's
15 only the exceptions considering the number of things
16 that get screened by the SDP in particular, the
17 inspection findings that are done on a routine basis,
18 I would say it's working pretty well.

19 Now I agree there's a timeliness issue,
20 but those are the outliers. Those are the unique ones
21 and I tend to view that as a relatively small subject
22 of the ones that we see every day. So overall, I tend
23 to agree that it's a 3. I think where we've got a
24 problem that needs -- it needs to be addressed and I
25 think we've talked about that, you know, already. But

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1 overall, I don't see this as a high priority issue
2 because the SDP process as a whole, when taken as a
3 whole, I think it works pretty well. Certainly, the
4 reactor safety portion works overall well and most
5 findings are not arguable.

6 MR. BORCHARDT: I think when you say
7 outlier, what I interpret that is white, yellow on red
8 findings. They are by far the clear minority in the
9 number of findings. And you're right, the vast
10 majority are green and their disposition effectively
11 and efficiently, but those white, yellow and red are
12 also the most important findings. And those are the
13 ones we can least ill-afford to drag our feet on.
14 Those are the ones that need to be addressed the most
15 quickly. And that's what drives me to some importance
16 in my mind for how we disposition.

17 MR. FLOYD: Yes. I just wonder on this
18 one how much we're living with past history as well.
19 I know the early one that came out took a very, very
20 long time to complete the assessments on, but looking
21 at the website lately, I'm seeing what appears to be
22 a much abbreviated interval now for coming out with
23 the SDP findings for the greater than green results.
24 It looks like they're coming out in about 60 days or
25 so from the time that the issue is identified.

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1 Whereas, the early ones were taking four and five
2 months to come out.

3 So it looks like it's getting better, but
4 -- and I'm not sure you're going to do much better
5 than 60 days.

6 MR. BORCHARDT: Yes, I think if we had 60
7 days consistently, it wouldn't be as bad, but there
8 are some that are still much older than that.

9 MR. FLOYD: Right.

10 CHAIRMAN PLISCO: That you haven't seen
11 yet.

12 MR. CAMERON: Richard?

13 MR. HILL: I come back to -- I don't know
14 what you're going to do with this. I don't know how
15 you can have an overall 3 and some aspects of it be a
16 2 when there's only one recommendation to give. How
17 do you say wait, we want it to be a 2.8, you know, in
18 our scheme of things. It's either got to almost got
19 to be a 2 or it's got to be a 3, because there's
20 really only one thing to do, improve timeliness. You
21 can't subdivide it into some 2s and some 3s.

22 MR. BROCKMAN: I can also take this back
23 to the one you've got, what's more important,
24 timeliness or accuracy and you can't give one away for
25 the other.

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1 MR. REYNOLDS: Maybe I'll just withdraw my
2 comment. I can live with the 2s.

3 (Laughter.)

4 MR. BORCHARDT: Does that mean you're
5 still going to have a lot of 1s?

6 (Laughter.)

7 MR. REYNOLDS: Maybe.

8 MR. CAMERON: All right, S-6.

9 MR. TRAPP: It's a pretty big issue for us
10 to try to do these SDPs. We have licensees that have
11 relatively similar reactors and their CDFs for plants
12 are two orders of magnitude apart, so if we use -- if
13 we applied almost the same component, be that a
14 service for the same amount of time, it would have to
15 be out of service 100 times longer at one plant than
16 another plant that virtually to us looks pretty much
17 the same.

18 And the other thing is there's another
19 angle that licensees are beginning to come back to us
20 and there's those licensees that have the more
21 detailed PRAs where they include external events.
22 They include shut down. They include transition and
23 they're beginning to come back now and complaining
24 saying hey, you're using our numbers, yet the guy down
25 the street's PRA, they hardly have done anything in 10

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1 years and you use their numbers and they're getting
2 quite an advantage, why don't we just throw all our
3 detailed analysis out the window and we'll just use a
4 simplified one and you and the NRC will be happy. I
5 mean my opinion, that's a high priority issue that we
6 need to resolve for a number of issues --

7 MR. SETSER: Is there a way to resolve, is
8 there a solution to this?

9 MR. TRAPP: Well, they're working on it.
10 There's PRA standards trying to be developed and
11 there's efforts --

12 MR. FLOYD: PRA --

13 MR. SETSER: It is something that needs to
14 be addressed and can be addressed so it's not
15 something --

16 MR. TRAPP: I'd say it is being addressed.
17 I think there's a lot of effort in this area. And
18 there's a lot of effort to get information. The NRC
19 is really only docketed IPEs which were screens 10
20 years ago and the information we're using for the SDP
21 is information that hasn't hit the docket yet. So for
22 --

23 MR. SETSER: It sounds like a 2 to me.

24 MR. REYNOLDS: It sounds like a 1 to me.

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1 MR. CAMERON: Just a point of order for
2 all of you in terms of this issue about we're working
3 on it, okay, how much do you factor in that we're
4 working on it to whether it is a 1 or a 2 or a 3, as
5 opposed to saying this is a problem that exists and
6 the way the panel says it it needs to be fixed either
7 from the 1, 2 or 3 standpoint. I mean it may be great
8 that people were working on it, but does it confuse
9 your rating if you try to factor in the fact that
10 people were working on it? In other words, if they
11 weren't working on it would you make it a 1, Jim?

12 MR. SETSER: No. I don't think so.
13 That's why I asked the question. Is there a solid
14 solution to this. You told me there was. Well, it's
15 a matter of implementing a solution which is a measure
16 of efficiency and effectiveness at that point in time.
17 If you told me we're going to have to empanel a
18 committee to search for some solution to this, then
19 that takes on a lot of importance that it might not be
20 so easy and you may not be able to have success so
21 therefore it falls into a 1.

22 MR. SHADIS: Yeah, but Jim, if it doesn't
23 happen, it is going to be a real significant effect on
24 the whole program. This is something that is
25 foundational to the success of the program.

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1 If you're going to risk inform and you
2 have conflicting assessments floating all over the
3 place for the different plants, you can't have -- I
4 think there are 7 of these 8 objectives that fall
5 through the floor, if you don't have this thing done.

6 The fact that they're working on it, I
7 don't think should rebound into our thought process.
8 It's nice to hear, but it doesn't affect my sense that
9 it is essential that these PRAs get lined up.

10 MR. SETSER: I understand what you're
11 saying, but you're talking about an element of trust
12 as to whether they're going to continue to solve the
13 problem or not.

14 Because you could use the logic about
15 anything if you don't complete it.

16 MR. SHADIS: Well, we can endorse what
17 they're doing. If you felt that it was a matter of
18 trust, you know, to say good, good for you guys and we
19 hope you get it done and get it done right this time.

20 MR. TRAPP: I didn't want to paint too
21 dismal a picture either. One of the advantages when
22 we get the Phase 2 worksheets is now we're going to
23 have consistency across plants in that if the Phase 2
24 comes up to be a white finding and if we don't have a
25 lot of confidence in the licensee's PRA, then it would

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1 be a white finding and that would be the end of the
2 story. So I mean there's some things that are coming
3 near term that I think are going to be vast
4 improvement to resolve this issue.

5 MR. FLOYD: I'd just like to reinforce
6 that. I just don't see how it could possibly be a 1
7 either because of what Jim just said. They are going
8 to get consistency at the Phase 2 level and at the
9 Phase 3 level, again, it's not a negotiation. The NRC
10 has the final determination of whether they have
11 confidence in the PRA. A lot of times the results are
12 different because people treat Human Reliability
13 Analysis differently for the PRA, but they disagree
14 with the way they did it. They're not going to accept
15 their result and they're going to stick with their
16 Phase 2 result by and large.

17 I think the checks and balances is built
18 in. Certainly, it's an efficiency issue and it
19 certainly needs to continue to have the advancements
20 made in this area, but I don't think it's -- it rises
21 to the threshold of being a 1 where the program is
22 broken if they don't do it. I think they're getting
23 around it right now. Maybe not as efficiently as
24 they'd like, but they can still make the process work.

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1 MR. SHADIS: I mean what it says here and
2 I don't know that we've changed all that much, if an
3 issue is not corrected, it could threaten meeting one
4 of the goals of the reactor oversight process. And if
5 for whatever reason, this isn't corrected, I think it
6 will threaten more than meeting one of the goals.
7 There's 7 that I can see.

8 MR. CAMERON: Now I want to ask Mary and
9 others about what they think about this issue, but
10 what I wasn't sure whether Steve was saying that
11 because of the checks and balances, it would be a 2
12 regardless there was anything being done to correct
13 it. So that view is there. But you really do, this
14 issue is going to come up every time, is that how much
15 do you factor in that the staff is working on the
16 issue or how much do you just answer the question as
17 Ray read it and forget about who's working on it, when
18 it's going to be done, whatever. I don't think that
19 that implies that you don't trust the people, but
20 Mary, what do you think about how this should be
21 considered, how you should do this?

22 MS. FERDIG: Boy, I tell you, I hate being
23 put on the spot like that. My instincts are leading
24 me to think that if it's critical in terms of the
25 success of the program, that it might be worthy of

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1 that consideration regardless of the degree to which
2 it's being worked on at this moment. And so I would
3 tend to lean, I think, with what -- if in fact, that's
4 true. Now what I can't judge is the degree to which
5 that is true from the standpoint of everyone in this
6 room.

7 MR. CAMERON: But would you be -- by doing
8 that, you would be flagging the importance of the
9 issue, but you would also in a write up, I would
10 imagine, indicate that there was some effort to
11 correct it, but at least the Panel would be still
12 flagging the importance of the issue?

13 David, what do you think?

14 MR. TRAPP: This is fundamentally bigger
15 than just the oversight process because we're shifted
16 in the oversight process to risk-inform, but the rest
17 of the train is still running down the licensing
18 regulation path that wasn't risk-informed when it came
19 out, so every day that goes on, the tracks are getting
20 further apart which is causing the consternation
21 because we're all operating -- the assumption is we're
22 operating safely because of our tech specs and in some
23 cases people have
24 risk-informed certain tech specs and other cases
25 people have chosen not to do any.

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1 So we're bound by a regulatory structure
2 that isn't risk-informed and we're being -- the
3 oversight is trying to get risk-informed and in that
4 is some tension that brings this issue up as a big
5 issue, but it's not really a big issue in the
6 oversight process as much as it is in the whole
7 context of the regulation.

8 MR. CAMERON: Ed?

9 MR. SCHERER: Yes, I have a problem
10 because I see this as mixing two separate, inseparable
11 issues. That's why I'm having a problem with the way
12 the question is asked. And I would be very interested
13 in getting some additional insight when we meet with
14 the Panel. But to me, the issue that I see here is
15 one of the NRC process getting finalized, so that the
16 NRC can screen and have confidence in its evaluation
17 of the risk-informed way of categorizing the finding.
18 The variability of the plant's PRA is a separable
19 issue, once the NRC finalizes its process and its say
20 of screening it, because it will make the
21 determination of what color or level of risk it finds
22 associated with it. It's in the process of upgrading
23 its process now. When it completes that, I see this
24 part of the issue, the determination of the outcome of
25 an SDP is getting itself sufficiently resolved. This

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1 still is a separable issue of the individual plant's
2 PRA and some more sophisticated than others. That
3 issue will still be there, but that's a side issue.
4 The transparency and inscrutability and predictability
5 will be in the NRC's evaluation as it does its Phase
6 3. There will certainly be a dialogue with the
7 licensee that we've covered in S-1 or S-5 in terms of
8 the NRC processing and its timeliness. But the NRC
9 process will be the NRC's process.

10 MS. FERDIG: And the degree to which the
11 NRC process is risk-informed from these methods
12 they're using and is consistent.

13 MR. SCHERER: Right.

14 MS. FERDIG: And of a standard quality,
15 then that is, in fact, critical to the success of the
16 program because that's what each of the plants will
17 use in then refining its own processes.

18 MR. SCHERER: That's what the NRC will use
19 and as long as the NRC's process is predictable and
20 meets an equivalent standard, that's the outcome.

21 MR. SHADIS: But doesn't it really have to
22 be site-specific also? I mean, isn't that what the
23 difference is when you have plants reporting a couple
24 orders of magnitude apart on the risk of core damage,
25 any particulars that that's site specific and that's

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1 what we're talking about is the differences that these
2 licensees are coming in with, with their own
3 calculations.

4 MR. FLOYD: Yes, I think that's true, Ray,
5 but I think the point that we might be missing is that
6 when the NRC SRAs see that difference, they then ask
7 question to try to understand is there a legitimate
8 reason why it's two orders of magnitude difference or
9 is it due to some treatment of the PRA methodology
10 that they don't agree with and if they don't agree
11 with it, it's up to them to decide.

12 MR. SHADIS: Exactly.

13 MR. FLOYD: Do I accept this person's
14 number or don't I accept this person's number and
15 insights that they're giving me. If I have good cause
16 to question it, I won't accept it and I'll use my own
17 evaluation and I won't rely on the plant specific.
18 That's why I think irrespective of whether this thing
19 gets fixed in terms of industry standards or whatever,
20 there are sufficient checks and balances in place
21 today that in my mind make this a 2. It's certainly
22 inefficient for them to have to go through and discern
23 all those differences and sort it out, but it doesn't
24 make the program not work.

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1 MR. SHADIS: It's inefficient. It affects
2 timeliness. I can tell you it certainly affects
3 public confidence. We don't understand why two
4 identical plants ought to be at such extremes and why
5 NRC has to have dialogue between regions to try to
6 figure out what designation they're going to assign
7 for some defect.

8 MR. CAMERON: So No. 2 --

9 MR. FLOYD: But I guess that's not just an
10 oversight process issue. That's across the board on
11 the whole.

12 MR. SHADIS: Well, it surfaces here and
13 one of the nice thing about the process is that the
14 color coding enables you put it in the graph and stick
15 it on a computer screen and we can see it right away,
16 but then, looking at the details it is
17 -- it really does slam public confidence in a heavy
18 way and I would have to say in terms of public
19 confidence it would have to be (1) if it's not fixed,
20 you're not going to have public confidence in this
21 system. Our assessment, and I'm talking about
22 activists, I'm not talking about the general run of
23 public that may not be tuned in, but our assessment,
24 sure it affects safety. Of course it does.

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1 MR. SETSER: Let me ask this question.
2 I'm still confused about something. Did the
3 implementation of the new oversight process
4 selectively create this problem?

5 MR. FLOYD: No, absolutely not.

6 MR. SETSER: Then why do we look to the
7 oversight process failing that this problem isn't
8 corrected?

9 MR. FLOYD: I don't think it should and I
10 think there are checks and balances in the oversight
11 process within the process that come to the right
12 answer if there's not confidence that the licensee's
13 PRA is the right approach that was used.

14 Now you're right, the issue came up long
15 before the oversight process came up. We've been
16 dealing with this issue since Reg Guide 1.174 came out
17 four years ago now.

18 MR. SETSER: I don't have any trouble with
19 saying the problem needs to be corrected.

20 MR. FLOYD: Yes.

21 MR. SETSER: And it is a serious problem,
22 but I have trouble saying that the oversight process
23 is going to fail if the problem is not corrected.

24 MR. FLOYD: Right.

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1 MR. SHADIS: I disagree with Steve's
2 characterization of it because the risk-informing is
3 core to the reactor oversight process, the new
4 process. And this, in turn, is foundation for
5 risk-informing on a plant-specific basis and I just
6 don't see that you can separate it out and you know,
7 say that this is some sort of generic issue that is
8 not central to this reactor oversight process.

9 MR. FLOYD: I think the key, and Ray used
10 the key word, risk-informed. That is what we're
11 after, not risk-based. The numbers don't have to be
12 precise and accurate for every single plant. What's
13 important is the insights that you get from the PRA
14 and an understanding of the differences as to why
15 there might be a two order magnitude difference
16 between plants and then deciding as an agency, whether
17 or not they ought to take that insight or whether they
18 don't have confidence in that insight. That's what
19 makes it risk-informed, instead of risk-based, to have
20 every licensee have the exact same PRA done to the
21 exact same methodology, the same degree of
22 completeness, we might as well throw out all of these
23 insights and just say we're going to believe the
24 bottom line number and I don't think anybody wants to
25 go there. I think the new process is risk-informed

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1 for the very reasons that it does get to the heart of
2 why are there differences from one plant to another.
3 That's what's making it risk-informed. It's not risk-
4 based. But that is what makes it
5 risk-informed.

6 MS. FERDIG: And you're satisfied from the
7 plant -- industry's point of view that what is being
8 used to make those risk-informed decisions is
9 consistent enough and the quality --

10 MR. FLOYD: I think it's consistent enough
11 and where it's not consistent enough I think the NRC
12 SRAs are doing a really good job of understanding why
13 there are differences and when to take the information
14 from a licensee and that insight from the PRA and when
15 not to.

16 MR. GARCHOW: For my benefit, I'd like to
17 maybe pulse this tomorrow when Jim brings the SRAs.
18 I agree with Steve from an industry perspective. I
19 think it would be very compelling to me to see to what
20 extent the SRAs who are doing this every day take
21 Steve's position and would say those checks and
22 balances are there because I think that the argument
23 is are there checks and balances there today while
24 this issue still exists out there getting fixed and if
25 there is adequate checks and balances, that would

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1 probably change how we perceive this from which
2 category it was in. If it was an adequate checks and
3 balances, we might get some additional --

4 MR. SCHERER: I agree, that's why I said
5 I look forward to hearing from the Panel as to the
6 current status and the priority they would put on its
7 resolution and whether they feel that they have
8 sufficient information to make those judgments.

9 MR. BROCKMAN: I think one thing that
10 we've got to pay attention to Ray's comment
11 irrespective of what the facts are, if the public
12 doesn't perceive it that way then we may have a level
13 1 public confidence issue.

14 The corrective action may be education to
15 the process, if you don't have the level 1 public
16 confidence issue irrespective of all the technical
17 accuracy of what we're talking about.

18 MR. SHADIS: You know, you may want to
19 restate your issue, but as the issue is stated and
20 given what people are saying around the table here, if
21 you have different plant cultures, different licensee
22 cultures that lend to their choices of how they're
23 going to do their PRAs, then you might as well take
24 objectivity and give us a 2 on that one also because

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1 it's certainly under -- it's undercut by subjective
2 choices.

3 MR. FLOYD: I could really agree with
4 that, Ray, if the NRC just took the licensee's result
5 and said we're going to run with it. But they don't
6 that. And that's the check and balance on them when
7 it comes it. So it is part of the program.

8 MR. KRICH: Maybe the issue here really is
9 a matter of understanding how the PRA is used in the
10 process and whether it's the licensee's PRA, the NRC's
11 PRA, who's used it and how is it used and I think as
12 -- I agree with the concept, Ray, that the licensee's
13 PRA is the key element used in determining the safety
14 significance of issues and certainly this would be a
15 very important issue, but if in fact, it's not the
16 licensee's PRA that's the sole -- and Jim, you can
17 smile.

18 MR. TRAPP: I think you might have hit a
19 key issue because there's lots of times we don't have
20 good models and we put a lot of -- I don't want to --
21 we look and focus on PRA. We take your LOCA analysis
22 and we pretty much accept that too.

23 I mean it's reviewed. It's approved.

24 MR. KRICH: Right, you do some --

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1 MR. TRAPP: We don't independently
2 calculate a lot of things. So PRA is really -- I
3 don't look at it as being a whole lot different, but
4 we take your results and the other thing with
5 risk-informed and risk-base, I kind of smile at that
6 too, because we'll have a risk-based number from a
7 licensee and if we think risk-informed, we have some
8 other ideas why we think it's a white and not a green.
9 Boy, be prepared because people don't want to hear
10 that. We spend \$2 million in our PRA. Here's our
11 number and we say it's green and it's green. We don't
12 like the risk-informed part of this program.

13 MR. KRICH: Well, Ray, is it fair to say
14 that part of the issue, Ray, is understanding what
15 role the licensee's PRA plays in decision making as
16 opposed to what other thing would go into that?

17 MR. SHADIS: Yes, and what I'm hearing
18 here is that I hear it two ways. Either NRC does or
19 does not have a generic one size fits all that they
20 contrast the variations in the licensee's PRA against
21 and now I'm hearing that no, you don't have one that
22 fits --

23 MR. TRAPP: We're working on that.

24 MR. SHADIS: Well, you're working on that
25 which is good. But in the meantime, in the meantime,

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1 we really then are challenged to accept the risk
2 numbers.

3 MR. TRAPP: And I would say we do more
4 than accept the numbers. We look at the cut sets. We
5 look at the output. We compare it to generic data
6 bases. I mean some of the reasons why these things --
7 we talk about timeliness, some of the reasons it takes
8 so long is because you don't have that confidence in
9 the model and there's a lot of work to do to get that
10 confidence and the outputs.

11 MR. BLOUGH: It seems what we're weighing
12 here is whether this is high priority which is
13 category 2 or higher than that which is category 1.
14 And it seems to all hinge on not whether this issue
15 itself is priority 1, but whether the compensatory
16 measure in place which is the NRC can substitute
17 different factors into the SDP than the licensee uses,
18 whether that actually mitigates it at this point. I
19 guess we've heard a little bit -- we've heard some
20 different views on that. I think
21 -- I don't think we can just -- if the licensee has an
22 analysis we would throw that out, but if you dissect
23 it and we find that they used elements of it that are
24 way off, for example, human error probability that's
25 way off from what industry would see and operating

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1 experiences shown in even their own plant, or
2 initiating events frequencies or that they've actually
3 -- or if you find an error where they've missed a
4 sequence where it turns out to be significant and the
5 rest of industry hasn't even considered it, but still
6 you know, there's limits on what we can do. So we
7 can't go out and do our -- we wouldn't typically go
8 out unless there it's very, very important to do our
9 own analysis to come up with detailed analysis of
10 something the licensees missed. But we would put some
11 compensatory in place. I guess it all -- this is
12 either high priority or it's higher than that and it
13 all depends on how much we credit the current
14 compensatory measures.

15 MR. CAMERON: When you say current
16 compensatory measures, let me make sure I understand
17 that.

18 I'm still on this issue up here about how
19 much the fact that there is an on-going fix underway
20 influences how you flag the significance against the
21 problem.

22 Steve pointed out that regardless of the
23 on-going fixes, he thinks there's a reason why this is
24 not a number one priority. So you're saying

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1 compensatory measures, do you mean checks and balances
2 or do you mean --

3 MR. BLOUGH: Really, the checks and
4 balances, something that's in place today. If there
5 was an important issue for which PRA quality and
6 consistency was a factor in that issue today, what is
7 the staff doing today? I'll call that a check and
8 balance.

9 MR. CAMERON: I just wanted to flag one
10 issue for you that I think you're going to be dealing
11 with again and it was the interchange, exchange
12 between Ray and Jim on the failure of the reactor
13 oversight process and I think Ray was saying and this
14 may run across the board with other issues is that the
15 credibility of the reactor oversight process in the
16 eyes of the public, that this is an issue that could
17 cause the public perception of the reactor oversight
18 problem be it -- could be a failure in the public's
19 eyes because of the inconsistencies which is -- I just
20 wanted to flag -- we had this discussion earlier on
21 about what do these number one findings mean and
22 relating it to maintaining public health and safety?
23 And just emphasize it. I think Ray gave us an example
24 here of where the credibility of the program would be
25 undermined if something like this wasn't fixed. And

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1 I'm not attaching any importance to this particular
2 issue. I'm just using it as an example and maybe
3 that's evident to everybody but I just thought I'd
4 point that out.

5 Yeah?

6 MR. FLOYD: I'd just like to comment. I
7 think we've got to be careful about setting a much,
8 much higher standard of expectations for the new
9 oversight process than what we have for the licensing
10 basis underpinning for the plants in the first place.
11 I forget who mentioned -- somebody mentioned the fact
12 that the NRC does not do a duplication and does not do
13 a 100 percent review of the LOCA analyses and all the
14 other analyses which go into the plant, to the setting
15 of the technical specifications and the final
16 determination that the plant is able to receive a
17 license from the NRC. It's a spot check. It's a
18 sanity check. It's a partial review. It's a
19 validation, but to put a higher standard, I think, on
20 the oversight process than what we have for the
21 regulatory basis for issuing a license to a plant I
22 think would be a mistake.

23 MR. CAMERON: This goes to Rod's point.

24 MR. FLOYD: I don't think we ought to go
25 there.

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1 MR. CAMERON: Right. This goes to Rod's
2 point about what are we really looking at here? Are
3 we looking at the overall maintained public health and
4 safety or are we just focusing in on the reactor
5 oversight process? Because if you look at the
6 overall, maintain public health and safety, there's a
7 whole lot of underpinnings there that would still
8 maintain public health and safety, even though the
9 reactor oversight process was a failure.

10 MR. SETSER: Let me just say something
11 here. First of all, there's nobody that's a stronger
12 supporter of involving the public than I am. I've
13 published two books on the subject of meeting public
14 expectations and the need for that in the government
15 sector.

16 But at the same time, because the
17 oversight process was put in place to surface problems
18 and help correct problems that have been occurring for
19 a long time, I would hate to see as a reason for
20 shooting down the oversight process, the fact that it
21 as surfaced those problems and created the need for
22 those problems and to turn around and say if those
23 problems aren't corrected, the oversight process
24 fails. And that's what we're tending to do. So to
25 the extent that has surfaced the problem, to the

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1 extent that even in the previous issue caused more
2 labor intensive things in that particular area that
3 needs to be addressed, that's good. So that's what --
4 so the best endpoint, the oversight process is
5 working.

6 Now there are a lot of problems associated
7 with my operations in-house that if I have needed to
8 correct them for a long time and I've got people
9 waiting in the wings to tell me they ought to correct
10 them, but the fact that I'm trying now to do it, I
11 shouldn't be penalized and say that I'm going to fail
12 because the problem still exists. That's why the
13 oversight process was put in place in the first place.

14 I identify with this risk-assessment
15 problems. Everybody tries to convince me to use one
16 particular model exclusively, make sure everything is
17 cleaned up to drinking water standards and that's the
18 only tool. We have to treat each one on a case by
19 case basis until we have a factual data base to
20 support doing it differently.

21 So I think that this is certainly
22 something that's important, the oversight process has
23 probably helped surface it, but it's been around a
24 long time.

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1 I believe it is being addressed. And we
2 should go on with it.

3 MR. SCHERER: I had one comment and
4 perhaps a suggestion. It is not -- we keep talking or
5 a lot of the discussion talks about different results
6 were relatively the same plant it's being a negative
7 and that may or may not be true. An example is a
8 plant where I work as a sister plant on the East Coast
9 of the country and our risks are dominated by the fact
10 that California is more prone to having earthquakes
11 and therefore our risk study show different results
12 for what would seemingly be the same event. And I
13 think that's appropriate and those are the right --
14 that is the right answer in at least my opinion.

15 So having an inconsistent result for
16 similar plants may be justified. It may not be
17 justified. I would like to suggest that maybe before
18 we decide something is a Category 1 or a Category 2
19 we'd benefit from the panel discussion tomorrow as to
20 where the staff is coming from, how they perceive the
21 issue and how they get information to again, as Steve
22 Floyd points out, make this a risk-informed process
23 and be able to in their mind, explain these
24 differences.

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1 MR. TRAPP: I think you'll get some good
2 opinions tomorrow. It's been a challenge for us, no
3 doubt and with the three of us it gets --

4 CHAIRMAN PLISCO: I suggest we call it
5 undecided. We'll do a recount.

6 (Laughter.)

7 MR. TRAPP: Because I mean we're bringing
8 these people in to give you more information.

9 CHAIRMAN PLISCO: Let's ask them some
10 questions and we'll revisit that.

11 MR. CAMERON: Keep in mind Rod's
12 understandability issue. In other words, maybe it's
13 a question of how explain why there is deviation and
14 what are the implications of those deviations.

15 CHAIRMAN PLISCO: We'll just set it aside
16 for now. We'll revisit that.

17 MR. CAMERON: All right.

18 MR. SHADIS: Before we go to the next one,
19 just on a personal basis I want to make sure you
20 understand that my sense is there are real safety
21 issues involved with not getting your risk information
22 straightened up and clear. And that being said and
23 I'll caution everybody, that's not being fearful
24 getting a 1 in here somewhere.

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1 MR. REYNOLDS: I just want to clarify one
2 other thing that Steve said. Steve seemed to want to
3 equate that PRA and LOCA analysis are done in the same
4 standards and I don't know that's true.

5 MR. FLOYD: I didn't say that.

6 MR. REYNOLDS: Well, that's what sure as
7 heck I took. I know LOCA analysis and other things
8 that are required by regulations to be submitted like
9 general design criteria are subject to Appendix B
10 quality assurance requirements, but there's no
11 requirement whatsoever by the NRC to have a PRA,
12 therefore there's no requirement that's going to be
13 subject to any quality assurance requirement. So when
14 we rely on a LOCA analysis for a licensing actin based
15 on the fact we have a quality assurance program which
16 we evaluated and accepted PRAs, we don't have any
17 standard to evaluate the requirement. There is a
18 difference.

19 MR. FLOYD: Yeah, I could tell you though
20 that although there is not a rigid Appendix B
21 requirement, most licensees have done their PRA under
22 an equivalent Appendix B-type program with checks and
23 balances, second reviewers and the like.

24 MR. REYNOLDS: As far as we're concerned,
25 that's not true.

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1 MR. BROCKMAN: We're going for solutions.
2 We should be going --

3 MR. REYNOLDS: I wasn't trying to make a
4 solution, Ken, I was just clarifying what I thought he
5 said.

6 MR. BROCKMAN: I think one of the key
7 things we're going to have to identify with if we say
8 it's a 1, what does that mean? Does it mean there's
9 a problem out there needs to be addressed? It doesn't
10 need to be fixed. It might be able to be mitigated
11 and it might be able to -- it might be a three-year
12 solution and you've got other things in the process
13 that are going to be dealing with that.

14 So I think many of us are going for
15 solutions, oh, this means we have to fix this problem
16 in the next 90 days. It may not mean that at all.
17 It's an issue that is of high significance, needs to
18 have a plan put together and it may be a 10-year fix
19 if that's what it takes to fix it. Don't lose track
20 of it. So let's not get captured with one, get this
21 long vein of we're saying this is -- we can't go past
22 April 1st with this problem still there. It doesn't
23 necessarily mean that.

24 MR. REYNOLDS: It's going to be
25 interesting. I think you raised a good point. It's

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1 going to be interesting discussion when we get there
2 as to what that --

3 MR. SHADIS: It's also becoming apparent,
4 I think, that there are externalities that may affect
5 the success of the ROP.

6 MR. BROCKMAN: I think it will affect the
7 techniques that you're going to use to deal with --

8 MR. SHADIS: Could affect.

9 MR. BROCKMAN: Could affect that.

10 MR. CAMERON: Steve, one more before we go
11 to the next --

12 MR. FLOYD: Yes. I'll just make the
13 observation in response to Ken's comment, I think it's
14 a good one is that a member of the public audience
15 here at the break commented to me that -- he said I
16 think your problem is is that you don't have a clear
17 understanding as to what is a 1, a 2 and a 3 yet, and
18 you haven't decided what you have to do if you get to
19 -- decide to issue something a 1, a 2 or a 3 and maybe
20 that deserves more discussion. I think that's
21 critical. If -- my impression was that if we said we
22 had a 1, that meant that the program cannot go forward
23 until that problem is fixed. I mean that's the
24 impression that I had as to what a 1 meant. Now if

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1 that's not the impression other people have then
2 that's a difference.

3 MR. BROCKMAN: But it can be done in a lot
4 of different ways that may not -- you have interim
5 compensatory measures that more than adequately allow
6 it until you can get a lot of the externalities that
7 Ray talked about, regulatory processes and what have
8 you. I mean a lot of these are built in time delays.
9 There are things that can be done at different levels
10 that can allow you that time and --

11 MR. FLOYD: But I guess I can put the
12 issue on the table. Do we have a good understanding
13 amongst all of us what does a 1 and a 2 and a 3 mean
14 with respect to on-going programs? It's awfully
15 difficult to say something is a 1 or 2 or 3 without
16 that common understanding and agreement.

17 MR. CAMERON: Steve, even in your
18 language, if I recall what the Commissioner said when
19 they said they wanted the one-year initial
20 implementation review, it wasn't under the guise that
21 there would be anything that we'd come up that said
22 we're going to stop doing this. There's nothing to go
23 back to. What enhancements would be needed? What
24 are the areas that need to be fixed, but I think the
25 underlying assumption, independent of what we came up

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1 with was that it's implemented and now it needs to be
2 improved and I think the Commission was looking for
3 our insight after a year, what are those areas?

4 MR. BROCKMAN: But you're going back to
5 legitimately so to where we started this morning where
6 we thought that we would lay out the criteria before
7 we went into the discussion of the specifics and we
8 were going a number of different ways and I think what
9 we decided was that let's go through and talk about
10 some specific examples and identify some problem areas
11 and maybe we can build this from the bottom up, but
12 you're right, you've got to get them some time. You
13 may find out that your definition of your criteria,
14 you may change that, possibly.

15 CHAIRMAN PLISCO: S-7, Physical Security
16 Significance Determination Process.

17 MR. GARCHOW: So we by definition will
18 have to have undecided and move on?

19 CHAIRMAN PLISCO: Yes, correct.

20 MR. GARCHOW: Is that where we're at?

21 CHAIRMAN PLISCO: We'll ask the questions
22 of the SRAs.

23 MR. GARCHOW: I just wanted to make sure
24 we're --

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1 CHAIRMAN PLISCO: We can come back this
2 afternoon, I mean tomorrow afternoon.

3 MR. FLOYD: I would propose that S-7 is a
4 3 for the reason that the physical security SDP has
5 been suspended now for more than half of the
6 implementation period thus far in the program with no
7 impact on the ability to take action when they thought
8 a licensee had weaknesses in the physical security
9 arena. It's an area that's receiving a lot of
10 attention, but even though it's been suspended right
11 now it hasn't caused a tremendous impact on the
12 program.

13 Something to work on.

14 MR. BROCKMAN: I would say the fact that
15 you had this suspended would immediately say it has to
16 be an issue that needs to be dealt with under the SDP.
17 It may not under overall have any impact, but under
18 SDPs if we said it's so bad we had to suspend it, then
19 it's got to have a pretty high problem under SDP
20 space.

21 MR. FLOYD: Actually, there isn't an SDP
22 right now.

23 MR. BROCKMAN: You've made my case
24 wonderfully. Thank you. There isn't one. In this

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1 unique thing, under SDPs, if we can't even have one,
2 then it's a pretty big problem.

3 MR. SCHERER: But the program is still
4 going forward.

5 MR. BROCKMAN: Now you're talking overall.
6 We're in the SDP -- under SDP this is a pretty big
7 problem if we've had to suspend it.

8 MR. CAMERON: So what do you want to say
9 about this one then?

10 MR. BROCKMAN: I'd say we've taken the
11 first step that we were mumbling about on fire
12 protection. It's got to have probably the same
13 process, the same overall assessment that fire
14 protection did. Something needs to be done in this
15 case, we're back to that question. The first step has
16 already been taken. We suspended it. There's a
17 compensatory action, but it's still a significant
18 problem at that level.

19 MR. FLOYD: I guess the difference I see
20 on that is the fire protection one is still being used
21 and it is complicated and adding an efficiency. This
22 one is flat -- doesn't even exist right now and the
23 program has been able to accommodate it, so there is
24 no problem right now with the physical security SDP.

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1 MR. GARCHOW: The solution to this one may
2 end up not even ever happening.

3 MR. FLOYD: Possibly.

4 MR. BROCKMAN: We're going to answers
5 again.

6 MR. GARCHOW: But the problem --

7 MR. FLOYD: There isn't a problem right
8 now because it's not being used.

9 MS. FERDIG: So what's our definition is
10 this issue is not corrected, it would threaten the
11 program?

12 MR. BLOUGH: Did anyone vote for 1?

13 MS. FERDIG: We're between 2 or 3.

14 MR. BLOUGH: 2 or 3. So 2 is high.

15 MR. REYNOLDS: If we go back to the goals
16 -- 2 is a high priority.

17 SDP stands for, in other words, a process
18 for determining how significant an issue is. And
19 there isn't one. So it's kind of hard to be
20 objective, kind of hard to be risk-informed,
21 risk-informed is the safety point. It's kind of hard
22 to be predictable and kind of hard to be
23 understandable, if you don't have a process to
24 determine significance.

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1 I understand Steve's point, but if you
2 want to have a process to determine significance in
3 this physical security safeguards area, and you've got
4 to meet these goals, we're not doing it.

5 MR. BROCKMAN: And the final answer may be
6 we're not going to have one.

7 MR. REYNOLDS: That's something I got to
8 go figure out.

9 MR. BROCKMAN: But the final answer could
10 be that this thing is not going to be done under the
11 SDP process. I don't want to presume what the
12 solution is, but right now we've said we want one and
13 suspended it. It's got to a level 2.

14 MR. BLOUGH: It becomes really a matter of
15 completing the program development. The program is
16 incomplete without this and it should, I think, be
17 high priority to complete the program, at least as we
18 go into -- look at going into the second year of
19 industry-wide implementation.

20 MR. GARCHOW: And complete may mean many
21 different things. It's an open issue.

22 MR. FLOYD: Under that interpretation, I
23 could live with a 2.

24 MR. BROCKMAN: Don't make it a 1 because
25 we are living with it.

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1 MR. CAMERON: So it's not a 1 because we
2 are living with it at the moment and we're relying on
3 all those underpinnings.

4 MR. TRAPP: If we had no reactor for SDP
5 would that be a 1 or would that a 2? If we had no
6 reactor for SDP would we call that a 2? If we had no
7 SDP would we call that a 2?

8 MR. BROCKMAN: If we say we have to have
9 them, then certainly it has to be a 2 or a 1.

10 MR. FLOYD: Did we say we had to have one?

11 MR. BROCKMAN: Right now we do because we
12 said it's under SDP. We're not coming up with the
13 answer. Whoever comes up with the answer has to then
14 put that into its proper context. If we said we don't
15 need one, that could be a proper answer.

16 MR. FLOYD: I guess I have a problem
17 saying something that currently doesn't exist is
18 broken.

19 We don't have one right now.

20 MR. BROCKMAN: We had one that existed and
21 they suspended it and that's why it's broken.

22 MR. FLOYD: For a very good reason.

23 MR. BROCKMAN: That's why it's broken.

24 MR. FLOYD: No, that's why that one was
25 broken, but now it's not being used so it's not having

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1 an impact on the program. Right now we don't have
2 one.

3 MR. BROCKMAN: We're going back to this
4 question.

5 MR. FLOYD: And there's nothing broken.
6 No --

7 MR. BROCKMAN: We're going back to this
8 question, what do we do with corrective actions that
9 are currently being in place because that's the
10 corrective action that's currently in place.

11 MR. FLOYD: It's been removed from a
12 program just like the containment PI was. We're not
13 sitting here discussing containment PIs because we
14 decided that didn't work, it was taken out of the
15 program. This one was taken out of the program. It
16 does not exist. How can it be broken, if it doesn't
17 exist.

18 MR. GARCHOW: Now I understand where
19 you're coming from because it's --

20 MR. FLOYD: That we decided it didn't work
21 well and they were removed from the program.

22 MR. REYNOLDS: So you say that NRC should
23 stop all work on this area?

24 MR. FLOYD: No.

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1 MR. TRAPP: But a higher level of a
2 program was to identify findings. It's a cornerstone
3 and then to risk categorize those findings. I think
4 a higher order of the program, it's there. It just
5 hasn't been implemented.

6 MR. SCHERER: I guess I have a little
7 different perspective, opinion than Steve in that I
8 don't think it's been decided that it was removed from
9 the program for good and sufficient reason. I think
10 it didn't work. So it's been suspended and under that
11 definition I think this and the fire protection and
12 probably I'll later bring up other SDPs deserve a 2 in
13 that -- I don't put it in a category of well, you
14 might consider have a security SDP. I think you've
15 got to make a decision on the security SDP. Are you
16 going to fix it, are you going to abandon it, are you
17 going to go in a different direction. Some decision
18 needs to be made, but there was an attempt made to put
19 in a security SDP, clearly didn't work. It's been in
20 my mind not a decision to -- it's not necessary. They
21 decided to suspend and not use it for the time being.
22 I think we've got --

23 MR. FLOYD: Permanently.

24 MR. SCHERER: Permanently. A decision
25 needs to be made and I would make -- I'm very

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1 comfortable that that ought to be a 2 and I have heard
2 very little --

3 MR. CAMERON: Public confidence, what good
4 is the reactor oversight program if it doesn't
5 consider physical security.

6 MR. SCHERER: And it goes to other issues.

7 MR. SHADIS: We just had us consider
8 physical security. It just happens to be --

9 MR. SCHERER: SDP for it.

10 MR. SHADIS: SDP for it.

11 MR. SCHERER: So we just had some
12 unresolved issues that will remain unresolved issues
13 until there's an SDP to gauge it against. Does that
14 mean the issues are not being addressed? Of course,
15 they're being addressed and they're being resolved and
16 staff is involved in the resolution of those issues.
17 But there's no way to categorize, there's no way to
18 make a determination to filter, to pass those findings
19 through.

20 MR. SHADIS: But that reasoning that
21 things are working along, they're being resolved.
22 After all, we're dealing with them and that goes on,
23 all the way up to the day that you have an accident,
24 a severe accident. At that point, then you stop
25 saying that and start saying something else.

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1 It doesn't cut it in terms of having a
2 structured program in place that you can depend on
3 that has aspects of a constitutional sort of regimen
4 where you can go to a specific requirement and say
5 that's it.

6 MR. SCHERER: So you agree with me.

7 MR. SHADIS: Well, to a point I have, you
8 know, but --

9 MR. GARCHOW: The issue is early on in the
10 process, whether this was even going to be a
11 cornerstone or not, got significant discussion,
12 whether it even rose to the cornerstone level. So not
13 anything to do with how the regulations sound to
14 protect the nuclear plants. That wasn't the
15 discussion, is whether -- in the security area -- is
16 whether this rose up to a cornerstone level.

17 So I think fundamentally some of the
18 problems that we're having as we implement this is
19 based on the fact that it doesn't have -- it may be
20 important and it may be the right thing to do, but it
21 doesn't have as clear a link-up to the health and
22 safety of the public as strongly as some of the other
23 cornerstones do. And in that became some of the
24 difficulties with assigning the risk values of not
25 meeting parts of the regulation if you found

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1 deficiencies in the inspections. So it all sort of
2 ties up as an issue that I think I'll go back to what
3 Randy says, it has to be resolved because there's a
4 disconnect between the logic of how the program is put
5 together when you don't have the SDP working in the
6 security area, once you buy in that it's a cornerstone
7 area.

8 MR. SCHERER: Right.

9 MR. CAMERON: Steve?

10 MR. FLOYD: I guess in my mind I'm a
11 little bit back to what's the definition of a 1, 2 and
12 3 again and we're deciding whether it's a 2 or a 3.
13 To me, a 2 tells the staff I want you to place a high
14 priority on developing an SDP for the security area.
15 The answer to that to me is you should consider
16 whether or not you need to have an SDP in the security
17 area. That's the kind of distinction that I see.

18 MR. KRICH: That's interesting as 2 being
19 you need to resolve this issue. Whether there's an
20 SDP or not an SDP, we need to resolve the issue.

21 MR. SCHERER: Otherwise, you're
22 micromanaging the issue and making a determination.
23 My comment that it should be a 2 is --

24 MR. FLOYD: -- is to decide whether it
25 should have an SDP or not.

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1 MR. SCHERER: It should be a high priority
2 in resolving this issue.

3 MR. FLOYD: With that clarification, I
4 yield to a 2.

5 (Laughter.)

6 CHAIRMAN PLISCO: We're going to try to
7 finish this area before we break for lunch.

8 We're going to finish these last two
9 before lunch.

10 S-8. Jim can help me out on this. We put
11 it in the SDP. This sort of overlaps between
12 inspection and SDP. When an inspector finds an issue,
13 there's been a lot of philosophical debate internally
14 on what do you have to enter the SDP. Do you just
15 take an issue that has a risk significance or does it
16 need to have a clear tie to a licensee performance
17 issue or not?

18 That's been the discussion. If you have
19 something that's -- say a random equipment failure,
20 there's a root cause analysis done. The licensee does
21 that and we look at it and everyone agrees there
22 wasn't a performance issue, do you still go into the
23 SDP and do a risk characterization. That's been the
24 debate. At this point in the program, the guidance,
25 the inspectors and the SRAs is if there isn't a

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1 licensee performance issue, don't enter the SDP
2 process. Right? That's the current guidance.

3 But there's still some discomfort with
4 that among some of the staff on are we really going
5 fully risk-informed or when issues come up or not.
6 That's what this issue is talking about. Do you have
7 to have that performance issue or a clear link to
8 something that the licensee did wrong in their program
9 or processes or even performance issues to enter into
10 the SDP process. That's the issue.

11 MR. BLOUGH: I think this is a 3 for the
12 following logic. Before we had ROP, we had an
13 oversight process and if there were random equipment
14 failures that caused the problem we did make an issue
15 of it then. We didn't take enforcement, didn't make
16 an issue of it if it's truly that. If a pattern of
17 them developed, we got worried about the plan. We
18 started watching closer. Now if a pattern of random
19 equipment failures develops in the ROP, we have the
20 PIs are actually an enhancement over what we had
21 before, plus we have -- we're looking fairly hard at
22 licensee's corrective action processes so if the
23 licensee's corrective action process repeatedly
24 mischaracterizes things which random equipment
25 failures when there's a performance issue, you either

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1 are looking at the corrective action or the PI is
2 eventually going to get to it.

3 So I think we're better off, I think we're
4 better off here. So I think whatever this is, it's a
5 3.

6 MR. BORCHARDT: I'd agree with the 3, but
7 I think maybe I take -- I have some disagreement with
8 what Randy said in that I think one of the directions
9 this program is trying to go is to become performance-
10 based. And whereas in the past when these kind of
11 events occurred that there was no human performance
12 element associated with it, we would have used
13 enforcement discretion to not take enforcement action
14 and what one of the early promises of this new program
15 is we were going to get away with it, get away from
16 the exercise of discretion. I mean something either
17 happened that degraded plant safety or it didn't. And
18 if it did, it ought to follow through some process and
19 have some regulatory response commensurate with its
20 importance.

21 And that's what drives the confusion
22 regarding whether or not there needs to be a human
23 performance aspect to it for it to be evaluated by the
24 SDP.

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1 I think this has not grossly interfered
2 with our ability to assess findings to date and that's
3 why I would agree with a 3.

4 MR. FLOYD: The other -- I think it's a 3
5 also. The only thing I'd add is the program does have
6 the no color findings that are in the PINR and in
7 human performance area that are being captured that
8 could be a contributing cause to what might be random.
9 And it's also event response as well.

10 MR. BLOUGH: Right. Event response, when
11 there is an event or degraded condition, the
12 significance of that informs what type of inspection
13 follow up we do, so the more significant the event or
14 degraded condition, the more inspection the NRC will
15 do and the more deeply we'll look to confirm or deny
16 really the licensee's conclusion of random equipment
17 failure if that's what they come up with.

18 MR. BROCKMAN: That's where the potential
19 dilemma comes up. If you have an event that you
20 respond to and do not identify a performance issue and
21 then you have something to respond to that you felt
22 was merely safety significant, but you have no
23 performance issue, so it doesn't meet the
24 characterization. That's what is causing a lot of
25 people concern.

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1 MR. BLOUGH: Right. The more significant
2 it is at first blush, the deeper we look to see if
3 there is a performance issue.

4 CHAIRMAN PLISCO: Do I hear agreement on
5 the 3? No objection to 3?

6 S-9. There's a couple areas where the
7 staff has had problems evaluating the risk
8 significance of issues and some areas that aren't
9 directly covered by SDPs. Again, Jim can help me out
10 on this. We've got shut down issues, containment
11 issues and issues that came up regarding the
12 significance of external events and security.

13 MR. SCHERER: The issue -- I'm not
14 comfortable with any of the SDPs other than a reactor
15 operations, operating event SDP are really a robust
16 process. We talked about fire protection and security
17 and you can pull those out if people want, but I tried
18 to raise the issue in my comments. I'm not
19 comfortable that we really have a robust and
20 predictable and scrutable process on any of them.

21 And there are a lot of SDPs out there that
22 are not articulated in this process and my reason for
23 raising a broader issue is that we ought to have and
24 I would tend to think in terms of a category 3 comment
25 that there ought to be a closed loop process left

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1 behind where we go back and look at upgrading and
2 feeding back operating events in to the SDP processes,
3 all of them.

4 And I had no real strong reason that I
5 want to call out either phase 2 or these particular
6 SDPs. I would make that as a broad general comment
7 for the staff's consideration to make sure that they
8 have a closed loop process and a learning process.
9 It's not something that requires immediate or high
10 priority attention, but I think it's an important
11 issue.

12 CHAIRMAN PLISCO: Jim, do you have any
13 more you want to mention on this last one as far as
14 information?

15 MR. TRAPP: I think it's a good comment
16 because we got something, but it was put together
17 fairly quickly at the end because we needed something,
18 so we got issued a draft. We got issued something, so
19 there's something out there that you can kind of use,
20 but I guess, I think the SRAs we'll be able to talk to
21 a little bit more. I think our problem with it is
22 probably that we got something right away and
23 everybody knew it needed to be improved and we just
24 don't see -- I mean it's been a year now and we're not

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1 getting a lot of improvements. It's here you got it,
2 five months.

3 MR. BROCKMAN: Two or 3?

4 MR. TRAPP: I mean I'd vote -- to me it's
5 no different than the fire SDP and other issues that
6 we have with other SDPs we don't like. Here's three
7 more.

8 MR. BLOUGH: Do we want to add cross
9 cutting issues or leave that separately?

10 CHAIRMAN PLISCO: I've got that as a
11 separate subject.

12 MR. PASCARELLI: Keep it separate. I
13 tried to make a recommendation and we broaden this one
14 and make it a 3 in terms of -- the other SDPs that we
15 haven't specifically called out and discuss it in
16 terms of the staff going back and coming up with a
17 process for closing these loops. You'll probably hear
18 about other issues tomorrow and perhaps put a finer
19 point on some of these as we listen to the SRAs
20 tomorrow.

21 MR. CAMERON: Does anybody disagree with
22 that? I've put it up there as a proposal, broaden
23 this and make it a 3. Broaden it being take a look
24 systematically at all the SDPs to see if they could
25 improved?

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1 MR. SCHERER: Not once, but as a process
2 of going back and feeding back on it on some periodic
3 basis.

4 MR. REYNOLDS: I'd agree with that being
5 a 3, but I think you've got to go back to very simply
6 you need an SDP for shutdown or containment. One of
7 the things that we're concerned in Region III and
8 we're going to talk about it real soon is short
9 outages and what does that mean, we've got shut downs.
10 And those are something we need a tool, sooner rather
11 than later so we can effectively evaluate what's going
12 on during these short outages.

13 MR. FLOYD: Maintenance Rule A(4)(1) do it
14 for you?

15 MR. REYNOLDS: No, it won't.

16 MR. FLOYD: They won't. We've kind of
17 been lucky because we haven't had a lot of issues that
18 have fallen under these categories yet, so it's kind
19 of an unchartered territory, but when we get there, I
20 can envision lots of fireworks over --

21 MR. TRAPP: We've had several in Region
22 II.

23 CHAIRMAN PLISCO: We've got the fire works
24 already.

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1 MR. TRAPP: Specifically in the
2 containment we have a number of issues in there. I
3 don't know if everyone knows, those issues essentially
4 we hand those off to NRR in headquarters that do the
5 evaluation. And they have limited resources and have
6 had a lot of difficulty getting back to timeliness and
7 getting the answer on some of these issues.

8 CHAIRMAN PLISCO: There are some real
9 challenges there.

10 MR. TRAPP: LERF is our metric that we use
11 to determine containment issues and if you talk to
12 most of the PRA folks, they'll tell you that there's
13 not a really good definition of LERF out there, so
14 we're trying to categorize things in accordance with
15 something there's not a very good definition for. So
16 it will be a challenge.

17 MR. REYNOLDS: Will you tell us what LERF
18 stands for?

19 MR. TRAPP: Large Early Release Frequency.
20 So it's a huge release right away before people can be
21 evacuated is the metric we use for containment.

22 MR. BROCKMAN: So is there a difference in
23 the prioritization between ABSCAM coming in and
24 broadening and making sure you have the feedback

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1 process to keep up the reviews. I think there was
2 something we had to capture here --

3 CHAIRMAN PLISCO: We actually have in the
4 overall category, I've already put in that issue as
5 having a robust feedback process and lessons learned
6 process.

7 MR. BROCKMAN: If we think that is
8 different from a specific SDP, the prioritization is
9 different, then we either need to make an S-10 or
10 agree from the parking lot that it's captured in that
11 overall.

12 MR. REYNOLDS: It's got to be at least 2,
13 whether it's captured overall. I took that to be not
14 just overall, but be specific to the SDP portion, may
15 end up having that same specific common rule overall.
16 So I guess it doesn't matter where we go, but I see it
17 as two issues.

18 MR. TRAPP: But it can't be discounted
19 either. We issued one red finding nationwide and that
20 was based on LERF and the licensee's PRA doesn't even
21 use the terminology LERF anywhere in their PRA
22 methodology. So that whole issue is --

23 MR. SCHERER: The only reason we're having
24 a problem with the P-3s, I'm not convinced that these
25 are going to be the only three.

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1 MR. TRAPP: Actually, I know of another
2 one.

3 MR. SCHERER: That's why I'm trying to
4 figure out -- so we don't have to keep changing the
5 list and tomorrow's people add to it. I want to try
6 to capture it now, whether we list these three, the
7 four and the five or more tomorrow. That's fine. I
8 have no objection to capturing them, but I wanted an
9 elastic clause at the end of it saying that there will
10 be others and we need to have a process for capturing
11 and addressing and resolving them albeit on a timely
12 basis.

13 MS. FERDIG: And this issue is specific to
14 the SDP section of what we're looking at?

15 MR. SCHERER: Yes.

16 MS. FERDIG: It's not overall.

17 MR. SCHERER: I'm just trying to focus on
18 the SDPs.

19 MR. BROCKMAN: If we think they're Pri-2
20 issues, what I hear is saying focusing on right now
21 with these as opposed to 3, then we get the best list
22 we can and most inclusive, when we're done if you
23 think are all Pri-2 issues and you know, two days
24 later we do our reports, somebody will think of
25 another one. We did the best we could.

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1 MR. GARCHOW: I'd like to suggest Ron that
2 we table this one as well because I think the broader
3 issue, I'm more interested in hearing Jim and the
4 other reactor analysts to give us some short real time
5 examples of this is like what happened and this is
6 sort of how we got bundled up around the actual
7 because we don't have a good shut down SDP and I think
8 that would give the Panel a little more of an
9 understanding of whether it's an enhancement to be
10 thought of some time or something that ought to have
11 some prioritization put on it.

12 MR. CAMERON: I have two things up here.
13 One is the systematic, periodic review of SDPs,
14 generally, which may or may not fold into one of the
15 overarching issues. And Dave's point about tabling
16 this until we -- on these two specific areas until we
17 get more information on how important it is from the
18 reactor end.

19 Is that agreeable to everybody? Does that
20 make sense?

21 Yes, Steve?

22 MR. FLOYD: If we're going to agree, I'd
23 like to propose an S-11.

24 CHAIRMAN PLISCO: Okay. That's good.

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1 MR. MONNINGER: So what I did was I did
2 code an S-10.

3 MR. FLOYD: S-11 would be the ALARA SDP.
4 There's some confusion associated now with the ALARA
5 SDP now that it's been implemented a few times and
6 it's also a strong potential for unintended
7 consequences. Let me explain. What's the definition
8 of a job is not well defined in the SDP.

9 In fact, it's not defined at all. Some
10 utilities will take a major job like doing a steam
11 tube inspection, write one large radiation work permit
12 for it with a fairly high dose level associated with
13 it. Others will take that and split it into 20 to 30
14 subelements and have a separate dose estimate for each
15 one of those. Now how do you deal with that? Should
16 those all be rolled up under one job? How are you
17 going to define what job is?

18 Also, there's a provision in the SDP for
19 revising your estimate. There seems to be a lot of
20 confusion about when can you revise your estimate and
21 is the evaluation going to be done on the original
22 estimate or the revised estimate and then the third
23 issue is, is depending upon the outcome of the
24 resolution of those first two issues, it could have a
25 very significant unintended consequence of causing

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1 licensees to have very unrealistically high initial
2 dose estimates so that they don't trip the thresholds
3 that are within the SDP and that would be a mistake.

4 MR. KRICH: Now that's not a new issue.
5 It was in the previous list that you had in here. So
6 I was going to ask where that showed up in here, but
7 I was waiting until later.

8 MR. CAMERON: So are we on the process?
9 Ed earlier suggested that he wanted to perhaps add
10 some on. We seem to be adding.

11 MR. FLOYD: That was an add-on

12 MR. CAMERON: We seem to be adding to this
13 list we got this morning.

14 MR. SCHERER: After lunch discussion,
15 right?

16 MR. CAMERON: Rod, you're saying?

17 MR. KRICH: Yes. Maybe it showed up
18 someplace else. I was going to wait until the end
19 when we go back and re-look. I'm agreeing with Steve,
20 it needs to be here someplace.

21 MR. CAMERON: All right. Loren, what's
22 your pleasure in terms of do you want to get other
23 additions to the list on now or do you --

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1 CHAIRMAN PLISCO: I think we ought to
2 break for lunch now. The staff is going to be coming
3 in at 1 o'clock.

4 MR. CAMERON: All right.

5 CHAIRMAN PLISCO: Why don't we break for
6 lunch?

7 (Whereupon, at 12:19 p.m., the meeting was
8 recessed, to reconvene at 1:30 p.m., Monday, January
9 22, 2001.)

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

(1:26 p.m.)

CHAIRMAN PLISCO: At our last meeting we requested the staff to come in and discuss several topics. One is the self-assessment data and where the staff is on that and any insights they have to this point.

The second topic was any process initiatives on-going and what the status of those initiatives are.

The third category was the status and recommendations and issues identified and our predecessor of the Pilot Program Evaluation Program Report and the Commission staff requirements memorandum.

I've asked Bill Dean to come with his staff to address those issues.

MR. DEAN: Good afternoon, everybody. As you'll see we brought a fairly large squad today. We figured in the spirit of the Super Bowl we'd bring down at least 11 people so you can at least have a

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1 football game. You guys have us outnumbered a little
2 bit. We've got every position covered.

3 As we go through the presentations this
4 afternoon, I'll allow my staff to introduce
5 themselves, but basically we've brought my two section
6 chiefs as well as the task leads in all the areas
7 associated with the oversight process.

8 So hopefully any questions you might have
9 related to any of the key areas we would have the
10 right people here to answer your question.

11 Real briefly, the topics we intend to
12 cover today are the things that the Panel asked for.
13 The first thing is we're going to give you a view and
14 a discussion of where we are with our
15 self-assessment matrix. We recently collected data
16 for the first six months of the oversight process
17 which gets us through the fall and so -- and we're
18 just in the process of collecting the next three
19 months which gets us through December. We'll
20 hopefully have that in a couple of weeks all put
21 together.

22 So you won't see much in the way of
23 trends. You're going to have maybe two data points,
24 so it's really hard to evaluate any trends, but there
25 are a couple that we'll show you that give us what we

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1 think are some insights about where the oversight
2 process is relative to each of those areas.

3 Within that discussion, we'll also talk
4 about where we are in terms of status in each of those
5 key areas and some of the initiatives we have in place
6 relative to the lessons learned of the information
7 we've been collecting since the beginning of initial
8 implementation.

9 And then we'll spend some time talking
10 about where are we in addressing some of the issues
11 that came out of the PPEP, the forerunner to this
12 august group as well as the Commission's SRM. That
13 will be pretty much hopefully we'll be able to get all
14 that done within the four years we have allocated for
15 this and with that, what I'd like to do is turn over
16 the first part of the presentation to Alan Madison.
17 Alan, I think you all know, has been involved in this
18 process for quite some time. Alan is also the point
19 man in the self-assessment process. We're going to
20 let him lead off and kind of walk us through the
21 presentation.

22 Alan?

23 MR. MADISON: Thanks, Bill. Bill kind of
24 already covered a couple of my first points here. We
25 have collected our first round of data from the

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1 regions. It's a limited set of data because it is
2 primarily the regional data and some data from our
3 group in each of the areas.

4 What we haven't collected and we don't
5 have inputted are the survey data or any of the audit
6 data because that's long term and that will come
7 downstream. I'll talk about that in a minute.

8 And as Bill mentioned, it's really on two
9 points of data. It's really hard to draw a curve with
10 two points. So we're not going to make a lot of
11 conclusions off of the data that we've received so
12 far.

13 What we have done that we'll talk about
14 some more in detail today is we've gone back, based
15 upon the comments we got from the IIEP from our
16 internal stakeholders, the division directors at the
17 counterpart meetings and so on. We have made some
18 revisions to the metrics. You each have two packets
19 of information I passed out. First is our slides.
20 The second is the revised updated version of the
21 metrics. You didn't get a copy of that, Rod?

22 MR. KRICH: No.

23 MR. MADISON: It just so happens I have
24 extra copies.

25 MR. KRICH: Thank you. I appreciate that.

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1 MR. MADISON: And there's change bars on
2 there to show you where the major changes are. Each
3 of the tasks leads, they make their presentation.
4 We'll describe the major changes in their sections.
5 The major changes I want to go over in my discussion
6 now or in a little bit anyway is we did add the
7 section called Overall Metrics. If you remember the
8 last time we talked to you we said that we had
9 collected during our development several of the
10 metrics that looked like they, rather than focusing in
11 a particular target area they were more broad, more
12 general type of a question. We put those in a
13 category called overall metrics and we -- we'll talk
14 about that a little bit later.

15 The SPSB, IOLA and the research, we're
16 currently developing audit protocols to answer the
17 audit questions we asked in each of the areas. We've
18 gotten an initial round of data from IOLB. This is a
19 branch in our division that has human performance
20 issues. It covers radiation protection.

21 MR. REYNOLDS: Why don't you explain what
22 the letters stand for so everybody understands?

23 MR. MADISON: If I knew --

24 MR. REYNOLDS: Who they are.

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1 MR. MADISON: Well, RES is research.
2 That's what I'm just explaining. IOLB is the group
3 that takes care of radiation protection, EP and
4 safeguards. They're a headquarters branch.

5 SPSB is our risk group. They're the folks
6 that have the risk expertise for the headquarters
7 offices. We've asked the risk guys to take a look at,
8 if you remember, in the SDP portion, we've asked them
9 to take a look at all green findings, pardon me, non-
10 green findings and in the reactor area and compare
11 them to the standards and answer several questions in
12 audit format there.

13 We've asked research to look at the
14 non-green findings in the non-reactor areas and
15 provide an audit format there. We've asked IOLB to
16 look at the green findings in the non-reactor areas
17 and provide audit input there.

18 The other topics I mentioned the FRN.
19 We've just issued the FRN. August Spector has copies
20 of that. You want to put that at the back table? Get
21 a copy of that for your review. That we expect to
22 answer, to start collecting some of the answers from
23 the external stakeholders based upon the FRN response.

24 We're in a process, we think, at the end
25 of this week to issue an internal survey for our

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1 internal stakeholders to answer some of the survey
2 questions from the internal stakeholders for various
3 metrics.

4 We hopefully will have answers that we can
5 use and we can start developing metrics off of those,
6 some time mid-April for both the internal and the
7 external questions.

8 We did conduct IIPB site/regional visits.
9 I think we talked about that the last time we were
10 here. Our branch went out to each of the four
11 regions. We went out to six sites in each region as
12 well as interviewing, when we were out at the sites we
13 interviewed both the staff, the resident staff and the
14 licensee's staff with a set of questions geared to
15 some of the questions, some of the target metrics that
16 we had in our
17 self-assessment document. But we also went back to
18 the regional offices and interviewed regional senior
19 management, talked to some of the DRS inspectors back
20 in the regions to get some feedback from them on the
21 same topic areas. Out of this we developed what we
22 call our focus areas and I think Bill will probably go
23 into more detail on that later which will help us gear
24 up for the lessons learned meeting coming in at the

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1 end of March. That will help us in that area of self-assessment.

2 Are there any questions on what I've
3 covered so far?

4 All right, if everybody would take a look
5 then -- I wanted to talk a little bit about the
6 overall metrics and describe -- oh, I'm sorry, I did
7 miss -- the regional public forum meetings. In each
8 of the regions, we held public meetings. We invited
9 -- licensees were invited, but also members of the
10 public were invited to participate in those meetings
11 to look at and identify issues, current issues with
12 programming to help us again in developing those focus
13 groups and gearing up towards the lessons learned
14 meeting. All the information we got from those was
15 folded into those focus groups and into the
16 development of the lessons learned meetings.
17 Actually, the minutes from each of those meetings are
18 on the -- those are public documents. You'll be able
19 to get those.

20 We're also looking at, we've developed a
21 memo that describes the outcomes of the site regional
22 visits. That memo is not out on the web yet, but it
23 may be -- we're gearing up to get that out in the near
24 future.

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1 All right, with that what I'd like to do
2 is go to page 32 of the second handout I gave you. It
3 covers overall matrix. You'll notice it's got change
4 bars all along the side of that because that's all new
5 as far as you're concerned. This is based upon the
6 last time you saw the document.

7 Basically, the metrics associated in this
8 area rely heavily on survey, the FRN external survey-
9 type questions or internal surveys. There are three
10 metrics that do not. Those are MO2.a and b on page
11 35. If you remember the last time I was here we
12 talked about looking at external events. In fact, I
13 think that was one of your major comments, looking at
14 external events or significant events to develop
15 lessons learned from that. That was one of the
16 metrics we had talked about developing for this part.

17 We're asking -- our group is going to
18 review the IITs and the AITs to develop lessons
19 learned from that and that will be one metric. That's
20 a.

21 We're asking research to look at the ASP
22 events and provide a second input in audit format on
23 those. And that's b.

24 MR. GARCHOW: Alan, on all these surveys
25 how are you going to make sure that the surveys aren't

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1 skewed by just who chooses or who doesn't choose to
2 participate in the survey, if you're using those as
3 your big metrics or overall, it seems like you could
4 be skewed on the participation.

5 MR. MADISON: With an FRN it's really
6 difficult because it's really not a survey. We're
7 just going to -- we have tried to target those people.
8 We sent copies of the survey to anybody that came to
9 any of the meetings, any of the public meetings
10 associated with the program, either a local public
11 meeting at the site or one of the larger meetings, but
12 to really control the population on that, we're not
13 going to be able to.

14 From the internal survey, I believe, you
15 have, we have some demographics associated with that
16 we can kind of map those out demographically, but
17 externally that's going to be very difficult.

18 DR. COE: The FRN was sent to those people
19 at the public meeting for which we had addresses.

20 MR. MADISON: Right. True. If you didn't
21 give us your address, we couldn't send it to you.

22 DR. COE: That's right.

23 MR. GARCHOW: I just look at your success
24 as you're trying to measure something increasing or
25 getting better, but you have a randomness in the input

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1 that could make it very difficult to determine whether
2 you were successful or even failing one way or the
3 other, although you might get great input to factor
4 in. I just question giving the limits of how you're
5 collecting the data, how you can make a judgment of a
6 trend.

7 MR. DEAN: That's a good point. We'll
8 have to take that into account in our analysis. I
9 mean the bulk of the feedback we did on the FRN is
10 from industry stakeholders. We're getting feedback
11 from state representatives and emergency management
12 organizations.

13 MR. GARCHOW: Right.

14 MR. DEAN: We'll have to analyze the
15 spectrum of where we get stakeholders from.

16 MR. MADISON: That will be part of the
17 analysis.

18 The other one that is not a survey or --
19 survey question is E03.a on page 37 and addresses the
20 issue of overall the resources expended in comparison
21 to Action Matrix column to see if there's a
22 correlation with that. We should expect an increase
23 in resources expanded at site depending upon the
24 Action Matrix column that they fall in.

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1 Any questions on overall survey, overall
2 metrics? I'll give you an opportunity to provide to
3 us in another forum at any time. You don't have to do
4 it today.

5 MR. REYNOLDS: Alan, just one question on
6 EO3.a.

7 MR. MADISON: EO3.a?

8 MR. REYNOLDS: You have in parentheses
9 beyond base line. Why wouldn't you do it beyond base
10 line? Why would you include base line or something
11 else?

12 MR. MADISON: That's a question. We
13 haven't settled on what that answer is. Whether or
14 not there's a basis there. There should be.

15 MR. REYNOLDS: I guess my answer to that
16 question would be only looking beyond base line.
17 Everybody gets base line. If you have white or yellow
18 findings you should see it beyond base line. That's
19 supplemental. And then you don't have to look at
20 what, if anything you're doing in the GSI area, 131C
21 to see how that impacts.

22 MR. MADISON: I think there's some
23 argument to within the baseline, there's sufficient
24 flexibility in some areas and also compare to within
25 base line in the licensee response column to see if

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1 there's flexibility in there. That's why that's still
2 a question mark as to why do you do that.

3 First year or two years' worth of data
4 before you really know what the value of that it.

5 MR. DEAN: The other plan is frequently
6 getting challenged with equipment and doing a lot of
7 operability evaluations, we're going to want our
8 inspectors to assess those if they have any sort of
9 risk or safety significance, but that's a base line
10 inspectable area.

11 MR. BLOUGH: Yes. I tend to think the
12 base line will take more time to do if there are more
13 issues in a plan which may correlate to Action Matrix
14 it's called.

15 The other interesting thing is if you look
16 at the special inspections. Those are based on
17 events, so you could have an event at a plant and do
18 a huge special inspection, 400 or 500 hours. At the
19 end of it you may have no performance issue at all or
20 you may have a yellow or red issue, but you've still
21 spent a lot of hours perhaps to find that out one way
22 or the other. I think you guys can probably figure
23 that out, what's the best way to do the correlation.

24 MR. MADISON: I'll have to look at the
25 data as it comes in. Any other questions?

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1 MS. FERDIG: Alan, you have said these
2 surveys are both internal and external. Is there a
3 plan frequency with which they may be administered?

4 MR. MADISON: Currently, we're planning on just
5 annual, just doing an annual survey. We did an annual
6 survey of the internal stakeholders last year and
7 we're repeating some of those questions this year, so
8 we can tie it in with the last survey. We have some
9 new questions based upon the work we've done to
10 develop these metrics and we were asking some of the
11 same questions in the FRN we asked last year, but
12 there's again a lot of new questions based upon the
13 metrics we've developed here.

14 Any other questions? All right, the next
15 topic area is performance indicator section. Don
16 Hickman will be presenting that and will go into more
17 detail into what we're doing in that area.

18 MR. HICKMAN: Good afternoon. I'm Don
19 Hickman. I'm the task lead for performance indicators
20 in the ROP. I'm going to talk a little bit first
21 about the currently on-going activities that we're
22 involved with. First, the probably most notable item
23 is we have a pilot program underway. This is the day,
24 the third month of the report to do. We started in
25 October, so we've had three months worth.

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1 What we're doing here is piloting
2 replacement performance indicators for the two
3 initiating event indicators that counted SCRAMS and
4 those were the unplanned SCRAMS and the -- per
5 critical hours and the unplanned SCRAMS with the loss
6 of 7,000 critical hours and there was concern on the
7 part of some people in industry about the possible
8 implications and operator reaction to counting manual
9 SCRAMS, so the indicators were restructured. The
10 intent was to collect exactly the same information as
11 we were accounting with the old indicators which was
12 all automatic SCRAMS, but worded such that it was not
13 prominent, did not stand out through actually
14 accounting manual SCRAMS. So you find the word SCRAM
15 nowhere in the indicators. The titles now are
16 unplanned reactor shutdowns for 7,000 critical hours.
17 Unplanned reactor shutdowns with loss of normal heat
18 removal.

19 An unplanned reactor shutdown is defined
20 as a shutdown in which from the time between the
21 initial insertion of negative reactivity when the
22 reactor reaches a shutdown mode is less than 15
23 minutes.

24 That definition applies to both of the
25 indicators. The only difference being in one case

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1 we're counting all of them. In the other case we're
2 counting a more risk sensitive subset of those in
3 which we've lost a normal heat removal in addition to
4 having the reactor shutdown.

5 MR. GARCHOW: How many plants? Ten, 20?

6 MR. HICKMAN: Twenty-one.

7 MR. GARCHOW: Twenty-one.

8 MR. HICKMAN: There are 21 plants. We've
9 had two months of data that we've received. The third
10 month is due today. We counted five, actually none in
11 the first month, five events were reported in the
12 second month under unplanned reactor shutdowns for
13 7,000 critical hours. We've had none, none of the
14 unplanned reactor shutdowns will loss of normal heat
15 removal.

16 MR. BORCHARDT: Do you have a feel for how
17 many licensees have this concern, how widespread of a
18 concern this is? Because it seems like you sacrificed
19 understandability for some other concern here. If, in
20 fact, you end up with the same point where you're
21 collecting all the same data, but you're just changing
22 the language so that it's more difficult for me to
23 understand what you're collecting, I'm not sure what
24 you're accomplishing.

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1 MR. HICKMAN: How many licensees were
2 concerned? It was probably a handful, but they're
3 senior people. Some very senior people. There were
4 letters written to the Commission, particularly the
5 Chairman, signed by --

6 MR. BORCHARDT: The Commission Director
7 has to do this?

8 MR. HICKMAN: Yes, the Commission Director
9 has to do this. The Commission asked us to work with
10 industry to resolve their concerns and there was a
11 letter signed by Joe Colvin and Jim Rhodes and it was
12 at that level where the concern was. It was at a
13 meeting, maybe you were there where -- at the last
14 conference we met outside one of the conference rooms
15 and there were a few representatives there of the
16 Professional Reactor Operator Society who did not like
17 the implication that the operators would not do what
18 was expected of them. So the concern is at the senior
19 level.

20 MR. MADISON: The bottom line is we were
21 directed by the Commission to work to develop a
22 solution to the issue.

23 MR. DEAN: Bill, your point is that's one
24 of the things we're going to look at at the end of the
25 pilot, have we sacrificed some things, the simplicity

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1 and easy to understand aspect of this to something
2 that's maybe a little bit more complex to understand,
3 does that gain anything?

4 MR. HICKMAN: The pilot program is to test
5 this out. This is following our formalized procedure
6 for making changes. We require a six month pilot
7 program to look at the recording to see if it's
8 understandable and licensees are reporting the correct
9 information. And we'll assess that at the end of the
10 pilot period and if it's not working, we're getting a
11 lot of things that we didn't intend to get. We'll
12 have to take that into consideration as well, whether
13 we implement it.

14 In the meantime of course, we're using the
15 current definitions, so nothing is actually changed.
16 We're just collecting the data now over a six months
17 period.

18 The next issue that's probably the most
19 significant, the most attention in the program now is
20 the safety system unavailability indicator. We copied
21 this indicate directly from the WANO Guidance and
22 that's what we started with. We did that because it
23 was defined, licensees had been reporting it for many
24 years. It was available and to get the program
25 started that's what we used. We've made a number of

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1 changes and we've uncovered a number of problems and
2 there is now a working group set up. The industry has
3 actually met a couple of times with NEI to develop the
4 proposal. We're putting together a group as well and
5 we're working jointly on this indicator not so much at
6 this point to try to fix it. There are many, many
7 issues, but to at least head in the direction where we
8 want to be in a few years. That direction is really
9 being addressed by the Office of Research in their
10 risk-based performance indicator program.

11 Whether we're going to use all the
12 indicators or some or none of the indicators they are
13 developing. One important thing they're doing is
14 defining really what we should be measuring and that's
15 the direction we want to go in these working groups,
16 make some progress in that direction.

17 Another indicator, the last indicator in
18 the initiating event cornerstone, the third one is the
19 unplanned power change indicator and we've had some
20 concerns about that for some time. We found that in
21 the program where you have numbers, time increments,
22 you start getting into trouble. In this particular
23 indicator, there's a 72-hour rule and what that says
24 is that if 72 hours have elapsed from the onset of the
25 discovery of an off-normal condition, until the

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1 initiation of reactor shutdown and that's considered
2 unplanned. What this does is provide some incentive
3 to try to ride out the 72 hours and we've eventually
4 had some cases where licensees have done that they've
5 been straight forward about it and told us that they
6 waited 72 hours.

7 We have some concerns about that and so we
8 have had many discussions in our working groups with
9 industry about some replacement for this. We have a
10 proposal that we're getting ready to take to the next
11 meeting in February and we hope to get a pilot program
12 started as a replacement for that one.

13 What that would do basically is eliminate the 72 hours
14 requirement and we would just talk about any kind of
15 reactor shutdown or power reduction that's initiated
16 due to off-normal conditions, something unexpected.

17 The last indicator that's had a lot of
18 attention directed toward it was the security
19 equipment index. At the end of the pilot program
20 elected historical data from all licensees. In the
21 pilot program the only data we had on this indicator
22 was from the pilot plans. When we got all the data
23 in, we saw that the thresholds needed to be adjusted
24 and we did that. But then we discovered that there
25 were some anomalies in the calculational equations

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1 that provided an advantage to some plants who had a
2 small number of either intrusion detection zones or
3 closed circuit TV cameras. We've made adjustments to
4 those equations and we're looking at coming up with a
5 way to implement this change to provide a more even
6 playing field for all the licensees.

7 MR. KRICH: Don, let me ask you a
8 question. Would the issue of counting RCIC
9 unavailability be covered under here or is it covered
10 someplace else?

11 MR. HICKMAN: The question was RCIC
12 unavailability. RCIC is included in the safety system
13 unavailability indicator. It always has been and
14 that's not a new change.

15 MR. KRICH: From your perspective.

16 MR. HICKMAN: I'm' sorry?

17 MR. KRICH: From your perspective.

18 MR. HICKMAN: You're talking about
19 failures?

20 MR. KRICH: Yes, I'm sorry.

21 MR. HICKMAN: What's new is that we want
22 to count failures of RCIC under the other safety
23 systems' functional failure indicator.

24 MR. DEAN: That's not new, just clarifying
25 that.

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1 MR. HICKMAN: The issue there was that we
2 used to have -- we have an indicator that's been in
3 the NRC program, the old AEOD program for many years
4 which was called safety system failures and it used
5 LERs. So when somebody would report an LER RCIC
6 failure we'd count it. If they didn't report it, we
7 couldn't count it.

8 It turned out about a third of the boiling
9 water reactors were actually reported failures of
10 RCIC, actually had it in their tech specs and were
11 reported and the others aren't.

12 So it's been a problem. We've known about
13 it for a long time. Nothing -- no action was really
14 taken. As we're becoming more
15 risk-informed, we realize that RCIC has risk
16 significance at plants and we should have uniform
17 reporting of RCIC.

18 Unfortunately, in the NRC we have programs
19 moving at a difference pace. So for our perspective,
20 we're asking licensees, all licensees who have RCIC
21 systems to report failures of that. It's not required
22 currently by 5073, but that's been reviewed and that
23 will be changed.

24 MR. KRICH: So that's one of the other
25 changes I guess I would count along with this.

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1 MR. HICKMAN: Right. That is another
2 rather important --

3 MR. DEAN: Don was just trying to focus on
4 areas where we've gotten, I think, the most emphasis.

5 MR. SCHERER: Don, I have a process
6 question. When you're figuring out a new PI to pilot,
7 how do you figure out what the thresholds are going to
8 be, the green to white and the white to yellow and
9 yellow to red?

10 MR. HICKMAN: During the pilot program
11 since we're not actually using those indicators for
12 assessing performance, we don't have any thresholds.
13 We're collecting the data.

14 The pilot program will not involve enough
15 plants or last long enough to collect enough data to
16 establish the thresholds. That will have to be done
17 independently. For the SCRAM one, we know what we
18 expect. It's the same threshold. We expect to get
19 the same data. But some of the others will have to
20 take any historical data we have and establish it that
21 way and we may need to adjust it after we did a year's
22 worth of data. But it's basically done on historical
23 data.

24 MR. SCHERER: So is the answer to my
25 question we're planning to do it based on the same way

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1 you establish the original thresholds, 95-5 split
2 based on historical data for the green to white and
3 then risk based on the white to yellow and yellow to
4 red?

5 MR. HICKMAN: Yes. That's correct.

6 MR. DEAN: Where those tools can be
7 applied. You couldn't apply that to the safeguard
8 equipment index per se.

9 MR. HICKMAN: I'm talking about the
10 reactor safety area, yes. We have measures of risk
11 and some of the other cornerstones we don't have --

12 MR. SCHERER: Well, when you get to
13 unavailability then you're -- what are you going to do
14 there if you change the definition?

15 MR. HICKMAN: The thresholds that we have
16 right now for safety system unavailability are
17 probably not correct, especially since we've been
18 making some changes. We don't have the data to know
19 what the right thresholds are. All we can do is make
20 our best guess. That's a very good question. If we
21 do change unavailability, it would be something
22 different, quite different from WANO. We already know
23 that what licensees have been reporting to WANO was
24 not terribly accurate. We don't have a good basis for
25 that. About all we can do is take the data that we do

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1 have and try to make some adjustments, changes that
2 we've made and start off with some thresholds and
3 we're going to have to adjust them as we go. We're
4 going to have to watch all kind of -- what the data
5 coming in looks like and compare it to the threshold.
6 It is going to be difficult. Without accurate
7 historical data, it will not be an easy task.

8 Barrier PIs, we've been talking about this
9 one quite a while. At the lessons learned workshop
10 about a year ago from the pilot program there were
11 concerns raised about the barrier PIs. We deleted the
12 containment leakage. We now have reactor coolant
13 system activity. We have reactor coolant system
14 leakage. There are a number of concerns about those
15 indicators. One of them has to do with the IP-2 event.

16 We count an RCS leakage, major values as
17 a percent of tech spec and the thresholds are set at
18 50 percent and 100 percent. But we're only measuring
19 one of the three parameters. We're measuring either
20 total leakage or identified leakage, whichever a
21 plant's tech specs call for.

22 There's also unidentified leakage and for
23 some plants there's a separate tech spec listing for
24 primary and secondary. So we're counting one of the
25 three when in fact there's three tech specs that could

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1 cause a plant to have to shut down. That's a problem.
2 The other part of the problem is that licensees do it
3 different ways. And so it's hard to compare and in
4 the case of Engine Point Two, it just happened that
5 tech spec included primary to secondary leakage in
6 total leakage and so it was captured by the PI and in
7 fact it went yellow as a result of their problem. But
8 at another plant that might not have been the case and
9 the PI might have looked fine. So there's concerns
10 with that one, similar kinds of concerns with RCS
11 activity.

12 MR. DEAN: Don, you might want to
13 embellish the one factor that we do have some
14 performance indicators which when we raised this to
15 the Commission in SECY 0049 was that there are some
16 performance indicators that really serve a different
17 purpose, at least as the way they exist now and those
18 are two examples where really what you're providing is
19 more of a public confidence performance indicator
20 because the thresholds are those that likely won't be
21 crossed unless a licensee has a substantive event and
22 public radiation exposures are known.

23 MR. HICKMAN: Well, that was the initial
24 intent of that cornerstone, primarily to serve a

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1 public confidence purpose to show how far away from
2 tech spec limits licensees typically operated.

3 There's some difficulty with that though
4 in RCS activity PI. Most of the input we've gotten,
5 90 to 95 percent of the input that we've received has
6 -- you can have significant tube degradation and not
7 be anywhere near 50 percent of your tech spec number.
8 A few people have said that that's not true, but most
9 people say you can be down 10, 15, 20 percent and have
10 significant tube degradation.

11 MR. DEAN: Fuel pin. You're saying tubes.

12 MR. HICKMAN: I'm sorry, fuel pin.

13 MR. GARCHOW: Question about changes
14 overall. We can work with NEI to put our comments on
15 the Federal Register notices. I think you have to be
16 very careful that we don't end up creating even more
17 consequences potentially when we make these changes,
18 especially around counting the unplanned power changes
19 because in some respects all the utilities, if you
20 don't put a time frame and say all utilities aggregate
21 issues, we have economic and business reasons for
22 planned outages to go fix an aggregate number of small
23 equipment issues that relative in any point in time,
24 you might do that in just a sound, prudent way of
25 operating the power plant. So getting penalized for

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1 what I would say prudently trying to keep your
2 equipment up to its best running order, especially
3 before the major needs of the summer, winter,
4 depending where you're located that you need to be
5 careful of the attendant consequences because not all,
6 you can plan down powerage for any number of reasons
7 and it may be the exact right thing to do even though
8 one equipment issue may not be driving you, you take
9 a 50 percent downpower on a weekend and fix a bunch of
10 things. I mean I think we have to be careful on what
11 message we're sending. I'll work through Steve to --

12 MR. HICKMAN: We've had a lot of
13 discussion, a lot of these issues have been modified
14 and that in particular. Also, the idea that licensees
15 might change the way they're operating in a
16 deregulated environment. They might want to power
17 down at night to fix something that could cause a
18 problem during the day so all of those issues, the
19 difficulty is hard to predict in the future what's
20 going to happen with deregulation. It's hard to
21 establish thresholds without the data, but we are
22 aware of those issues.

23 MR. BLOUGH: Don, what about the container
24 PI is it a dead issue gone forever or is there some
25 look at restoring it?

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1 MR. MADISON: We've asked research to look
2 at the container, that area and develop a performance
3 indicator. Feedback so far is not very good.

4 MR. BLOUGH: Is that part of the risk
5 based PI?

6 MR. MADISON: No, it's a separate one.

7 MR. BLOUGH: Separate.

8 MR. HICKMAN: And they're looking at
9 shutdown performance indicators that are quite
10 different from the one that we're used to.

11 The next item NEI 99-02, we have at our
12 most recent meeting gone over all the frequently asked
13 questions to find out how to determine how to
14 incorporate those into the guidance. Right now it's
15 rather difficult with a long list of frequently asked
16 questions to find the information you need, so we're
17 revising 99-02 to incorporate the question into the
18 guidance and we'll eliminate pages of the back of each
19 section and have the questions. So it will be easier
20 to find all the information that you need. We're
21 going to finalize that, I hope, at our next meeting in
22 February. It will revision out, we hope, by April and
23 it will go into effect the following quarter, third
24 quarter of this year.

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1 MR. SCHERER: Don, will that essentially
2 sweep away all the FAQs?

3 MR. HICKMAN: All the current FAQs, yes.

4 MR. SCHERER: That are approved.

5 MR. HICKMAN: All the approved FAQs.

6 MR. SCHERER: Yeah.

7 MR. HICKMAN: They're either in the
8 document or if there are some that are no longer
9 needed, they're outdated or they're duplicate.

10 MR. DEAN: Or some are so highly
11 site-specific that they stand alone as a
12 site-specific issue.

13 MR. SCHERER: And are you planning to
14 identify which FAQs now were gone because the guidance
15 document has been updated and which ones still remain
16 valid because they're not covered, at least in your
17 perception adequately in the new guidance document?

18 MR. HICKMAN: Right, there's intended to
19 be a table to tell you what happened to every one of
20 these, whether it was incorporated or whether it was
21 deleted.

22 MR. SCHERER: So if I went to the website,
23 I'd find the FAQ gone and replaced by the new guidance
24 and some FAQs would stay because they're not covered?

25 MR. MADISON: Not until April.

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1 MR. SCHERER: Right.

2 MR. HICKMAN: Once the change has been
3 made, first of all --

4 MR. SCHERER: Once the change is made.

5 MR. HICKMAN: In February, we'll try to
6 finalize a draft. It will go out for everybody's
7 comment. We'll put it out publicly on the website for
8 industry and NRC and public comment on the draft.
9 We'll finalize that some time the end of March to try
10 to get the actual change out some time mid-April.

11 Following that, we'll update the web page
12 to have the new guidance and a new list of FAQs. The
13 old FAQs that have been superseded will go on to a
14 historical file. They'll still be available for
15 reference, but they will not be used for
16 interpretation of the document. So you'll have a set
17 of current FAQs and a current document available on
18 the web site.

19 MR. SCHERER: Thank you.

20 MR. HICKMAN: Okay, the next item,
21 Inspection Manual Chapter 0608 has been issued for
22 public comment. We're collecting those comments.
23 This is the description of the performance indicator
24 program. It has a flow chart that we use for making
25 changes to performance indicators. It establishes the

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1 formalized process that we use for making those
2 changes and we expect to get the comments back soon
3 and we'll update that and issue that formally.

4 The last issue, PI/Inspection Overlap --

5 MR. SCHERER: Excuse me. If I go to that
6 manual 0608 when it gets issued, will it tell me how
7 you're going to reset those thresholds or is that
8 still something you're going to do when you and if you
9 get the data from the pilots?

10 MR. HICKMAN: That document doesn't give
11 the details of how we set the threshold. It
12 establishes the steps of the process that we have to
13 go through. One of those steps is to establish the
14 threshold. Actually, one of the decision boxes is do
15 we have historical data available and if we do and in
16 many cases we do, we have a lot of historical data,
17 that's what we would use. If we don't, then I think
18 the process actually calls for expert opinion or some
19 other method for establishing a threshold. But there
20 are no details on how you make that work.
21 It's going to vary from case to case.

22 The PI/Inspection overlap is an issue. A
23 lot of it internal. We want to have the appropriate
24 amount of overlap without overburdening either

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1 licensees or inspectors. So that's an issue that
2 we're looking at as well.

3 Any questions on that?

4 Let's go ahead and look at the metrics.

5 MR. MADISON: Are we going to go over the
6 changes?

7 MR. HICKMAN: Right. Turn to page 3 in
8 your second handout. There was one significant change
9 to the performance indicator metrics on page 3 under
10 MP2.a.

11 We originally had in that and what you saw
12 last time, we had in that metric feedback from
13 licensees on adverse impacts of the job and we decided
14 that that would not be a necessarily reliable method
15 so we decided to incorporate that into the survey, so
16 that was the one change that's in the PI section.

17 Also, if you look at the very bottom of
18 that section you'll see other areas. This is not
19 really a change. It's just adding some information.
20 It will tell you the other areas in which this metric
21 is used. So under efficient, effective and realistic,
22 this particular metric MP2.a is also a primary metric
23 there and it's also used in enhancing public
24 confidence, but not as a capital M, it's a small m,
25 secondary. And you'll find that added to every one of

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1 the metrics, other areas is added throughout in all
2 areas.

3 MR. KRICH: So Don, if I understand
4 correctly then the survey was changed from just
5 sending it to licensees to sending it to other
6 stakeholders.

7 MR. MADISON: It's the FRN.

8 It's the FRN.

9 MR. MADISON: And we'll have to clear up
10 some language on that.

11 MR. HICKMAN: There are --

12 MR. SCHERER: Is that a precise reading
13 regarding PIs driving undesirable decisions? I would
14 think a more suitable question is the potential for
15 the PI to drive undesirable decisions. I would hope
16 that there would be very, very few actual PIs driving
17 an undesirable decision, there is certainly the
18 potential, like the SCRAM indicator one. Whether I
19 agree with that issue or not, the concern is I
20 understood it was making sure that operators were not
21 driven to fail to do an anticipatory manual SCRAM.

22 I would expect, hope and trust that there
23 would be very few, but still the potential would be
24 the threshold you want to identify, not waiting for
25 the actual undesirable outcome.

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1 MR. HICKMAN: You know, you're right. It
2 you look actually at the words for MP2 it says
3 minimize the potential for licensee actions taken in
4 response to the form of syndicator program that
5 adverse affects -- the word was there.

6 MR. DEAN: Read them the question that's
7 actually in the -- that first question.

8 MR. HICKMAN: This is from the Federal
9 Register notice. Do the performance indicators or
10 other aspects of the ROP create unintended
11 consequences? Please comment on the potential of
12 unintended consequences associated with the caveat of
13 manual SCRAMs in initiating a master cornerstone.
14 So we do have those words in there. We didn't put it,
15 I guess, in every sentence.

16 In the pilot program there were two
17 criteria that were used with regard to PIs. They were
18 basically whether the PIs could be reported accurately
19 and whether they could be reported timely. We find we
20 spent a lot of time going through the metrics again
21 and we pretty much came up with potentially those same
22 two characteristics, the accuracy and the timeliness.
23 So you'll find these two that I'm going to show you
24 used throughout in many of the areas.

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1 This first one is counting, reporting
2 discrepancies -- oops. Well, we can do this one
3 first. We're out of order.

4 Let's take this one first. This one is
5 looking at the number of questions or discrepancies as
6 a result of reporting the performance indicators. So
7 we're looking for change reports that the licensees
8 submit. They've submitted the data for the quarter
9 and they find there was a mistake, so they submit a
10 correction in a corrected report. We count those. We
11 would also count the questions we get regarding a
12 specific indicator and the sum of those two is what
13 we're looking at here. We would hope to see that sum
14 come down over time. What we see here are the first
15 two full quarters. Under the stacked bars they show
16 the smaller number is the corrected reports that we
17 got, and the larger number is the questions.

18 In the third quarter which is the current
19 quarter or the quarter we just completed, fourth
20 quarter of 2000, we already knew how many questions we
21 were getting. They were coming in so we've added that
22 number, we keep up to day pretty continuously. We
23 don't know about the correction reports until they're
24 submitted on the due date for the following quarter.

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1 When we see that number we'll add it to
2 it. That's what it looks like so far, just a few
3 points. The first two quarters look good. It looks
4 like it's gone up a bit here. These numbers
5 frequently will vary because sometimes some of these
6 questions come up when the inspectors do their
7 verification inspection. The licensees will submit
8 the data, thinking that they've done it right. The
9 resident inspector may look at it or a regional
10 inspector will look at it, have a question and so a
11 frequently asked question comes up.

12 MR. GARCHOW: Don, do you find in the
13 interpretation questions, there's any kind of trend
14 that would be associated across the board with all the
15 PIs or do you find that they're predominantly
16 surrounding a couple PIs?

17 MR. HICKMAN: Largely related to a few of
18 the PIs. Safety system unavailability, that has to be
19 the biggest one.

20 We've had a number a number, a smaller
21 number, but more than many of the others with regard
22 to safety system failures. We've had a fair number
23 with the untimed power changes. We've had quite a
24 few, actually, which has been surprising.

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1 MR. GARCHOW: Do you have that data? Do
2 you look at these where you try to get a --

3 MR. HICKMAN: Yes. We sort them by
4 cornerstone and a PI within cornerstone.

5 MR. FLOYD: Don, on this one with
6 discrepancies, you don't look at just all change
7 reports, do you? Because licensees will, if they have
8 a fault exposure, for example, have to go back and
9 adjust previous quarters of unavailability. Is that
10 counted as a discrepancy or is that --

11 MR. HICKMAN: No.

12 MR. FLOYD: Okay, so you weed those out?

13 MR. HICKMAN: We've had discussion about
14 that, how we do that. What Steve is referring to is
15 if there are times when it's appropriate to change the
16 data, we have a provision where they can remove the
17 fault exposure hours and that's allowed. Shouldn't
18 count as a problem.

19 MR. FLOYD: And that's not in these
20 numbers?

21 MR. HICKMAN: That's not in these numbers.

22 MR. FLOYD: Okay, thank you.

23 MR. HICKMAN: How we're going to continue
24 to do that is very time consuming. But yeah, that's
25 a good point.

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1 MR. KRICH: This does not include the
2 pilot, any of the pilot data, right?

3 MR. HICKMAN: No, just the initial
4 implementation.

5 MR. KRICH: I mean the current pilots.

6 MR. HICKMAN: Oh, the pilot in the SCRAMs?

7 MR. KRICH: Yes.

8 MR. HICKMAN: No, not in here. The pilot
9 programs that are currently running are totally
10 separate and maintain separate. They have nothing to
11 do with this.

12 By the way, it says quarter underway
13 access. That's not right. We're learning. It's an
14 Agency standard.

15 So this indicator was talking about
16 accuracy. This is another one really related to
17 accuracy. Significant deficiencies, they're defined
18 in manual chapter 0608 as errors in reporting that if
19 corrected would cause threshold -- cause the PI to
20 change the threshold to change color band. And we
21 have one of those in the second quarter 2000 that
22 shows they're repeated in the third quarter and I need
23 to talk the program leader that's a narrative. You
24 have one of those.

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1 MR. GARCHOW: So that's a zero for the
2 third quarter?

3 MR. HICKMAN: There were none reported in
4 the third quarter and this should be a quarterly sum,
5 a sum across the entire industry by quarter.

6 MR. GARCHOW: Right now it's set up to be
7 --

8 MR. HICKMAN: It's listed. In fact, in
9 the document it says quarterly, national rolling up.
10 I'm not sure what that means. It's quarterly national
11 sum, a quarterly sum of all of them.

12 CHAIRMAN PLISCO: Don, this is OPI.a?

13 MR. HICKMAN: Actually, this is OPI.a.

14 CHAIRMAN PLISCO: But this one is OPI.a.
15 The first one was OPI.b.

16 MR. HICKMAN: Yes, but if you go through
17 that document you'll see that there are four other
18 areas as well. That is the primary method for PI, are
19 they being accurately, licensees understand it and
20 know what to report.

21 MR. GARCHOW: Was there anything
22 particularly insightful or was there just an error
23 that was made?

24 MR. HICKMAN: No, not really. If there
25 was an error, and the inspector questioned it.

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1 MR. GARCHOW: And it was what PI?

2 MR. HICKMAN: I don't recall.

3 MR. FLOYD: It was unavailability I think.

4 MR. HICKMAN: Was it unavailability. If
5 there are no more questions --

6 MR. MADISON: The next area we'll cover
7 will be inspection, Steve Stein. Actually, before
8 Steve starts each of the areas were changed somewhat
9 and one of the changes that may not be noted is based
10 upon comment we got from the IAP people last time we
11 were here was to add the heading of other areas in all
12 of the areas as we had in the SDP and so each area of
13 PI, inspection and assessment, that heading of other
14 areas was added to provide some clarification.

15 Some of the changes that may be discussed
16 later on, as we develop -- as we started getting the
17 data in we looked at what the presentation and the
18 limitations of Quattro Pro and some of the other
19 graphics displays we had. We also made some changes
20 to the -- to what we were going to call for in the
21 graphics. As you can tell from Don's last slide, it's
22 not a very informative slide when it shows maxed out
23 at the top all the time, so we're going to be dealing
24 with that before we put those out on the web and
25 present those to the public.

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1 MR. STEIN: Good afternoon. As Alan
2 mentioned my name is Steve Stein. I have primary
3 responsibility for the overall inspection program for
4 operating reactors primarily the baseline inspection
5 program. Jeff Jacobsen who you'll hear from later on
6 another topic is responsible for the supplemental
7 program.

8 One of the -- or the biggest change that
9 we made during the initial implementation in the
10 inspection program was to issue a final version of our
11 document that describes how to -- what to put into
12 inspection reports, how to issue an inspection report.
13 Inspection Manual Chapter 0610* got issued I think
14 late September, early October of last year.

15 The basic changes in there though included
16 a better definition of what falls into our lowest
17 level or minimal threshold documenting issues in the
18 inspection reports. It includes a series of questions
19 that should lead the inspector to determine if the
20 issue is important enough to be documented and whether
21 it is of more than minor significance and should go to
22 the SDP for further evaluation.

23 And we clarified a number of issues and
24 how they should be documented in inspection reports,
25 things such as performance indicator problems,

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1 licensee-identified issues that are also violations,
2 requirements, non-cited violations, cross cutting
3 issues and licensee event reports. For the
4 self-assessment we have two metrics that are based on
5 an audit of inspection reports, primarily to evaluate
6 the findings in the inspection reports and are they
7 documented in accordance with 0610* and here we're not
8 talking about format, we're talking about what we want
9 to evaluate is are these findings being described in
10 the report the way this document 0610* wants these
11 types of issues documented in the report. That is, is
12 the significance of those issues properly expressed in
13 the report.

14 Let's go along with this. We've developed
15 a focus group for the lessons learned workshop later
16 this year that's going to look at how we communicate
17 inspection results and this will incorporate not only
18 just -- not just inspection reports, excuse me, but
19 also the verbal communications between inspectors and
20 licensees, primarily the type of information that
21 should be passed along during exit meetings for
22 inspections.

23 Another change that we're planning for the
24 inspection program is a revision to our maintenance
25 rule procedure, 71111.13. We've gotten a lot of

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1 feedback on the original procedure. Although the
2 procedure was written to be performance-based, that is
3 based on failures of maintenance rule equipment, it
4 turns out the procedure was somewhat process oriented
5 or compliance oriented. In other words, look to see
6 if the licensee's process for a functional failure met
7 the rules of the maintenance rule and that findings
8 that were coming out of those inspections apparently
9 had no real bases in risk, but were not, did not have
10 much significance and it was difficult to enforce or
11 to disposition issues that were coming out of this
12 inspection. So we also have a focus group on this
13 procedure.

14 We plan to look at the role of issues that
15 we call "no color" findings. The original concept was
16 that there would be very few "no color" findings that
17 "no color" findings would essentially be those issues
18 that did not go to the SDP, obviously, therefore no
19 color, but would have some other significance and
20 essentially would be violations of requirements and
21 that their significance would be defined by the
22 severity level of the violation.

23 What we found in implementation is that we
24 have a lot of issues in reports that are "no color"
25 findings, may be programmatic, may be related to cross

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1 cutting areas that are not really violations of
2 requirements, but don't lend themselves to the SDP and
3 therefore don't get the significance. So we intend to
4 review, I think, as part of the cross cutting issues,
5 the role of no color findings.

6 MR. DEAN: Part of the assessment process?

7 MR. STEIN: Part of the assessment
8 process, that is correct.

9 MR. BORCHARDT: So that's how those issues
10 would feed into the Action Matrix?

11 MR. STEIN: That would be part. That is
12 what is the role of these findings in the process. If
13 they are to be used in the Action Matrix, then they
14 need to change the Action Matrix or may need to figure
15 out how to apply some significance to them.

16 As I said, the original thought was we've
17 had very few of them. We're finding we have a lot
18 more, so we need to figure out what these are, how do
19 they fit into the process as we defined it and then
20 we've got to make a decision as to what to do with
21 them, to continue them or incorporate them into the
22 process.

23 MR. DEAN: Steve, a lot of those were
24 because of the new guidance, you know, inspectors were
25 -- you can make that point.

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1 MR. STEIN: Bill wanted me to make a point
2 that a lot of these issues came up basically because
3 one reason was because the initial guidance for
4 documenting issues may not have been very clear as to
5 what it was we wanted or what sort of things
6 -- what sort of issues -- let me say it again.

7 A lot of it comes from the guidance that
8 we originally disseminated on what made minimal
9 thresholds for documenting what was and was not
10 SDP-type issues. So a lot of what we think may go
11 back to clarification of what it is we expect or want
12 to see in inspection reports.

13 MR. SCHERER: I'm sorry. I'm a little
14 confused. Are you under this bullet addressing
15 whether there should be no color findings and if so
16 what are their definition and how are they used or
17 only the more limited question of given that there are
18 no color findings, how do they fit into the process?

19 MR. STEIN: It's both. It's first is
20 there -- what are these no color findings that are in
21 the reports? Are they -- do they represent
22 information that we want to continue to be documented
23 in the reports? If so, then do that -- does that
24 information have a role in the assessment process and
25 if so, how will be deal with that? If the first

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1 decision is no, this is not information we want in the
2 inspection reports, then hopefully they'll go away by
3 clearer guidance to our inspectors and the regions
4 that this is the minimal -- this is the information
5 that should go in reports. This is information that
6 should not go in the reports.

7 MR. GARCHOW: Our feedback from the people
8 we tried to explain this program to this was very
9 amusing to them. And on the web page they actually
10 have a color. They're getting away from what the
11 discussion is on risk significance. So whatever we do
12 to clean it up needs to have education and
13 clarification of how we communicate it to the public.
14 That really isn't confusing right now.

15 MR. MOORMAN: Steve, did I hear you say
16 that you're also going to include an inspectional
17 report or give consideration to improving inspection
18 reports feedback given by the inspectors to licensees
19 at a lower level?

20 MR. STEIN: I think part of that may be
21 what the focus group will look at. That's essentially
22 it.

23 With the change in the process and more
24 firmly establishing a minimum threshold for what
25 should be documented in an inspection report when it

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1 goes to the SDP, there was a lot of insights that the
2 inspectors had normally in the past put in inspection
3 reports and passed on to licensees. And many
4 licensees still like that information.

5 MR. DEAN: Even though it's subjective.

6 MR. STEIN: Yes, even though it may be
7 subjective. It may be based on the inspector's
8 broader experience with other plants. It's neither
9 right nor wrong, but it's what he sees and how he sees
10 it compared to what the rest of the industry does.

11 And a lot of licensees still want that
12 information and that's part of, I think, part of these
13 findings. Some of these things are the type of issues
14 that the inspector feels he needs to pass on to the
15 licensee. It's not a violation of requirements. It
16 doesn't go to the SDP so it doesn't have to be of
17 significance, but it's an insight into how the
18 licensee's processes work.

19 MR. MOORMAN: Some of those are minor
20 violations.

21 MR. STEIN: Precisely, right, precisely.

22 MR. MOORMAN: I'm a little confused now
23 with taking away "no color" findings or are we leaving
24 them in and I'm a little confused by those and now
25 we're going to have another class of feedback over

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1 here where we're going to put these other things in
2 that are just going to cause --

3 MR. STEIN: Well, minor violations,
4 normally should not be documented in the report.
5 That's the current guidance and has been even before
6 the new process.

7 That's why --

8 MR. MOORMAN: So that's feedback. That's
9 tweaked to the process.

10 MR. STEIN: We hoped that we better
11 defined in 06 and what constitutes this minor
12 violation or minor finding, since the new process is
13 not contingent upon finding -- being a violation of
14 the requirements. We have to define them that this is
15 the minimum level. Anything below this level of
16 significance should not be documented. Whether it's
17 a violation or not.

18 We have an on-going cross-cutting issues
19 working group that is looking at the appropriate role
20 for cross-cutting issues in the oversight process and
21 that's going to continue and is also a focus group for
22 our lessons learned meeting in March and although it's
23 not on the bullets, we have another focus group
24 related to the inspection program that's going to look
25 at flexibility of programs, primarily with baseline

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1 inspection programs, based on feedback that we've
2 gotten from individual inspectors and from our world
3 tour of the four regions last year. Flexibility and
4 the ability to decide what they should focus on is
5 something that we need to reevaluate.

6 MR. GARCHOW: Do you have sense on now
7 that you've been doing the data, how big of an issue
8 this is? Because the cross-cutting issues were even
9 starting to be discussed before the new program is
10 even formulated so it was an issue before we even have
11 anything to make it an issue on. And now that we've
12 been out there with the pilots and initial
13 implementation how big of an issue is this in the
14 NRC's opinion, the fact of the cross-cutting issues?

15 MR. DEAN: It's an issue that gets at the
16 underlying premise of the oversight process that
17 inspectors and regional managers had varying levels of
18 skepticism about. It's an issue that I think the
19 early returns from the oversight process are showing
20 that those plans that indeed have problems in
21 cross-cutting areas are seeing performance indicators
22 cross thresholds. We're seeing evidence of inspection
23 findings that have significance, you know. So if you
24 look at that body of data that would seem to be on the

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1 way towards quote unquote proving the premise of this
2 underlying -- you know

3 --

4 MR. GARCHOW: So to say that more clearly
5 than I think I heard you say is that the underlying
6 premise was that if you did have a problem in a cross-
7 cutting area, then before you ended up with
8 significant, whatever that would mean, relatively
9 significant problem, you would trip the I thresholds
10 or have risk-significant findings in the inspection
11 reports and you're saying that at least preliminarily
12 look at the early data would bear that assumption to
13 be true?

14 MR. DEAN: Yes, I would say that you
15 didn't clarify anything that I said. You just said
16 the same thing. But that's --

17 (Laughter.)

18 That's right.

19 MR. GARCHOW: So you would say the
20 original assumption tended to be supported by data
21 through this point --

22 MR. DEAN: Early returns, but it's still
23 a question that's out there and it's a question that
24 we have to treat seriously because it's one that our
25 inspectors and regional staff still question, whether

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1 there's any resolution. I would say and Jeff's going
2 to talk about cross-cutting issues here in a minute.

3 I don't know that there's going to be any
4 great adjustments to the oversight processes because
5 this issue is out there. I believe that we're in a
6 data collection mode and we need to look at the
7 results of the oversight process probably over several
8 years before we can probably make a full definitive
9 yeah or nay on this.

10 MR. FLOYD: It might appear that if that
11 early indication holds true, and perhaps a way of
12 answering the question about do we need performance
13 indicators for cross cutting issues, the answer might
14 be we have performance indicators for
15 cross-cutting issues. We have 18 PIs and 28
16 inspection finding outcomes over the course of a year
17 which would point to indications of problems in cross-
18 cutting areas potentially.

19 MR. BLOUGH: I guess my impression is that
20 it's true to a degree that licensees, the licensees
21 that have cross-cutting issues as evident to the staff
22 also are crossing thresholds. That's true to a great
23 degree, but there's -- I'm still sensing in Region 1
24 a discomfort with -- from the standpoint that if a
25 licensee has significant issues, say for example from

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1 the PI & R inspection that shows significant
2 weaknesses and those get characterized as no color
3 findings, then they get farmed right back into the
4 same corrective action system that's just been
5 inspected and that same licensee may have one or two
6 issues that have crossed the green/white threshold,
7 but having one or two issues crossing a green/white
8 threshold, especially if they're in different
9 cornerstones doesn't result in a substantial agency
10 response, so there's still some question of whether --
11 well, I guess there's still some question. I don't
12 think we're -- I don't think we've proven much yet.

13 MR. MADISON: It's hard to prove what you
14 don't know and we don't know what we don't know yet,
15 so we're going to continue to look at it. Bill said
16 it looks like early returns seems forward, but we're
17 still going to continue to look for the false/negative
18 indications and we're developing in our own minds what
19 we would look for. And you see some of that in the
20 self-assessment matrix with performance indicators
21 crossing -- we're looking for performance indicators
22 across multiple thresholds. Instead of going from
23 green to white, going from green to yellow or green to
24 red. That might be an indication of that we've got a

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1 hole in the program, that a cross-cutting area may
2 cover.

3 So we're developing some thinking to at
4 least get closer to those areas that we don't know.

5 MR. GARCHOW: The purpose of my question
6 is whether they're significant or not significant
7 because it always comes up in the conversation, cross-
8 cutting issues. I was just trying to get a feel,
9 relative to some of the other issues that we've talked
10 about. Is this a big deal or is it just something
11 we're monitoring and if the data shows something and
12 we're just sitting here behind the scenes, that's what
13 I sense from your answer.

14 MR. DEAN: My sense is we haven't seen
15 anything yet that would disprove that that premise of
16 the program is a proper premise, but I can't make --
17 I wouldn't make a definitive call given the amount of
18 concern that exists about that. I think for some time
19 until we have the opportunity to fully evaluate the
20 process over a period of time where you would see
21 plants over time matriculate through various elements
22 of action.

23 MR. GARCHOW: Thank you.

24 CHAIRMAN PLISCO: Steve, before we take a
25 short break, two things. If you could clarify for

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1 everyone, focus group when you're talking about those
2 are internal working groups?

3 MR. DEAN: I'm going to go over that at
4 the end.

5 CHAIRMAN PLISCO: And cross-cutting, I
6 just want to -- you're using these terms in this slide
7 too and I just want to make sure everyone is clear on
8 what --

9 MR. DEAN: I was going to go over that at
10 the end and what -- you've heard the term focus groups
11 but basically just really briefly those encapture
12 areas of the oversight process that the body of
13 feedback that we've gotten thus far would indicate
14 that this is an area we need to focus some attention
15 on now as we move into the end of the oversight
16 process and get to the external lessons learned
17 meeting and so we're focusing some effort over the
18 next couple of months utilizing regional resources and
19 internal resources to develop some recommendations in
20 some of these areas.

21 CHAIRMAN PLISCO: I was just trying to
22 differentiate. Those are internal NRC focus groups
23 that are looking at issue --

24 MR. DEAN: For now.

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1 CHAIRMAN PLISCO: But the cross-cutting
2 working group is an industry NRC?

3 MR. DEAN: Yeah, and you're going to hear
4 about -- Jeff's going to talk about it in more detail.

5 CHAIRMAN PLISCO: Okay. Is now a good
6 time now, Steve, to take a break or do you have
7 something you want to finish?

8 MR. STEIN: I've got a couple more minutes
9 and then --

10 CHAIRMAN PLISCO: Okay.

11 MR. STEIN: Part 2 of my presentation
12 discusses any major changes to the metrics and
13 descriptions starting on page 6 in your other handout.

14 A lot of change bars in this area, but
15 actually most of them are editorial. The change bars
16 -- a lot of the change bars just represent some
17 introduction words that we added to each of the
18 metrics so that when the metric stands along with the
19 graphs, it's a little clearer as to what it is we're
20 trying to measure and a number of the other bars are
21 basically changing the graphic displays. We had
22 originally separated out program assessment graph from
23 a regional comparison graph and in many cases we've
24 combined. So most of the change bars are essentially
25 editorial.

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1 I think the biggest change for metrics in
2 the inspection program deals with metric 0I1.a on page
3 6 and RI2.b on page 7 and these are the metrics that
4 are coming out of our audit and inspection reports.
5 And the change here is that we're going to be counting
6 findings instead of inspection reports. The metrics
7 were to determine or to measure percentage of
8 inspection reports with findings appropriately
9 documented.

10 But because the regions are still issuing
11 reports at different frequencies, some regions are
12 going to the quarterly combined reports. We have one
13 region that's still not going to combined reports or
14 quarterly reports, that based on the number of
15 findings that might be in any individual report, we
16 decided well, we're going to track these metric by
17 findings. So that's one change.

18 Another change is some of the metrics
19 primarily the analyses of our data that's in our Hours
20 and Program Completion data base don't lend themselves
21 to graphic representation and those will be presented
22 as tables. The two -- I think the two metrics are
23 EI2.a which is resources and PI2.a which is a
24 comparison of frequencies and sample sizes. And then
25 the third and I'm not sure if this is really a change

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1 from the previous version, but some of the metrics
2 primarily timeliness of the issuance of inspection
3 reports, some of these we were counting, we were just
4 looking at counts. We're just changing those to a
5 percentage, so that we'll look at the percentage of
6 timely reports versus an actual count.

7 Now some examples of the metrics and their
8 presentation, this metric is RI2A which is measuring
9 one of the metrics to determine if the program
10 incorporates risk insights and it's a count of the
11 number of documents, inspection program documents that
12 were changed to improve risk insights in the program.
13 The metric is based on the assumption that the
14 baseline inspection program was risk-informed in its
15 development and we would not expect very many changes
16 to documents and we would expect a decline, a steadier
17 declining trend over time.

18 All this shows is that for the third
19 quarter last year we had three program documents that
20 were changed that we felt affected the use of risk or
21 risk insights in the program. If you're interested,
22 the three procedures were a steam generator
23 replacement supplemental procedure and in that what we
24 did was we allowed -- directed the inspectors to use
25 certain baseline inspection procedures which were

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1 based developed -- which were developed on risk
2 insights. And then the other two are in the security
3 area, 71130.03 which was the response of contingency
4 events based on procedure and the OSRE procedure,
5 8110, both those procedures we've added an addendum
6 which describes adversary characteristics so it risk
7 informs the inspection by defining here's what we
8 would expect the licensee's program to be able to
9 defend against.

10 MR. GARCHOW: What's the total population
11 procedures?

12 MR. STEIN: Well, the total population
13 procedures --

14 MR. GARCHOW: Three out of a thousand?
15 Three out of ten?

16 MR. STEIN: Well, there are -- yeah, there
17 are approximately 30 baseline procedures. Probably 30
18 or 50 supplemental procedures. They don't get changed
19 every quarter.

20 MR. GARCHOW: I'm just trying to get a
21 feel whether it was a lot or --

22 MR. STEIN: Approximately.

23 MR. BLOUGH: That stable or decreasing
24 trend over what period of time would that be? Because
25 I think there's a period of learning and discovery in

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1 which you're just finding things that need to be
2 changed.

3 So the trend might be up for a while and
4 then after that learning curve -- then it would be
5 stable.

6 MR. STEIN: I don't think we thought about
7 it too much, but we would expect that -- by over time
8 I mean over a period of years. I do not mean just
9 over one year. It would be over a period of years.

10 MR. GARCHOW: If you weren't getting a
11 lot, it would be indicative of a worse problem.

12 MR. STEIN: Right. We would expect
13 change.

14 The second graphic here is Pila looking at
15 predictability. It's supposed to measure -- the
16 program is being implemented as define. And I
17 purposely showed this one because it does show a large
18 disparity between the regional inputs. What we wanted
19 to be able to show was that the program is being
20 implemented fairly uniformly across the year. The
21 baseline inspection program is supposed to be
22 accomplished over the year. We wanted to be able to
23 see if we can determine if it's getting done on a rate
24 that will get it accomplished by the end of the year.

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1 So we would have expected to see about half the
2 program done, halfway through the year.

3 This metric is based not on hours, but on
4 inspection samples. Each of the procedures estimate
5 a number of samples to be inspected and these
6 percentages are based on that, not on the number of
7 hours.

8 Why there's a disparity we're not sure
9 yet. We need to evaluate the data a little more
10 closely to try and figure that out.

11 MR. TRAPP: Steve, I'm a little confused.
12 Like Region 2, it looks like 20 percent. That means
13 they're three quarters of the way through the year and
14 they've completed 20 percent of their
15 --

16 MR. STEIN: Halfway.

17 MR. TRAPP: Halfway through.

18 MR. STEIN: Right. But again, this is
19 based on -- it's each -- the bar for the region
20 represents an average of all the plants in the region
21 and again we need to look at why it's that low. It
22 may be that -- one possible explanation is that the
23 data is not updated properly in RPS. Either not the
24 right -- the right information may not have been
25 entered. It may be lagging.

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1 MR. KRICH: Poorly integrated inspection
2 reports.

3 MR. STEIN: Poorly integrated inspection
4 reports, so therefore -- right, it hasn't been
5 incorporated into the data base.

6 So we need to evaluate that.

7 MR. KRICH: And there's no data for the
8 second quarter?

9 MR. STEIN: Right, there's no data for the
10 second quarter because we only did it with respect to
11 -- it took a quarter to figure out how to get the data
12 in.

13 MR. KRICH: Right. I would imagine that
14 also refueling outages would tend to have an impact?

15 MR. STEIN: Right.

16 MR. HILL: Is it cumulative or just one
17 quarter data then?

18 MR. STEIN: It is cumulative.

19 MR. HILL: So that represents two
20 quarters' worth?

21 MR. STEIN: Absolutely. And this is a
22 metric of no data. Essentially, this is a -- this is
23 PI2.b, also looking at predictability, looking to see
24 if programs are being implemented fairly consistently
25 across the regions and what we're looking at here or

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1 we're counting here are significant deviations from
2 the baseline program, that is, when a region decides
3 at the beginning of each assessment period that
4 because of a plant's performance, condition and
5 circumstances, it needs to make some significant
6 changes to the baseline program that those changes
7 come from the program office for essentially our
8 concurrence and that those changes are then factored
9 into the inspection schedule. So essentially there
10 were no such deviations when we implemented. We went
11 to initial implementation last year and it's zero
12 essentially. This does not include -- what doesn't it
13 include? It does not include data. It only includes
14 plants that are involved in the baseline program.

15 MR. HILL: Are these metrics going to be
16 based on calendar quarters?

17 MR. STEIN: Right now, they are, yes. I
18 think we're going to --

19 MR. MADISON: We're on calendar quarters.

20 MR. STEIN: But this metric, we think, is
21 going to be an annual metric anyway. We don't think
22 it's something that we need to have quarterly. We
23 think that this will be something that will come up
24 once, maybe twice a year, essentially a region lays

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1 out its schedule for the upcoming year and that's
2 where these requests will come.

3 MR. GARCHOW: So the assumption is that
4 all the regions are doing it, specifically feedback
5 through the process to see if they're actually
6 following the program?

7 MR. STEIN: There are other metrics.

8 MR. GARCHOW: This is just pre-approved
9 deviation.

10 MR. STEIN: There are other metrics that
11 we're looking at whether you're following.

12 MR. MOORMAN: Steve, which one is this?

13 MR. STEIN: This is PI2.b. Page 9.

14 MR. KRICH: Page 8.

15 MR. STEIN: No. It's PI2.b. Bottom of
16 page 9. Significant alterations. And again, we're
17 essentially tracking the trend. So if there are no
18 other questions.

19 CHAIRMAN PLISCO: Good time for a break?
20 Thanks, Steve.

21 (Off the record.)

22 CHAIRMAN PLISCO: Let's get started again.

23 MR. MADISON: We're ready to proceed. Our
24 next up is Jeff Jacobsen. He's going to be talking
25 about the cross-cutting issues working group.

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1 MR. JACOBSEN: I've just got a couple of
2 slides to go over and I think Steve said before I'm
3 the lead person in charge of the supplemental
4 inspection program and also the problem identification
5 and resolution inspections that we do and I'm a member
6 of the cross-cutting issues work group.

7 So what I wanted to do is talk a little
8 bit about the cross-cutting issues work group and one
9 thing, in particular, there's a lot of talk that we've
10 heard from various sources about what some of the
11 fundamental assumptions in the new oversight process
12 were with regard to problem identification and
13 resolution.

14 And I wanted to clarify that point and it
15 kind of builds upon a little bit what Steven and Bill
16 were talking about earlier is that the fundamental,
17 one of the fundamental premises of the oversight
18 process is that weaknesses in the
19 cross-cutting areas will manifest themselves as either
20 PIs crossing the thresholds or inspection findings.
21 And one of the cross-cutting is problem identification
22 and resolution.

23 So the program is designed, the oversight
24 process is designed to work even if a licensee's
25 corrective action program has problems because the

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1 program is designed for us to be able to detect that
2 and then to take the appropriate action, so it's not
3 a fundamental premise that a licensee has to have a
4 100 percent functioning corrective action program in
5 order for all the other assumptions in the oversight
6 process to hold true.

7 To the contrary, the assumption is that if
8 there are problems in the corrective action program we
9 will be able to detect it because we will see PI
10 thresholds being crossed and we will see -- we will
11 have inspection findings. And I think as we've said,
12 a lot -- both the initial data that we're seeing in
13 the new oversight process and a lot of historical data
14 has shown that there's a big correlation between
15 licensee's corrective actin programs and performance
16 in the other areas. I don't think that's a new
17 concept that came out of the oversight process. I
18 think every licensee knows the importance of their
19 corrective action programs and when we look back at
20 the problem plants that have arisen over the last 5 to
21 10 years, it's usually a common theme that there's
22 been a significant weakness in the problem
23 identification and resolution programs at that
24 facility. I just wanted to clarify that point.

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1 The second point I wanted to talk about is
2 that we've got this cross-cutting issues work group
3 representatives from each of the regions. We've also
4 got industry representation on the group. We've had
5 three meetings. Our first two meetings were internal
6 NRC meetings only and the last meeting we had we
7 invited the industry in to participate and we expect
8 that they will become participants in this working
9 group from now on.

10 We're trying to come to grips with how do
11 we resolve some of these fundamental questions about
12 cross-cutting issues, particularly do these premises
13 in the oversight process hold true and how long is it
14 going to take to acquire the data and what kind of
15 data do we actually need to be able to answer these
16 questions and resolve them once and for all.

17 We're trying to figure out are there any
18 other cross cutting issues other than the three that
19 have been identified already and those three are
20 problem identification and resolution, human
21 performance and safety conscious work environment.

22 Any questions on that slide? No?

23 (Slide change.)

24 MR. JACOBSEN: As part of the preparation
25 for the lessons learned workshop, I think Bill touched

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1 on this that we formed internal focus groups in
2 preparation for an internal lessons learned workshop
3 that we're going to have. One of those groups that
4 we're forming is problem identification and resolution
5 group. There's really three main topics that we
6 intend on focusing on in that group. The first is
7 what is the proper frequency of what's currently an
8 annual review of the problem identification and
9 resolution area? There's some discussion about going
10 to a less frequent inspection. Right now, it's every
11 year. There's some discussion about going to a two-
12 year cycle or an 18-month cycle. And we're going to
13 be discussing that issue in this group.

14 MR. BORCHARDT: Jeff, if you accept your
15 original premise, why do you need to do any at all?

16 MR. JACOBSEN: That's a good question. I
17 think the current philosophy was that when we went
18 into the oversight process, we accepted the original
19 premise, but we weren't confident enough in it that we
20 didn't feel we need to do anything. So this was kind
21 of an effort that we thought was worthwhile to do to
22 be somewhat duplicative of what's coming out and to
23 kind of confirm the data that we're getting via the
24 PIs and the baseline inspection areas.

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1 There are some specific things that we do
2 in this inspection that we do take credit for that are
3 not looked at by the PIs or the baseline inspection.
4 For instance, we look at the safety -- currently, we
5 look at safety conscious work environment in this
6 inspection and we really don't do that as part of the
7 baseline inspection or as part of the performance
8 indicators and the idea there is if there was a
9 concern or there's a tendency of people not to raise
10 problems at the facility, they were afraid to raise
11 known issues, then you could have a facility out there
12 with these issues that are out there, but people
13 aren't raising them and therefore they wouldn't come
14 to the PIs and we may not be able to find them in the
15 baseline inspection program. So that's one area.

16 There's also the issue that our new
17 process is risk informed and risk based and by being
18 risk informed it means that we also are still
19 concerned that the licensees meet in the regulations
20 and this is one way that we make the program more risk
21 informed in that we're going out and looking in this
22 inspection at some of the more not the white and
23 yellow issues, but some of the green violations that
24 on their own are not that risk significant, but do
25 represent departure from the regulations and we want

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1 to make sure that even though it's not a very risk
2 significant issue that the licensees still meet in the
3 regulations.

4 One of the assumptions I think is fair to
5 say in the oversight process is that the facility is
6 built to a given design and that conforms to the
7 design basis and this is another way of getting at
8 that, that if the utility just disregards a lot of the
9 regulations, then we really wouldn't be sure where
10 they lie.

11 DR. SPECTOR: I might also add, Phil, that
12 it may be a very important source of information for
13 us in order to ultimately answer the question that you
14 raised. I mean how do we answer the question "is the
15 premise correct?" And this maybe perhaps one element
16 of data that we could use to subsequently answer that
17 question in the future.

18 MR. JACOBSEN: And I think the fact that
19 we're considering a less frequent periodicity to the
20 inspection goes along with that. Maybe we'll move to
21 a two-year period and maybe in another year or two
22 when we acquire more data we'll see that it needs to
23 be even less frequent. Or we may not need to do it at
24 all as part of the baseline program. Maybe it becomes

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1 something we only do for cause in the supplemental
2 program which is an option.

3 Currently, this is the option that we've
4 chosen and we feel comfortable in this environment and
5 we don't feel comfortable eliminating it totally just
6 yet.

7 MR. BORCHARDT: There are no leading
8 indicators in existence now, right?

9 MR. DEAN: Depends leading what? You've
10 got to tell me what it is you want to lead? If you
11 want to lead a plant that is going to fall over the
12 edge and be an unacceptable performing plant, I think
13 our entire program is intended to try and ascertain
14 plant performance before it gets to that point. If
15 you're trying to tell me is this process intended to
16 be leading before you cross a white threshold, the
17 answer to that would be no.

18 MR. BORCHARDT: Except that this could be
19 one element of corrective action.

20 MR. DEAN: Certainly.

21 MR. JACOBSEN: Yes, I would say. If we do
22 a PI & R inspection and we find some major
23 programmatic concerns, it may not have had time to
24 fester enough that has caused the plant to cross the

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1 threshold yet, but if let them correct it, it likely
2 could.

3 MR. MADISON: It may or may not be able to
4 develop into an objective performance indicator and
5 that's part of the problem with utilizing it
6 currently. It's still -- there's still a lot of
7 subjective criteria built into the process at that
8 level.

9 MR. KRICH: Let me just follow it up. So
10 are you looking at some type of indicator that will
11 tell you if there's a cross correlation between the PI
12 & R results and the PIs, so to validate or disprove
13 the premise?

14 MR. JACOBSEN: Not currently, no. One of
15 the discussions in our cross-cutting issue --

16 MR. KRICH: Do you know what I'm asking?

17 MR. MADISON: Yes, and nobody is proposing
18 that direction yet.

19 MR. JACOBSEN: We are discussing in our
20 cross-cutting issues work group one of the things we
21 talked about in our last meeting was the feasibility
22 of some PI & R performance indicators. A general
23 consensus was was that would be very difficult to do
24 because although utilities often have these types of
25 performance indicators, they're very site specific and

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1 may not lend themselves to developing an industry-wide
2 PI & R performance, although that's an issue that's
3 still open for consideration.

4 MR. GARCHOW: The industry struggled with
5 the effectiveness PI. It's easy to go up with are
6 you getting them done on time, are they timely, all
7 the things that you can readily count are being
8 counted against some industry goals, but I think there
9 are probably others that are struggling with how do
10 you really pin down an effectiveness performance
11 indicator for the corrective action program.

12 MR. JACOBSEN: Which is really the key as
13 to whether the program is functioning.

14 MR. KRICH: I wasn't asking about that so
15 much as is there some measure that you're looking at
16 to determine whether, in fact, the PIs will give you,
17 will tell you that something is going wrong with the
18 corrective action program and using the PI & R,
19 special results to cross correlate that?

20 MR. JACOBSEN: I wouldn't say there's a
21 measure, but as part of our routine of annual
22 assessments that we're going to do, we're going to be
23 looking at that type of information, for instance,
24 we'll be looking at plants that have significant PI &
25 R concerns and what has been their performance and is

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1 there a correlation. We haven't developed a rigorous
2 methodology yet, but that's certainly something that
3 we're going to consider.

4 MR. KRICH: Okay.

5 MR. JACOBSEN: The second bullet that --
6 or second item that we're working on is where should
7 we assess or how or if, should we assess safety
8 conscious work environment and where should we do it?

9 Currently, like I said, we do that as part
10 of our annual problem identification and resolution
11 inspection. There's some discussion about removing
12 that aspect from that inspection and making that more
13 of a routine resident activity that's done on a more
14 routine basis. So we'll be discussing that.

15 The last item is -- concerns
16 documentation. We're pretty stringent in terms of
17 what we allow documented in our baseline inspection
18 reports. I think Steve mentioned a little earlier
19 we've got pretty good guidance in 0610 about not
20 documenting minor violations and the like. We have
21 said though for the annual inspection from problem
22 identification and resolution, we want our inspectors
23 to document more than just findings. We want an
24 actual assessment of the key areas in that inspection

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1 procedure. So we do allow them to document to a
2 greater amount of detail in that inspection.

3 The question comes up what should be the
4 documentation for the problem identification and
5 resolution inspections that are done as part of our
6 routine activities that are based on the annual
7 inspection? There is some concern that we're not
8 allowing people to document their assessments in those
9 inspections, so in our annual inspection when we ask
10 the people who do that to roll up the PI & R insights
11 from the year, there's nothing on the docket because
12 we haven't allowed them that same level of
13 documentation in the routine reports. And I know that
14 sounds a little confusing, but it's an issue that
15 we're working on and hopefully we'll get to the
16 resolution.

17 MR. DEAN: Should I say qualitative in the
18 bullet as opposed to quantitative?

19 MR. JACOBSEN: Yes, it should be
20 qualitative. Okay, those are the two that I have.
21 Does anyone have any questions on cross-cutting issues
22 or PI & R or supplemental for that matter?

23 I didn't cover supplemental because I
24 think that's working pretty well. We really don't

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1 have any major concerns or focus areas with regard to
2 that.

3 MR. MADISON: Our next presenter is --

4 MR. SHADIS: Let me ask one question. In
5 the last couple of presentations here we've had
6 numbers, if you will. Are there particular cases that
7 cite specific cases that you're following now to see
8 where, for example, cross-cutting issues emerge?

9 Can we illustrate what you're doing by
10 specific, cite specific examples?

11 MR. JACOBSEN: I'm not sure that I
12 completely understand the question.

13 MR. SHADIS: Summer plant, right now
14 there's an issue with weld defects. And I would
15 imagine that that issue manifests itself in different
16 places, different categories throughout this reactor
17 oversight process, throughout the whole inspection
18 program. I imagine there are issues there that emerge
19 that are cross-cutting issues, yes or no? Am I way
20 off here?

21 MR. JACOBSEN: Well, I think --

22 MR. SHADIS: Am I not getting it?

23 MR. JACOBSEN: Let me try to answer that.
24 An issue such as an issue at Summer is going to be
25 assessed for its risk significance and assuming that

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1 there's some risk significance to it we would do a
2 supplemental inspection which would look at the root
3 cause of the issue and how broad the root cause is.
4 For instance, if it's a weld and let's say the weld
5 was a bad weld from the original construction of the
6 plant, we would expect the licensee would have to
7 evaluate how broad that concern is and as an Agency we
8 would also look -- that is something we need to look
9 at at other facilities as well.

10 That's how we would get at that question.
11 In terms of -- that's a little different than what
12 we're talking about, cross cutting issues in this,
13 that's more of a systemic condition with regard to a
14 specific issue at a specific facility. We expect that
15 to be done within the program.

16 Our supplemental inspections are
17 specifically geared to look at those root cause
18 evaluations and many times on the ones that we've done
19 already, we've gone in and we've said they haven't
20 been adequate and we've made the utility go back and
21 re-do it to greater detail.

22 The best way to do that is to get the
23 utility to do the root cause analysis, because they're
24 in the best position to do it.

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1 In the old way, we used to try to do more
2 of that ourselves. We still retain the right to go in
3 there and do it ourselves, if the utility doesn't do
4 it or can't do it, but our preference is for the
5 utility to do it and us to monitor that activity.

6 MR. SHADIS: That may not have been the
7 best example. I just see that when you have graphs
8 that are -- if they were a patient's chart, you'd say
9 the patient was dead because there's nothing on the
10 graph. You don't have that many signs of life. Do
11 you know what I'm saying? If you had -- you don't
12 have that many samples to come to conclusions, so
13 classically I think in doing research, the fall back
14 position would be to go to case studies and see how it
15 applies, how all the principles apply in an individual
16 case study rather than to try to come up with a
17 statistical analysis of where you are.

18 MR. MADISON: No, I understand where
19 you're -- and Bill mentioned earlier, we are -- we
20 have looked at -- and this group I think will start
21 focusing on that more in the future, looking at some
22 problems that we've had, some of the plants like
23 IP-2 that have had some significant problems and
24 looking -- what the role of cross-cutting issues
25 played in that and did these have indications, do we

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1 have indications of problems prior to getting at those
2 issues? So we are looking at a case study basis in
3 that manner and this group will look at that in the
4 future. They haven't looked at it as of yet. Our
5 preliminary look says we're meeting the original
6 assumption of the program.

7 MR. SHADIS: I don't know if it would be
8 helpful to the other members of this Panel, but it
9 would certainly be helpful to me to have some kind of
10 elucidation on examples, specific case examples to see
11 how's the program working here and to follow through,
12 especially where there are issues that are in the
13 white, yellow, red end of things. How did it work
14 out? How did it play out in terms of public
15 confidence, for example, in terms of resolution,
16 timely findings? You know, the whole -- all of these
17 criteria to apply in a given case that we could say
18 maybe there would be a case that would be obviously
19 atypical, others that might be, what we would guess
20 would be typical. To me, that would be informative.

21 MR. JACOBSEN: We do that by design. When
22 we get a red find, we get a fourth column action
23 matrix, the supplemental inspection that we do in that
24 column actually has us do that type of thing, but we

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1 look at our own internal processes to see if they were
2 contributors to the issue.

3 And we've done something like that already
4 from the Indian Point facility, where we've done a
5 lessons learned review and we've looked at our program
6 to see whether we need to make any changes to it based
7 upon the issues that have occurred there.

8 MR. MADISON: Can we bring that lessons
9 learned report to this group some time in the near
10 future and share it with them?

11 MR. DEAN: has that been publicly issued?

12 MR. BLOUGH: Yes, but I don't it goes to
13 his types of questions because I don't think it really
14 provides that much commentary on the ROP.

15 We're early int eh ROP and I think we're
16 developing some of that case history.

17 CHAIRMAN PLISCO: I was just going to say
18 I know at Region 2 what we're doing, as we speak, is
19 we're putting together a report to send to Bill of all
20 the non-green issues that we've had to date, how the
21 supplemental procedures work, how the Action Matrix
22 work and we have -- I don't know the number, 8 or 9
23 issues that we've gone through now, some still in
24 process, because this is the experience we didn't have
25 in the pilot and we have a lot more experience now and

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1 we are learning some things on that. We talk to Jeff
2 frequently. My branch chiefs talk to him on how to
3 use this procedure and some issues that have come up.
4 For example, we used the supplemental procedure. We
5 went in and found out that there were additional
6 issues that we wanted to look at at a lower level of
7 detail and we have the residents do the supplemental
8 procedure, but we wanted an expert in a certain field
9 in the electrical area to come in and do some
10 additional looks. And that really wasn't captured how
11 to do that in the procedures, so lessons learned, as
12 we've gone through some exercises. I think maybe the
13 kind of thing you're talking about is as we've
14 exercised and we have learned some lessons that --
15 we're preparing a report of all the ones we've done to
16 date and how the Action Matrix worked and some
17 recommended adjustments to the procedures and the
18 Action Matrix and those types of things as we've gone
19 through it.

20 MR. SHADIS: These are the 95s?

21 CHAIRMAN PLISCO: Yes, the procedures, the
22 95001 and 002, the supplemental procedures that we've
23 used. And in addition to the Action Matrix and how
24 that worked and we've had one facility, we had a

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1 public meeting and had to create a cornerstone and how
2 all that worked out.

3 We have enough now that I think we have
4 some lessons learned, we've had some experience now
5 and we can talk about it, that we didn't have in the
6 pilot because we really didn't exercise that that much
7 in the pilot.

8 MR. FLOYD: One report that is out that
9 might be worth taking a look at is the IP2 report
10 because what the staff did do on that one although IP2
11 didn't start under the program until April, they
12 wanted back the 9 months prior to the start up program
13 and they pulled out issues from the inspection reports
14 and that fit some of the PI data from the historical
15 data that came in and you can kind of see the
16 progression and included that on an Action Matrix, to
17 a dummy Action Matrix that actually started with third
18 quarter -- excuse me, 1999, I believe is where it
19 picked up and you can actually see the progression of
20 it and you can point to across the Action Matrix and
21 how the issues start stacking up and giving you some
22 insights about what was going on at IP2. I found it
23 a pretty good example, actually.

24 MR. SHADIS: Region 1 is committed to
25 getting that report ready.

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1 MR. FLOYD: It was really worth looking
2 at. Good job.

3 MR. MADISON: All right, if there aren't
4 any more questions for Jeff, the next present is Doug
5 Coe and he'll be talking about the significance
6 determination process.

7 DR. COE: Thank you, Alan. For those of
8 you who don't know me, my name is Doug Coe. I work
9 for Bill Dean and my area of responsibility is the
10 significance determination process and inspection
11 procedure guidance.

12 (Slide change.)

13 DR. COE: The first bullet on this slide
14 is reflective of the general positive feedback. And
15 when I say that it's certainly not to diminish the
16 feedback that we're getting that we have changes to
17 make and areas and issues of concern. But I would
18 state that the original intent of the SDP not only as
19 fuel for the assessment engine which PIs and SDPs
20 share that role as inputs to the assessment process
21 that the SDP is really a striking new example of how
22 the staff is trying to lay out their decision logic as
23 to why things are important and thereby why they
24 should drive our resources and consequently, why they
25 should drive the licensee's resources.

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1 The overall objective, of course, is to
2 focus resources on the things that most have an
3 influence on public health and safety and in order to
4 accomplish that we had to be very clear in
5 articulating our SDP about how we process issues and
6 how they come out so that people, all stakeholders,
7 not only our internal staff, but also licensees and
8 our public, can understand how we get from an issue to
9 its significance and therefore allow both our internal
10 staff, our licensees, our regulated parties and the
11 public to question and/or either accept or reject the
12 assumptions that went into the result that you get.

13 From that standpoint, from the standpoint
14 of fostering improved communication and an improved
15 understanding between parties, particularly between
16 the staff and the licensees and hopefully over time,
17 an improved understanding of our public, that's the
18 inference that's made here in this bullet. Generally
19 positive feedback, it is found that the SDP is a good
20 tool for communicating. It's a good tool for focusing
21 the level of our discussion and historically, of
22 course, in the absence of such a tool we were -- the
23 staff takes a position that something is important and
24 we really weren't obligated to very clearly articulate
25 why and that, I think, took -- brought some criticism

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1 perhaps rightly so that we were -- we tended not to be
2 entirely consistent between inspectors, between
3 regions and over time period.

4 So from the standpoint of helping us
5 achieve a better consistency and open the doors of
6 communication, we think that the SDP has had a
7 positive impact.

8 Now, some of the issues that we're dealing
9 with, the probabilistic-based SDP that deals with
10 reactor safety issues was really a substantial attempt
11 to bring the complexities of the risks, the
12 probabilistic risk framework to a level that was
13 understandable to inspectors and could be used as a
14 screening tool to highlight the issues or flag the
15 issues that really warrant a further expenditure of
16 our resources and perhaps the licensees' resources, to
17 really truly understand what drives the significance
18 of that issue.

19 In order to accomplish that, we had to
20 create plant-specific, what we call Phase 2 notebooks.
21 For those of you haven't been exposed to this process,
22 the reactor safety SDP is divided into three phases.
23 Again, this is the probabilistic-based SDP. Phase 1
24 is a very simple screening checklist. Phase 2
25 requires the use of a number of commonly anywhere from

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1 15 to 20 worksheets, each one representing a
2 particular set of accident sequences, driven by a
3 particular initiating event. And it's a process that
4 has to be worked through with a set of assumptions and
5 then those assumptions work through within a
6 probabilistic framework within the logic of a
7 probabilistic framework to arrive at an answer which
8 we hope will be somewhat conservative across the wide
9 spectrum of issues and these notebooks are, in fact,
10 for each plant, the set of those worksheets and the
11 attending guidance that goes with them and basis that
12 goes with them.

13 As you might be able to understand that's
14 a very difficult to task to bring the information that
15 we have available to us on a particular plant about
16 how that plant's designed, how it's operated and bring
17 down all together into these worksheets that can then
18 be utilized by an inspector to help assess and screen
19 these issues.

20 We got started with an initial issuance of
21 those workbooks back in the beginning of the initial
22 implementation. Those were developed from our
23 existing guidance that we had in our docket files and
24 that was about 10-year-old information. So over the
25 summer we undertook, I think, a fairly massive effort

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1 to get out to every site and gather information,
2 plant-specific information and have an interaction, a
3 dialogue with some of the risk folks at the sites to
4 help make sure that our characterization of the plant
5 was accurate.

6 So those work books are now, as we speak,
7 in the process of being issued and their initial
8 revision, what we call Rev. 0 and they will have
9 benefitted from all of the feedback and comments that
10 we gathered during these site visits.

11 We've had a continuing, I would say,
12 concern on the part of the regions as to the
13 timeliness, the slowness that these things have come
14 out, but we've endeavored very hard to get them right
15 and get them right the first time.

16 MR. GARCHOW: When will they be done,
17 Doug?

18 DR. COE: We have eight issued currently.
19 As soon as they're issued they're available to the
20 licensees, well, they're sent to the licensees as a
21 hard copy. They're also posted in our ADAMS network
22 that can be accessed by licensees. We also post them
23 internally on our internal webpage for the benefit of
24 the inspectors and the regional folks, as well as

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1 other Agency staff persons. And we hope to have them
2 all issued at this rate some time in March.

3 MR. GARCHOW: So that will be all the
4 plants in the United States who have all the Phase 2
5 notebooks completed?

6 DR. COE: That's correct. Seventy --
7 approximately 70 or 72, something like that is the
8 number of notebooks that are specific to each plant
9 and type of plant design.

10 This has been a long time in coming and as
11 we get these issued, we're going to, I'm sure, see
12 inspectors begin utilizing them more and there will
13 undoubtedly be more questions coming back to us or to
14 the risk assessment people who have formed essentially
15 a back up group of individuals to help the senior
16 reactor analysts in the regions process issues that
17 get past Phase 2 and perhaps even to answer questions
18 involving how to implement Phase 2 process.

19 I stopped short. Phase 3 is actually a
20 process that because of the assumptions or the
21 particular nature of the issue, can't -- the guidance
22 in the Phase 2 process doesn't accommodate those
23 issues and they have to be looked at and there has to
24 be an involvement of more experienced risk analysts.
25 And in many cases, the risk analysts will also be

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1 involved to confirm or to verify the results of a
2 Phase 2 analysis as well.

3 So this is all part of a process to
4 process these reactor safety inspection findings. I
5 don't mean to diminish the other cornerstones.
6 Certainly there, we have SDPs on the books for them.
7 The next bullet reflects some difficulties we had
8 initially with processing operational safeguards
9 exams, the so-called OSRE exams and the findings that
10 will come out of that.

11 It turned out that our initial attempt at
12 an SDP for those type of findings was extremely
13 sensitive and basically because of the historical
14 outcomes of those drills and those exercises, we
15 tended to find out what was ultimately called an
16 overinflation or a more significant results coming out
17 of that SDP than were really warranted. So there's
18 been a redefinition of that SDP and we're currently
19 waiting for our final guidance document to come from
20 the Commission that should tell us to go ahead and
21 implement an interim SDP for those kinds of issues and
22 then there's an on-going effort to come to a permanent
23 solution for that SDP.

24 In addition, we had some questions surface
25 this past summer about the how do we assess the

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1 performance of a licensee's requalification program
2 and so we just recently issued a new SDP that did
3 benefit from some public dialogue with industry and
4 others and that's been issued as Appendix I.

5 We've also been sensitive to the fact that
6 the fire protection issues have been very difficult
7 and very complex to process through the SDP that we
8 had on the books initially and still have. The nature
9 of fire protection issues is very complex by its very
10 nature. There are spatial interactions, fire doesn't
11 just confine itself to a single system or even a
12 single room and so the spacial interactions and the
13 effect of a fire in one location affecting other
14 components that could be impacted by it is a situation
15 that gives rise to a great deal of complexity. So
16 trying to create an SDP that's probabilistically based
17 was a real challenge and it continues to be a
18 challenge in terms of making sure the inspectors
19 understand the guidance. Often that kind of SDP
20 relies on assumptions that get to some very difficult
21 questions to answer such as what's the effectiveness
22 of a fire brigade or what's the success probability of
23 operating -- completing a plant shutdown from outside
24 of the control room? So these are questions of just

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1 examples of some of the questions that make fire
2 protection significance determination very difficult.

3 MR. GARCHOW: But Doug, are you looking at
4 that as sort of trying to get some rationalization
5 around the initiation frequency, given that there's
6 the Appendix R, consuming the whole fire area and
7 taking out everything and then there's the reality of
8 what is truly the initiation frequency given the
9 combustibles and the people walking through the area
10 and on-site -- I think there's something in that to
11 really make sure that we understand what the true risk
12 is and it even occurring.

13 DR. COE: That's right. That's exactly
14 right. Fire protection analyses in the past have
15 tended to be fairly over conservative in a number of
16 areas because it was simply too hard to become more
17 refined. And so a fire in a particular room was
18 assumed to basically remove the capability of every
19 single piece of equipment in that room and in fact,
20 that harkens back to the Appendix R licensing basis
21 which is the kind of assumptions that were used there.
22 And so that was carried forward into probabilistic
23 analysis mainly because it's a resource issue. It was
24 just -- it was much more -- well, it was much easier
25 just to use that as a going assumption. The result of

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1 that, of course, is that you get results that are of
2 greater significance and can be considered somewhat
3 bounding perhaps, but the interest here is in getting
4 a more refined look at the actual risk drivers and the
5 guidance that we are providing and will be providing
6 in the next revision of the appendix that has that SDP
7 in it will have improved guidance on how to
8 characterize the fire scenarios that would be the
9 things that would be the basis upon which the
10 significance would rest.

11 The next bullet there was the --

12 MR. BORCHARDT: When do you think you'll
13 get that revision out?

14 DR. COE: I'm going to see it very soon,
15 right?

16 MR. KOLTAY: Well, if you're talking
17 about, the gentleman raised -- we are moving from a
18 rule-based initiation frequency to a component
19 initiation frequency and that's going to take a little
20 while to work, probably some time in the spring.
21 That's more complicated and while you could probably
22 develop and do a Phase 3 component-based initiation
23 frequency, you don't have the tables to give to the
24 inspectors to develop the tables and have them use it
25 -- I would say not before spring.

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1 DR. COE: That's the goal, the ultimate
2 goal. There's a revision that's coming out fairly
3 soon. I believe it has some interim improved guidance
4 on how to develop credibility fire scenarios, so I
5 should be seeing that very shortly, hopefully this
6 week.

7 MR. SHADIS: What are the top three or
8 four factors feeding into that?

9 DR. COE: Feeding into?

10 MR. SHADIS: Well, you're moving away from
11 considering this fire initiation involving a whole
12 room to components, did I hear that correctly?

13 DR. COE: Yes.

14 MR. SHADIS: What other among the top
15 movers in the changes that you're making are feeding
16 into this?

17 DR. COE: I think I mentioned, the ones
18 that come to my mind are most significant that I have
19 seen have a big influence. Our fire brigade effect in
20 this.

21 MR. SHADIS: Okay.

22 DR. COE: And in cases where the issue
23 might deal with cable spreading room or control room,
24 fire mitigation capability, the question arises well,
25 what's the success likelihood of shutting the plant

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1 down from outside of the control room in those kinds
2 of fire scenarios.

3 MR. SHADIS: I know that NRC resolved for
4 itself the question of combustibility of the fire
5 seals, whether or not the fire seals could support
6 combustion decided yeah, they could to a limited
7 degree.

8 Does that play into your calculations at
9 all?

10 DR. COE: Fire seals? Effectiveness of
11 fire barriers, there is an assessment that's made of
12 how degraded a fire barrier, an engineered fire
13 barrier is, okay, when it's discovered with some kind
14 of deficiency. And so there is a judgment that has to
15 be made. There is guidance in Appendix F to tell help
16 people make that judgment, but that under certain
17 circumstances could be a significant influence.

18 MR. SHADIS: I was just wondering if it
19 influenced the -- your final SDPs or not.

20 DR. COE: Well, it depends on the issue.
21 And that's the benefit again, of the SDP from a big
22 picture standpoint. Some things -- given any
23 particular issue, some assumptions are going to be
24 influential and some are not. And so that you'll find
25 in the interactions that we have with industry, with

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1 the particular licensee, in addition, the interactions
2 we have internally as we seek to understand that the
3 basis for the significance of something will tend to
4 focus on the things that have a significant influence
5 and this gives us the opportunity to question the tool
6 to question the assumption and to come to grips with
7 the uncertainty surrounding the assumptions which
8 there often is. And so ultimately, the staff arrives
9 at a set of assumptions that have been processed in
10 the manner in which it's described in our assessment
11 tool and we're comfortable with the assumptions.
12 Okay? And that then forms a basis for our
13 significance determination. Then we offer the
14 licensee the opportunity to provide additional
15 information either prior to the issuance of our
16 inspection report or after an initial determination.
17 Of course, we have a process to allow formal
18 presentation of additional information and then upon
19 the basis of all of that information collected, we
20 make a final judgment, a final decision.

21 But ultimately, you can't take the
22 judgment out of the SDP process, okay? You can
23 constrain our judgment to meet certain logical
24 criteria and that's exactly what we do. So our
25 obligation then is to be clear about our logic to

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1 expose our logic for all parties to evaluate so that
2 over time the licensees, the industry and our public
3 stakeholders can assess whether or not we are
4 achieving consistency, so again, this is one of the
5 primary benefits of the SDP process.

6 These last two bullets here -- ALARA SDP,
7 I believe everybody -- well, you may be aware of the
8 Callaway issue and the issues associated with the
9 three white findings at Callaway. There are questions
10 that have arisen regarding that SDP about the
11 definition of what's a job and that sort of thing that
12 tend to -- it would be one of the significant
13 influences as to the determination significance for
14 ALARA issues. And so we have a focus group that's
15 going to be looking at that specifically.

16 And the last bullet there --

17 MR. HILL: This group was an internal
18 focus group?

19 DR. COE: Yes sir, that's correct.
20 Internal focus -- one of the 10 or 11, 11 focus
21 groups. Right.

22 MR. GARCHOW: I'm sorry, Doug. Going back
23 to the gentleman in the back who said -- I just replay
24 it in my mind, you said that the component base would

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1 be available in the spring or towards the end of the
2 year, so is it like -- when?

3 MR. KOLTAY: I don't want to spell out a
4 time limit specifically on the fire protection issue,
5 but last week or two weeks ago we had a workshop,
6 internal workshop on fire protection in Region 3 and
7 several aspects play into that. Besides that, we're
8 also working on a model that's almost available to
9 calculate temperatures at ceiling level, maximum
10 temperatures -- the temp. is based on loading and
11 being able to determine the frequency based on
12 components. All will have to play together. You
13 can't just issue the --

14 MR. GARCHOW: I wasn't wondering how you
15 were going to do it. Just for this Panel, we talked
16 about the fire protection aspect this morning before
17 you came and relative to improvements and it got a lot
18 of air play, so I was just sort of judging in the
19 NRC's mind your sort of prioritization as to have
20 whatever you do technically satisfactorily resolved.
21 Sounds like by the end of the year?

22 MR. KOLTAY: Let me make one statement.
23 The fire protection SDP works. The problem is that it
24 requires too much support, we feel too much support
25 from headquarters at this point, many hours of

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1 specialists working at headquarters while it's
2 supposed to be a tool for the inspector to be using.
3 And what we're working on to reduce the dependence on
4 the headquarters specialists on every single fire
5 protection finding that is taking place right now.
6 And it's going to -- we are also developing at the
7 same time what's important short term, medium term and
8 long term and it seems that by the end of this year we
9 should have all of this together.

10 MR. GARCHOW: Thank you very much.

11 MR. DEAN: I think what you heard, Dave,
12 is that there will be some near term changes that will
13 help improve some of the things like looking at fire
14 scenario development, things like that, but there are
15 some longer term things that are more technically
16 based and require further analysis.

17 DR. COE: We've definitely engaged the
18 fire protection branch as well as the risk branch in
19 a joint effort to improve that.

20 The final bullet again is the -- improving
21 the risk analysis expertise in the regions. As you're
22 probably aware, there are two senior reactor analysts
23 in each region that have gone through intensive 18-
24 month or two-year program of both training and work
25 experience and ultimately qualification. We have an

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1 on-going process to replace those SRAs who matriculate
2 to other positions and we're exercising that. But the
3 pipeline, the training pipeline is a long one. Jim
4 can talk to you more about that, if you wish, but we
5 have based on a recommendation of a working group that
6 met for some -- over the summer and into the fall, we
7 are establishing a training pipeline that's somewhat
8 reduced from the SRA training pipeline and we're
9 putting Grade 14 individuals at the moment through
10 that, about anywhere from two to three per region in
11 this initial cycle. And presumably as the need arises
12 and the work demand dictates that more people will be
13 put through this training pipeline to help improve the
14 overall risk analysis expertise and understanding
15 within the region. That would hopefully also serve to
16 help provide some capability during those transition
17 periods of time when an SRA moves on to a new job.

18 That's it for that. I would like to have
19 just have a couple of performance indicators in this
20 area or performance metrics --

21 CHAIRMAN PLISCO: Can I ask two general
22 questions?

23 DR. COE: Sure.

24 CHAIRMAN PLISCO: We talked about SDPs
25 this morning in our open discussion and two of the

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1 areas that we wanted to seek some more information and
2 we're going to talk to some SRAs tomorrow, but I'd be
3 interested in your input. One is has to do with SDPs
4 in other areas. What are some of the issues, as you
5 see them, and what's going on for containment,
6 shutdown, I think are two that I hear a lot about?

7 As we get more experience it would be
8 more. Can you tell me what's going on that area?

9 DR. COE: Let me start with saying that
10 the reactor safety SDP the Phase 2 worksheets I spoke
11 about, there is going to be an on-going effort to
12 benchmark those worksheets against licensee modeling
13 results and to understand where there might -- where
14 there are differences, what's driving those
15 differences. This is just another check on the
16 efficacy of those worksheets.

17 Secondly, the shutdown tool that we have
18 right now is comparable to a Phase 1 screening
19 process. It's essentially a checklist. We believe
20 that it's possible to devise a little bit more
21 sophisticated worksheets, kind of comparable to the
22 Phase 2 worksheets for the power SDP and that will be
23 undertaken, in fact, contractual arrangements have
24 been made, I was just told last week, to get some help
25 to move that process forward.

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1 In addition, there are funds that have
2 become available as part of that to help improve the
3 containment SDP which if you've read it, provides, I
4 think, a very good basis, perhaps, for an SDP, but it
5 isn't very inspector-friendly. It's not very step-by-
6 step and we'd like to improve that and make it more
7 usable.

8 Let's see, what else? As far as outside
9 of what's already listed in the inspection manual
10 chapter, 0609 which we pretty much touched on, I think
11 most of them, the focus groups that are meeting might
12 possibly, as part of their activities be assessing the
13 need for and desirability of having additional SDPs in
14 areas that are not addressed yet. Maintenance perhaps
15 -- this is a maintenance rule as well as -- you heard
16 a little bit about PI & R. There might be others. It
17 all has to fit within the framework that we've
18 established in the cornerstone structure, but we'll
19 continue, have a continuance improvement process that
20 is going to continue to look at that and flag those
21 things that -- where there might be a benefit in
22 creating a new SDP.

23 As I said, we've seen it already with the
24 requal. SDP.

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1 CHAIRMAN PLISCO: And the other issue that
2 came up had to do with what role does the licensee's
3 PRA play in our decision making process and what kind
4 of checks and balances are in the risk
5 characterization discussions or process?

6 DR. COE: It's back to the original point
7 of emphasis and the one I feel very strongly about and
8 that is that risk analysis has historically suffered
9 from a lot of misunderstanding and skepticism and
10 doubt, mainly because the assumptions that were used
11 to drive the results were obscure and were -- unless
12 you were a specialist in this area, you really didn't
13 have the time or the ability to comprehend and
14 understand what was behind the results that were
15 coming out.

16 One of the benefits of this process is
17 that it forces the exposure of these kinds of
18 assumptions and the process of engaging the licensee
19 should be one that happens very early on. The intent
20 is for the inspector to assess a finding, using the
21 SDP up through and including Phase 2 process and at
22 some point in time be prepared to engage the licensee
23 and ask here's how we see it. Certainly the licensee
24 has these tools as well, right? They're not going to
25 leave it on the shelf if the inspector is digging into

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1 an issue, they're going to be trying to understand it
2 themselves. Both perhaps from an SDP standpoint as
3 well as from their own use of their own tools to
4 assess the potential significance.

5 And so we would expect that there would be
6 an on-going dialogue. Again, it's intended to foster
7 that dialogue. We hope that it occurs. We hope that
8 it occurs before the exit meeting. We hope that as
9 the process continues into greater stages of
10 formality, that there are continuing opportunities for
11 interaction at greater, with greater formality until
12 we finally come to the staff's initial assessment of
13 the significance and the offering of an option for the
14 licensee if they don't agree with that or they believe
15 that there's additional information that wasn't
16 available to bring that forward at a regulatory
17 conference.

18 So the answer, I think, simply is we would
19 expect engagement with licensees at every step of the
20 way and I would certainly want to encourage that.

21 Yes, Steve?

22 MR. FLOYD: I think the issue that we were
23 wrestling with this morning was that there is
24 variability, obviously, in PRA results across the
25 industry due to completeness issues, due to treatment

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1 of certain assumptions that go into the PRA. And the
2 assumption is that you could have similar plants that
3 have drastically different results and the concern
4 that we heard expressed this morning was that when you
5 get to Phase 3, the NRC is going to take the
6 licensee's results and run with it and use that as the
7 basis for the final color determination, if you will,
8 coming out of the SDP.

9 DR. COE: And in many cases, the
10 licensee's probabilistic assessment models are more
11 sophisticated and more detailed than our own, but we
12 do have models, simple though they may be, relative to
13 the licensees, and in some cases we may have the
14 opportunity to actually run models that aren't as
15 sophisticated as the licensees. And ultimately, we
16 can always ask the licensees for detailed information
17 on why the results that they get were coming out that
18 way. That's why we have senior risk analysts in the
19 region and a staff at headquarters to help ferret out
20 the assumptions that are most influential in driving
21 the significance and then understanding the difference
22 between the NRC's initial assessment of an issue and
23 a licensee's.

24 And of course, clearly, what often happens
25 we tried to create an SDP that's somewhat conservative

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1 in its simplicity and therefore it tends to influence
2 the significance of things, we would hope, in general
3 and expect to see that over time. And then therefore
4 we would hope that a more detailed treatment by the
5 licensee would help us understand where the
6 assumptions have been made more conservative than they
7 should be and to expose those assumptions again and so
8 the comparison of a licensee's results with NRC's
9 results is never one that stops at the end number.
10 Okay, it always goes down to the reasons that drive
11 the differences and in doing that we may expose the
12 need for changes to our own model, our own SDP. We
13 may expose the need for changes to a licensee's
14 assessment. Or we may simply have a better
15 understanding of where we have a difference and we
16 understand why there's a difference there and as we
17 all know, there's no necessarily standard set of
18 assumptions for PRA. So any time you are utilizing
19 this information, it's imperative that this kind of
20 more detailed information that is influential in
21 driving the result comes to fore so that people can
22 understand it.

23 MR. MADISON: I'd just like to add a
24 little bit to that. I think you can look at IP2 as a
25 clear example of how the SDP process worked when prior

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1 to the regulatory conference there was a considerable
2 dialogue between the licensee and the NRC staff. And
3 we talked about some of the details and the
4 calculations, but we use the SDP and the Phase 3 type
5 of review to come to an initial conclusion of the
6 determination and significance of the finding prior to
7 the regulatory conference.

8 At the regulatory conference, the licensee
9 provided additional information, some very detailed
10 information. We took that information back and
11 reviewed it and determined our determination of
12 whether we should rely upon that information and the
13 impact of that. And in some cases the impact wasn't
14 -- maybe we did agree with them, but the impact of the
15 change wasn't great enough to cause us to change our
16 determination, our conclusion.

17 Remember, we said earlier there's no
18 necessarily bright line. There's no number associated
19 with specifically crossing the white to yellow or the
20 yellow to red threshold. We have a guideline in
21 there, but that's why we stayed in colors. That's why
22 we didn't say that there was an E to the minus 7 meant
23 you were -- E to the minus 7 or .9 was a difference.
24 There's no difference between .9 and 1. And so we
25 looked at not just the numbers that the licensee

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1 provided, but the -- I guess the overall impact of
2 that number on our determination significance and we
3 didn't change our call on that, even though we did
4 agree with some of the numbers the licensee provided
5 us at IP2.

6 MR. FLOYD: You also disagreed with some.

7 MR. MADISON: We also disagreed with some,
8 but it's not just the determination that the licensee
9 makes even though in some cases they may have better
10 models.

11 We're going to take that information back
12 and rigorously analyze it before we come to a
13 conclusion.

14 MR. DEAN: Basically, we use that
15 information to either strengthen our belief in our
16 assumptions or to challenge those assumptions that we
17 had and how we'd applied those to the analysis.

18 MR. KRICH: Let me go back to something.
19 The ALARA SDP, I don't know if you finished it, what
20 was the end, maybe I missed it?

21 DR. COE: The take-away on that bullet is
22 basically that we have a focus group that's going to
23 deal with occupational radiation safety issues and one
24 of them is the question of how we've defined the
25 various terms in that SDP because the driver behind

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1 the three white issues at Callaway was how we
2 interpreted our guidance regarding what the definition
3 of a job is. And it turned out there were three jobs
4 that exceeded the thresholds that were in that SDP.
5 And another interpretation could be that it was all
6 the same issue, a single issue related to effectively
7 monitoring and controlling work exposure during work,
8 radiation exposure during work.

9 It was certainly understood at the very
10 outset of the creation of these SDPs that there would
11 be interpretational problems, there would be a need
12 for clarification. And in the case of the OSRE
13 findings SDP, you may need to just chop it off and say
14 it isn't working, we have to go back and relook at
15 this from the start. And so not unexpectedly we're
16 seeing these kinds of bumps in the road.

17 However, I want to leave you with the
18 impression that as an overall goal that we believe
19 that the SDP is on the right track, that it's serving
20 its function and that's a worthy function and it's
21 certainly a necessary function within our framework.

22 Yes sir?

23 MR. SCHERER: I realize all the efforts
24 that you've got underway to roll these out, but I had
25 a question in a somewhat different area.

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1 What processes have you or are you
2 planning to put in place to periodically look at the
3 SDPs that you have in effect and determine what areas
4 they generate false positives, i.e., findings that
5 have more safety significance than are truly warranted
6 and more importantly probably to me and to the
7 viability of the program false negatives where we
8 inadvertently failed to identify a more significant
9 issue. What process are you planning to put forward
10 --

11 MR. MADISON: That's part of the
12 self-assessment process. We look at false positives,
13 over conservative and under conservative. It's one of
14 the metrics -- that, in fact, a couple of metrics that
15 are in the SDP section.

16 DR. COE: In fact, on page 15 of your
17 handout is a depiction, a histogram of the first
18 situation that you referenced and that is the
19 over-conservative initial SDP finding. And what this
20 graph is telling you is that in the second quarter
21 of 2000 we had two issues that came up to our
22 headquarters panel that were greater than green, so
23 the process requires that they come to the panel and
24 subsequent to that they drop down to a lower color.

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1 I think in both cases they went down to
2 green. Now that was again, it's not unexpected that
3 through the process of gathering further information
4 focusing on the significant influential assumptions,
5 that we may end up coming to a lower significance
6 determination than we initially did. That's not
7 unexpected. And as Alan said, the flip side of that,
8 are we seeing SDP results that are under conservative,
9 that are not fleshing out the issues, we have a risk
10 assessment branch at NRR engaged in a process of
11 auditing inspection report green findings. And their
12 task is to take, to sample these green findings and
13 look for evidence that the SDP was misused or
14 improperly used or that there was some aspect of those
15 issues that might have warranted a further review that
16 they didn't get because the SDP basically turned them
17 into green issues at some early stage.

18 So yeah, the question, the concern that
19 you raise is one that we all were concerned with at a
20 very early stage in this process and so you'll see
21 that in those metrics, self-assessment metrics.

22 MR. SCHERER: What sort of sampling
23 frequency are you talking about?

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1 DR. COE: Well, the over conservative one
2 is quarterly. The second one is going to be a semi-annual.

3 MR. MADISON: It's an annual basis, but a
4 continuous audit is being performed. They'll report
5 annually on the outcome. The purpose of or the
6 criteria they were given was to come up with a 95
7 percent confidence factor in those questions we asked
8 and to do that they need a large enough population so
9 they'll be doing it on an annual basis, reporting out,
10 but they'll be doing it -- doing the audit
11 continuously.

12 DR. COE: I have to tell you that we have
13 inspectors out there in the field that are looking at
14 this thing every which way from Sunday, to try to
15 figure out if we've missed something and I can't tell
16 you how glad I am that they are.

17 Yes sir?

18 MR. SHADIS: I want to help them if I can.
19 What I read here is in the second quarter, the year
20 2000 you basically had two over conservative SDP
21 findings and then the next two consecutive quarters
22 you have one over conservative finding each. That's
23 not too many to be able to include some information as
24 to how they came into focus for reconsideration and --
25 or for extra oversight. What initiated that? Were

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1 these -- I mean we could cite the specific cases.
2 There are only four here. So it might be helpful in
3 revisiting this to know if this was because the
4 findings were challenged by a licensee. If the
5 initial findings didn't take into consideration some
6 plant-specific issues, it should to my way of thinking
7 for my purpose on this Panel it would be helpful for
8 me to know what these four cases were.

9 DR. COE: We could provide that if you
10 want. We'd be happy to do that.

11 MR. MADISON: What you're seeing is also
12 a -- part of this presentation is on a quarterly basis
13 we're not going to do an in-depth analysis of each of
14 these metrics. We're going to save that for the
15 annual analysis and that hasn't occurred yet. We
16 don't have enough data to really do a large analysis.
17 What you'll see on a quarterly basis may be some
18 comments such as that, to provide some clarification
19 in the final presentation, but we don't do an
20 analysis. On an annual basis, you'll see an analysis
21 of what we think the data tells us.

22 So you're seeing only the graphic
23 presentation right now. You're not seeing what's
24 going to come underneath that.

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1 MR. SHADIS: So far, you haven't had any
2 licensees coming in to say you've been underlie
3 conservative?

4 MR. DEAN: No. They haven't volunteered
5 that information.

6 MR. MADISON: I don't think we would try
7 and measure that because I don't think we'd get any --

8 CHAIRMAN PLISCO: This also does not count
9 the ones that went out as preliminary finding and were
10 later brought down?

11 MR. MADISON: No.

12 CHAIRMAN PLISCO: This is an internal
13 process that will be brought forward in the process
14 and I know Randy and Ken, when you talk about
15 unintended consequences, we're concerned about this
16 PI, we talked about this before with Bill, not to make
17 too big a deal about this because we want our
18 inspectors to be conservative when they make their
19 call. We want them to be on that side when they bring
20 things to the Panel, you know, obviously, we beat
21 people up for bringing to the panels what we think
22 shouldn't be brought and after a while they understand
23 what the answer is. And we don't want to be there.
24 So we are trying to be cautious on this, the
25 performance indicators.

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1 MR. MADISON: If you look at the
2 description to this metric, we're not establishing a
3 threshold.

4 CHAIRMAN PLISCO: Right.

5 MR. MADISON: On this metric --

6 CHAIRMAN PLISCO: For that reason.

7 MR. MADISON: We're looking to see where
8 the data throws us for the first year or so and then
9 we'll establish some boundaries on that.

10 CHAIRMAN PLISCO: Because there are always
11 some that are on the edge and we want them to bring
12 those to the Panel, the ones that are on the edge.

13 MR. FLOYD: So did I hear you right, none
14 of these are ones that licensees have challenged?
15 These were ones that were changed as a result of the
16 internal NRC review?

17 CHAIRMAN PLISCO: Yes, these are ones that
18 were changed when they went to our internal panel
19 before they were even -- before the exit meeting was
20 conducted.

21 DR. COE: The one example that might be a
22 little mixed there is the OSRE situation. That
23 involved -- I'm not sure I could pinpoint when it
24 became external. It sort of all kind of built up
25 really fast, you know.

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1 CHAIRMAN PLISCO: Typically, it's meant to
2 pick up the ones internally. We bring to the Panel,
3 the national Panel and the Panel decides that it's
4 over conservative.

5 DR. COE: That's right. We have other
6 metrics that would indicate to us if a licensee
7 mounted a successful challenge to our final
8 determination through the appeal process. There's
9 another metric that would track that.

10 I'll leave it up to the Panel as to how
11 much more time you want to spend on this SDP --

12 MR. GARCHOW: I just want to ask a
13 question, with all your indicators the number of
14 occurrences is important, so if it's 2 out of 100,
15 that tells you something than it's 2 out of 3?

16 DR. COE: Yes.

17 MR. GARCHOW: I noticed that limitation,
18 but a couple of these indicators, I don't have a feel
19 for what the rate is. If you said you had 3 in the
20 second quarter, I'd say 2 would be different
21 information, so I'd just make a beneficial suggestion
22 to annotate how many potential occurrences --

23 MR. SHADIS: Yes, but David, if you had 98
24 percent of your findings in green, 2 or 3 or 4 being
25 thrown back in that direction is significant.

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1 MR. GARCHOW: That may be true going the
2 other way. I just wanted to know if it was 2 of 20,
3 2 of 40, 2 of 400.

4 DR. COE: It's 2 of 17 in this case or
5 actually 4 of 17 in this case.

6 MR. GARCHOW: That tells us something.

7 MR. TRAPP: Was this after the internal
8 SERP Panel?

9 DR. COE: This is after the internal SERP
10 Panel I believe in all cases.

11 MR. BLOUGH: That's our internal process,
12 after it's been through the first regional review, it
13 goes to the panel. We do review the green findings in
14 the region to see if they should be greater than
15 green. That's part of what our risk analysts do.

16 MR. SHADIS: I understand. What jumps out
17 at me is that the movement is all in one direction.

18 MR. DEAN: We have other metrics -- don't
19 focus just on one metric. There's a whole slew of
20 them. This is just examples of some of the metrics
21 that we have.

22 DR. COE: Yes, there's quite few metrics.
23 It's up to the panel if you want to spend any more
24 time on SDP or we can move on.

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1 MR. MADISON: The next topic area is
2 assessment. Robert Pascarelli.

3 MR. PASCARELLI: Good afternoon,
4 everybody. My name is Bob Pascarelli, I'm the task
5 lead for the assessment program and I'm going to run
6 through, again like everybody else in the ROP
7 initiatives, run through the metrics, some of the
8 changes that we've had to -- I'll warn you that the
9 changes to the metrics are not that significant,
10 mostly just clarifying remarks.

11 And then I'll run through some of the
12 metrics that we have data for that we might be able to
13 talk about a little bit.

14 First thing up here we have mid-cycle
15 assessment for all plants completed by November 2000.
16 A year ago last fall we only did it for the pilot
17 plants. This was our first opportunity to do the mid-
18 cycle reviews for all of the plants.

19 Now we've already talked a little bit
20 about this. This is talking about the inspection
21 planning cycle which is also associated with the
22 assessment cycle. Right now we have three calendars,
23 so to speak. We have the fiscal year which begins
24 October 1st. We have the assessment period which

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1 starts April 1st and the calendar year which starts
2 January 1st.

3 So a side effect of possibly changing this
4 to line this up with the calendar year would be that
5 we eliminate some confusion. If you look out on the
6 website, for example, the most recent results for the
7 mid-cycle review is the third quarter 2000 that being
8 calendar year. And so it can create some confusion in
9 that respect.

10 I think some of the major concerns in this
11 area of shifting it was the load on the regional
12 offices and my understanding is that at one of our
13 recent counterpart meetings and again, our counterpart
14 meetings that we have is between our DRP and DRS
15 division directors in the regions. And my boss, Bill
16 Dean, to get together every once in a while and talk
17 through issues. And one of the things they talked
18 about recently was projecting resource loads
19 throughout the year and this was a most desirable one
20 so far. My understanding is they're still talking
21 about this. It is a possibility that may happen and
22 again, it's going to be a topic of conversation in our
23 next meeting.

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1 MR. GARCHOW: In that conversation, did
2 you ever get to talk about refueling outage frequency
3 and the potential and the calendar year of the plant?

4 MR. PASCARELLI: Yes.

5 MR. GARCHOW: In reviewing operations, so
6 you miss the opportunities to do the kinds of
7 assessments you do in refueling outages?

8 MR. PASCARELLI: Yes, that's true. Thank
9 you.

10 MR. BROCKMAN: The respective of whether
11 -- as long as you're in an annual cycle, whatever day
12 you start on you get into that problem group.

13 MR. PASCARELLI: Okay, the next thing is
14 IMC 0305 which is the assessment program. We've had,
15 it was issued last spring. Since then we've had the
16 end cycle reviews. We've gotten a whole myriad of
17 feedback related to the assessment program. We've got
18 a whole mid-cycle review with all the plants. So
19 we're going to incorporate those changes into the next
20 revision of 0305 and we're going to do two revisions.
21 The first revision is going to capture what we've
22 learned to date and that's so we can support the end
23 cycle reviews which are going to happen in early May
24 and we expect that to be mid-March, the next revision.
25 And then the next revision after that will be out late

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1 spring, early summer, hopefully late spring and that
2 will capture any lessons learned from the end cycle
3 reviews forward, lessons learned workshop, those type
4 of things.

5 So we're going to have two revisions
6 coming out to that in a relatively short period of
7 time.

8 The AARM, in case you're wondering what
9 that means an what MD means. It's a Management
10 Directive and it's -- we're putting one together right
11 now for the Agency Action Review Meeting and what that
12 is is it's replacing the senior management meeting.
13 It's going to be the same number, Management Directive
14 8.14 and it is essentially three legs to the Agency
15 Action Review Meetings, that being plants who have
16 significant performance problems and we define that by
17 plants that are in the multiple repetitive degraded
18 cornerstone column of the Action Matrix or the
19 unacceptable performance column of the Action Matrix.
20 So that will be two columns to the far right in the
21 Action Matrix. Those plants will be discussed.
22 That's one leg of the meeting. The second leg is
23 overall industry performance and the third leg is how
24 we are doing as the Agency, that being our self-

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1 assessment of ourselves and that's what we're talking
2 about today.

3 MR. BORCHARDT: How will you capture
4 plants that have serious problems, but don't have
5 colored findings or the findings don't result in the
6 Action Matrix?

7 MR. PASCARELLI: Are you talking about
8 -- is this an overall question about how we
9 incorporate no color findings or specific to this
10 meeting?

11 MR. BORCHARDT: No. I mean --

12 MR. PASCARELLI: In a general sense about
13 how we capture no color findings and assessment
14 process, right now we say that we include those in the
15 consideration of the range of actions within the
16 Action Matrix. And what I mean by that is in the
17 Action Matrix you have a certain supplemental
18 inspection procedure that's supposed to be done
19 depending on which column of the Action Matrix you're
20 in. And there is a difference in hours, quite a
21 variance of hours on how many hours you can spend in
22 that supplemental inspection procedure. So if you had
23 a lot of no color type findings you could exercise it
24 so you spend towards the heavier end of that.

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1 MR. BORCHARDT: I think I was asking about
2 the annual agency review meeting.

3 MR. PASCARELLI: Agency action.

4 MR. BORCHARDT: Agency Action Review
5 Meeting.

6 MR. PASCARELLI: That's right.

7 MR. BORCHARDT: How would a plant that the
8 agency has serious concerns about, but is not in the
9 degraded multiple cornerstone, if there were a
10 significant number of discrimination violations of a
11 plant, safety conscious work environment was of great
12 concern to raise the topic that was of interest to the
13 industry, the criteria that you stated that plant
14 wouldn't get discussed.

15 MR. PASCARELLI: The level that I talk
16 about in my chapter is pretty high level. The details
17 of that is going to be in Management Directive 8.14
18 and for this first Agency Action Review Meeting we're
19 going to have a draft copy of that that we're going to
20 use and that has all those details. Right now, we're
21 going through them. We're talking with senior
22 management about trying to get their insights into how
23 we capture those type of problems.

24 So those details are still being --

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1 MR. BOYCE: Yes, to partially answer the
2 question, Bob outlined those three areas and I think
3 that's our -- goes into position as to what we want to
4 brief on in the meeting. But that does not preclude
5 any kind of special concern with a plan from making
6 that plant come up to be discussed. But what you
7 don't want to do is set a threshold like we did on
8 senior management meeting where you can have a wad of
9 plants being discussed for a whole variety of reasons.
10 If you have an H & I concern at a plant and it's
11 extraordinarily high, that's one thing, but the Agency
12 Allegation Advisor would have to come through and say
13 this plant has got a particular concern that we need
14 to address and that makes the threshold much higher
15 than saying we're going to talk about H & I as a topic
16 and then go through all the plants and asses their H
17 & I status. So it's like a presumption that -- the
18 indicators that we have and the program that we have
19 will pick up those issues and they'll be embodied in
20 poor performance for the plant which will result in
21 your being in those last two columns of the Action
22 Matrix. But if we have a concern, it would not be
23 precluded.

24 MR. BLOUGH: Isn't it the process though
25 for those types of issues includes the end of cycle

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1 meeting that the staff for all plants so that all
2 offices will be asked before the end of cycle meeting
3 to bring those issues starting there and then there
4 wold be decisions.

5 MR. BOYCE: That's right. What Randy's
6 bringing up is there is at the end of each end of
7 cycle meeting an executive summary session where we'd
8 have headquarters, offices and regional offices talk
9 about these topics of interest that could potentially
10 be brought forward to the Agency Action Review
11 Meeting.

12 MR. DEAN: But let me emphasize one thing
13 that that is different than what the senior management
14 meeting purpose in the past. Okay, one of the
15 objectives of this whole oversight process was for the
16 Agency to be more predictable and understandable about
17 why it is it's taking certain actions. The intent is
18 not for this Agency Action Review Meeting to be some
19 sort of behind closed doors, getting senior managers
20 to go okay, what do you want to do about these plants?
21 Okay? That should already be done. We're looking at
22 these plants on a quarterly by quarter assessment
23 process and if there's problems and they enter a
24 certain element of the Action Matrix, they're dealing
25 with that. So the Agency Action Review Meeting is

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1 really more of a validation or a verification of
2 what's been done over the past year. It's not an
3 effort to try and come up with well, what should we do
4 about this plant or what should we do about that
5 plant? That should already be done through normal
6 processes that exist in the oversight process. So
7 that's a big difference. So a plant like you
8 described, Bill, if you're talking about a safety
9 conscious work environment issue, that should already
10 be a matter of public record. There should already be
11 documentation between the region or the Agency and
12 that licensee about our concerns and there should
13 already be actions that are being undertaken. Okay,
14 it's not the intent of this meeting to discuss what
15 should those actions be.

16 MR. PASCARELLI: Again, that's what you're
17 going to see this year instead of -- we did the end of
18 cycles last year, as we're going to have two separate
19 meetings, the end of cycle meeting and the summary
20 meeting will involve different division heads,
21 represent different divisions.

22 OE coordination issues. From the start of
23 the assessment program the assessment and the
24 enforcement program had been linked most obviously in
25 the Action Matrix. If you look at the Action Matrix

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1 we have traditional enforcement actions that are
2 embedded in the Action Matrix like a confirmatory
3 action letters orders and other things like that that
4 are embedded in the Action Matrix.

5 However, what we're talking about here is
6 coordinated issues between the revised oversight
7 process and the Office of Enforcement. There's been
8 a lot of discussion which we're working out internally
9 in regards to say for example signature authority for
10 notices of violations. Do those line up with the
11 grade and approach that we use in our revised
12 oversight process? So we're working through those
13 types of issues right now and that's OE coordination
14 issues.

15 Any questions?

16 MR. KRICH: Sorry. I may have missed it,
17 but I apologize. The mid-cycle assessment, I know
18 there was some talk about what to do with the PIM.
19 Has there been any change or any decision about
20 setting up the PIM?

21 MR. PASCARELLI: No. What we do is we
22 just attach the inspection plan with the mid-cycle
23 letter, send that out. The PIM is available on the
24 web and we haven't put that into the mid-cycle. There
25 hasn't been a change in policy.

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1 MR. BOYCE: The PIM can run multiple
2 issues. If it's green, it's not considered something
3 that merits discussion in the assessment letter. So
4 I think we've deferred up to this point including all
5 of the PIM in that letter. Only focus on the issues
6 that are other than green.

7 MR. KRICH: Okay.

8 MR. PASCARELLI: Any other questions on
9 this?

10 What I've got here is a couple of drafts.
11 We have some information so far and we can't glean too
12 much from this because we only a couple of cores that
13 are looking at this. What this is right now is this
14 is a graph that we have and as you can see, we've got
15 one. What it is is departures from Inspection Manual
16 Chapter 0305, again it's the assessment program,
17 departures from that. Not deviations, but departures
18 from those requirements and any other program office
19 guidance that we put out as far as the assessment
20 program. They put that caveat in there because for
21 the mid-cycle reviews we issued a boilerplate mid-
22 cycle letter and that was part of the criteria that we
23 looked at.

24 What we did in looking at this is we've
25 got a checklist that we go through and we look at

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1 these assessment letters and we look for compliance
2 with the guidance that we put out. And as you look
3 through here, like the only input we have in the
4 second quarter was we had, early on in the program we
5 had an assessment follow-up letter where we had two
6 white PIs in the beginning systems cornerstones at
7 Farley and that required a -- that was a degraded
8 cornerstone so part of the Action Matrix you were
9 supposed to go in and be a division director signature
10 versus a branch chief signature. So that was the one
11 input you had there. Third quarter we didn't have any
12 inputs after reviewing the letters there.

13 We also have some data from the fourth
14 quarter 2000. Again, I'd like to point out for this
15 one specifically, where we count the data is when the
16 letter would have been issued, should have been
17 issued. And also, this does not include timeliness
18 goals. It's the next one and I'll show you. So for
19 the fourth quarter 2000, that's when the mid-cycle
20 letters came out. We looked at that and using the
21 checklist we came up with a couple of different inputs
22 not that at Palo Verde where the letter that they sent
23 off to the mid-cycle state of the run call of the
24 Action Matrix and therefore had the wrong person sign
25 it. They identified the issue as -- they identified

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1 the issue, I believe it was a performance indicator,
2 but they stated that the plant was in the licensee
3 response column of the Action Matrix where it should
4 have been the regulatory response column. All the
5 actions were appropriate. It was just -- they
6 identified the wrong column of the Action Matrix and
7 then we had something at Waterford. Before, we had a
8 plant in the licensee response column where the
9 division signed for it instead of the branch chief.
10 So that's that one. Any questions on that?

11 The next one is timeliness goals.
12 Throughout the assessment program in order to be
13 timely and get our information out there and be able
14 to conduct these meetings we have a whole myriad of
15 timeliness goals throughout the program. They're
16 associated with the mid-cycle reviews, the end-cycle
17 reviews and getting the letters associated with those
18 meetings out. Also, we have timeliness goals
19 associated with the public meetings. And for the
20 input that we saw right here, we included public
21 meetings for the pilot plants, the pilot plants only,
22 because that's the elements we had. All of the
23 timeliness goals were met for those. The Agency
24 Action Review Meeting, we have a timeliness goal

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1 associated with that. Of course we haven't done that
2 yet, so that was -- we didn't include that in there.

3 The annual assessment letters for the
4 pilot plants, those were all done timely, in a timely
5 manner. And the mid-cycle letters that we just talked
6 about this past fall, all of those were done within
7 timeliness guidelines. We had two assessment fall off
8 letters that didn't go out within the timeliness goals
9 that we had established in 0305. One of them was at
10 Indian Point 2 and that had to do, it was the first
11 issue of many at Indian Point 2. It was early in the
12 assessment program and the region was working on
13 combining the resources to adequately address the
14 issues as they were emerging.

15 But they missed a timeliness goal on that. Then at
16 FitzPatrick there was a performance indicator where
17 the letter went out a couple of weeks late. But
18 again, these are goals that we think are -- should be
19 few and we're early on in the program and we expect
20 even less as the program goes on.

21 MR. GARCHOW: I have a similar comment.
22 It would be very hard to know how many --

23 MR. PASCARELLI: Yes, quite a few.

24 MR. GARCHOW: I'd feel different than if
25 you had three.

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1 MR. PASCARELLI: Like for the mid-cycle
2 letters there was probably 70 letters that went out.
3 That's just part of it. So there's quite a few.

4 MR. GARCHOW: So some of these maybe
5 better with a percent deviation or something as
6 opposed to a number of absolutes.

7 MR. DEAN: That's a good comment, Dave.
8 We do have to look metric by metric because there are
9 some where just a couple, whether it's out of a 100 or
10 whether it's out of 10 is significant.

11 MR. GARCHOW: Yes, but if you're reading
12 these, you don't have any time points.

13 MR. DEAN: That's a good point.

14 MR. BLOUGH: We had 22 and the goal was 95
15 percent, so having missed two missed the goal of 95
16 percent.

17 MR. PASCARELLI: This one right here, this
18 is another one where we have very limited information
19 on and this is actually the number of times, excuse
20 me, this is the lag time between issuance of the
21 assessment letter and the completion of a supplemental
22 inspection. We say it's specific to the exit meeting.

23 To give you an idea of the time line here,
24 you've already gone through with the inspections,
25 identified the issue. It's gone through the SERP

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1 Panel which we've talked about. The inspection report
2 has been issued. The reg. conference is done. The
3 Agency has come forth and said okay, this is a white
4 issue, a yellow issue. What we're measuring right
5 here is we're looking at the identification where we
6 definitively identify an issue as being risk
7 significant and how long it takes us to get in there
8 and do an inspection, take a look at that. There's no
9 criteria associated with this. It's just something
10 that we're collecting data. Any questions on that?

11 MR. GARCHOW: Of course there is a basis
12 of a corrective action program of the licensee has
13 fixed the problem, but I think it really is, it really
14 does have a basis where you don't these lag for months
15 and months. If the corrective actions have already
16 been taken and we continue to end up white or yellow
17 through the period of one of the indicators that would
18 be able to be set back. It does have some basis.

19 MR. PASCARELLI: Again, the information
20 that we have so far is very limited.

21 Here's something. This isn't a metric.
22 We thought you might like to see this. Again, we had
23 talked about the mid-cycle review. Mid-cycle review
24 includes all information up to calendar year third
25 quarter 2000. What this is is this is just a listing

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1 that I keep internally on plants and where they stand
2 in the action matrix. As you can see, starting from
3 the far right we have no plants in the unacceptable
4 performance column. We've got -- Indian Point 2 is
5 the only plant in the Multiple/Repetitive Degraded
6 Cornerstone Column. We've got four plants in the
7 Degraded Cornerstone Column and we've got a dozen
8 plants in the Regulatory Response Column. And the
9 rest are in the Licensee Response Column.

10 This type of information was just taken
11 right off the mid-cycle letters. This information
12 will be available on the web, but not in this format.
13 What we're going to do starting with the fourth
14 quarter 2000 data is basically have an alphabetical
15 listing of the plants and just a listing of what
16 column they are in the Action Matrix, just a
17 compilation of existing information.

18 Again, that may change every quarter
19 because PIs turn on and off, depending upon how
20 they're calculated and inspecting findings carry forth
21 for four quarters. So every quarter we update this
22 and in some cases we may have to update it even more
23 frequently with respect to inspection findings. Say,
24 for example, if we don't figure out the final
25 significance determination in the inspection finding,

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1 and so halfway through the quarter that may affect the
2 look back that we do and the level of inspection for
3 the Action Matrix. So we have to go back and look at
4 that.

5 This is also something that we just threw
6 together and this is just based upon a
7 mid-cycle review where plants in different regions
8 stand in the Action Matrix. And the total here you
9 can see, about 82 percent of the plants are Licensee
10 Response column in the Action Matrix. We have less
11 and less as we go to the right of the Action Matrix.

12 Any questions on that or anything else?
13 Okay, thank you.

14 MR. MADISON: Okay, the next presenter is
15 Tom Boyce who will be talking about industry trends
16 and risk-based PIs.

17 MR. BOYCE: With luck, I'll accelerate the
18 schedule. I've only got one slide. One of the things
19 that we were doing in the oversight program was
20 looking plant by plant at how performance was, but we
21 thought it important that if we initiate this new
22 oversight program we'd be able to take a step back and
23 say is industry performance improving, declining or
24 holding constant? Remember, one of the premises for
25 going into the revised reactor oversight program was

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1 that industry performance was improving in a variety
2 of performance indicator. So we said all right, let's
3 try and validate that assumption with our new program.

4 It's even been inserted into the NRC
5 strategic plan where we're going to try and make sure
6 we meet the goal of there are no statistically
7 significant adverse trends in industry safety
8 performance. Now the challenge is trying to figure
9 out what is the right parameter to measure to assess
10 whether industry performance is improving. What we
11 have done in the past is through our Office of AEOD.
12 They analyze seven performance indicators for
13 industry. That program has been on-going for 15
14 years. We've also got the accident sequence precursor
15 program which is run by Office of Research. Because
16 those programs have been around for a length of time,
17 they form an excellent baseline with which we can
18 continue to assess whether industry performance is
19 improving or declining. So we are actually going --
20 we're going to pickup the contract here at NRR to
21 continue the AEOD PIs and we're going to continue to
22 monitor them for some period of time. Research is
23 also continuing the accident sequent precursor
24 program.

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1 We're going to take these trends and we're
2 actually going -- we're going to look for trends and
3 we're going to publish the information on the NRC's
4 website along with the plant specific information that
5 is there already so that anybody who wanted to go in
6 and check out performance of the nuclear industry
7 could see how the industry is doing and how each plant
8 is doing.

9 We're also going to take a look at our
10 current set of oversight process performance
11 indicators and inspection findings and try and go in
12 there and see if we see any trends developing. We
13 think this is going to take a bit of time. We've got
14 data that has been submitted by licensees for the past
15 two or three years, but the trends that we've seen at
16 least with AEOD PIs take five years to develop. So we
17 think even if we come up with good parameters to track
18 and we reach agreement with everybody that these are
19 the right ones and we know what they mean. We think
20 it's going to take several years before we can
21 actually come up conclusively and say that we have a
22 statistically significant trend.

23 We're working on that and the start of it
24 is what Bob just presented. He presented some -- a
25 chart which showed a bottom line. We have 82 percent

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1 in the licensee response column. We have 1 percent in
2 the multiple degraded cornerstone column. And what we
3 can do, if we're getting declining performance in the
4 industry is we should see a migration from the
5 licensee response column to the right in the Action
6 Matrix, so our percentages would decline in the
7 licensee response column and go up correspondingly.
8 At least that's our thesis and we're going to test it
9 over the next few years.

10 MR. GARCHOW: So would you conclude that
11 using that data would you conclude that the industry
12 migrates off to the left of the column that we would
13 have improving industry performance?

14 MR. BOYCE: Well, I can't tell you that I
15 would conclude that today. I would bureaucratically
16 say let's take a look five years from now and look
17 back and see if that's true. But that is one possible
18 conclusion.

19 MR. FLOYD: And you would do that on an
20 annual basis, right? For example, there's only been
21 six months worth of inspection findings plugged into
22 the determination of that licensee response column.
23 I predict over the next two quarters which will round
24 out the rest of this year, you'll probably see another
25 10 or so units migrate from that licensee response

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1 over the next one and that wouldn't be an indication
2 of declining performance in my view. That would just
3 be -- now we have a complete picture of a first year
4 of a program with one complete inspection cycle.

5 MR. BOYCE: Well, I think you're putting
6 forth what you think is the right answer and we think
7 there's a lot of truth to that to displaying
8 information over a long period of time to make sure
9 you don't arrive at a knee jerk reaction to one event
10 that might drive your data.

11 Alternatively, you can present three
12 years' worth of data but on a rolling quarter basis.
13 Every quarter you bring forward a rolling average and
14 that way you can get new data integrated, but you're
15 still looking over a long period of time. We have not
16 worked out that detail because we don't know what our
17 trend lines will look like.

18 We're going to be developing this over the
19 next nine months to a year and we're going to be
20 working through this and presenting this to the NEI
21 working group monthly to try and bring forth these
22 sorts of better ways to do it.

23 Finally, in the future, NRR and Research
24 are taking a look at the feasibility of developing
25 risk-based performance indicators. This is an attempt

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1 to move us more in a risk-informed direction by
2 possibly taking a look more -- in more detail, let's
3 say component reliability, system reliability and
4 building up from there to develop a set of performance
5 indicators that may even lead to a plant-specific
6 definition of whether -- a plant's risk. In other
7 words, if you've got good data on a plant, and you've
8 got a good PRA model on a plant, you can set a more
9 precise threshold for performance on that plant.
10 Right now, for every indicator we've picked the
11 threshold and it's been based on historical data which
12 is empirical and we've said we want a 95.5 percent
13 criteria applied to that. In the future, maybe. This
14 is only a potential. We could get to the point of
15 saying on each plant for each performance indicator,
16 the change in core damage probability would be let's
17 say 10 to the minus 6 or 10 to the minus 5th before
18 you've crossed a threshold.

19 Now that's the potential of the program.
20 There's an awful lot of work that's going to -- it's
21 going to take to get to that point. We've got to have
22 confidence in our data. We've got to have confidence
23 in our PRA models. So this is a several year project
24 at least.

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1 Research has done a feasibility study.
2 They're going to be publishing it via Federal Register
3 notice later this month and there will be an
4 opportunity for public comment on at least a
5 feasibility study pretty soon.

6 Questions?

7 MR. DEAN: Loren, as a reference point we
8 probably have about in terms of presentation material
9 maybe about 30 minutes, 35 minutes or so. I know your
10 session is supposed to end at 5. We can do one of
11 three things. We can take a short break and come back
12 and hopefully be done by 5:30 or if you want to come
13 back tomorrow morning or we can press on from here.
14 Whatever you prefer, we're willing to support the --

15 CHAIRMAN PLISCO: A five-minute break and
16 then finish up. Please keep it to five minutes.

17 (Off the record.)

18 MR. DEAN: Okay, as we kind of come to
19 closure here, at least on the status and initiatives
20 of the oversight process, I want to spend a few
21 minutes talking about kind of our global game plan, as
22 you will, kind of what I call our end game process at
23 least for the year of initial implementation and then
24 spend a little bit of time just talking about some of
25 the near term activities we have focused on, some of

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1 those things that we think are most appropriate and
2 pertinent to look at in terms of lessons learned
3 review.

4 Obviously, our focus is on briefing the
5 Commission early summer on the results of the first
6 year of initial implementation and that briefing, if
7 you look at the bottom of the slide is scheduled for
8 July which means the month before that we've got to
9 have a Commission paper in place and that's scheduled
10 for late June.

11 One of the things I guess I want to
12 emphasize and hopefully I know that you all have been
13 working on developing internally your issues, those
14 things that you think are important to bring forward
15 to look at in terms of lessons learned in the first
16 year of the oversight process. I think hopefully what
17 you've heard from all of my task leads this afternoon
18 is that there's probably, hopefully, a good level of
19 congruence between what we've raised up as key issues
20 and what you all have identified and if that's true
21 that's a premise that I think that's true, and if
22 that's the case, I think that's probably a strong
23 reflection of the fact that we're out there with a lot
24 of antenna up there trying to gather insights from
25 whomever and wherever we can and we're using that

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1 input to help us gauge what are the things that are
2 most important to prioritize our efforts. Obviously,
3 there's a lot of things that can be worked on at any
4 one time. Obviously, we have limited staff, so we
5 have to focus on what are those things that are most
6 important. So hopefully you've seen some level of
7 agreement of what you all have identified.

8 We talked about the Federal Register
9 notice that was issued in December. We've got copies
10 of it here. Basically, it lists a lot of areas we're
11 looking for feedback on. One is topics for our
12 external lessons learned meeting in late March and
13 that input is due by the middle of February. We've
14 already got some input from some public stakeholders
15 about what they think might be pertinent topics for
16 that workshop. But we're also looking on comments on
17 the oversight process, as a whole with the specific
18 focus on a number of questions that we've identified,
19 some of which feed into the metrics that we've talked
20 to you about here this afternoon. And that input is
21 due middle of April after the lessons learned workshop
22 to give people an opportunity to use that evolution to
23 help gauge how they want to weigh in.

24 I'm going to talk a little bit about the
25 internal lessons learned review, what we're doing

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1 internally in the focus groups in just a minute. I
2 mentioned the external lessons learned workshop.
3 That's scheduled for March 26 to 28th at the
4 Gaithersburg Hilton and so we expect that to be a fun
5 endeavor.

6 The end of cycle reviews, if you look at
7 the oversight process while the calendar year, I'm
8 sorry, the inspection year ends March 31st, that will
9 be one full year of inspection that the end of cycle
10 assessment which is part of the oversight process,
11 won't occur until May. We've got to get the PIs
12 reported in late April and then the regions have to
13 assimilate all that information and look at it and
14 develop their end of cycle assessment letters. So the
15 process really won't close out until about mid-May or
16 so because that's when that comes together and then
17 following on that is the Agency Action Review Meeting
18 which is currently scheduled the 29th through the 31st
19 of May.

20 We already talked about the Commission
21 paper and the Commission briefing, so that's kind of
22 the big ticket items that we have going on over the
23 course of the next five or six months.

24 Let me talk a little bit just about the
25 internal lessons learned review activity that are

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1 going on. You heard a lot of discussion this
2 afternoon after some of the things that we've done
3 over the past few months, in particular, to try and
4 gather feedback. We talked about the site visits to
5 the regions where we went to six sites in each region.
6 We went to the regional offices and met with our
7 inspectors and managers in the regions. We had public
8 workshops in each of the regions to solicit feedback
9 from both public and industry stakeholders as well as
10 our own inspectors about oversight process and we've
11 used all that information as well as on-going public
12 meetings that we have with industry, with the NEI
13 sponsored ROP working group as well as our own
14 inspectors and managers through our internal feedback
15 process.

16 So we've identified a lot of things and
17 that's helped us focus on those topics that we want to
18 expand a concentrated effort over the next several
19 months coming hopefully to some level of closure at
20 the external lessons learned workshop. These are the
21 11 topics that we identified. I think most of these
22 we touched upon already in our discussion so I won't
23 go through those, but I will share with you is that
24 some of these are really more internal type issues.
25 They probably won't see coming forward to the external

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1 lessons learned review. For example, resource
2 application may not be -- that's probably more of an
3 internal efficiency issue with the NRC. Now as
4 resources that we apply that impact licensees or
5 effectiveness of the oversight process that's a
6 different story. For example, the safety system
7 design inspection approach. We really haven't gotten
8 a lot of external feedback on that, but there's been
9 some internal discussion about maybe there's another
10 approach that might be better, so we'll have to look
11 at what sort of issues bubble up through that focus
12 group and whether those are the things we want to
13 bring forward or not to the lessons learned, external
14 lessons learned review meeting. But the intent is to
15 take the effort of these focus groups which consists
16 of the combination of headquarters, staff and regional
17 staff in each one of these focus groups with an SES
18 sponsor, regional SES sponsor for each of these groups
19 over the next two months to develop what are the main
20 issues, okay, the key issues that they see, develop
21 some recommendations and then in early March we
22 internally will meet with the DRP and DRS division
23 directors from each region and go over each of those
24 recommendations and come to some agreement as a group
25 as to what approach should we consider and then are

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1 these issues things that we ought to bring forward to
2 the external lessons learned review meeting to try and
3 build a global consensus or are they things that
4 really are just internal type issues?

5 And so that's where we're going to focus
6 our effort really over the next couple of months.
7 That doesn't mean that there's other issues out there
8 that are -- that need to be addressed. But these are
9 the things that we want to focus our attention and in
10 particular the regional resources that we're applying
11 and make sure that we have some internal consensus
12 over the next couple of months and so if there's not
13 any questions on these last two, what I'd like to do
14 is spend the last part of our presentation today
15 having Alan walk us through where are we with respect
16 to recommendations that were made by the Pilot Plan
17 Evaluation Panel, the PPEP, as well as the SRM,
18 Commission SRM, Staff Requirements Memorandum issues,
19 where we stand with those. And so if there are no
20 questions, I'll move it on to Alan.

21 MR. BORCHARDT: Bill, just one question,
22 real global. What feedback or what product would be
23 of value to you coming out of this group?

24 MR. DEAN: You know, the thing that's
25 important about this group is that it kind of forms a

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1 microcosm of what it is that we're trying to do on a
2 much more global basis which is try and get
3 appropriate input from all the various stakeholders
4 that have a interest in the oversight process. So
5 here you have a concentrated group that represents all
6 the parties that we're trying to, on a much more
7 massive level, trying to consider all their feedback,
8 so you all have an opportunity to kind of distill that
9 and so one of the things I think will be of value to
10 me and my staff would be some level of now that you
11 know or have an idea of what are the things that are
12 hot on our plate right now, does that match up with
13 what your perspective is as a group and if so, does
14 our prioritization look about right or are there some
15 other things that you think are of import that are
16 affecting the efficacy of the oversight process that
17 we ought to be focusing some attention on.

18 The other thing may be as we develop these
19 focus groups and we come up with recommendations that
20 are going to come to the external lessons learned
21 review, hopefully we'll come out of that evolution
22 with some -- we'll come out of that evolution with
23 some areas where both industry and public and us --
24 NRC will agree on what the approach ought to be and
25 we'll come up with some issues where there will be

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1 discontinuities. There won't be agreement. And so
2 perhaps in those type of areas we would look for some
3 input from this group as to what do they think might
4 be the approach, given the fact that industry and
5 public and NRC can agree on an approach. Those would
6 be the things that obviously would be of most value to
7 me and my staff.

8 MR. BORCHARDT: Thanks.

9 MR. DEAN: Thanks.

10 MR. MADISON: Okay, thank you, Bill. The
11 recommendations made by the PPEP prior to initial
12 implementation had to deal with these five topic
13 areas. In developing the process for handling PR
14 reporting inaccuracies, we've developed an inspection
15 manual, Chapter 71150 which discusses the PPEP with
16 PIs so that has been accomplished, was accomplished
17 prior to initial implementation.

18 In developing the SEPs for remaining
19 reactor issues, the three topics in that area were the
20 containment area, the shut-down SDP and a concern that
21 we had regarding external events and its affect on
22 reactor safety SDP. Prior to initial implementation
23 we had in place tools to address each of those issues.
24 Now we are refining those and we're continuing to work
25 on each of those areas so that in coming months we may

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1 implement better tools than what we have. But there
2 were tools in place prior to initial implementation.

3 Third bullet, developing procedures for
4 the deviations from the Action Matrix. This is
5 embedded in Manual Chapter 0305 which covers the
6 assessment process. We have not had any deviations
7 from that, but in that process it would describe what
8 we would have to go through and we would, of course,
9 report those to the Commission if there were any.

10 Improving the process for providing public
11 -- providing data to the public. This primarily dealt
12 with the information on the web page and we've done an
13 awful lot even prior to initial implementation to
14 upgrade that web page. It also dealt with the issue
15 of initially the pilot plant PI information was sent
16 first to NEI and then NEI provided the NRC the
17 information. Prior to initial implementation we
18 implemented whether the licensees reported directly to
19 the NRC that information.

20 In updating NUREG-1649, which is the plain
21 English version, plain English description of the
22 process. We're actually in rev. 3 on that document so
23 we've overachieved in that area.

24 That was prior to initial implementation.
25 There were then several recommendations for post-

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1 initial implementation or after initial
2 implementation. Conducting the required PI
3 verification inspections. This actually wasn't just
4 the PI verification inspections. These are
5 inspections performed on an annual basis and they're
6 phased over the entire year cycle of inspection
7 program. We felt it was important and right away
8 after, right after initial implementation to focus on
9 do the licensees have an adequate program to report PI
10 data accurately. So we implemented a temporary
11 instruction, TI 1442515/144 and that has been
12 accomplished at all sites to verify that their
13 processes are in place to accurately report the
14 information. We are still conducting the PI
15 verification at all facilities.

16 Resolving the issues with selected PIs I
17 think Don talked considerably in detail about each of
18 the issues that are up here on the screen in that
19 area. We're still on-going efforts in most of those
20 areas, in all of those areas.

21 Ensuring program effectiveness not
22 measured by the resource utilization, that's embedded
23 in the self-assessment process. We are looking a
24 research utilization, but we're looking at dozens of
25 other aspects of the program as well.

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1 Significant events should be evaluated for
2 program effectiveness and insights so that they can --
3 remember back to my first part of the presentation
4 where I described the two metrics associated with the
5 overall self-assessment part of the program. We're
6 looking at AITs, IITs and the ASPA events, to look at
7 those topics to see if we gain insights.

8 We're also looking at lessons learned
9 reports for some of the more significant issues, for
10 example, the IP-2 lessons learned report will help
11 provide additional insights into the program.

12 The ROP basis document, this was to go
13 back and collect all of that body of historical
14 information that was in several people's minds about
15 how the program was developed and where the bodies
16 were buried or where they weren't buried. That's in
17 process. It's being written and should be issued by
18 the end of July is the goal at this time.

19 Process for on-going confirmation of
20 program assumptions. This is all of what we talked
21 about today. Self-assessment program, the working
22 groups that we've got established to look at all of
23 these, all part of accomplishing that.

24 That deals with the PPEP recommendations.
25 Any questions on those?

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1 MR. BLOUGH: The ROP Basis Document, will
2 that then be controlled and become a living document?

3 MR. MADISON: Our thinking right now is
4 we'll issue that as a NUREG and that will control it.
5 And any revisions would be an update to the NUREG.

6 MR. BLOUGH: And then will be
7 institutionalized into the change process to where if
8 you're making some change to the program, you've got
9 to go back and compare it to the basis document?

10 MR. MADISON: Yes. In fact, there's some
11 requirements I think right now --

12 DR. COE: I'm reviewing the annual chapter
13 for change right now and one of the elements I want to
14 ensure is embodied in that is that review back to the
15 basis, back to the framework.

16 MR. BLOUGH: What do you start from on the
17 basis document?

18 DR. COE: Well, right at the moment we've
19 got the SECY papers and other associated documents
20 that accompanied them.

21 MR. DEAN: We're going back to the
22 technical framework that was developed to extend that
23 to SECY 007 which then led to SECY 0049, all the
24 documents, major documents that have kind of laid the

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1 path as to how we -- where we're at now in each of the
2 areas.

3 MR. BLOUGH: Okay, good.

4 MR. MADISON: Anything else? That deals
5 with the PPEP recommendations.

6 The SRM contain a couple of
7 recommendations. Convene a FACA panel which you folks
8 are sitting on. So we've accomplished that one.
9 Minimize deviations from the Action Matrix. We
10 haven't had any deviations from the Action Matrix. If
11 we do have any of those, the fourth bullet, pardon me
12 that's another bullet coming later on, but we would
13 report those to the Commission.

14 Solicit and address staff concerns. This
15 is our on-going efforts to go out, we went out to the
16 regions and to the site, six sites in each region. We
17 continue to collect on a daily basis an opportunity
18 for inspectors to provide feedback through either
19 formal methods of the feedback collection forms to
20 provide information to us or informally to send e-
21 mails and comments to the staff.

22 We also are looking at the focus groups,
23 internal lessons learned review, sending out the
24 internal surveys. So we're continuing to try to
25 really get our arms around it and offer as much

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1 opportunity as possible for the staff to comment and
2 address their concerns.

3 In communicating the importance of the
4 licensees' Corrective Action Program, this is, of
5 course, embedded in the inspection program, the
6 importance of the licensees in the Corrective Action
7 Program. We've talked an awful lot about it today and
8 we continue to try to get that into our
9 communications. Any questions on those?

10 There were a couple issues of note that
11 the SRM had and it dealt with some of the topics we've
12 talked about today: cross-cutting issues and
13 programmatic breakdowns. I think we've addressed each
14 of these topics as we've discussed today the threshold
15 for documenting the observations, making sure that if
16 those observations are documented in the cross-cutting
17 areas that they have a strong link to inspection
18 findings or degraded performance indicators. And the
19 Commission has requested any time that we utilize any
20 of that information to enhance NRC actions and we
21 report that activity to them. There haven't been any
22 instances of it, but we would report it to the
23 Commission.

24 The final issue is the performance issues
25 outside of licensing and design basis and how we would

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1 address those. We always said part of the process was
2 we were risk-informing process. We were divorcing the
3 risk significance from the violation associated. We
4 were going to focus more on the risk and not on
5 whether or not there was a violation with procedures.
6 So that if an issue came up that had risk significance
7 that wasn't a violation of regulations, we would still
8 address it. We would still take and apply our
9 resources commensurate with the risk. We talked about
10 that early on with the process. Industry had a
11 concern on how we were going to handle that. We
12 haven't had any instances of that come up.

13 CHAIRMAN PLISCO: This was the Sequoia
14 flooding.

15 MR. MADISON: Sequoia was an early issue,
16 but since that time we've had no examples come up and
17 we've had no opportunity to work with that, but I am
18 -- it hasn't been raised as an on-going concern, only
19 because we probably haven't had an example.

20 That deals with all the PPEP and SRM
21 recommendations and concerns. Any questions on any of
22 that?

23 MS. FERDIG: Alan, you talked about
24 on-going communication internally that you're having
25 and so on. I don't recall the date, but when the GAO

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1 did their survey and there was some concerns about the
2 degree what the change had been accepted internally at
3 the NRC, what's your take on that intuitively in terms
4 of the alignment internally within the Agency around
5 this shift in regulatory process.

6 MR. MADISON: It's a good question. We
7 have talked about this process from the beginning as
8 being a long-term change for the Agency and the
9 industry. It's not a change that's going to happen
10 overnight. It's not a change that's going to
11 necessarily happen within a year.

12 We told GAO before they did the audit that
13 we expected to have a small percentage, 100 percent
14 on-board with the process when they did the audit,
15 that it was going to take some time for inspectors to
16 absorb all the change and to then understand what the
17 change in the impact was on their job and then accept
18 it.

19 We're seeing, we think and we'll know more
20 when we do the internal survey, we're seeing a change.
21 We're seeing the inspectors and some of the feedback
22 we're getting from inspectors in the field that the
23 process works, the feedback that Doug discussed on the
24 SDP, it's doing what we said it would do. It's
25 providing a good communication tool. They are finding

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1 that as they put technical issues through the SDP that
2 it's coming to the conclusion that it ought to come
3 to, that the significance that they've been able to
4 associate with that is the appropriate significance
5 and they've been able to do, take and respond to it in
6 the manner that they think they should be able to
7 respond to it.

8 So we're starting to see that change
9 occurring. We'll know more as we get answers from the
10 internal survey.

11 Does that answer your question?

12 MS. FERDIG: Yes.

13 MR. DEAN: Let me just embellish a little
14 bit the issue that GAO would be on the oversight
15 process that went beyond the capacity of the staff to
16 move along in terms of risk-informing the Agency's
17 activities and in light of that and recognizing that
18 there's still effort in that area that's needed, we've
19 looked at through our strategic planning, I'm talking
20 about from an Agency level through strategic planning
21 and budget allocation, to actually identify particular
22 line items associated with devoting resources to
23 helping achieve that end result, so what we have is a
24 microcosm. It's a slice of that, but we may be in the
25 ROP much further ahead than perhaps the overall agency

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1 because we can deal with a smaller group of
2 individuals to help achieve that.

3 MR. MADISON: If there are no further
4 questions, that concludes our presentation.

5 CHAIRMAN PLISCO: Other questions for
6 Bill? We appreciate the time you and your staff for
7 today coming out and filling us in on the issues of
8 interest. I think it's very helpful for us to
9 understanding the issues as you see them in the
10 process, what activities you got on-going and th way
11 you've dealt and dispositioned the issues from the
12 previous panel. I think that will help us a lot.

13 MR. DEAN: Doug whispered in my ear, is
14 there anything that came out of this that we owe you,
15 any information or something, any look ups or anything
16 like that?

17 MS. FERDIG: There were a couple of case
18 examples that Ray asked for, right?

19 DR. COE: I thought there might be. The
20 four over-conservative examples that were the basis of
21 that one metric diagram. I think I'd be happy to
22 provide you the source material for those.

23 As Bill had indicated, we're not intending
24 to do an analysis just yet. Maybe that will come
25 later, but I can certainly provide you what those

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1 examples were, what's behind that. I'd be happy to do
2 that.

3 CHAIRMAN PLISCO: I think that was the
4 only one, right?

5 MR. DEAN: If there is anything else that
6 you come up with like tomorrow as you guys go through
7 your own prioritization, John can certainly contact us
8 and let us know.

9 I guess the second question I would ask
10 would be do you have any expectations for us for your
11 next meeting or have you worked on that agenda?

12 CHAIRMAN PLISCO: When are you expecting
13 your initial results from the internal surveys to have
14 that --

15 MR. DEAN: We expect that to go out next
16 week, right, Augie?

17 DR. SPECTOR: Hopefully, the end of this
18 week, first of next week.

19 MR. DEAN: And we're giving our inspectors
20 what, two or three weeks?

21 DR. SPECTOR: We're giving them
22 approximately a week and a week and a half to two
23 weeks.

24 MR. DEAN: So we will be getting the
25 results in by mid-February. We have a contractor. We

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1 want to have kind of a arm's-length -- we have a
2 contractor that's going to do the analysis of those --
3 do the collation, the analysis and I think they've got
4 a week or two to do that.

5 DR. SPECTOR: What we're trying to do with
6 the internal survey is get some results by the first
7 of March.

8 CHAIRMAN PLISCO: I think we'd be
9 interested in hearing some results of that. We have
10 a meeting February 26th and it doesn't sound like
11 you'll have that for that meeting.

12 MR. DEAN: It will be tenuous at best.

13 CHAIRMAN PLISCO: So it would be the
14 meeting following that. We haven't set that date yet.

15 MR. DEAN: Okay, well, let us know. You
16 know where we live.

17 MS. FERDIG: And also, I took notes
18 quickly, but not fast enough when Bill was talking
19 about what he'd like out of this group and we were
20 sort of grappling with how we were defining our
21 prioritization definitions this morning and I heard
22 you expressing a value in our offering those issues
23 that we think would have the greatest impact on the
24 efficacy of the program and that if there are those
25 issues that may not represent likely consensus among

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1 stakeholders, that we might then not only help to see
2 what bubbled up in our own discussions that might
3 characterize what some of those issues would be that
4 weren't in agreement, but then also offer what we
5 would --

6 MR. DEAN: If you all can come to a
7 consensus as to where you think we ought to go that
8 would have some value to it.

9 CHAIRMAN PLISCO: But to answer your first
10 question, we're going to have an agenda planning
11 session tomorrow and I think after that session
12 tomorrow, we can let you know. Based on our last
13 meeting, we didn't have any topics that we'll need
14 your support on in the February meeting, but that may
15 change tomorrow.

16 MR. DEAN: But is your next meeting going
17 to be in this area, again?

18 CHAIRMAN PLISCO: That's the other thing
19 we're going to talk about.

20 MR. DEAN: Okay.

21 CHAIRMAN PLISCO: It's February 26th and
22 27th. I think it's highly likely it will be here
23 based on the preliminary topics that we had talked
24 about at our last meeting and who we wanted to invite.

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1 This would be probably the best location for the
2 people that we were talking about inviting.

3 MR. DEAN: Are your plans to integrate
4 another IIEP meeting at the end of the external
5 lessons learned workshop?

6 CHAIRMAN PLISCO: Unfortunately, I think
7 the workshop is scheduled Tuesday through Thursday.

8 MR. DEAN: Monday, Tuesday, Wednesday.

9 CHAIRMAN PLISCO: Oh, is it Monday,
10 Tuesday, Wednesday?

11 MR. DEAN: Yes. 26th, 27th, 28th.

12 CHAIRMAN PLISCO: That may give us an
13 opportunity to do that, then. Because I thought it
14 was Tuesday, Wednesday, Thursday.

15 MR. DEAN: That was the original plan. We
16 have to be at the hotel on Monday.

17 CHAIRMAN PLISCO: So we may be able to do
18 that in the end. That's not what we're going to talk
19 about tomorrow. That would help us.

20 DR. SPECTOR: That hotel by the way is not
21 available on Thursday and Friday.

22 CHAIRMAN PLISCO: Anything else for Bill?
23 Thanks.

24 MR. DEAN: Thank you.

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1 CHAIRMAN PLISCO: We've actually completed
2 our I think agenda for today. Unless anyone else have
3 --

4 MR. JACOBSEN: Just for your information,
5 the room will be locked up tonight, so you can feel
6 free to leave stuff, but then again, it's at your own
7 risk.

8 (Whereupon, at 5:33 p.m., the meeting was
9 concluded.)

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