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Initial Implementation Evaluation Panel

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
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REACTOR OVERSIGHT PROCESS (ROP)
INITIAL IMPLEMENTATION EVALUATION PANEL (IIEP)
MEETING

+ + + + +

TUESDAY

APRIL 3, 2001

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ROCKVILLE, MARYLAND

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The Panel met at 8:00 a.m. at the Nuclear
Regulatory Commission, One White Flint North, Room
1F16, 11555 Rockville Pike, Loren R. Plisco, Chairman,
presiding.

PRESENT:

LOREN R. PLISCO, Chairman, NRC/Region II
A. RANDOLPH BLOUGH, NRC/Region I
KENNETH E. BROCKMAN, NRC/Region IV
MARY A. FERDIG, Ferdig Inc. & Benedictine University
STEVE FLOYD, Nuclear Energy Institute
DAVID F. GARCHOW, PSEG Nuclear
RICHARD D. HILL, Southern Nuclear Operating Company
ROD M. KRICH, Exelon Corporation

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1 PRESENT: (CONT.)

2 ROBERT A. LAURIE, California Energy Commission

3 JAMES H. MOORMAN III, NRC/Region IV

4 A. EDWARD SCHERER, Southern California Edison

5 RAYMOND G. SHADIS, New England Coalition on Nuclear
6 Pollution

7 JAMES M. TRAPP, NRC/Region I

8 ALSO PRESENT:

9 RONALD K. FRAHM, JR., NRC/NRR

10 SCOTT MORRIS, NRC/EDO

11 DEANN RALEIGH, LIS, Scientech

12 JOHN N. W. SHADIS, NECNP

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A-G-E-N-D-A

TUESDAY, APRIL 3, 2001

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A-G-E-N-D-A (cont.)

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

(8:08 a.m.)

1
2
3 MR. PLISCO: Let's go ahead and get
4 started for those who want to leave at 3:00.

5 What the plan is for today is to go
6 through these draft narratives. We've tried to
7 characterize what the issues are in the panel and make
8 sure the description adequately describes the
9 initiatives and what the panel's view of those issues
10 are and on some of these what we want the panel
11 recommendation to be for those specific issues.

12 I did finish the SDP and we'll get that to
13 you after the first break but we'll work through what
14 we get, what you've had a chance to look at last
15 night. Everyone has a copy?

16 As we go through, Ron will try to keep
17 track of any recommended changes or comments. We can
18 make sure we get those incorporated into these.

19 Any questions or comments before we start?

20 Let's do the performance indicator. That
21 should be the first in your package. The first one
22 had to do with unintended consequences of the
23 performance indicators. Our initial prioritization
24 was a priority 1.

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1 MR. GARCHOW: Do we actually have examples
2 where people avoided crossing the green, white, or
3 light yellow threshold and avoided an action to do
4 that?

5 MR. FLOYD: Green/white. Yeah, there were
6 some examples of that where licensees have changed
7 their procedures to limit down powers to 81 percent
8 and stuff like that to evaluate conditions.

9 MR. GARCHOW: Right. But that would be to
10 avoid like making a hit.

11 MR. FLOYD: Right.

12 MR. GARCHOW: I read this with the first
13 sentence that there were noted examples to avoid
14 crossing a threshold so they were like at five down
15 powers waiting for the sixth and then change their
16 strategy to avoid the sixth. I wasn't aware of
17 anybody either having been found or --

18 MR. FLOYD: Does it make a difference?

19 MR. GARCHOW: I think it says that may
20 lead to crossing a performance indicator threshold.

21 MR. FLOYD: They found it stronger than
22 what actually the evidence presented. That was just
23 my gut read. I recognize someone is going to read
24 this thing cold.

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1 MR. GARCHOW: I didn't really have any
2 problem with what was here but I thought that to be
3 clear and complete for both where the licensees said
4 they had a concern and where the NRC said they had a
5 concern we need sort of a conclusory statement here
6 that says although there was no unsafe actions that
7 have actually been identified, the concern is that
8 there is a potential for unsafe actions to have been
9 taken.

10 I'm not aware of any actual unsafe
11 conditions that resulted from any of the changes or
12 concerns over unintended consequences. Staff has said
13 that in public meetings, too.

14 MR. KRICH: I agree. I have concern with
15 the words taking unsafe actions. "May lead to
16 licensees taking unsafe actions." I don't think
17 licensees would take unsafe actions.

18 MR. SCHERER: Well, let me give a
19 suggestion. The last two sentences of the write-up,
20 I think, of the issue description I thought were
21 pretty and describe the theory of the issue. Without
22 trying to edit it here, I would start out with
23 something like that which describes the issue.

24 Then try to put the rest in more balanced
25 terms as opposed to just stating a concern without,

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1 you know, supporting or rebutting it but state the
2 theoretical issue and then hopefully in a more
3 balanced way state that while there have been no
4 examples, nevertheless, you don't want the people to
5 manage the indicator in an unsafe manner. I think it
6 is anything that gets measured will get managed.

7 MR. GARCHOW: I'm not sure manage -- I
8 just get triggered on a purple word with unsafe. I
9 mean, there's a difference of it probably affects
10 margins. I mean, I want to go clean a water box and
11 I want to come down to fix a steam leak so it doesn't
12 get worse. I mean, those are things that affect your
13 margin of safety. I wouldn't go all the way and say
14 that not doing it makes you unsafe. That's a pretty
15 strong statement.

16 MR. BLOUGH: I don't agree that the last
17 two sentences captured the whole issue, though. It
18 captures the half of it, the burden half of it where
19 if a licensee is taking all desirable actions and
20 still trips a performance indicator, there may be a
21 burden on that.

22 I don't think the last two sentences
23 capture the other part of it where an operator could
24 hesitate or a licensee could take actions that have

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1 less of a safety margin when the affect on a
2 performance indicator impacts.

3 MR. GARCHOW: Your two examples under the
4 two examples plus the unplanned SCRAMs, those are good
5 examples. I think we could simplify this a little bit
6 and take some of the wording that's on here.

7 MR. KRICH: The unplanned SCRAMs, though,
8 that's really not an issue anymore. Right?

9 MR. PLISCO: Well, it's funny because we
10 had talked it, I think, since it's not in place and
11 the action is not complete for us to assume it's going
12 to get fixed. I think that's one of the things we
13 talked about early on. Get a pilot.

14 MR. FLOYD: The pilot period ended three
15 days ago but the data won't be in.

16 MR. KRICH: Okay. I thought I was being
17 nice about it. My only point was I think the light
18 is blinking. I think the commission and everybody and
19 his mother knows about this particular issue. I
20 thought it might be more useful to cite maybe some
21 other examples.

22 MR. FRAHM: Is that enough light for
23 everyone?

24 MR. SCHERER: We're used to that in
25 California.

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1 MR. BROCKMAN: There is another good
2 example. It borders the challenge on power reductions
3 with ALARA when they have to go do a maintenance is
4 another good example.

5 MR. GARCHOW: Where you couple maintenance
6 with rod swaps.

7 MR. BLOUGH: What do people think about
8 the unplanned SCRAM indicator? I know what is said
9 here is true as some industry manager perceive it. If
10 we parrot this as a couple, that adds additional
11 credence to it. I guess I should just say I think
12 it's bunk.

13 MR. HILL: You think it's what?

14 MR. BLOUGH: Bunk.

15 MR. HILL: Bunk's a good word.

16 MR. GARCHOW: Steve, you're supposed to be
17 representing.

18 MR. BLOUGH: No one is going to read these
19 transcripts.

20 MR. KRICH: You'd be surprised.

21 MR. FLOYD: I don't disagree. I don't
22 think that's a big issue. I think a bigger one would
23 be safety system unavailability where the indicator
24 may cause a licensee not to do as much planned

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1 maintenance as they otherwise might think is
2 appropriate.

3 MR. GARCHOW: It adds a lot by even their
4 maintenance rule indicator so they're in the
5 difference between the maintenance rule and the upper
6 NRC PI and not doing maintenance in that regime.

7 MR. SCHERER: I happen to think manual
8 SCRAM is bunk as well but I don't believe the issue of
9 unintended consequences is bunk. I think they are
10 trio.

11 I do believe that when we say 72 hours as
12 an admittedly arbitrary cutoff, it will have an
13 impact. It may not have an impact if we're looking at
14 four hours to shut the plant down to do maintenance or
15 within 24 hours.

16 But if it's at 70 hours and somebody will
17 sit there and say why not go another four hours and
18 then we'll be on the other side of the 72, if we could
19 shut down the plant and arbitrarily we had said, okay,
20 we're going to reduce power to 75, we'll go back and
21 look at it and see if we can reduce power to 81
22 percent, those are real.

23 I think there will be pressure on our own
24 organizations no matter what the vice president and
25 the plant managers indicate. There are unintended

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1 consequences. I don't think we ought to ignore that
2 in this comment.

3 MR. BLOUGH: I was just suggesting taking
4 out the part because I think unintended consequences
5 is a worry. It's a worry in a couple of the SDPs and
6 it's a worry in a few of the performance indicators.

7 MR. SHADIS: Randy, can you elaborate a
8 little bit? I mean, just to say it's bunk doesn't
9 help me a lot.

10 MR. BLOUGH: Well, I don't think there's
11 -- I was focusing just on the two sentences that start
12 out, "Another example is unplanned SCRAM performance
13 indicators."

14 The concern as an operator may be
15 influenced not to SCRAM the reactor when required. I
16 really think the procedures and training are so
17 dominate in that that when a situation indicates that
18 it's appropriate to SCRAM the reactors, that operators
19 will SCRAM the reactors.

20 I don't think there is a substantial worry
21 about the operators not SCRAMing the reactor when they
22 should be because of a performance indicator. I also
23 don't think the current changes that are being looked
24 at significantly impact that in any way. I think

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1 there are unintended consequences. I don't think the
2 SCRAM one is one of them.

3 MR. SHADIS: Does that include unplanned
4 shutdown or unplanned power reduction?

5 MR. BLOUGH: No. I was just focusing on
6 SCRAMs. I think the power reduction one is a worry
7 that if you have 72 hours in there, I don't think
8 unsafe actions will be done but we're talking about
9 margins here where there is a chance.

10 There will be cases where there's a
11 waiting almost against their better judgement for the
12 72 hours and the reduction will be strived to be
13 capped within some numerical threshold. I don't think
14 it's major gut I think there's influence from
15 unintended consequences.

16 MR. GARCHOW: I see that but, I mean,
17 talking to the peers because I was just at an INPO
18 conference and a SNEEZE conference. I actually don't
19 see that. In the conversations people are doing
20 what's right. Then if it happens to count an
21 indicator, you report it in the quarter.

22 I actually think that a lot of this is
23 based on people banking the potential but I actually
24 think the reality is not that extreme. Banking their
25 operators after they manually trip. I mean, most

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1 people go out of their way afterwards to actually bank
2 them after the fact for taking the right action. You
3 wouldn't even bring into that conversation were it
4 five or six. It's, "Thank you for doing your job."
5 I just don't see that at this level of conversation.

6 MR. FLOYD: Could I try something that
7 kind of combines, I think, Ed's comment and Randy's
8 comment? If you started with those last two
9 sentences, it said, "The potential for an unintended
10 consequence occurs when the performance indicator
11 measures both actions that are not necessarily an
12 undesirable action as well as performance issues."

13 Then a second sentence that says, "This
14 could lead to nonconservative decisions to not correct
15 minor deficiencies or conduct discretionary
16 maintenance." Then that last sentence, "In addition,
17 there may be unnecessary regulatory burden." Then if
18 you wanted to, you could go into a couple of examples.

19 MR. PLISCO: Say the second sentence
20 again.

21 MR. FLOYD: The second sentence would be,
22 "This could lead to nonconservative decisions to not
23 correct minor deficiencies or conduct discretionary
24 maintenance." I think that captures the bulk of this
25 stuff.

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1 MR. SCHERER: Or delay.

2 MR. SHADIS: Isn't sticking the word minor
3 in there putting it away?

4 MR. FLOYD: Well, these are minor because
5 they are not directly impacting plant operations.
6 You're not in violation of text specs or regulations
7 on most of these items. You've got a minor steam leak
8 and are you going to fix it right now or are you going
9 to fix it a week from now?

10 MR. GARCHOW: That's why I was keying in
11 on the word unsafe.

12 MR. SHADIS: But you were right and I
13 didn't disagree with you at all in terms of
14 eliminating part of the margin or getting into margin.
15 I think that is probably the right way to look at it.

16 I have to tell you on questions of SCRAMS
17 or unplanned shutdowns looking at it from outside the
18 box is a little bit different maybe than the way that
19 you guys are looking at it. We recently had an
20 instance with severe weather at Seabrook in which they
21 lost part of their outside power. They had 20 inches
22 of snow on the ground so evacuation is out of the
23 question.

24 In that situation, I don't know how many
25 other elements you would have to add before the

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1 certainty that they would want to shut down but they
2 chose not to.

3 MR. FLOYD: This may not be a satisfying
4 answer for you then because that shutdown is excluded
5 from being counted in this indicator because if it's
6 in response to an external event that is not
7 predictable, for example, extremely heavy snow loading
8 like they had, that is an exclusion in the performance
9 indicator manual for not counting those types of
10 conditions.

11 I don't think in that case this indicator
12 was a factor in them managing the decision that they
13 made at the plant because they had a exclusion for
14 that condition already in this performance indicator.

15 MR. SHADIS: So there would be no hit is
16 what you're saying?

17 MR. FLOYD: There would be no hit,
18 exactly, against the indicator.

19 MR. KRICH: Let me complicate this just a
20 little bit more. I also thought that what we're
21 talking about here are negative consequences.
22 Unattended consequences could be anything. It covers
23 a wide range. I think what we are only referring to
24 here are the negative consequences. Is that right?

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1 MR. FLOYD: Yes. That's why we call it a
2 nonconservative decision.

3 MR. KRICH: I'm just thinking we ought to
4 maybe be specific and call it unintended negative
5 consequences or adverse consequences.

6 MR. HILL: But if you remember early on,
7 there was a specific definition of unintended
8 consequences which the NRC's approach or the
9 definition is only when you are doing something that's
10 going to adversely affect safety.

11 In other words, if it was just a bother to
12 us, that's unnecessary regulatory burden, not
13 unintended consequences. Remember we had that long
14 discussion on they've got a very specific definition.

15 MR. FLOYD: Okay. And I think they way
16 they handled the positive side was those were intended
17 consequences. There were some intended consequences
18 of establishing performance indicators that met
19 thresholds that will drive you to improvements.

20 MR. KRICH: We did but we also -- I
21 believe I also gave you a list of unintended positive
22 consequences.

23 MR. PLISCO: I was going to say I think
24 for the purpose of this I don't have a problem with
25 just making sure that it highlights that it's an

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1 unintended negative to make sure it's clear to any
2 reader what we're talking about.

3 MR. HILL: It is a surprise to me.

4 MR. GARCHOW: So, Richard, do you actually
5 see the NRC PIs being in the operational decision
6 making? I mean, if you're having a planning meeting
7 should we or shouldn't we? I mean, I'm just curious
8 to see if the PIs are that big of an issue.

9 MR. HILL: If you -- well, it can have an
10 impact. I mean, if you have the option of I can shut
11 down tomorrow or I can shut down -- I mean, reduce
12 power tomorrow, I can reduce power in four days, we'll
13 go to our load dispatcher and find out when is the
14 best time.

15 We can run the conflict because if it
16 happens on Friday, he would like us to take the power
17 reduction on Saturday but we don't have to from the
18 plant's consideration.

19 Now and then we'll have to balance out,
20 okay, we take a hit versus the economic benefit so
21 we'll get into things there. We don't really get
22 into, "I really need to reduce power now and I'll get
23 a hit so I'm not going to." We don't run into that.

24 A lot of times we will have things where
25 you have some latitude of when you're going to take it

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1 and the real conflict is when they want you to take it
2 within the next day or so, the load dispatcher does,
3 and then you run into problems with 72 hours. It
4 becomes a conflict that way.

5 MR. PLISCO: And I know our residents have
6 seen that similar discussion in maintenance and
7 unavailability. It's come into play in the decision
8 making. Like I say, we haven't seen an unsafe
9 decision made but there's concern because it's come
10 into play in the discussions.

11 MR. FLOYD: Maybe that could be another
12 sentence at the end of what we talked about here, is
13 that although there's not any indications yet of any
14 unsafe action being taken, both the industry and the
15 NRC are concerned of the potential impact of this.

16 MR. GARCHOW: -- conservative than safe.
17 Safe is a purple word.

18 MR. FLOYD: But what they're concerned
19 about is that you might take an unsafe action, not
20 that any have been taken.

21 MR. GARCHOW: Or a less conservative
22 action.

23 MR. BROCKMAN: You have seen examples of
24 taking nonconservative actions and decreasing margins.

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1 What Steve is saying there has been no example yet
2 where we've seen unsafe actions taken.

3 MR. GARCHOW: Okay.

4 MR. FLOYD: But that's the concern, that
5 there may be someday an unsafe action taken in an
6 effort to manage an ending.

7 MR. GARCHOW: We're managing margin every
8 day.

9 MR. FLOYD: Sure, but that's okay.

10 MR. SHADIS: And you're running
11 conservative plants.

12 MR. GARCHOW: I believe that is true.

13 MR. PLISCO: Can I get back to -- I think
14 I've captured both comments. Back to the unplanned
15 SCRAM. Do we want to use that as an example or do we
16 want to use the safety system unavailability as an
17 example?

18 MR. FLOYD: Use SSU.

19 MR. PLISCO: Use SSU. Okay.

20 MR. KRICH: I'm sorry. What was that?

21 MR. FLOYD: Safety system unavailability.
22 That's a much better example.

23 MR. SHADIS: I think it would be good to
24 note that those are not exclusive examples.

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1 MR. GARCHOW: Do we want the staff to
2 identify and evaluate or identify it and correct?

3 MR. FLOYD: Well, it says, "Make program
4 adjustments where necessary."

5 MR. PLISCO: That's where I tried to
6 capture that.

7 MR. SCHERER: I guess my only concern on
8 the panel recommendation is that it reads as if it's
9 a one time effort and I don't view that as a one time
10 effort. I view that as a process.

11 MR. PLISCO: That's why I put self-
12 assessment process. That's supposed to be a
13 continuous process. I mean, it is implied. We can
14 spell it out.

15 MR. FRAHM: You said continue to identify?

16 MR. SCHERER: Continually or something.

17 MR. GARCHOW: Loren, the last panel on
18 this doesn't mean it was right. Let's just throw this
19 out for what it's worth. For each of the objectives
20 we actually made a conclusion of the panel that the
21 objective was either met.

22 We said like the relative to PIs, the
23 effect of maintaining safety and unnecessary burden
24 was that the consensus of the panel that was met with
25 some areas for enhancement which we talked about or

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1 issues. I don't know whether that was correct or not
2 but we made a point all the way through that it was
3 met.

4 MR. PLISCO: Yes. I think what we talked
5 about yesterday, at least the way I had originally
6 intended to go, is really cover the general global
7 statements in the front of the report.

8 I think Steve had a suggestion yesterday
9 making some of those statements for each of the
10 program areas in a cover letter and then give one-line
11 bullets of what those issues are. I had seen these as
12 essentially attachments in the back to support those
13 issues.

14 MR. SCHERER: It's the advantages of
15 continuity, having the same people observe on the
16 prior panel and the next panel

17 MR. PLISCO: Anything else on P-1?

18 Okay. The next one had to do with new
19 performance indicators. This was a combination of a
20 couple of issues that we had had before. I think one
21 had to do with risk based performance indicators and
22 one had to do with looking at specifically new
23 indicators in specific areas that there weren't
24 indicators in right now. It was really covering both
25 of those.

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1 MR. FLOYD: I'm not sure I agree with the
2 first sentence quite honestly.

3 MR. GARCHOW: Neither do I.

4 MR. FLOYD: Reactor oversight process. I
5 mean, when the indicators were put together, they were
6 just that. They were indications of areas that might
7 warrant further attention but we're not trying to
8 actually measure safety.

9 I think if we want to have this write-up
10 similar to what it is, I think we need to identify
11 that there are two major policy issues which need to
12 be considered in any recommendations to expand the set
13 of performance indicators to make them more complete
14 risk-based set.

15 One policy decision regards the number of
16 entries that it would then require to get into the
17 various columns of the action matrix. I mean, if you
18 go from 18 PIs to 50 PIs covering much broader, it's
19 still appropriate to have one white tripping
20 regulatory response threshold than two constituting a
21 degraded cornerstone.

22 On the other hand, I think there's another
23 issue that should be a part of the policy decision and
24 that is what impact is this going to have on the scope
25 of the inspections. If you recall, the original

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1 program took a look at what information do we get from
2 the performance indicators that does not need to be
3 duplicated in the inspection process.

4 If it expands considerably the scope and
5 breath of the performance indicators, then you need to
6 seriously evaluate are you going to perform as much in
7 depth inspection in the areas covered by those and is
8 there a need to do that. I don't see any discussion
9 of that in this which I think are two key policy
10 issues that need to be addressed.

11 MR. SCHERER: I have a third. Maybe I'm
12 much more cautious on new performance indicators but
13 my feeling is that any new indicator before it's
14 implemented needs to go through the same process of
15 being bench marked and validated that the NRC used for
16 the original ones they are using for the ones that
17 they're revealing now.

18 MR. PLISCO: That's in place.

19 MR. SCHERER: I understand but I
20 personally think it's important that be maintained,
21 especially as indicators come in from external
22 stakeholder steam generator risk-informed indicators.
23 Simply because they are risk-informed should still go
24 --

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1 MR. TRAPP: That is part of the process
2 that is built in.

3 MR. SCHERER: I understand.

4 MS. FERDIG: You're just saying state it?

5 MR. SCHERER: State it. I think it's an
6 important principle.

7 MR. FLOYD: In other words, you want to
8 preserve the 0608 process. Make sure that's preserved
9 in the consideration of any --

10 MR. SCHERER: Yes.

11 MR. HILL: I guess going back to Steve, I
12 don't think anybody really addressed it. I think I
13 agree with him. It's hard to say that it would be
14 significantly enhanced by something that you don't
15 know what it is that you're going to add. I don't
16 know how you can draw the conclusion that you are
17 going to significantly enhance the program by putting
18 those in.

19 MR. GARCHOW: That statement as an opener
20 was sort of interesting. I also don't agree.

21 MR. BROCKMAN: That's a ringing
22 endorsement of the effort as currently written.

23 MR. HILL: A ringing endorsement.

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1 MR. TRAPP: Let me tell you about that
2 process, too. There's a lot of questions, I think,
3 outliers on updating reliability data.

4 MR. FLOYD: How good is the data. There
5 are a lot of issues.

6 MR. TRAPP: It's a concept at this point.

7 MR. GARCHOW: Loren, the sentence that
8 starts "since," I'm not sure I agree with that.

9 MR. PLISCO: Where are you at?

10 MR. GARCHOW: Many of the current
11 performance indicators have a risk correlation.

12 MR. BROCKMAN: Many don't yet. It really
13 should be all of the performance indicators. Some do
14 and some don't.

15 MR. GARCHOW: This is sort of like if you
16 half buy A, then you support B that the matrix appears
17 to be inconsistent. If you buy both of those, then
18 you say the whole assessment process is called into
19 question. I just can't make those three leaps over
20 the gaps to support the final part of that sentence.

21 MR. BROCKMAN: Yes, but it's some things
22 we've seen, I think, without a doubt, in the first
23 year. It ties right in with the unintended
24 consequences. Some of the performance indicators are
25 not risk-based. We know that.

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1 MR. FLOYD: Well, why don't you start off
2 with that --

3 MR. BROCKMAN: It does lead to confusion.

4 MR. FLOYD: Why don't you start off there?
5 I think that's the main point, the third sentence.
6 Right now it sounds all inclusive.

7 MR. BROCKMAN: Yes.

8 MR. FLOYD: If you add some current
9 performance indication thresholds do not, and I said
10 directly correlate with risk, the application of the
11 act compares inconsistent and calls into question the
12 value of some performance indicators as an input to
13 the performance assessment.

14 MR. GARCHOW: I could accept that.

15 MR. SHADIS: I think it would help here to
16 cite a few examples.

17 MR. HILL: I don't think other people are
18 going to understand what they mean.

19 MS. FERDIG: That would help me. I was
20 asking Ray to what extent are the performance
21 indicators not risk informed. For a lay person to be
22 able to know what that means, it's like we're talking
23 about this whole program that is objective based,
24 risk-informed regulation. I think we need to narrow
25 whatever that --

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1 MR. FLOYD: That's why I suggest we also
2 say "are not directly correlated with risk." There is
3 some correlation to risk. Obviously, the more
4 negative things you have, you can make the argument
5 that there is some correlation to risk but they are
6 not as directly correlated as the inspection finding
7 process which --

8 MS. FERDIG: But is the intent as more
9 information becomes -- historical data become
10 available and you get further into the process, that
11 there will be more risk-informed indicators that will
12 replace or supplement the current indicators? Is that
13 what is implied in this?

14 MR. FLOYD: I think that's what's implied
15 but I'm not sure the policy issue has been addressed.
16 I mean, I'll be honest with you, I don't know if the
17 industry is -- in fact, I can probably say they're not
18 interested in having a voluminous set of performance
19 indicators which are a burden to collect if there's no
20 change in the scope and the conduct of the inspection
21 activity.

22 MR. BROCKMAN: Let me give you an example.
23 EP. EP is after. It's the last wave that you do
24 after you've had a problem at the plant. Therefore,

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1 anything you do in EP is not going to relate to the
2 risk that is ongoing in the plant.

3 MS. FERDIG: Right.

4 MR. BROCKMAN: You can't have risk. You
5 just can't get there.

6 MR. SCHERER: I think you can make an
7 argument qualitatively, not quantitatively, that all
8 of the PIs have some nexus to safety or to the
9 regulation. I don't think that arguing any one of
10 them is going to be very successful.

11 I think there is clearly a spectrum. Some
12 are pretty good in terms of the direct correlation to
13 risk. Certainly all the findings in the accident and
14 mitigation area, I think, are pretty well tied to
15 risk. Others are more tenuous in their linkage.

16 How many security intrusion detection
17 systems have to be out of service for how long a
18 period of time even though they're compensated? When
19 we have an intrusion detection system out of service,
20 we put a guard physically there looking and observing.
21 That is a hit against the PI.

22 I would say that's not -- you know, a
23 guard is as good or better than the electronic
24 detection system that is now out of service. Is that
25 a measure of risk? I believe not. I would argue

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1 that's not a significant risk to the health and safety
2 of the public because we have a human being there
3 instead of an electronic intrusion detection system.
4 But that is still PI.

5 MR. BLOUGH: I guess PIs can identify
6 outliers in areas that may be at risk whether they are
7 at risk or not. I think, at least, about half of the
8 PIs that we have are good at identifying outliers and
9 the other half no one is really tripping those. There
10 are some use in judgement. There are important things
11 that help you identify outliers even if the risk link
12 hasn't been well proven.

13 MR. FLOYD: Actually, there is only one PI
14 so far that has not crossed a threshold.

15 MR. BLOUGH: Oh, really?

16 MR. FLOYD: Yes. That's public radiation
17 safety.

18 MR. HILL: I guess when I read this I
19 thought that when they talked about, for instance,
20 thresholds not correlating, the fact that if you go
21 from green to white, none of those have a risk basis.
22 They're all based on some historical thing. When you
23 go to the other thresholds, I thought they were
24 associated with some level of risk establishing the
25 thresholds. Some.

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1 MR. SCHERER: Again, we're going to get
2 into arguments if you are going to make absolute
3 statements. I would say some are better correlated to
4 risk than others. I don't think any of them were ill
5 intended or are just totally arbitrary and capricious.
6 I think they are at least reasonable approximations.

7 The example I cite, which I believe is one
8 of the most tenuous links to risk, give you some
9 indication as to the robustness of your intrusion
10 detection system which is an indicator of how good
11 your physical protection plan is. So does it have
12 some correlation to risk? I could argue that it has
13 some, but I certainly would argue it's a lot weaker
14 than some of the others that we look at.

15 MR. SHADIS: And those elements in which
16 risk does not affect the core damage frequency but,
17 nonetheless, in the board definition there is risk.

18 I think that for the casual reader and
19 possibly for the commissioners, you really need to
20 include some language that explains that when you are
21 either including or excluding items with respect to
22 risk, that you really are talking about risk as it's
23 indicated in this program.

24 In other areas we do get into issues
25 arguing about emergency response and arguing about

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1 security and arguing about a lot of things that
2 there's no immediate tie to core damage frequency.
3 We're out there arguing risk.

4 MR. BROCKMAN: I'm thinking a lot of these
5 you probably don't get the town CDF but you certainly
6 do -- I know Jim was talking about on the EP when you
7 get a CDF risk and it doesn't change the LERF
8 frequency. The impacts of good EP are certainly there
9 and it's directly related to enhancing public health
10 and safety.

11 MS. FERDIG: Right.

12 MR. BROCKMAN: No ifs, ands, or buts. I
13 think that probably where you're going. I would agree
14 with you on that point.

15 MR. SHADIS: And my mind is racing trying
16 to think of ways that EP could effect core damage
17 frequency. I'm thinking back to Browns Ferry or
18 something. Wait a minute now. Call the fire company.
19 Let's get some water over here.

20 MR. BROCKMAN: But that's not the EP.

21 MR. SHADIS: I understand that you're
22 talking about the last line.

23 MR. GARCHOW: It really is risk, though,
24 to the public. Right classification and move them out

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1 of harm's way. That mitigates the consequence which
2 does affect the risk.

3 MR. BROCKMAN: But, as Ray was saying,
4 it's a different look on it than we've currently got.

5 I've got a question for Ray and Mary
6 especially that might be of help. We're talking about
7 our recommendation here to expedite the efforts. I'm
8 endorsing this again. This is good stuff. Go forth
9 and do this.

10 How do these efforts at the moment will
11 wind up coming up different thresholds and everything
12 for every plant as part of the risk-based performance
13 indicators?

14 That, to me, would challenge greater the
15 understandability, the old word that we don't use
16 anymore, the S word, scrutability of the performance
17 indicators and what have you. I'm interested from
18 your all's view point is that a positive or a
19 negative?

20 MS. FERDIG: To add new indicators in a
21 hurry?

22 MR. BROCKMAN: Not necessarily in that
23 case. The thresholds could be different at every
24 site.

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1 MR. GARCHOW: But he's saying that plant
2 specific threshold is where each green light or
3 yellow, red, white, yellow might be different based on
4 the particular design features of the plant and its
5 associated risk profile as calculated by their PSA.

6 MR. SHADIS: Put in simple terms.

7 MR. TRAPP: The program is a raving
8 success. I'm astounded how well they work. And then
9 to say, "Okay. We're going to fix all these ills by
10 something we don't know." If you start looking at
11 what we think is going to fix everything, I think
12 people are going to be woefully disappointed.

13 I guess I wouldn't encourage the
14 commission to even -- I mean, unless we fill strongly
15 that this is a real issue, I mean, I don't see why
16 we're pushing something that we don't even know what
17 we're pushing.

18 MR. GARCHOW: We don't feel that strongly
19 because --

20 MS. FERDIG: That sounds like a really
21 strong statement.

22 MR. SHADIS: Expedite is a bad word.

23 MR. FLOYD: I would change the word
24 expedite to continue. "Continue the efforts to
25 identify and evaluate new risk performance indicators

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1 where appropriate." But then add the phrase, "Any
2 significant change to PIs need to be re-evaluated for
3 their impact on the action matrix and on licensee
4 commensurate with the scope and breath of inspection
5 effort.

6 MR. GARCHOW: Short of the security PIs,
7 which have had a lot of attention, who is really
8 pushing for developing more PIs?

9 MR. FLOYD: Research.

10 MR. BROCKMAN: It's a major activity in
11 research.

12 MR. GARCHOW: I'm not sure the
13 stakeholders are so this is internal.

14 MS. FERDIG: Well, let me ask a question.

15 MR. SCHERER: Well, there are two issues
16 in my mind. One is adding PIs and the other is
17 replacing one PI with another. I think both of these
18 need to be covered.

19 This almost reads -- maybe I'm reading too
20 much into it but here it seems to always imply adding
21 PI. I think there are two issues and I'm cautious on
22 both. If you add a PI or if you replace one PI with
23 another, you have to make sure that you're making a
24 net sum gain in the entire oversight process.

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1 That it adds to the scrutability of the
2 process, it adds to the viability of the
3 determination, it adds to the value of the action
4 matrix before you make a change.

5 You shouldn't be -- I'm certainly
6 uncomfortable with this language because it encourages
7 change. I'm being cautious on change. I'm in favor
8 of it if it is a net sum improvement in the overall
9 process by either adding or changing a PI.

10 MS. FERDIG: I have one question I want to
11 ask here that is less targeted on the risk informed
12 nature of the Pi but it relates to this question of
13 adding or changing.

14 Somewhere along the line among the
15 stakeholders we have listened to, there are those who
16 desire more predictive performance indicators. What
17 does that mean? What are the implications of that and
18 to what extent will that be more possible someday
19 given more data history, or is that just a nice word?
20 Tell me what you think?

21 MR. FLOYD: My personal opinion is there
22 is almost no such thing as a leading indicator if you
23 want to go as far as some people go, and that is, "I
24 want to have an indicator that tells me that we're

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1 about to have a problem without having any
2 manifestation of a problem."

3 I mean, you just can't do that. You have
4 to have something negative to measure. The real
5 intent of this oversight process with the concept of
6 thresholds and bans was that minor deficiencies may be
7 leading to greens, greens may be leading to white,
8 white may be leading to yellow, and on down the line.
9 That's where it's leading.

10 Every time somebody says you have a
11 leading indicator, well, leading to what? Leading to
12 a significant impact on public health and safety?
13 Leading to an impact on minor degradation in one of
14 the cornerstones? Leading into a minor equipment
15 problem that may or may not impact the ability of the
16 equipment to perform its cornerstone objective?

17 You have to define what do you mean by
18 leading and what is it leading to? I think everybody
19 has this desire to find this indicator that's going to
20 tell you when you are about to have a problem that you
21 haven't had. I just don't think that's possible.

22 MR. BROCKMAN: It's a threshold issue but
23 can you develop a performance indicator that will
24 preclude prompt stupid? No. If an individual goes

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1 out there and does not comply with the rules and gets
2 an overdose, a worker goes out there and does that.

3 You cannot have a PI that will tell you he
4 or she is going to do that. All the training and
5 everything you've got out there indicates it shouldn't
6 happen but an individual could go and do that and a PI
7 can't give you an evaluation. What we're talking
8 about is what level do you want to start getting --

9 MS. FERDIG: Paying more attention.

10 MR. BROCKMAN: Paying more attention.
11 This whole thing just becomes a threshold issue. You
12 can lower the thresholds and the NRC will get involved
13 earlier and things will come up earlier, or you can do
14 it later.

15 MS. FERDIG: That's helpful. Thank you.

16 MR. BLOUGH: You could try to get an
17 earlier indication --

18 MR. BROCKMAN: With a --

19 MR. BLOUGH: -- as opposed to being
20 predictive which, you know, what does that mean and
21 predictive is necessarily also very speculative.

22 MR. GARCHOW: I like what Ken said
23 yesterday. The whole contract is to be indicative.

24 MR. SCHERER: But you have to be cautious
25 on lowering thresholds. What is it they say about the

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1 stock market? It correctly predicted 12 out of the
2 last three recessions.

3 You have to be very careful. The more you
4 try to read those tea leaves, the more difficult it
5 becomes and the more NRC resources will have to be
6 devoted to issues that turn out not to be indicative
7 of the future.

8 MR. BLOUGH: Well, right. Particularly
9 when it may be an early indication of decline but that
10 is the licensee's responsibility to a certain point to
11 identify those and address them. Most of the time
12 very early indications of decline will not progress
13 very far because the licensee --

14 MR. SCHERER: That was a definition of the
15 white band. Going back to Pook's Hill, if I recall
16 the discussion, what the industry had suggested in the
17 early discussions had a green, yellow, and red band.
18 The definition, if I recall, of the white band was in
19 order to give the NRC the response time to react and
20 still assure that it could monitor performance before
21 it moved even into the yellow band.

22 MR. FLOYD: They wanted four bands instead
23 of three.

24 MR. BLOUGH: You said going back to --

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1 MR. FLOYD: Pook's Hill. The workshop that
2 was conducted the last part of September or early
3 October of '98. We had, what, about 650 people there?

4 MR. KRICH: That was a big one.

5 MR. SHADIS: If I could add my two cents
6 in this also, I think I agree with pretty much
7 everything that's been said about indicators. This is
8 something we go through with Region III now. We have
9 this discussion almost continuously is what are these
10 indicators really telling us.

11 To my mind, the indicators give us -- they
12 don't prevent or they are not predictive in the sense
13 that they will tell you that you are going to go wrong
14 but it does reduce the probability that you will go
15 wrong if you react to the indicators. It's sort of
16 like corrective actions to prevent recurrence.

17 Corrective actions don't prevent
18 recurrence. They can certainly lower the probability
19 that it will happen again but they never completely
20 eliminate the possibility that it will happen again.
21 I see the performance indicators in the same light and
22 use them in that same aspect.

23 I think, getting back to what we're trying
24 to say here, I think what we were trying to say is
25 that there needs to be a continuing effort to look at

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1 improving the indicators and if applying risk-informed
2 techniques is one way to do that, then I think we
3 ought to pursue that. I thought that was my
4 recollection of the discussion.

5 MR. SHADIS: If the performance indicators
6 are strictly rear-view mirror, then it doesn't really
7 make any -- there's no sense that I can see to putting
8 anything resulting from performance indicators into an
9 action matrix.

10 MR. SCHERER: It's not a rear-view mirror.

11 MR. SHADIS: Pardon me?

12 MR. SCHERER: I don't think it is a rear-
13 view mirror.

14 MR. FLOYD: Ken, you're talking about
15 what? It's a rear-view mirror to what?

16 MR. BROCKMAN: It is a rear-view mirror to
17 what has occurred and what they do is say if you
18 continue on this path, it looks like it could possibly
19 get worse so that's why you stop it. That's the
20 predictive aspects of it.

21 They indicate that you have proceeded so
22 far down a path and you want to stop your progress on
23 that path as early as you can. That's the predictive
24 aspect. The indicative aspect is you've gone that far
25 down the path.

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1 MR. SHADIS: Well, yes.

2 MR. FLOYD: In that regard they are very
3 analogous, I think, to the inspection findings which,
4 to use your words, would also be rear-view mirror
5 approach because the inspector found something wrong
6 that happened previously.

7 MR. SHADIS: Well, the inspection findings
8 also relate a condition, an existing condition. As
9 long as that condition exist, you are looking forward.
10 It's risk informed.

11 You don't put it in there unless there's
12 a consequence to allowing that condition to continue.
13 I think that shying away from the notion that these
14 indicators -- I guess it's analogous to a speedometer.
15 You are now doing 70 and a hazard exist in doing that.

16 MR. BROCKMAN: But more than 60. That's
17 probably a decent way. Again, it's an indicator. It
18 causes you to get engaged and ask questions and see
19 what that means as opposed to being drop dead.

20 MR. GARCHOW: They'll let you go 70.

21 MR. BLOUGH: But he's saying that that's
22 what an inspection finding does, it indicates a
23 condition that exists.

24 MR. FLOYD: Not always.

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1 MR. BLOUGH: Not always but a PI is
2 strictly retrospective. I guess as an inspector I
3 would argue that the licensee has a high rate of
4 events. That's rear-view mirror but I would assume
5 they're going to have a high rate of events until or
6 unless they get in and they figure out what's been
7 causing it and take some action.

8 MS. FERDIG: So it's a trend.

9 MR. BLOUGH: I would call that a
10 condition. Even though you're counting things in
11 history --

12 MS. FERDIG: It's your best available --

13 MR. BLOUGH: But it may be wrong. There
14 are cases where licensee has events and there's no
15 obvious -- anything really dramatic that's done and
16 then the events settle down.

17 MR. SHADIS: Help me out on a couple of
18 probably obvious examples to you. With the Summer
19 plan and the crack welding on primary piping and
20 Ocone and the cracks in the pressure vessel head,
21 those were licensee identified. What box do they go
22 in?

23 MR. BLOUGH: The Summer one, as I
24 understand it, there were cracks in the weld. The
25 significance of the event plays on the NRC's decision

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1 on what inspection follow-up to do. I guess that was
2 a special inspection team.

3 Then the inspection follow-up determines
4 what performance issues existed and then those got
5 significance determination action.

6 Summer is an interesting one because the
7 weld leak after a period of many years, looking at the
8 small weepage during the months that the crack
9 existed, there wasn't a reasonable opportunity for the
10 licensee to identify it early so there wasn't a
11 performance issue with identification.

12 Looking way back to in the '80s whenever
13 they did the weld, although there were a lot of
14 repairs to the weld, everything was done per the code
15 and per all requirements. They couldn't find anything
16 that was done wrong with the weld.

17 That's one where even though there was an
18 event, there was no performance issue identified.
19 Without a performance issue, there's no impact on the
20 action matrix. There's no finding that gets a color.

21 Now, contrast that with Indian Point-2
22 where they had a leak and looking back we did an AIT
23 based on the significance of the event. They came up
24 with a performance issue which was the licensee's

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1 inspection program and management oversight and
2 attention to the care and keeping of steam generators.

3 Then that performance issue gets a risk
4 assigned to it and that's the color. That's a
5 contrast between Summer where there is no licensee
6 performance issue so there's no impact on the action
7 matrix, and the Indian Point case where actually there
8 was a performance issue.

9 When you look at the risk, you have to
10 look at what could have happened based on the
11 performance issue, and what could have happened is
12 actually a bigger leak and faster leak than what they
13 had so that all plays into the risk characterization
14 or the significance determination and finding.

15 Those are kind of the antithesis of cases
16 where you start out with some similarities but you end
17 up in a dramatically different place as a regulator
18 based on what performance issue comes out of the
19 inspection.

20 MR. PLISCO: Well, I think accounting is
21 ongoing as we speak.

22 MR. SHADIS: It sounds like they will go
23 in the same box as Summer.

24 MR. PLISCO: Summer, yes, as required as
25 far as we know at this point. I said some of it is

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1 ongoing now but when the required inspections were
2 done, there weren't any leakage requirements that were
3 exceeded, operational leakage requirements. None of
4 those were exceeded and it was really identified by
5 visual inspection of boric acid deposits. It was
6 really more weepage than leakage.

7 MR. SHADIS: From a public interest
8 perspective and harking back to yesterday's question,
9 you know, with respect to the origin of this program,
10 predictive isn't everything but it's almost everything
11 for the public interest. Corrective, yes, and then
12 predictive. Can we using this process anticipate
13 where we are going to be having problems.

14 MR. FLOYD: Only in part. No program
15 will --

16 MR. SHADIS: Well, exactly. I understand
17 that.

18 MR. SCHERER: Well, I guess I'm concerned
19 that we may not be communicating that. My view is
20 there's no perfect predictive program and there's
21 nothing -- it's a futile effort to try to figure out
22 what any plant is going to be doing five years from
23 now from the information we have today.

24 An early indication of declining
25 performance is possible and I think these PIs try to

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1 do that by measuring perfectly acceptable performance
2 in trying to indicate trends. While all the
3 discussion before, I think, was accurate, it could
4 have been misleading in indicating events at plants
5 that are unacceptable.

6 How many unacceptable events at plants do
7 you add up before you have NRC take action, I don't
8 think, is a correct characterization, as I see it, of
9 the current program. It's declining performance and
10 early indications of declining performance.

11 That's why the green band says licensee
12 response which means events at plants that are less
13 than perfect and if we want to correct, they are still
14 not a safety issue. If there were a safety issue, the
15 NRC would be involved.

16 If there was unacceptable performance
17 beyond a deterministic regulation we have, for
18 example, the violation of a tech. spec. doesn't wait
19 and you don't just count that. The NRC is involved in
20 those. In my mind it's early indication.

21 If you're going to use your speedometer
22 performance analogy, it isn't traveling at 70 miles an
23 hour. It's some measure of risk in measuring
24 increase.

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1 If you assume speed is the measure of
2 risk, we're in a 55-mile-an-hour zone and we're doing
3 40 and we're measuring as we go from 40 to 41 to 42
4 and at that point, all of a sudden, at 45 somebody is
5 saying, "Wait a minute, you're approaching the 55-
6 mile-an-hour speed limit. Let me go put on the
7 brakes."

8 And at 50 you're into the yellow band so
9 you have to be real careful before we start
10 characterizing this as rear-view mirror. With the
11 speeding analogy at no point are we doing 55 or are we
12 approaching 55.

13 MS. FERDIG: I think this is a good
14 conversation simply because I think that the term gets
15 thrown out there by people who have this idealistic
16 view about what any program could do and you have to
17 pull back and say to what extent is there any
18 predictability ever.

19 Then there's also the tendency to compare
20 this with the SALP and perhaps just because of the
21 numerical way of making ratings and the assumptions
22 that people brought with that kind of rating, they
23 like to think of it as being more predictive. I think
24 this is a good conversation to help clarify.

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1 MR. GARCHOW: But this program we've got
2 to make sure we know what the program is and isn't.
3 It's measuring essentially an overall management
4 effectiveness and trying to spot is there enough
5 things happening in different areas where you have a
6 concern with the overall management of the facility in
7 such a way that it could be eroding margins and, in
8 Steve's analogy, closer and closer to something that
9 would become unacceptable as you work through the
10 colors.

11 Using your examples, the regulations keep
12 you safe. If the leak is big enough that it starts
13 triggering other alarms, there's tech. specs. you
14 would have to shut down with the regulation. In both
15 those cases visual inspections have found that there's
16 regulatory hooks they couldn't start up with it after
17 they found it.

18 There's code requirements. If you need
19 exceptions from the codes, the NRC has to be involved
20 to improve them. All of that body of regulation
21 intertwined. Once somebody saw the boric acid in your
22 two examples all kick into play to, I think, move
23 toward safety because once you found it you couldn't
24 ignore it. I mean, then it had to be dealt with and

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1 repaired in accordance with accepted practices,
2 inspected, and the like.

3 None of those events that I see -- I liked
4 Randy's description that if they didn't predict any
5 kind of or point to any kind of apparently performance
6 issues, which is really the management systems that
7 really this process is out there looking as the
8 aggregate management system such that you're operating
9 the place toward safety or not.

10 If you pop up all these indicators and
11 they end up yellow and red, that sort of points to
12 those kinds of issues.

13 MS. FERDIG: You are, in effect, using
14 credibility trends to project ahead based on the
15 conditions as you can know them. To that extent, it
16 is at least forecasting possibility to look at that.

17 MR. BROCKMAN: Would I be correct then in
18 saying that our recommendation, as opposed to
19 expediting the efforts, would be more along the lines
20 of continue the program to improve the performance
21 indicators and the use of consideration of risk
22 informed techniques, make sure that it is accomplished
23 under the guidance of 0608, which brings in all of the
24 appropriate V&V associated with this, and that changes
25 should provide for an overall balance between the

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1 benefits and the costs? It's a precautionary to keep
2 looking into this thing in accordance with the
3 program.

4 MR. FLOYD: Yes. I think we're on the
5 same wavelength. I was suggesting for a rewrite of
6 issue descriptions and panel recommendations something
7 along the following:

8 "Some of the current performance
9 indicators and thresholds do not directly correlate
10 with risk. This causes the application of the action
11 matrix to appear inconsistent and calls into question
12 the value of some of the performance indicators as an
13 input to performance assessment.

14 For example, some of the emergency
15 preparedness and security indicators do not directly
16 correlate to risk but rather are intended to identify
17 weaknesses and licensee programs.

18 The panel cautions the staff to not
19 eliminate a performance indicator solely because it
20 does not provide risk informed information where the
21 performance indicator provides information useful for
22 enhancing public confidence." We could add "or other
23 values."

24 The panel recommendation would be,
25 "Continue the effort to identify and evaluate

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1 improvements to perform its indicators where
2 appropriate. Any significant changed PI should be
3 thoroughly evaluated in accordance with manual chapter
4 0608.

5 Further, increases in the number of
6 performance indicators require reconsideration of the
7 action matrix and the breadth and scope of the
8 baseline inspection program."

9 MR. GARCHOW: Do you have that written
10 down?

11 MR. FRAHM: If you hand it to me, I can
12 type it up.

13 MR. GARCHOW: I actually thought that was
14 well done.

15 MR. FLOYD: That's just my version.

16 MR. PLISCO: We can put that up, right?

17 MR. FRAHM: In a few minutes.

18 MR. BLOUGH: From all the discussion I was
19 wondering if there's some sentiment for actually
20 scratching the whole issue. I might have
21 misunderstood the discussion. So we are all
22 comfortable with keeping it just rewritten?

23 MR. FLOYD: Yes, I'm okay if the intent is
24 to continue to look for improvements and evaluate them
25 consistent with the rest of the program.

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1 MR. TRAPP: I still don't think there's
2 much of a message there or much of a benefit. I mean,
3 of course they are always -- I mean, we could say that
4 about every aspect of the program. Just continue
5 doing good and it just doesn't strike me that we are
6 really sending much of a message or giving much advice
7 that anybody is going to use.

8 MR. BROCKMAN: I don't think we will on
9 very many of the priority 2s at all.

10 MR. TRAPP: I agree.

11 MR. BROCKMAN: Steve, I've got one thing.
12 Your last thing, you really focused in very heavily on
13 the action matrix. I think we do better keeping
14 abroad overall costs and benefit because the action
15 matrix is one thing but we've got eight different
16 criteria we're looking at. You need to put a balance
17 on all those as opposed to just focusing ourselves in
18 on that. That's probably the only difference.

19 MR. FLOYD: I just wanted them to
20 particularly pay attention to if they are going to
21 significantly increase the number of PIs to make sure
22 that they specifically revisit the action makers and
23 the inspection scope.

24 Certainly there are other things that they
25 ought to look at in terms of overall cost/benefit

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1 burden associated, etc. I agree they ought to look at
2 the entire range. I did want to call out specifically
3 those two key elements. Key from the industry's
4 perspective, I might add.

5 MR. SCHERER: Well, I think it's from a
6 staff perspective, too. If you double the number of
7 PIs that can cause the NRC to have a reactive
8 inspection, it's going to have a significant impact on
9 your resources.

10 MR. PLISCO: Right.

11 MR. KRICH: So, Loren, because I'm having
12 so much fun with this discussion, I would like to
13 extend it a little bit. I agree with Jim's comment.
14 I think that is a pertinent comment but I think we
15 should include this.

16 I'm wondering if to make it a little bit
17 more useful, or maybe not, but would it be useful to
18 include at least a sentence or two that summarizes the
19 discussion here about what does improved performance
20 indicators look like. What do we mean by improve the
21 performance indicator?

22 This whole discussion about predictive or
23 forecast or whatever but put at least something that
24 explains to the reader what we mean by improving the

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1 performance indicator. That might be a little more
2 helpful than just saying, "Keep doing good work."

3 MR. SHADIS: I'm glad you reopened that.
4 I just wanted to clarify that we were not looking for
5 an absolute predictor or a program with the ability to
6 predict everything. Absolutely definitely not.
7 However, the reverse side of that is that the language
8 that says that this is indicative and not predictive
9 is also too absolute. There is a predictive element.
10 Otherwise, there is no function.

11 MS. FERDIG: That's an interesting thing
12 to think about because you guys are so sophisticated
13 in your understanding of what predictive means and how
14 you use that word relative to your methodologies.

15 Yet, from a public point of view perhaps
16 if some -- and this might not be the place to do it,
17 but when we think about communicating, the degree to
18 which obviously this whole program is designed to pack
19 into the current best available information to make
20 judgments about the future and the relative safety of
21 plants. I don't know where to put that but I think
22 that does make it a valuable conversation.

23 MR. SHADIS: Do you want to say more about
24 that? I've thrown my piece in there.

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1 MR. KRICH: No, that was good. I agree
2 with what you're saying. I was just suggesting either
3 here or maybe some place else to give the benefit of
4 this discussion to the reader.

5 MR. BROCKMAN: We'll give a shot at that.

6 MR. GARCHOW: That might be in the opening
7 when you talk about performance indicators where we
8 throw a caution in under what they are and what
9 they're not.

10 MR. FLOYD: Yes, yes.

11 MR. GARCHOW: I think this is good that
12 we're keeping these addives going in the mean time
13 mode. That will be helpful.

14 MR. PLISCO: P-3.

15 MR. KRICH: Speeding right along here.

16 MR. PLISCO: Safety system unavailability.

17 MR. KRICH: I had one thought on this
18 particular one. I don't know if this is appropriate
19 here but there is an INPO consolidated data group that
20 has now been formed.

21 Actually, INPO has formed it but it's an
22 industry group and the NRC also sits on that group.
23 It's kind of the daughter product of the data review
24 group which was formed early on and Frank Gillespie
25 sat on that also. They are looking at ways to get a

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1 consistent data set from which then PIs can be
2 calculated for whatever purpose would be needed for
3 the NRC for WANO, EPIX.

4 My question is this the place or is it
5 appropriate here to recognize that there is an effort
6 going on and that effort is moving in the right
7 direction to address these issues, or appears to be
8 moving in the right direction to address these issues.

9 MR. FLOYD: We could, although I think it
10 would have limited direct value because their effort
11 is really looking at focusing on how can I improve the
12 efficiency of collecting the data but they are looking
13 to the other organizations that need the definitions
14 to tell them what is the definition for which they
15 need to collect the data set elements.

16 MR. KRICH: That's true. They are working
17 both on definition and --

18 MR. FLOYD: Well, no. They're not working
19 on definition. They are deferring to the other groups
20 to come to common agreement on a definition so that
21 you can break it down into the individual data
22 elements but they're not trying to develop a
23 definition for the data element there. They are
24 assembling that.

25 MR. KRICH: That's true.

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1 MR. FLOYD: It's certainly related.

2 MR. SCHERER: In looking at this issue and
3 in looking at my notes from the last discussion and
4 thinking about our discussion on P-1, I guess we have
5 a couple of choices. Either this issue could be
6 subsumed into the issue P-1 or it could just follow O-
7 1 as an example. I'm struck at the underlying
8 principle that we've been discussing when we had the
9 unintended consequences is really the issue we've been
10 struggling with here.

11 MR. PLISCO: There's a lot more than
12 unintended consequences. There's a whole lot more
13 than that. It is one piece of it.

14 MR. SCHERER: Yes.

15 MR. PLISCO: But I think there's more
16 fundamental issues in this one. What are we even
17 measuring in the first place? Not just unintended
18 consequences.

19 MR. FLOYD: Actually, the most fundamental
20 question, I think, that we're trying to address in
21 this unavailability definition isn't addressed and
22 isn't captured in the paragraph.

23 From the meetings that I've attended on
24 this one, the big hurdle we have to overcome is if you
25 want to get consistent with your PRA and the

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1 maintenance rule and, to some extent, WANO, they are
2 looking at what is the risk important function of the
3 system as opposed to the ROP which is really focused
4 on what is the design basis function of the system.

5 If you can't resolve that disconnect, you
6 can't reach a common definition of unavailability and
7 there's no point even worrying about how you credit
8 operator actions and the other elements that are in
9 here because they are fundamentally different right at
10 the core. It's ironic we have a risk-informed ROP that
11 focuses on maintaining the design basis, at least in
12 this indicator.

13 All the FAQs -- not all of them but a
14 considerable fraction of the FAQs really are getting
15 at this issue of, "Well, okay. The thing was really
16 able to perform its important function but it doesn't
17 quite exactly meet the design basis requirement for
18 some extremely low probability event and, therefore,
19 isn't really unavailable." That's where a lot of the
20 FAQs wind up dealing around.

21 MR. GARCHOW: And a significant amount of
22 debate between the residents and staff and those folks
23 on our staff that we are paying to try to read
24 operator logs every day and say aye or nay, aye or
25 nay.

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1 MR. BROCKMAN: And this is a wonderful
2 discussion between the regulator and in between the
3 licensee, but now I'll throw the third side of the
4 prism into it and you get into the public.

5 I personally believe that John and Mary Q.
6 Public have no idea of what is the difference between
7 operable and available. They are synonymous terms.
8 How can it not be operable but be available?

9 MR. GARCHOW: But in their busy lives they
10 may not care.

11 MR. FLOYD: And how can it be available
12 but not operable.

13 MR. BROCKMAN: And this whole thing then
14 when we're trying to communicate with the public with
15 respect to PIs, you can get totally lost in the syntax
16 of our definitions on this as to where we're going
17 here.

18 That is the dilemma we've got with respect
19 to the multiple functions here as I see it. I'm
20 interested in viewpoints from those who aren't as
21 technically enmeshed in this for the last 20 years as
22 we are as to whether I have the right vision or not.

23 MS. FERDIG: I'll just tell you what has
24 always struck me every time I listen to these
25 conversations. It's interesting because I attended

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1 some of those working group sessions a long time ago
2 and that was one of the key points of discussion and
3 it's obviously still continuing.

4 I don't understand the technical
5 implications. I mean, I learn it and I think I've got
6 it in my head and then I come back to it a month later
7 and it's gone again and I have to --

8 MR. BROCKMAN: That's because we learn
9 a new pitch.

10 MS. FERDIG: It's tricky. The thing that
11 does come up for me as a question that for me wants
12 fixed is the notion of aligning whatever the intent is
13 of this indicator with the maintenance role.

14 Why can't that be resolved in a way that
15 makes sense to everyone in terms of watching what the
16 intent of this indicator is about. That's the
17 question that keeps coming up for me.

18 MR. PLISCO: It can be.

19 MR. FLOYD: It can be. Right.

20 MR. PLISCO: Once everyone agrees.

21 MR. FLOYD: What it really requires is it
22 requires everybody to change at least some. All it
23 takes is one of the four parties not to want to change
24 some and you can't make progress.

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1 MS. FERDIG: So there's some whatever,
2 political or ownership elements.

3 MR. PLISCO: They perceive a different
4 need.

5 MR. TRAPP: But the changes are just minor
6 subtle changes with the maintenance rule and the
7 program. The maintenance rule does two different
8 performance indicators and the ROP does one which they
9 tried to combine two into one so there's really major
10 fundamental technical issues.

11 MR. FLOYD: But, again, there's a way you
12 can address that, too. You could take the
13 unreliability portion out of the unavailability
14 definition for the ROP program and, therefore, it
15 could be consistent with how you're treating
16 unavailability and the maintenance rule and the PRA
17 and either have a separate reliability indicator in
18 the ROP program or just say, "I've already got a
19 maintenance rule that already requires me to keep
20 track of demand failures and has thresholds and
21 performance criteria associated with it. I'll use
22 that." There's a lot of different ways you could do
23 it.

24 MR. TRAPP: That's a major thing for me.
25 That's not a minor change.

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1 MR. FLOYD: No, no, it's not minor. It's
2 a lot of dialogue that has to go on to get people
3 comfortable and understand how it's all going to fit
4 together and still provide what they think is the
5 necessary coverage. That's why it's difficult.

6 MS. FERDIG: And because the intent of
7 each of these is somewhat different and needs to be
8 maintained. I hear that.

9 MR. GARCHOW: But to the extent you can
10 converge this makes it more easy to understand, easy
11 to administer, and easier to make sense of it. This
12 disk convergence makes it very difficult to explain to
13 anybody what you're trying to do.

14 MS. FERDIG: Certainly.

15 MR. FLOYD: The thing that is really
16 confusing, I think, for those of the public who get
17 involved in this, and certainly it's confusing to me,
18 is you have a PRA which is somewhat the basis for the
19 significance determination process and the evaluation
20 of those deficiencies which counts unavailability in
21 a different manner than it's being counted in the PI.

22 Yet, you say we want to equate the PIs
23 with the SDP outcomes. Well, they have a different
24 basis from the outset on a definition which to most
25 people would say, "Why isn't unavailability just

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1 unavailability?" They don't understand why it's
2 different.

3 It's either available or not available.
4 As Jim pointed out, it's a lot more complicated than
5 that but it's awfully hard to explain it and I think
6 it causes some of the disconnects in the program about
7 the differences that we just talked about in the last
8 question with the outcomes of the SDP versus the
9 thresholds and the performance indicators. It really
10 gets at the heart of it.

11 MR. GARCHOW: Then you end up situations
12 where in out mocade protect specs. I mean, you do the
13 drill on mocade protect specs. They appear to be okay
14 per my maintenance rule. Appear to be okay from my
15 WANO indicator. Oops, just took my NRC. Well, three
16 out of the four all for the same situation.

17 It's okay about my tech. specs. It's okay
18 per the maintenance rules, so I'm two out of three on
19 regulations. It appears to be okay in the compositive
20 WANO given what I've done over time with my rolling
21 averages. But then it's not okay. I'm taking a hit
22 moving me closer to a threshold in the NRC and that
23 plat doesn't make sense.

24 MS. FERDIG: It doesn't make sense to me.

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1 MR. GARCHOW: You can't defend that to
2 your staff much less the public.

3 MR. PLISCO: Well, I mentioned an opposite
4 case the last time with the Summer aux feedwater where
5 they violated the tech. spec. defining going through
6 the SDP process. It was a white finding that did not
7 trip the performance indicator. The performance
8 indicator stayed green.

9 MR. SCHERER: I also --

10 MS. FERDIG: That doesn't make sense.

11 MR. SCHERER: I also believe as
12 interesting and as esoteric a debate as this occurs
13 within the industry, it is totally lost on our public.
14 We can argue, and I think we have successfully with
15 the NRC staff, that doing diesel generator maintenance
16 online is, in fact, safer than doing it during a
17 shutdown.

18 We have four diesel generators. We can
19 explain it all. To our public, at least around our
20 plant, it's equivalent to being on a four-engine jet
21 and having the pilot announce halfway to California
22 that while he has four engines and it's perfectly
23 okay, he's going to shut down one of them to do
24 maintenance.

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1 It's just not going to ring true with me
2 that that is exactly the appropriate point to be doing
3 the maintenance. He can tell me all the FAA
4 regulations that he's meeting and that he's well
5 within the allowed outage time but I'm not going to be
6 very happy. That's the reaction we get from our
7 public.

8 MR. HILL: But that's not a good example
9 because when it's shut down on the ground, there is no
10 risk at all of doing the maintenance then.

11 MR. SHADIS: What's your competing risk?
12 Is it your residual heat removal? Is it spent fuel
13 pool cooling? It's as though you're saying that when
14 you're at power you have auxiliary systems available,
15 steam driven or whatever, and, therefore, that's
16 fairly -- from the public point of view I could say
17 that's fairly bogus.

18 MR. SCHERER: Exactly.

19 MR. SHADIS: And from --

20 MR. SCHERER: It's a tough sell. As I
21 said, the reaction we got from our public is the same
22 as the pilot would get on making the announcement.
23 You could have all the analogies you want. We will
24 trot out all the engineers we can and all the safety

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1 analyses and all of the steam-driven speed water
2 pumps.

3 MR. SHADIS: You say the industry and I
4 don't want to get into a huge debate here but say one
5 thing and do another. Okay? We sat with the
6 commission here in this room a few weeks back and
7 talked about plants and decommissioning, that the
8 energy wasn't there to distribute the --

9 MR. KRICH: Fission products.

10 MR. SHADIS: Yes, fission products
11 because, you know, we're now shut down. We're talking
12 from day one of being shut down. Oh, you've
13 eliminated this because you don't have a pressure
14 vessel and a couple thousand pounds of pressure in
15 there to move your stuff around.

16 You only have to worry about plant
17 security because, hey, you know, the vulnerable parts
18 are the steam lines where they're exposed. Now you
19 have these safeguards. We're saying in essence a shut
20 down plant is safer and less in terms of consequences
21 even.

22 But when you're talking now about
23 maintenance, online maintenance, you're talking about
24 the same set of circumstances except that the
25 rationale is turned around completely.

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1 MR. FLOYD: I think you're confusing a
2 shutdown plant with a decommissioned plant.

3 MR. SHADIS: No, I'm not. Well, all
4 right. So you have a third of the core out and two-
5 thirds of the core remaining in a nonpressurized
6 container.

7 Still, you know, I can tell you from the
8 public perspective of measuring one cup versus two-
9 thirds of a cup the way we measure stuff, it doesn't
10 fly. When this technology was sold site by site to
11 the public -- I don't know about the new plants but I
12 certainly know about the older plants -- redundancy
13 was one of the big selling points.

14 Look, we've got two of everything. If one
15 thing fails, you've got this sitting there waiting to
16 go. And events in depth. I think these are the kinds
17 of things that are challenged when you undertake a new
18 way of looking at it all. I think it is a new way of
19 looking at it.

20 MR. FLOYD: Yes.

21 MR. SHADIS: So I'm sorry to diverge, as
22 they say.

23 MR. KRICH: So what would help, Ray? What
24 would help people to understand that, in fact, this is
25 a new way of looking at it and it is maintaining a

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1 level of safety that is just as good as the old
2 deterministic method?

3 MR. SHADIS: Well, I think that the public
4 are advocates/activists on his issue. It's hard to
5 speak for the public in general but I think we're
6 looking for certainty for some very solid foundations.
7 The FSARs ought to once and for all be brought up to
8 date and everything.

9 In there can be found to show you what
10 kind of plant you have and what the synergies are from
11 one system to another, the electrical connections, all
12 the rest of it. I think that we really need to have
13 all that design basis information nailed down.

14 I think that the credibility of the PRAs
15 is iffy when you have such a diversion from similar
16 plants. And, you know, if that information were
17 solid, if it were available, if it were proven, then
18 you built on that base, it would go a whole lot
19 further toward convincing the public when you do all
20 of your risk analysis that it is solidly founded, you
21 know.

22 Right now it doesn't appear to be that
23 way. That would help. Then when you said, "Well,
24 look, this is actually safer with the plant up and
25 running," it might be an easier sell.

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1 MR. FLOYD: That's interesting because I
2 just wonder if the folks who take a look at this in
3 the public understand the weaknesses in the
4 deterministic approach where your analysis assumes
5 that the equipment is 100 percent available, 100
6 percent reliable.

7 I mean, even Appendix R you protect one
8 train of the equipment. If you have an A train and B
9 train, you assume the A train is lost in the fire and
10 the B train works 100 percent. It's sort of a false
11 sense of confidence. We know better than that. We
12 know that it doesn't work 100 percent of the time.

13 It's not 100 percent available. This new
14 way of looking at it, I think, really tries to take
15 into account what the experience has been now that
16 these things have been running for 30 plus years. I
17 just wanted the public, you know, to understand some
18 weaknesses. I don't want to get into a debate.

19 MR. SHADIS: No. But from the activist
20 end of it, you have fewer activists around these days
21 than you did in the days when it was all deterministic
22 and people were highly critical of just exactly what
23 you brought up.

24 That's one reason why I asked about Oconee
25 and Summer because, you know, from a backyard

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1 mechanic's point of view when one pipe in your
2 plumbing system springs a leak, you immediately launch
3 on checking all the other pipes out. At least you
4 should. This is what you would do repairing an
5 automobile or a home plumbing system.

6 MR. KRICH: Well, actually, the first
7 thing you would do is figure out why that pipe sprung
8 a leak. If it was because of the guy who installed it
9 punched a hole in it, then you don't really need to go
10 look at -- I mean, the first thing is to figure out --
11 yeah, you want to know where he worked. You know,
12 finding the root cause directs you then as to where
13 else you look. It's not just automatic look around.

14 MR. SHADIS: No, I understand that.

15 MR. FLOYD: Besides, in your backyard
16 plumbing system you wait until you get a leak before
17 you go look at the rest of it, whereas these systems
18 are under a continuous in-service inspection program
19 and testing program looking at these things.

20 MR. SHADIS: We have a mini nuclear
21 program going in our basement where our water pressure
22 tank sprang a pinhole leak going on six years ago. I
23 put in an expansion plug and a big washer and some
24 epoxy. My wife wanted to know if it wasn't an
25 indicator that the whole tank was possibly rotten and

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1 needed to be replaced. I said, "No, no. They do this
2 in the industry all the time."

3 MR. FLOYD: Is it still holding?

4 MR. SHADIS: Yes.

5 MR. GARCHOW: It's a leak before
6 breakdown.

7 MR. SHADIS: That's right. It's a leak
8 before breakdown.

9 MR. GARCHOW: So where are we going on P-
10 3?

11 MR. PLISCO: That was my question.

12 MR. GARCHOW: I found nothing in this that
13 I could not rally around consensus as written.

14 MR. FLOYD: Steve's one thought was that
15 the major difference is unavailability. It's a major
16 hurdle that needs to be overcome if in this striving
17 for a common thing is resolving the purpose whether
18 you're trying to measure unavailability for the design
19 basis events or for risk important events.

20 MR. SCHERER: Fine.

21 MR. BLOUGH: I'm sorry. I don't
22 understand what you mean by that.

23 MR. FLOYD: Well, for example, in your PRA
24 analysis and in your maintenance role, if your diesel
25 generator fails to start in 11.8 seconds, or whatever

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1 it is, for the double-ended guillotine break LOCA, but
2 it could have been started after you do your root
3 cause, or maybe it was actually started by the
4 operator with a manual switch on the control board,
5 you don't go back and put in 90 hours of fault
6 exposure hours, or whatever it was, since the last
7 time it was tested into your PRA model.

8 You say, okay, for the risk important
9 function which is not responding to double-ended
10 guillotine break, it wasn't unavailable. It would
11 have been available. In fact, it was available. You
12 do the same thing under the maintenance rule.

13 But when you go to the ROP program, no, it
14 wouldn't meet that function. Therefore, you go back
15 and you plug in a large unavailability term and you
16 get a different answer obviously. A different
17 perspective on the system performance when you do
18 that.

19 If we're going to reach a common
20 definition, obviously if the objective of this is to
21 get one set of data where the guy who plugs the
22 information into the PRA, plugs it into the
23 maintenance role, plugs it into WANO, and plugs it
24 into the ROP, he has one number to contend with.

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1 You've got to overcome that fundamental difference in
2 the underpinning.

3 MR. SCHERER: And my only addition to
4 Steve's comment is contrary to P-2, here I do have the
5 sense of urgency that I would like to move forward to
6 get this issue resolved. Continuing this debate or
7 this flurry of frequently asked questions is not a
8 productive one for the NRC, the industry, or the
9 public.

10 MS. FERDIG: We can add the word expedite.

11 MR. SCHERER: And it is a priority 1.

12 MR. GARCHOW: Well, the NRC inspectors are
13 debating these unavailability minutes and hours. I'm
14 not sure that's necessarily pointing towards a risk
15 basis use of the inspector time if they don't follow
16 up for the PI.

17 We're scrambling through logs trying to
18 figure out whether this 15 minutes is in or out. I'm
19 not sure that's where we want to be either. Some of
20 that yielded because of the difference in the
21 definitions that Steve's talking about.

22 MR. BROCKMAN: I think one thing that we
23 can do is certainly recommend for those things within
24 the agency's span of control that we, you know, that
25 is appropriate for us to recognize that should get

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1 resolved. And continuing to work on those things that
2 are not within the agency's span of control would be
3 something else to do but if WANO don't want to budge,
4 then you're not going to get consistency with WANO.

5 MR. FLOYD: WANO is willing to budge.

6 MR. BROCKMAN: I'm just saying we can't
7 control that, but we can take control on getting
8 consistency between our internal processes. For
9 example, try to really work the maintenance rule and
10 the ROP to get consistency in that depth and then we
11 can recommend you keep on working with those external
12 organizations.

13 MR. FLOYD: Yes. If you want to leave out
14 WANO, that's fine. I would add PRA in as well
15 because, I mean, when you go to a phase 3 evaluation,
16 you pull out your PRA models. I would add you want it
17 to be consistent with maintenance rule PRA which
18 although it's not a regulatory requirement, it
19 certainly has extensive regulatory uses these days.
20 And the ROP program which is also not a regulatory
21 requirement.

22 MR. BLOUGH: How does maintenance rule
23 treat fault exposure?

24 MR. TRAPP: Well, they have reliability
25 and unavailability so there is no fault exposure.

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1 MR. BLOUGH: Because they have reliability
2 and unavailability.

3 MR. KRICH: But WANO does treat fault
4 exposure but in a little bit different way.

5 MR. BLOUGH: In a different way. Okay.
6 I wouldn't want to go with anything that would
7 encourage the staff to just drop fault exposure and
8 not do anything else because I think when we're
9 talking earlier about the public, I think the public
10 reads LERs and they read events.

11 Around certain plants when important
12 safety equipment fails, they're interested. I
13 wouldn't want us to jump to a system where you can
14 have failures in important equipment and it's evidence
15 that that failure potential existed sometime before
16 the equipment was actually tested. Then the only
17 measure of that equipment that comes out turns out
18 green because it doesn't treat it.

19 MR. FLOYD: I would totally agree.
20 There's two paths for this thing. There's a short
21 term and a longer term one. The longer term one is
22 trying to get reliability indicators which would then
23 solve that problem directly.

24 The shorter path in the case it's due to
25 a fault exposure term, go ahead and use the

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1 significance determination process to evaluate the
2 significance of having that piece of equipment out for
3 whatever the duration is related to the fault exposure
4 hours. The SDP has got a less than three, three to
5 30, and greater than 30 day exposure time.

6 If you have a long-term fault exposure,
7 you're automatically in the greater than 30 column and
8 you take a look at it and see what its impact was and
9 evaluate the actual condition and the actual loss of
10 the equipment and its inability to perform that
11 function for that period of time.

12 The folks I know at the NRC are taking a
13 look at that to see if that would do it. What we're
14 finding right now is some of the fault exposure hours
15 may trip the indicator yellow or white but when you
16 run them through the SDP they're green.

17 Others of them stay in the green but it
18 might be white using the SDP. We had a number that
19 went white and stayed white when you use the SDP. It
20 shows the inconsistency.

21 MR. BLOUGH: I have some worries about
22 that approach. I think the recommendation here is
23 neutral with respect to --

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1 MR. BROCKMAN: We may even resolve the
2 fault reliability issue that it get resolved as
3 opposed to identifying what is the solution.

4 MR. FLOYD: We don't want to do that.

5 MR. GARCHOW: There's another outside
6 intended or unintended consequence of this one, too,
7 that doesn't get discussed.

8 If you truly believe that assigning the
9 fault exposure hours has a valid technical basis and
10 really measures some element of risk back to the last
11 time you test, if that were really true and you were
12 going to be consistent throughout the regulation, if
13 there was truly that risk, you would change your
14 surveillance testing frequency.

15 You would make sure you were testing that
16 equipment such that when you went and looked back to
17 the last time it was tested, that amount of fault
18 exposure hours was deemed to be "acceptable."

19 I'll put quotes around that, whatever that
20 would mean in PSA space. Then you would say it isn't
21 acceptable even though the regulation tells me I have
22 every 90 days to test my turbine-driven aux feed pump,
23 maybe it really should be if you were going to make
24 everything consistent, it should be every week, every
25 two weeks.

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1 MR. PLISCO: I know plants that have
2 changed. The ones that have gotten close to the
3 threshold they moved their frequency up so they
4 could --

5 MR. TRAPP: There's nothing wrong with
6 that.

7 MR. FLOYD: Not necessarily. There's a
8 balance between reliability and availability and you
9 don't want to make it unacceptably unavailable in
10 order to --

11 MR. GARCHOW: But the issue then comes
12 back we're in between this deterministic and
13 probabilistic world so we're sitting here running our
14 plants toward a deterministic set of regulations
15 called the tech. specs. and trying to fit in this
16 probabilistic world. In that you get these conflicts
17 and that's a conflict.

18 MR. BLOUGH: I was just curious when you
19 were saying -- you used the word "you" would change
20 the surveillance frequencies. Who did you mean by
21 you?

22 MR. GARCHOW: I mean, the you would be all
23 of us somehow collectively. If you were going to make
24 the tech. specs. risk informed, then I would think the
25 surveillance frequencies would have those kinds of

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1 insights. Right now they have none of those kind of
2 insights.

3 I'm required to test my aux speed, bump up
4 the frequency by my surveillance requirements. I'm
5 not required to test it monthly because of this other
6 driver.

7 Now I have to be willing to accept the
8 consequences of a failure in this other world with the
9 ROP and the maintenance rule but this is just where
10 all this doesn't flange up quite right yet. I think
11 it will probably evolve to flanging up over time.
12 Right now that's a problem.

13 MR. HILL: But to a degree we've always
14 sort of done that. If you have a problem with a
15 turbine driver and you don't know if you fixed it for
16 sure, we typically increased our frequency and
17 gradually, you know, change that.

18 MR. GARCHOW: That's with a known.

19 MR. HILL: That's with a known.

20 MR. GARCHOW: We do that as well but I was
21 suggesting if you're going to make the regulations
22 flange up with this, you make it a requirement to test
23 it to where the time between tests would be an
24 acceptable fault exposure hour.

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1 MR. FLOYD: Randy, I didn't want to
2 suggest either that the current approach is
3 eliminating all fault exposure hours. There's still
4 an appropriate element of fault exposure hours. If
5 you go back and find out that it had failed right
6 after you did the last test or as part of the
7 restoration, then you do have fault exposure hours.

8 MR. GARCHOW: But those are real.

9 MR. FLOYD: Those are real.

10 MR. KRICH: Right. That ought to be
11 consistent with the way you report it also.

12 MR. FLOYD: And that's also consistent
13 with how you do it on the maintenance rule and the PRA
14 analysis. You do take the fault exposure term.

15 MR. KRICH: When there's a reasonable --
16 when you can go back and find some reasonable cause
17 for the thing failing.

18 MR. GARCHOW: So we do have this as a
19 priority issue because it spurs this kind of
20 conversation.

21 MR. PLISCO: Anything else we need to add
22 or change?

23 MR. GARCHOW: So did we get the comments
24 in where we have a chance for a rewrite?

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1 MR. FRAHM: I took a lot of notes. You
2 want to read my notes?

3 MR. PLISCO: Actually, he had one phrase.

4 MR. GARCHOW: Maybe we need to clear up
5 the language or 90 percent of it before we move on.

6 MR. FLOYD: I'll take WANO out.

7 MR. PLISCO: Okay. P-4 was the frequently
8 asked questions.

9 MR. SCHERER: Time for a break?

10 MR. PLISCO: After we finish P-4. We'll
11 take a break after P-4.

12 MR. GARCHOW: I have no comments.

13 MR. PLISCO: Actually, for the first
14 revision I already know this is ongoing.

15 MR. FLOYD: I didn't have any problem with
16 this one.

17 MR. GARCHOW: I didn't have any problem
18 with it.

19 MR. SCHERER: Well, I thought frequently
20 asked questions has been one of the more positive
21 things.

22 MR. PLISCO: It is discussed later in a
23 more global sense in the overall sense.

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1 MR. SCHERER: But this came out as
2 somewhat negative in terms of its overall balance.
3 Whether you do that at some other point or --

4 MR. PLISCO: Yes. It's in another place.

5 MR. SCHERER: Okay.

6 MR. PLISCO: I covered that. This was
7 specifically just the PI FAQ. A lot of the more
8 global comments about FAQs are in with the overall
9 discussions.

10 MR. FLOYD: Yes. But I think Ed's point
11 is that even for PIs you don't want the FAQ process to
12 be perceived as a negative.

13 MR. SCHERER: Overall I think it's one of
14 the successes of the program and I want to encourage
15 its continuance and improvement. I think some of the
16 suggestions here are improvements.

17 I was also concerned about the last
18 sentence. "In addition, the inspectors noted that
19 some licensees would take site-specific answers to
20 questions out of context when applying it to their
21 specific situation."

22 I remember hearing comments like that but
23 are there any examples that we have?

24 MR. PLISCO: We can find some.

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1 MR. FLOYD: Actually, we had a number of
2 licensees that generated additional frequently asked
3 questions because that's exactly what they were doing
4 and were called into question by their resident.

5 They wrote another frequently asked
6 question but they were taking parts of one answer and
7 part of another answer and putting them together
8 without leading both the question and the answer
9 because they are so site specific in some cases. So,
10 yes, I think it was actually occurring.

11 MR. BROCKMAN: I would suggest probably
12 just on the recommendation of what Ed's got that
13 overall the FAQ has brought value added but efforts
14 should continue to incorporate the answers if they are
15 acknowledged acceptable and move on from there. That
16 probably fixes that.

17 MR. FLOYD: I agree.

18 MS. FERDIG: I have a question about that
19 based on my notes. I've got keep FAQs going and call
20 them something else. Are they FAQs? Are they so
21 institutionalized now in the minds of the users that
22 it would confuse things?

23 MR. PLISCO: I thought that and I've
24 decided to punt.

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1 MR. BROCKMAN: It would only change to any
2 asked questions instead of frequently asked questions.

3 MS. FERDIG: Right.

4 MR. GARCHOW: That is a good point because
5 if one person submitted it, by definition it became
6 frequently asked even if it was only one time.

7 MR. PLISCO: That's what most of them
8 were, just one.

9 MR. FLOYD: And we had a lot of DAQs, dumb
10 ass questions.

11 MR. KRICH: Loren, one quick question. I
12 thought I remembered David Lochbaum raising a concern
13 about the FAQs.

14 MR. PLISCO: Yes. His is picked up in the
15 other section. Again, in the overall discussion. At
16 least one of the issues he had was expanding that
17 concept to other parts of the program and not just the
18 performance indicator part. You know, into the SDP
19 part of the process and I've captured that thought in
20 the overall discussion.

21 MR. KRICH: I thought there was a concern
22 about availability or his being able to get to the
23 FAQs.

24 MR. BROCKMAN: Yes, he was. They are not
25 totally on the net.

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1 MR. PLISCO: Right. I thought they were
2 on the --

3 MR. SCHERER: I made the -- David may have
4 also but I made the commendation and it's one of mine
5 to expand it to the other parts of the program. My
6 recollection of David's issue was that he felt he had
7 asked questions and couldn't find a way to get it into
8 the process.

9 MR. BROCKMAN: You're right. When David
10 first brought that up, the staff was just in the
11 process of try to get that set up and subsequently --

12 MR. KRICH: So now he can get to it.
13 Thank you. Ed, you're right. He did say he had no
14 way of getting his questions in and answered as a
15 member of the public.

16 MR. BROCKMAN: Yes. The feedback process
17 did not give a response back to the individual who
18 submitted one. The way he found out the answer was to
19 look at the next graph and see if it was included.

20 MR. HILL: I think his concern was that it
21 was totally the NRC's choice as to what they
22 considered or included as a frequently asked question.

23 MR. BROCKMAN: Everything came in. He
24 just never got any feedback as to what they do. That

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1 doesn't necessarily mean you acted on it because it
2 could have been, "Thank you very much. No."

3 MR. HILL: That's what I'm saying. It was
4 totally the NRC's decision we'll just throw that away
5 or not.

6 MR. BROCKMAN: Well, it entered the
7 process but it just may not have been accepted.

8 MR. SCHERER: But he was never told that.

9 MR. GARCHOW: That is the issue.

10 MR. SCHERER: The issue that he raised is
11 he never received any feedback. It was sent to the
12 commission and he never heard back.

13 MR. BROCKMAN: Yes, no, maybe, next year.

14 MR. GARCHOW: That was his issue.

15 MR. PLISCO: But, you know, the staff's
16 response, and I have copies, there's many written
17 answers back to a number of these questions that is on
18 the docket. They are personalized responses.

19 MR. TRAPP: When you send in a feedback
20 form, you don't often hear back.

21 MR. PLISCO: That's another issue.

22 MR. BROCKMAN: Can we have that captured
23 later on in the overall?

24 MR. PLISCO: The whole concept of FAQs for
25 the whole process and feedback.

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1 MR. BROCKMAN: Let's hold it for there.

2 MR. PLISCO: Whether it's all well
3 discussed, we'll get to that.

4 MR. SHADIS: Let me ask a question.

5 MR. PLISCO: But the inspectors had the
6 same concern as they would send in comments and they
7 never got a direct response back. They had to wait
8 and look at the next revision and do a procedure to
9 see if their comment got incorporated or not.

10 MR. SHADIS: I just have a question. I
11 probably should know the answer to this. What is the
12 mechanism for reducing the number of FAQs as you stack
13 them up? Is there something at the other end of the
14 grinder that feeds them back into the process? I
15 assume that there is.

16 MR. BROCKMAN: The revisions to the
17 procedure or what have you when that's done and
18 they've been incorporated, then they go out of the FAQ
19 bin because they've been incorporated into the
20 procedure and incorporated into the baseline document.

21 MR. SHADIS: Is that formalized in some
22 way?

23 MR. BROCKMAN: The procedure revisions is
24 certainly a formal thing.

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1 MR. FLOYD: I think he's talking about the
2 FAQ process.

3 MR. SHADIS: I'm talking about the FAQs.
4 Apparently you have someone --

5 MR. FLOYD: We have a special log for
6 frequently asked questions that's posted both on the
7 NRC's website and on the NEI member website. It makes
8 a distinction between whether the FAQ is pending which
9 means it's in evaluation or whether the answer is
10 final or not.

11 You can go to the website and you can see
12 what questions have been asked and what the official
13 final answer to that question is as well as what
14 questions have been asked that are still in the review
15 cycle for which there's not a formal response yet.

16 MR. SHADIS: Okay. That I understand.

17 MR. FLOYD: And then what happens next is
18 NEI 9902, which we've been working to Rev. 0 for the
19 first year of the program, is about to be issued as
20 Rev. 1. In there it will identify the frequently
21 asked questions that have been wrote into the text of
22 the manual update and that will be visible to you.

23 MR. SHADIS: Okay. That's important
24 reflecting on the misapplication of some of these
25 things. The more you get them stacked up, the more

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1 you're going to have people transferring what doesn't
2 really apply.

3 MR. FLOYD: Right. And that was really
4 the concern, that somebody had to wade through 250
5 FAQs and hopefully find the right one, the answer to
6 what he was looking for. Now they have been put into
7 the section of the manual for which it's appropriate
8 to consider that information and response.

9 We've tried to put it in generically so
10 that it covers the vast majority of plants. We'll
11 still have FAQs but we've gotten rid of a big chunk of
12 them right now.

13 MR. SCHERER: The good news is we have 250
14 questions that got answers. The bad news is we had
15 250 questions and answers.

16 MR. FLOYD: That needed answers.

17 MR. SHADIS: I understand.

18 MR. BLOUGH: In the field we just got --
19 well, just got. We got within the last couple months
20 this draft that was going to input all the FAQs into
21 the base document. We farmed them out to inspectors
22 and then we had the chance to comment on those.
23 Generally they were in good shape.

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1 MR. FLOYD: If your seat hasn't given out,
2 there's a public meeting tomorrow all day to finalize
3 the manual.

4 MS. FERDIG: Oh, is that right?

5 MR. SHADIS: Sorry, I'm busy.

6 MR. FRAHM: It's not the first one either.

7 MR. FLOYD: No, but hopefully the last for
8 Rev. 1.

9 MR. BLOUGH: In terms of the NRC's
10 process, there's a manual chapter that's going to
11 describe the PIs and how they get changed.

12 MR. PLISCO: Yes, 0608.

13 MR. BLOUGH: I didn't know if it was draft
14 or final.

15 MR. FLOYD: I believe it's final now.

16 MR. PLISCO: Anything else on P-4?
17 Anything we need to change? Break?

18 MR. GARCHOW: We're 4 of 18 of the current
19 file.

20 (Whereupon, at 9:57 a.m. off the record
21 until 10:15 a.m.).

22 MR. PLISCO: Let's get back to our issues.
23 We're in the inspection area.

24 MR. BLOUGH: Not so fast. If I could just
25 ask a question about PIs. I've been reviewing notes

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1 this morning and I was curious about this. In Mary's
2 original input, she talked about the 95-5 model and
3 kind of the issue if there's a very low number of
4 white issues, is that all right?

5 Is there a communication or perception
6 issue or are the thresholds even correct? Then we
7 heard a lot of that from New Jersey and, I think,
8 Pennsylvania. I'm trying to remember what I heard.
9 Do we have an issue there with the PIs?

10 MR. PLISCO: There's an overall issue that
11 we move forward. I think it's 05, the differences
12 between the inspection findings and the performance
13 indicators and try to match those up with actions and
14 the action matrix even though the risk significance
15 may be different. That discussion.

16 MR. BLOUGH: I'm ready to move on. Thank
17 you.

18 MR. PLISCO: Okay. Inspection I-1 had to
19 do with the appropriate level of baseline inspection.

20 MR. FLOYD: I didn't have any problem with
21 the write-up but I have a problem with the
22 recommendation. I personally could care less what the
23 difference was between the original estimate and the
24 final effort. I don't think that's germane at all.

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1 What I suggested was panel recommendation
2 being evaluate inspection findings and PI results for
3 the first year of implementation and determine the
4 appropriate level of effort to inspect risk-
5 significant areas for each inspection module.

6 In other words, take the insights from the
7 first year of the program and relook at the models to
8 make sure they're focused on risk important areas. If
9 some increase, hey, that's fine. If some decrease,
10 that's fine. I don't care what the relationship was
11 to the original estimate and then modify the program
12 as appropriate.

13 MR. HILL: I think the only bearing that
14 the comparison of original estimates was, it was kind
15 of sold that it's going to have less inspection hours
16 and didn't. I don't know if that makes any different
17 here or not.

18 MR. FLOYD: We've discussed this with the
19 Chief Nuclear Officers and they said they really don't
20 care what the level of inspection effort is. Whatever
21 is necessary to give the NRC comfort and the public
22 comfort, that the important areas are being looked at.

23 As long as we have the things like the
24 thresholds and the significance determination process
25 that properly and objectively characterizes the

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1 findings, they have no objection to the level of
2 inspection effort as long as it's looking at the right
3 stuff.

4 MR. PLISCO: So you recommend changes in
5 the recommendation?

6 MR. FLOYD: Yes.

7 MR. PLISCO: Okay. What were the words
8 again?

9 MR. FLOYD: I've got them written down
10 here but I'll read it again. "Evaluate inspection
11 findings and PI results for the first year of
12 implementation and determine the appropriate level of
13 effort to inspect risk-significant areas for each
14 inspection module. Modify program as appropriate."

15 MR. SHADIS: Sorry. There's a little bit
16 of noise. Could you repeat that?

17 MR. FLOYD: Sure.

18 MR. SHADIS: Slowly.

19 MR. FRAHM: Could you type it into the
20 computer?

21 MR. FLOYD: "Evaluate inspection findings
22 and PI results for the first year of implementation
23 and determine the appropriate level of effort to
24 inspect risk-significant areas for each inspection
25 module. Modify program as appropriate." I don't care

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1 if it results in increases or decreases. It's focused
2 on risk significant areas. If it's appropriate to
3 look at, it ought to be in the scope.

4 MR. SHADIS: This crosses into other
5 objectives but I think from the public perspective, at
6 least for the first few years that the ROP is in
7 place, that there ought to be a focus on baseline
8 inspections.

9 MR. FLOYD: Yes. This is all in the
10 baseline.

11 MR. SHADIS: That's what I'm saying. That
12 focus and attention ought to be there. I wouldn't say
13 without concern for resources but that shouldn't be a
14 driver for reducing baseline inspections, at least for
15 the first few years until -- I don't like to use the
16 word comfort but until the kinks are worked out of the
17 ROP.

18 MR. PLISCO: And from the NRC perspective
19 one of the concerns we had, too, is we don't want to
20 just base what we do based on the findings and PI
21 results because our experience is there are areas we
22 may not have many findings but just the effect of our
23 inspection is why there are no findings.

24 If we stop inspecting that area, then
25 problems may come up. Just because there aren't any

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1 findings doesn't necessarily mean there isn't any
2 value doing the inspection. I want to look at this
3 wording to make sure we're not saying that.

4 MR. FLOYD: Yes. I don't mean to say
5 that. If people can interpret it that way, that's the
6 wrong interpretation. My general thrust is that you
7 ought to do an evaluation and make sure that what
8 you're looking at is risk significant.

9 If in the review of inspection findings
10 and PIs you think you're missing something that ought
11 to be added, or if you think you're looking at an area
12 that in hindsight you think, gee, that's not very
13 important, then that's a candidate for elimination.
14 But you ought to look at sharpening the risk focus of
15 the inspection modules based upon what you've learned
16 from the first year.

17 MR. SHADIS: I'd like to add something,
18 too, and it applies to a later discussion for public
19 confidence. When the ROP was presented to the public,
20 all the focus was on the performance indicators and
21 the inspection findings and so on and the new system
22 for grading.

23 There was very little focus, at least in
24 our few local meetings that I attended, on the

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1 baseline inspection program. I think that was a
2 mistake.

3 In presenting the whole ROP to the public
4 in the future there really ought to be a spotlight
5 cast on that baseline inspection program almost as if
6 the rest of the ROP were supplementary to it which is
7 the way we would like to see it.

8 MR. FLOYD: Yes. I don't disagree with
9 that, Ray. I've already said in many meetings that I
10 think there's too much focus put on the PIs. They are
11 really about, I use a number of, 10 to 15 percent of
12 the program at best.

13 I mean, the inspection baseline is 2,500
14 hours of inspection per year nominally give or take a
15 little bit. It's much, much bigger proportion of the
16 program than the PIs is when you come right down to
17 it.

18 MR. BLOUGH: On this write-up I didn't
19 like the first sentence where it says, "The baseline
20 inspection is bigger than the core inspection
21 program." While that's true, I don't think it's
22 highly relevant because under the old program there
23 was always regional initiative.

24 There was also usually a generic team
25 inspection of some sort going on. MOV inspections or

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1 the service water inspections so that was really part
2 of our program before.

3 We were always doing something beyond the
4 core inspection at most plants. Admittedly not all
5 plants and it trailed off the last couple of years.
6 I don't think that is really a relevant comparison.

7 MR. BROCKMAN: It could be if you put the
8 context. You've still got to put the additional
9 context in there. Comparing the baseline to the core
10 you may see a difference but comparing the overall
11 inspection effort under the new program against the
12 overall of the other it winds up being less on an
13 average. It's only part of the story.

14 MR. BLOUGH: I didn't know what relevance
15 or why that comparison was needed.

16 MR. GARCHOW: Look at the goal we're
17 trying to look at here. It was efficiency,
18 unnecessary regulatory burden, and that's what we were
19 trying to get at. We have to be factual so we have to
20 state what's true. I think we're trying not to be in
21 the safety realm here but be in that one objective.

22 MR. FLOYD: And I remember one of the
23 commission briefings where Chairman Jackson cautioned
24 the staff that, "Look, go out and develop a new

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1 baseline inspection program that is more risk informed
2 but recognize you don't have unlimited resources."

3 We would hope that in the course of
4 putting together a more focused program, there might
5 be some additional savings and resources. It's not a
6 requirement but our hope would be that you might be
7 able to be more efficient.

8 I think that's maybe where some of that
9 concern came from about, gee, it looks like the core
10 didn't achieve that or the new baseline didn't achieve
11 that relative to the core. It was a direction from
12 her, I remember, to the staff at one of those
13 briefings.

14 MR. BLOUGH: Oh, yes. I agree. I just
15 don't think comparison of the baseline to the core is
16 the relevant comparison because the old parium always
17 included other things that we had intended doing.

18 In fact, in the engineering area the core
19 inspection was not really that much. In the baseline
20 it's much more but you don't have things like the
21 generic team inspections, the service water
22 inspections, the MOV inspections.

23 MR. GARCHOW: What if we deleted the word
24 core?

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1 MR. BROCKMAN: If, in fact, we're going to
2 introduce this thing with an implication, you've got
3 to get both side of it. I mean, there are too many
4 people who just say baseline and core are the same
5 thing and you need to attack that right on in the
6 description that baseline and core are not the same
7 thing and put an overall context into it. If you try
8 to script this thing, it will be more confusing.

9 MR. GARCHOW: Then we go back and that's
10 the relevance of that which was Randy's original
11 point.

12 MR. BLOUGH: I also wrote down the
13 question, "What data do we have?" I'm not sure what
14 data we had presented to us. I guess a lot of people
15 have talked to us about this so we have a sense of
16 that.

17 MR. FLOYD: You remember the workshop last
18 week. Bill Dean actually had some data which showed
19 that overall on an industry-wide basis if you compare
20 the first nine months of this year to the first nine
21 months of 2000 compared to the first nine months of
22 1999 it looked like, I don't know, maybe a five or 10
23 percent at most increase in total inspection activity
24 at the plants compared to the previous year.

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1 It wasn't a lot of difference and a lot of
2 that was attributed to maybe start-up in efficiencies,
3 you know, getting people used to the new modules and
4 stuff.

5 MR. BLOUGH: I think it's true and maybe
6 more relevant that the initial resources used for the
7 baseline inspection are not markedly different from
8 what we're using under the old program.

9 It's substantially more than the core.
10 It's more even than comparison of the nine months of
11 the previous year. You go back two years it's
12 probably a little bit less but it's not markedly
13 different.

14 MR. FLOYD: Maybe that's what you want to
15 say in the first sentence.

16 MR. SCHERER: But you wouldn't expect it
17 to be markedly different. In my view it's an subzero
18 issue. I mean, if you have 100 inspectors you'll get
19 100 inspector years worth of inspection per year minus
20 vacation.

21 Essentially the question is how do you
22 divide it up in two ways? How do you divide it up
23 between plants and how do you divide it up within that
24 plant at what they're looking at?

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1 In the long-term all things are variable
2 but in the short-term you would expect what you're
3 going to get is a reallocation to some extent between
4 plants in a reallocation of what you're looking at
5 towards distance form issues.

6 MR. PLISCO: There are offsets in that
7 material that Bill Dean presented. I think that if
8 you're going to make the statement with respect to an
9 increase in the baseline inspection, then -- pardon
10 me?

11 MR. FLOYD: I wasn't going to do that.

12 MR. SHADIS: No, but I mean in this item
13 here that it says, "The resource estimates are greater
14 than for the previous core inspection program."
15 Well, they are and it looks to me to be about in the
16 range of 5 to 6 percent greater.

17 But, at the same time, the number of
18 inspection hours that are dedicated to plant specific
19 inspection to assessment are down. It's a tradeoff.
20 It's a refocusing. From my perspective, it's good.
21 It fits.

22 Anyway, I think you ought to have a
23 balancing statement in there. If you're going to say
24 that baseline estimates are up, you'll have to say
25 that these other ones have --

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1 MR. PLISCO: Well, let me raise another
2 question. I went back and read through all we read in
3 this. Do we really have an issue here? It is a
4 priority 2 and a lot of what we talked about are
5 facts. What's the problem?

6 MR. BLOUGH: The current inspection staff,
7 I will choose the words, are fully encumbered by the
8 new program. I have all the people that I have fully
9 engaged.

10 It really becomes somewhat moot because
11 I've only got how many people I've got and the last
12 time I looked there's nothing in the congressional
13 budget that's going to give me more people to do the
14 new program. There's a lot more than it says right
15 here. How we're divvying this thing up is really sort
16 of moot at this stage of the game, I think.

17 MR. PLISCO: It's an issue that is being
18 reviewed and evaluated and we talked a lot about it.
19 The more I looked at what we talked about and what we
20 said, I'm not sure we really defined a specific
21 problem.

22 MR. MOORMAN: Yes. Well, I thought part
23 of the balance was the amount of inspection that we do
24 relative to what the performance indicator thresholds

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1 tell us. That was the balance that we were trying to
2 gain here and I didn't really see that captured.

3 I see us kind of going towards resource
4 expenditures here when we know we've got 100
5 inspectors and that's what we're going to use. I see
6 it more as maybe an internal issue that we need to
7 focus.

8 MR. FLOYD: It is a little bit of an issue
9 for the licensees as well because they've noted -- I
10 think some of it is start-up like the sentence, "Wide
11 ranges and actual resource expenditures have been
12 noted from region to region, inspector to inspector
13 inspecting the same module." Some of that is licensee
14 and efficiency in helping the inspector do the
15 inspection and some of it is just differences in the
16 inspector approach and maybe --

17 MR. MOORMAN: And the issues that are
18 identified.

19 MR. FLOYD: Yes. There were issues that
20 were identified. The second one, I think, licensees
21 have commented -- I don't know if it's noted as right
22 but they have commented that specific areas such as
23 the occupational radiation exposure appeared to have
24 more resources than what they think are necessary
25 given the performance in the industry on that one and

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1 given the insights that are coming from performance
2 indicators relative to this.

3 How about this, Randy? What about -- and
4 I agree with you on that first sentence. What if you
5 said, "While the reactor oversight process baseline
6 program is not appreciably different in terms of
7 resource estimates from the previous core program,"
8 and then lead on, "Wide ranges and actual resources
9 expenditures have been noted for certain procedures."
10 Then go on with the second thought that, "Licensees
11 have commented that some areas need to be re-
12 evaluated," or something like that.

13 MR. BROCKMAN: I don't think that's true.

14 MR. FLOYD: You don't think that's true?

15 MR. BROCKMAN: Absolutely not. If you
16 look at the old --

17 MR. FLOYD: It's not appreciably the same?
18 The total resources? Yes, they are.

19 MR. BROCKMAN: The baseline versus the
20 core?

21 MR. GARCHOW: The baseline versus the
22 total.

23 MR. BROCKMAN: Versus the total.

24 MR. FLOYD: Okay. Leave out baseline. I
25 agree.

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1 MR. BROCKMAN: No, no. Baseline versus
2 total.

3 MR. GARCHOW: The total inspection
4 program.

5 MR. FLOYD: Yes. The two total inspection
6 programs are not appreciably different.

7 MR. BROCKMAN: That's all I'm saying.

8 MR. FLOYD: The totals have not --

9 MR. BROCKMAN: The two totals are --

10 MR. FLOYD: -- are not appreciably
11 different. You could say that. "While the total
12 number of inspection hours across the industry are not
13 appreciably different under the new program, there
14 are..." Then you could note the two issues. Does
15 that help you?

16

17 MR. BLOUGH: Yes, that helps. If you guys
18 don't mind, if I could make an editorial comment about
19 the 100 inspectors doing 100 person years of
20 inspection. It's not exactly the way it works. I
21 mean, we are trying to do the program.

22 The ability to do the program is based on
23 a broad-brush estimate of how many hours direct
24 inspection program effort you get out of each person
25 on the average. Then the rest of the year is

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1 training, vacation, administrative time and that sort
2 of thing.

3 In years where you're stretched, as we
4 have been in Region I this year, because, one, I think
5 of the learning curve or start-up cost with the new
6 program, and, secondly, the demands of Indian Point
7 plant. There is actually a little less training and
8 a little less vacation and what not.

9 Then in years where those things don't
10 strain, you catch up a little bit. I think in the
11 long-term if the program required less resources than
12 what we had on average, our budgets would shrink to
13 catch up to that and we don't know where that's going
14 to end up.

15 I think, just as a factual matter, in
16 Region I this year we have about 100 inspectors and
17 we're doing about 109. We're operating at a rate of
18 109 inspector years right now and it's mostly because
19 of Indian Point because of start-up cost.

20 People are actually putting more of their
21 time into the program and less into those other areas
22 and there's a certain amount of -- a small amount of
23 overtime. Not a large amount. That's kind of how the
24 system works.

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1 I think if nothing changed, probably the
2 next year we would be able to do the program more
3 easily. Particularly if Indian Point performance
4 improves and there's nothing else like it on the
5 horizon, we would be able to do it with resources we
6 have.

7 Then the next year we would actually catch
8 up on the training and the other deferrals. Then the
9 next year we would be able to do it easily within the
10 budget and the budgets would eventually -- should
11 eventually shrink to match it if they're not squeezed
12 down arbitrarily before that.

13 MR. GARCHOW: Why not apply it to new
14 plant licensing and other areas?

15 MR. BLOUGH: That, too. That's what the
16 agency is looking at right now is how they are going
17 to --

18 MR. BROCKMAN: Randy is running about nine
19 percent overtime. He said we're running about seven
20 in Region IV. Those are pretty comparable numbers
21 additional effort. I don't know what you all are
22 doing.

23 MR. PLISCO: Is that no overtime?

24 MR. BROCKMAN: Is that paid or volunteer?

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1 MR. BLOUGH: As long as I went into that,
2 I should mention that in Region I we've gotten help
3 from the other regions, a substantial amount of help.
4 Mostly at Indian Point-2 but some cases other things
5 that have helped us to be able to cope with Indian
6 Point-2 and still do the rest of the program.

7 MR. FLOYD: Should I read this whole thing
8 that I've been marking up? Have you got one, too?

9 MR. PLISCO: Try it again and I'll see if
10 you've got the same thing.

11 MR. FLOYD: The issue description would
12 read, "While the total number of inspection resources
13 are not appreciably different between the ROP and the
14 previous program, wide ranges in actual resource
15 expenditures have been noted for certain procedures
16 during the first year of implementation. Licensees
17 have commented that specific areas such as
18 occupational radiation exposure appeared to have too
19 many resources applied when licensee performance
20 trends in the previous inspection program are
21 considered objectively."

22 I modified the panel recommendation again
23 based on maybe a misread that could occur. "Evaluate
24 inspection findings and PI results for the first year
25 of implementation and determine the appropriate level

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1 of effort to ensure risk-significant areas for each
2 inspection module are adequately covered. Modify
3 program as appropriate."

4 MR. GARCHOW: I can live with that.

5 MR. PLISCO: The last half of that?
6 Appropriate level of --

7 MR. FLOYD: Let's see. "To ensure risk-
8 significant areas for -- oh, "And determine the
9 appropriate level of effort to ensure risk-significant
10 areas for each inspection module are adequately
11 covered. Modify program as appropriate." I can give
12 this to Ron.

13 MR. FRAHM: I appreciate that.

14 MR. GARCHOW: Do we have consensus?

15 MR. PLISCO: I-2, inspection report
16 documentation threshold.

17 MR. FLOYD: I just had one sentence in
18 here that I didn't know where it came from and didn't
19 know if it fit. This is in the inspection area.
20 "There has also been concern that the new thresholds
21 may not be consistently implemented." I didn't
22 understand that comment in the context of the rest of
23 it.

24 MR. PLISCO: That's the report
25 documentation threshold.

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1 MR. FLOYD: Ah, okay.

2 MR. PLISCO: That was really a number of
3 comments that came out of some of the workshops that
4 I've heard there's been some inconsistencies as far as
5 what's in the reports when you look across regions or
6 even within their region.

7 MR. GARCHOW: This would be minor in this
8 region. This would be XYZ in that region.

9 MR. PLISCO: That's really why the program
10 offices started this audit process.

11 MR. GARCHOW: And you can add that
12 clarifying word.

13 MR. PLISCO: Yes. I'll put report
14 documentation thresholds.

15 MR. LAURIE: Again, a question on the last
16 sentence. I'm not sure it reads well. "Another
17 related concern is that most licensees have requested
18 the inspectors to continue to provide the low-level
19 observations that are not provided in the inspection
20 report at exit meetings, but this information is not
21 provided to the public."

22 MR. GARCHOW: The "at exist" should be
23 moved.

24 MR. PLISCO: It should be after
25 observation. That's confusing.

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1 MR. GARCHOW: So, "provide the low-level
2 observations at exit meetings that are not provided in
3 the report."

4 MR. PLISCO: That might be easier to say
5 a period.

6 MR. SCHERER: I don't think that's a true
7 statement, though. I don't think the NRC has been
8 providing, at least not to us, any comments that the
9 exit meetings are not part of the public. What the
10 NRC has done, that I am aware of --

11 MR. PLISCO: I don't of any.

12 MR. SCHERER: What they've done is stopped
13 the exit meeting, they've completed it, and then
14 they've had an informal discussion which included low-
15 level comments.

16 MR. PLISCO: It's semantics.

17 MR. SCHERER: I understand.

18 MR. PLISCO: It's an important semantic.

19 MR. BLOUGH: It's not an important
20 semantic.

21 MR. GARCHOW: That ritual isn't as precise
22 in Region I where we sit back down and go to the next
23 part of the meeting. It's all one meeting and that's
24 sort of interesting. So there's some sort of break?

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1 MR. BLOUGH: See, to me that means that
2 there's some feeling that there's a loss of continuum
3 here. There's some need why you have to say it's a
4 different meeting. Whereas the inspection program
5 right now, our manual chapter that describes it, 2515,
6 endorses the inspectors to provide those insights and
7 it doesn't require some artificiality or whatnot
8 because it's all endorsed by the program.

9 The legitimacy of it is provided by the
10 fact that we've got a defined inspection report
11 threshold. As long as we're sticking to that
12 rigorously as to the best of our ability, then these
13 other insights are maybe helpful.

14 We actually owe licensee management
15 information that we might have as a matter of
16 professional ethics. But if it's below the threshold
17 of documentation legitimately, everything fits within
18 the framework.

19 MR. MOORMAN: I would just hate for
20 someone reading this cold to have the impression that
21 there's extra information out there that is used for,
22 say, part of the assessment because I use it to assess
23 my inspector's abilities and I'm somewhat assessed by
24 it. This is what didn't quite make the cut but this
25 is the public portion of this. I still see the need

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1 for some sort of, at least, implied division there
2 that, yes, we have this and we're not using it for
3 anything else except feedback. This gets to the two
4 sets of issues.

5 MR. BROCKMAN: I would think there's a
6 little bit we need to add in there. Another related
7 concern is that most licensees are requesting
8 inspectors continue to share their low-level
9 observations that are not associated with issues of
10 regulatory concern or assessment and, therefore, are
11 not provided in the inspection report.

12 MS. FERDIG: Good.

13 MR. HILL: Where are you going with this?
14 The item we have is inspection report documentation.
15 Are you suggesting we document those low-level
16 observations?

17 MR. BROCKMAN: No, no.

18 MR. HILL: Then what good does having it
19 in here do anyone?

20 MR. BROCKMAN: It is a significant issue
21 that many people, especially NRC inspectors, have with
22 a concern that information is being given no matter
23 how low of a significance that is not going on the
24 docket.

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1 MR. PLISCO: Right. And I think we've
2 already heard discussion where the actual practice is
3 not consistently applied so obviously the guidance is
4 not either clear or the training hasn't been done
5 completely or something.

6 MR. HILL: Okay. But we make a statement
7 there and then the commendation is to evaluate the
8 guidance and make any necessary guidance changes. I
9 mean, that's sort of like saying you want to lead to
10 making some change but you don't want to make a change
11 so unless you want guidance to acknowledge that that
12 happens.

13 MR. GARCHOW: I'm comfortable with leaving
14 it exactly the way it is. I'm getting great
15 observations from the inspector and some of them are
16 not necessarily fully-baked pies but they are good
17 observations and they don't make --

18 MR. FLOYD: Would the panel recommendation
19 to leave the program as is, to raise the threshold for
20 documentation formally but continue to provide the
21 insights informally on low-significant areas to the
22 low-level observations to the licensees?

23 MR. BROCKMAN: I'll go back. Do we
24 endorse this practice at the moment? That's probably
25 what the recommendation is. Do we believe as the

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1 panel that it is appropriate that all the issues
2 associated be in the inspection report? But if an
3 inspector has an observation that is related to
4 nothing but the efficiency of the licensee's
5 organization, let's identify it, or an insight that
6 has nothing to do with regulatory perspectives that
7 can be shared off-line.

8 MR. GARCHOW: I agree with that.

9 MR. MOORMAN: I think it's a good aspect
10 of the program to leave in because you're patching
11 holes in the layers before they actually occur. I
12 think there's a need to be clear on where that line is
13 and what the threshold is for what gets into the
14 report and what gets passed on.

15 MR. SCHERER: So we need to rewrite the
16 final recommendation to reflect that.

17 MR. KRICH: I'm not clear now. Let me go
18 back to my recollection of the discussion here. I
19 think licensees in general were satisfied with the way
20 that the split is between what's given at the exit
21 meeting and what shows up in the inspection report.

22 I think I remember the discussion and I
23 can pull out my notes from the panel of inspectors
24 that we had, and also from some of the other
25 stakeholders, that there was some concern that the

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1 issues that the inspectors were identifying that were
2 low-level were, in fact, not showing up in the
3 inspection report and there was a concern on their
4 part that they felt a little bit vulnerable in that
5 condition.

6 MR. PLISCO: Yes. And I've heard a number
7 of different, I guess, perspectives from the
8 inspectors. For some it's a change management issue.
9 It's just a change and they are just uncomfortable
10 with it. I mean, Jim can probably answer this because
11 it is a change and they are trying to get used to that
12 and understand where that threshold is that we've
13 adjusted.

14 There are some that I would term it CYA.
15 They think if anything ever happens at the plant, the
16 first person that is going to be pointed to is them so
17 anything that ever happens, they think if they put it
18 in the report, they are covered.

19 MR. KRICH: I think that's very real.

20 MR. PLISCO: There's some of that. Some
21 on the panel you heard feel some of those low-level
22 issues can be trended to show developing performance
23 trends and they should be put in the report because
24 they think over a long period of time they can develop
25 that trend.

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1 MS. FERDIG: And some of those --

2 MR. PLISCO: And some have -- I don't know
3 where this comes from. Historically some feel like
4 they can't use that information unless it's written
5 down.

6 MR. KRICH: Right. Or that the licensee
7 won't react to it unless it's written down.

8 MR. PLISCO: Right. So there's some of
9 that. There are a number of different, I think,
10 perceptions and views on why that's an issue.

11 MR. KRICH: So my question is so given all
12 that input, and also I think we got some feedback from
13 other stakeholders about wanting to see that kind of
14 stuff in the inspection report. What is it that we're
15 trying to say here?

16 Are we going to try to reflect that input
17 or are we just reaching a conclusion that, well,
18 status quo is really working well and we recommend
19 that we continue in that manner?

20 MR. BROCKMAN: Let me throw something out.
21 I think the recommendation would be we endorse the
22 current process of -- I'll pick the word. I've got
23 bifurcated information sharing that's regulatory based
24 and that which is not regulatory based.

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1 We should revise the current inspection
2 report documentation guidance to clarify the threshold
3 for what you document and what you don't. Then I
4 think we should also encourage continuing in the
5 auditing process to help ensure interregional
6 consistency in the application of this guidance.

7 MR. PLISCO: I think the revised has
8 already occurred.

9 MR. BROCKMAN: I hear inspectors saying
10 they are still confused.

11 MR. MOORMAN: Yes. There are some things
12 that are left out like 0610* doesn't deal with how to
13 deal with a self-revealing versus licensee identified
14 versus NRC identified. That's one clarification I
15 know is on the way and there are others.

16 MR. SCHERER: I would disagree with
17 revising the guidance. Just to clarify but I don't --
18 but I'm not convinced there is a need to change that
19 threshold.

20 MR. BROCKMAN: No, no. We agree.

21 MR. KRICH: And my question, Ed, was that
22 when I read this -- if I read this cold, it's not
23 clear whether we're saying revise the guidance to
24 ensure that the status quo is maintained or revise the
25 guidance to change the status quo.

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1 MR. BROCKMAN: It would be to clarify.

2 MR. GARCHOW: That was Richard's comment.

3 It sort of reads like we're looking for --

4 MR. KRICH: Thanks. I was in the same
5 place.

6 MR. FLOYD: The only thought I had on your
7 comments, Ken, were instead of -- what did you say,
8 tie to a regulatory departments?

9 MR. BROCKMAN: It goes back in there.
10 That's in the other part. "Share the low-level
11 observations that are not associated with issues of
12 regulatory concern or assessment and, therefore, are
13 not provided in the inspection report."

14 MR. FLOYD: The only thought I had on that
15 was what if you use the term, "Did not exceed a
16 defined level of significance." The program defines
17 the level of significance against which it may or may
18 not be a regulatory concern. You may have an issue
19 that has significance that's not regulatory.

20 MR. BROCKMAN: And I may have an issue of
21 regulatory concern that has no significance that would
22 also get captured.

23 MR. FLOYD: Well, that would be minor,
24 though.

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1 MR. BROCKMAN: No, 50.59, 55.79
2 significant regulatory issues.

3 MR. FLOYD: I got you.

4 MR. PLISCO: Group 3 questions.

5 MR. BROCKMAN: We need both.

6 MR. FLOYD: I had, "The new documentation
7 threshold for issues that have a defined level of
8 significance..." Then you could say "is appropriate."
9 "Inspection observations and insights that do not pass
10 the defined significance or regulatory threshold
11 should be communicated verbally to licensees for their
12 consideration."

13 MR. BROCKMAN: Okay. We can get them both
14 in there.

15 MR. FLOYD: Yep. Yep.

16 MR. SHADIS: There's a concern expressed
17 in the last sentence here and it isn't resolved in the
18 panel recommendation. That has to do with how much
19 the public knows about what the inspector is saying to
20 the licensee with respect to these observations that
21 are outside the regulatory realm.

22 This is of concern based on history where
23 it appeared to us that inspectors had pointed the
24 licensee in the direction of finding defects that they
25 allowed them to self-discover the defects.

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1 In our particular plant history, when we
2 raised this with the inspectors -- and this is agent
3 history. This is back five or six years ago -- they
4 said it really doesn't matter who finds these problems
5 as long as they are corrected.

6 Then we've noticed in the exchanges and
7 here being built into the regs that the licensee does
8 get credit for self-identifying issues. It falsely
9 portrays their vigilance if the inspector has pointed
10 them to it in the first place.

11 MR. TRAPP: Yes, that's been changed.
12 They don't get any credit at all anymore. That is a
13 change in the process.

14 MR. SHADIS: I thought that with the
15 revision of the manual chapter here, 0610, didn't we
16 just talk about parsing out those issues that are
17 self-revealing and licensee identified?

18 MR. PLISCO: For green, yes. I think both
19 are true. The green issues they do get credit.
20 Anything nongreen, it doesn't matter who.

21 MR. FLOYD: When they get credit, they
22 still get put in the inspection report. They get put
23 as an attachment.

24 MR. PLISCO: Right. They are listed in
25 the back.

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1 MR. SHADIS: I don't mind giving them
2 credit they don't deserve anyway. I'm just reaching
3 back here to say this is an area where the public was
4 thinking, "Okay. Our inspector is in there and he's
5 going to find whatever it is." Then not being privy
6 to those conversations that take place has been a
7 problem. This was addressed at the workshop and I
8 think it's been raised. I think Mr. Lochbaum alluded
9 to this in part. I don't see it addressed anyway in
10 the panel recommendation, this public element.

11 MR. BROCKMAN: You've really hit on a very
12 significant issue. Since day one inspectors share
13 insights that didn't get in the reports.
14 Realistically there is no way to document every
15 interaction that goes on between every inspector that
16 goes out and the licensee and I think we can all reach
17 agreement on that.

18 MR. GARCHOW: I think even if you did
19 document it, it would probably impede the free flow of
20 information so you would inadvertently get an adverse
21 consequence that everything was being transcribed that
22 the inspector was talking about, or an engineer or an
23 operator.

24 MR. BROCKMAN: That's a consequence and we
25 would be back to the old days also of the reports

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1 coming out as minor revisions to War and Peace in
2 their length. I think where this brings advantage
3 over the other system is we never clarified where that
4 threshold was in the past.

5 There was not a common understanding and
6 this, which I think is essential, is everybody -- the
7 guidance needs to specify where is the line at which
8 it goes in there and becomes the public's
9 documentation and where is it not. Get that
10 appropriately defined and understood.

11 I think that brings great value added as
12 opposed to the other process because the worry for
13 most people in America in the process is they didn't
14 know what they didn't know or they didn't worry about
15 it.

16 In our case you all found out some things
17 that then became separate. Most of the plants I
18 believe the public around 99 percent plants in America
19 didn't know what they didn't know so it didn't cause
20 them any concern. Let's get it defined and be up
21 front as to where we're at.

22 MR. SHADIS: I think we're always going to
23 find that dichotomy. There's the public out there.
24 Then there's also the public that is cognizant of the

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1 existence of NRC and the plants and tunes in to
2 whatever extent they can. There's two publics there.

3 MR. LAURIE: Ray, is it your view that the
4 public, the cognizant public or otherwise, has a
5 right, or rather than has a right should have access
6 to all information or only that information that the
7 inspectors deem to be substantive in substantial
8 sufficient to be included in a report.

9 MR. SHADIS: I think it's problematic. I
10 appreciate what David had to say about this. The term
11 they used at Maine Yankee was "put a chilling effect
12 on the conversation."

13 Essentially it makes it awkward to have a
14 free-wheeling exchange on issues that may spark the
15 public's imagination and so people would be reluctant
16 to exchange in these meetings. That's a consequence
17 of having the public be able to, for example, attend
18 exit meetings.

19 I have attended a number of them now at a
20 decommissioning plant and there were no adverse
21 consequences. There was nothing to run out and
22 report. I think on balance our view is that
23 everything that can be open ought to be open.

24 By that I mean everything logistically
25 that can be open ought to be open. When an inspector

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1 is walking around the floor and talking to people that
2 are involved in some evolution in the plant, the
3 public can't be there. The public has a hard time to
4 be there when it's a casual phone conversation to ask
5 about some detail.

6 When there are conference phone calls,
7 when that kind of thing is going on to deal with
8 something special at a plant, exit meetings, if it can
9 be worked, I think it would be helpful in the long run
10 to the utilities and to the NRC to be understood by
11 the public as to what goes on. And that is not under,
12 by the way -- well, I guess we have public confidence
13 listed here so sure.

14 MR. LAURIE: Well, I guess it's a question
15 of overall philosophy. I dealt with that issue
16 before. Not in the same set of circumstances but in
17 the licensing of power plants or in the licensing of
18 anything at a local level where there are discussions
19 between a government staff and an applicant.

20 Before I got to the Energy Commission in
21 my role as a private developer's legal representative,
22 I had private meetings with staff to talk about
23 issues. The Energy Commission until I got there
24 prohibited that. Those rules are now being loosened.

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1 The public has objected to the
2 liberalizing of the restrictions because of lack of
3 trust in their governmental representative that the
4 public's concerns will be adequately addressed by
5 staff. It's not only Energy Commission staff but it's
6 any staff.

7 I guess I just don't go that far. I've
8 seen some degree of incompetence over the last 25
9 years. More on my own than anybody else's. I've seen
10 very little fraud. I've grown to develop a great
11 respect for most governmental staffs that I've ever
12 viewed or worked with.

13 I reached the point where I am satisfied
14 that the public of properly served when matters of
15 substance are shared because there is a balance with
16 getting the job done in efficiency and effectiveness
17 in the pooling effect so it is a balance.

18 On this issue I have a comfort level which
19 is different than yours. There is a standard and the
20 standard be one of substance rather than all
21 information. It's a philosophical issue.

22 MR. MOORMAN: I think you have to remember
23 the nature of the information that's being passed
24 along as observations as compared to what gets put in
25 the inspection report. The inspection report contains

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1 fully developed findings that have been reviewed and
2 re-revised. Observations are just that, they are
3 observations.

4 They don't make the threshold as defined
5 by where we draw the line so having that level of
6 information available to the public may even do a
7 disservice because it puts them down to where the
8 noise is, where the management level is. I'm not sure
9 that we would actually gain anything by that.

10 MS. FERDIG: I just feel like I have a
11 perspective that accommodates both these points of
12 view. I think that when it's low-level noise beneath
13 the standards of whatever the regulatory space is, it
14 doesn't need to get documented and out there.

15 On the other hand, in the inspection
16 reports and in some of the speakers that we've had
17 over the course of these meetings, I think there are
18 those opportunities when explaining what's going on
19 that discloses as much information as possible is a
20 credibility builder from the standpoint of the public.

21 The more I learn, the more I observe, the
22 more I see what conversations have taken place, the
23 more confidence I have that my interests are being
24 protected. I think my sense is that there's been a
25 tradition of being careful not to put too much

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1 information out there for the public for fear they
2 will misunderstand what's going on.

3 MR. PLISCO: And that's not the threshold.
4 I mean, the threshold is really put into place to save
5 money --

6 MS. FERDIG: Yes.

7 MR. PLISCO: -- and time and not
8 essentially use the inspector's time trying to develop
9 issues which we're not going to do anything about and
10 we're not going to take any action.

11 MS. FERDIG: So that's why I say --

12 MR. PLISCO: That was really why that
13 threshold is put into place, to save resources. Don't
14 spend Jim's time on things that we're not going to do
15 anything with. Well, I'll only spend it on times
16 where it's either a violation that we want the
17 licensee to take action and notify them or something
18 we're going to take an action.

19 MR. MOORMAN: That's absolute. That's the
20 pure management view of it. We get down to what we
21 have, the job we have to do, and how we do it. You
22 can't stand back and look at it. If we're not going
23 to do anything about it, then we've looked at it and
24 it's not important enough for us to do anything about.

25 MS. FERDIG: Right.

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1 MR. MOORMAN: So we have got that level of
2 assurance that what we're looking at are the important
3 things.

4 MS. FERDIG: So am I correct in hearing
5 there's two different kinds of information, those
6 things that are not important enough to warrant being
7 documented?

8 MR. PLISCO: And some are not even
9 regulatory issues. I mean, a lot of the things are
10 the inspectors have a lot of experience. They've seen
11 a lot of things and, to be quite frank, the licensees
12 are paying \$144 an hour for these guys to look. From
13 what I hear from licensees is, okay, you didn't see
14 any regulatory issues but did you see something that
15 maybe we, the licensee, should look at.

16 MS. FERDIG: And I would like to have that
17 kind of thing happen.

18 MR. PLISCO: That's what most of this
19 stuff is.

20 MS. FERDIG: It makes everybody smarter
21 and I don't think it needs to be documented. I'm just
22 adding that other slant to say that when it is in a
23 regulatory space and you're trying to figure out what
24 to get out there, more might be better because that
25 helps.

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1 I say that with some caution because I
2 don't know about the reactionary part of the public
3 but I just think the more I'm learning, the more
4 confident I'm becoming about what it is that --

5 MR. GARCHOW: See, there's a standard but
6 it's just a professional standard because when we go
7 visit each other's plants and see they are under the
8 guise of INPO or not, when you leave the plant you
9 share with your counterpart what you saw.

10 Now, it may be half-baked and it may be
11 based on observations. It's not based on any depth of
12 review but pretty much the custom in the industry is
13 if you're at a different plant and see something, you
14 leave that observation with the cognizance of
15 management.

16 I think that adds to the overall industry
17 that we do that to the extent that the NRC is a
18 trained body of professionals that really understands
19 what they are looking at. If they have observations
20 in those areas, we really would not want those shared
21 to the licensee.

22 If they are below the regulatory threshold
23 in this process, then they don't belong in the
24 inspection report because the inspection report has a
25 basis for another process. I wouldn't want to have

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1 the inspector just keep all this inside of him when it
2 could be helpful to the agility. I was going to bring
3 up Loren's point of exactly who's paying for that as
4 well.

5 MR. SCHERER: It sounds like we're pretty
6 much in agreement in that we also heard there was at
7 least a couple of people that indicated that they
8 felt, if I recall from the states, a couple of states,
9 that indicated the report was much more readable
10 because they didn't have to wade through a lot of
11 other issues to find out what the NRC considered
12 regulatory or safety issues.

13 MR. GARCHOW: I think that was the
14 gentleman from Pennsylvania that brought that up.

15 MR. BLOUGH: If I could -- do you want to
16 go?

17 MR. SHADIS: You can go ahead.

18 MR. BLOUGH: I just wanted to comment on
19 a couple things I heard, what Dave said about the
20 sharing of insights as a professional courtesy. That's
21 kind of what I referred to as professional ethics on
22 the part of the regulator but when you are the
23 regulator, it takes on another dimension to some
24 extent. There are a lot of worries. There are a lot

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1 of worries about this and they are not new because
2 we've always had them.

3 MR. PLISCO: They existed in the old
4 program.

5 MR. BLOUGH: So there are a lot of
6 worries. The first worry for me would be abuse to
7 where there's informal regulation going on to where
8 the inspector has things that don't even rise to our
9 threshold of putting in the inspection report, but yet
10 he's regulating the licensee to those by providing
11 information and then expecting some action and then
12 coming back where there is no action. Frankly, I
13 would have thought that we would have had at least a
14 couple complaints about that under the new program and
15 I haven't had any. Zero. I've been actually
16 surprised that I haven't had complaints of abuse.

17 The other is consulting. We're the
18 regulator and even though the fee structure is set for
19 us, the regulated community to pay the fees, we're
20 still the regulator. So who pays for it I think is
21 somewhat immaterial when you're the regulator.

22 The issue of consulting becomes important
23 to where if a licensee is providing -- if the
24 inspector is providing very direct hints at how you
25 can internally look at draft products or hints about

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1 what would be the relevant considerations in an
2 evaluation that's going on that can contribute to the
3 ultimate regulatory acceptability of the final
4 product, that's consulting and we shouldn't be doing
5 that.

6 We should be watching the whole process
7 and then evaluating a completed licensee process. So
8 you would be worried about that. I really haven't had
9 any complaints about that, although you wouldn't
10 expect complaints.

11 You would expect that's a function of
12 regional management to find out what's going on and to
13 be out there with the inspectors from time to time and
14 see if that's going on and intervene and I haven't
15 seen that.

16 The third worry is really cutting out the
17 external stakeholders to which there would be
18 information that they should have that they're not
19 getting. I guess my view on that is that if you have
20 a reasonable threshold of documentation and you do not
21 allow this verbal communication to supplant that, in
22 other words you're always looking at the threshold of
23 documentation and if it meets it, you document it.

24 If it doesn't, you don't. Then it's just
25 a matter of the threshold. You have to be rigorous

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1 about the threshold of documentation and not allow the
2 threshold to actually rise because it's easier to say
3 something verbally and there's some confidence that
4 something will happen.

5 If you're rigorous about the threshold of
6 documentation, then if it's good threshold, then you
7 can then gain efficiency by not spending so much time
8 documenting these issues below the threshold and being
9 very careful about getting it just right so it doesn't
10 create undue alarm and what not.

11 You can maybe not save money but free up
12 inspector time to be looking for more risk-significant
13 items. I think there's a lot of worry to this
14 situation where there's things being said verbally
15 that aren't written but, you know, I haven't seen the
16 manifestation of it.

17 I guess the final point is that this line
18 between consulting and just providing insights is a
19 fine line. For example, an inspector can go to an
20 exit meeting and can say, "There have been a lot of
21 minor issues below the report documentation threshold,
22 say, with adequacy of procedures.

23 I don't see that it's popped up as a trend
24 in your system but just from being around I see those.
25 You fixed them all individually. That might be one.

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1 It might be that the licensee then does something or
2 doesn't. The inspector shouldn't inspect anything and
3 it might be that they correct the trend before it
4 manifests itself in some way.

5 It might also be that when they go look,
6 they find a real big issue the inspector had no clue
7 of but they find a real big issue, white or yellow.
8 It probably wouldn't be red but they would find a very
9 significant issue with adequacy of procedures.

10 Well, if what they found was green issues,
11 and they found it because -- they started looking
12 because the inspector said something verbally to them.
13 They are treated a little bit differently but if they
14 get above green issues, if they get white or above,
15 they are really not treated differently because the
16 licensee found it.

17 So there's a fine line there and it's not
18 necessarily easy but I really haven't seen
19 manifestation of the worries. I'm talking from my own
20 experience but I have all sorts of worries about this
21 set up. I haven't seen manifestation of it.

22 MR. GARCHOW: So where to from here?

23 MR. PLISCO: Ray.

24 MR. SHADIS: Yes. I was surprised to hear
25 Loren characterize the cost of inspection in terms

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1 directly that while the licensee pays 140 bucks an
2 hour, so they are entitled to a little consideration
3 if it's available. By consideration I mean, of
4 course, the observations, professional observations,
5 etc.

6 Well, first off, that's not the licensee's
7 prerogative as to whether or not they pay that. If
8 they want to stay in business they pay that. It's
9 mandated. In essence the public pays that. I haven't
10 heard the licensees saying let's put this back as a
11 source from the general revenue. They like the
12 program the way it is. It's the way it is.

13 In effect, the inspectors are doing the
14 public business as public servants. The basic
15 principle there is that it be as open as it can be
16 without interfering with their duties or without being
17 intrusive.

18 I think those are the kinds of things that
19 need to be factored in. I will tell you that in Maine
20 over history we've had some stinging experiences with
21 communications from NRC staff members to the licensee.

22 In fact, we went to federal court on that
23 so it puts us in the mode of saying that we would like
24 to be able to ensure for ourselves that our interests
25 are being represented in a way that fully meets what

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1 we would hope to have for representation. That may be
2 inside or outside regulatory requirements but it
3 basically has to do with the interaction between a
4 public servant and the licensee.

5 MR. HILL: You know, Ray, I think there is
6 a wide spectrum of communication between the resident
7 or a visiting inspector and the plant and, you know,
8 the one extreme that you're talking about gets very
9 close to what should be documented.

10 There's another extreme of when I was
11 plant manager every visiting inspector that came in
12 after the exit I would ask them to meet with me
13 separately and ask them, "What impression are you
14 going away with? If you have a negative impression,
15 let's talk about it so I can make sure that I
16 understand it and do something with it."

17 I got a lot of good input. A lot of times
18 I got input that he wouldn't have said in an open
19 meeting there in the exit because it was only his
20 opinion, his reaction, or whatever, but that was
21 important to me.

22 I think the answer is what we talked
23 about. If we can establish some minimum level that
24 says above this you document it and below this it's
25 okay to discuss, then I think that's where it takes

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1 care of your concerns as long as that threshold of
2 what has to be open to the public is established.

3 MR. SHADIS: I appreciate that. It's not
4 in nailing that threshold and moving it up or down,
5 however that may be as far as documentation is
6 concerned. It is that the exit meeting itself, for
7 example, is a formalized process. It may not be a
8 real formal meeting but it's a formalized process.

9 That's one place where the inspector's
10 tour inspection is sort of summed up. It's raw
11 information. Understand that. My feel is that the
12 public has a right to have access to that meeting, to
13 what transpires in that meeting.

14 MR. BROCKMAN: I'm hearing a different
15 thing from you, Ray.

16 MR. SHADIS: Pardon me?

17 MR. BROCKMAN: I'm hearing a little bit
18 different thing. What I'm hearing you really say as
19 opposed to what goes in the report, and I'm basing it
20 also on some words you said earlier, you would like
21 exit meetings to be opened to the public.

22 MR. SHADIS: Yes. Well, that's the one
23 place that's obvious to me where it was doable. I
24 guess what I'm looking for here from this group is
25 some kind of a statement toward the principle, at

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1 least, that the public business should be open to the
2 public.

3 And I didn't put this in here, by the way,
4 you know, the tail end of this last sentence here,
5 "Another related concern is that most licensees have
6 requested inspectors to continue to provide low-level
7 observations at exit meetings that are not provided in
8 the inspection report."

9 But this information is not provided to
10 the public. Either scratch that sentence out, the
11 tail end of it, or I think respond to it in some way
12 in a panel recommendation. That's what I'm saying.

13 MR. BROCKMAN: Okay. I think we had
14 changed those words a little bit in that the low-level
15 observations are those which are either not of a
16 predefined level of significance or not associated
17 with issues of regulatory concern and, therefore, are
18 not included in the inspection report or formally
19 provided to the public.

20 MR. SHADIS: Oh, okay.

21 MR. SCHERER: Just briefly I want to
22 respond because I agree with the three points that
23 Randy raised, but I'm not surprised on the first two
24 because I don't think they are affected by revised
25 reactor oversight processing. At least, that is my

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1 perception. That is, inspectors informally setting
2 regulatory expectations.

3 I'm not trying to -- I agree with the way
4 you put it. The second is the consulting. I don't
5 see that being affected by what we've done here and
6 the level of documentation required in the report. I
7 am not surprised. I don't think that's evidence
8 either way that it exist or doesn't exist or has
9 increased or decreased. I just think it's unaffected
10 by what we've done here.

11 I think your third point is a valid one in
12 terms of the reactor oversight process. I think we
13 need to capture that in this answer.

14 MS. FERDIG: Is the threshold clear? We
15 talked about knowing where that is and working around
16 that. Is that clearly understood?

17 MR. BLOUGH: It is still being worked on.

18 MR. MOORMAN: It's much more clearly
19 defined in the new program than it has been in the
20 past. We have a set of questions; Group 1, Group 2,
21 and Group 3 questions that we go through and ask about
22 an issue. They are fairly well constrained, although
23 you're allowed one if for certain questions and that
24 allows the expansion of the questions. It's much
25 better defined now. I know that Bill Dean's group is

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1 still working on further clarification of those and
2 some of the ancillary parts that go into that.

3 MR. FLOYD: The difference that's come
4 that we've seen is even though the questions are the
5 same, Group 1, Group 2, Group 3, the way that an
6 inspector feels comfortable in answering the question
7 either yes or no seems to have some variability.
8 That's where the consistency needs to come in.
9 Interpretation.

10 MR. GARCHOW: So what did we end up with?

11 MR. BROCKMAN: Well, what I've got right
12 here is -- once again, I'll work on the words on this,
13 are basically endorsement of the current process of
14 information sharing. That is called formal. And then
15 the observation.

16 Evaluate and revise as necessary the
17 current inspection report documentation guidance to
18 clarify the threshold for documentation just to make
19 sure that it's perfectly clear.

20 Then inspectors for the licensee and for
21 the public so they know where it is.

22 Then continue the autoprocess to help
23 ensure inter-regional consistency in the application
24 of this guidance.

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1 The issue on the openness, if you wish to
2 use that word, of the exit meetings, I think the
3 discussion is good. I don't think we've reached
4 consensus. I think it's more related overall to the
5 timely availability of information which is 0-2 as
6 opposed to inspection report documentation but the
7 discussion has been very valuable as to what we may
8 want to do with that. Whatever we do with it, I think
9 we would do it under 0-2, not under I-2.

10 MR. FLOYD: I agree with your comments.
11 I feel it's an issue of clarity and consistency not
12 redefining the threshold.

13 MR. BROCKMAN: Right.

14 MR. PLISCO: Any other comments on that
15 one?

16 MR. GARCHOW: So with that can we move on?

17 MR. BROCKMAN: Yes. I think we may come
18 back to the other issue under 0-2.

19 MR. GARCHOW: So the person -- John, do
20 you have what it is?

21 MR. FRAHM: Yes, I think so. I have a
22 mixture of what Ken just said and what Steve's
23 proposed.

24 MR. SCHERER: You're going to write down
25 what we said?

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1 MR. GARCHOW: We should be precise on what
2 he's writing down opening up the potential for
3 replaying every one of these conversations from the
4 23rd, 24th, 25th, 26th. I mean, whatever it would
5 take. I just suggest we do one check each time we
6 move on to make sure we have consensus so we don't
7 have --

8 MR. PLISCO: Well, the ones we got through
9 to this point during lunch we can just print those
10 back out again and take a look at them.

11 MR. GARCHOW: That would satisfy me.

12 MR. SCHERER: I'll be at INPO.

13 MR. PLISCO: Let's go to I-3. That has to
14 do with physical protection, cornerstone inspections.
15 It doesn't have a lot of information.

16 MR. FLOYD: I just had one phrase to add
17 to the end of the recommendation. After necessary I
18 would add, "following action on a pending security
19 rule making." There's really not a lot of point in
20 doing a significant revision to the inspection module
21 in the overall approach in the security area with a
22 rule making pending. Wait until the rule comes out
23 and then after that, that's the time to do a wholesale
24 revisit.

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1 MR. PLISCO: And that was the output of
2 the workshop, I think.

3 MR. KRICH: Yes. I had one other
4 suggestion also just for clarity sake and that was to
5 add in the issue description that, "Licensees have
6 expressed significant concern regarding the NRC's
7 approach to inspecting the licensee's response to
8 contingency events and the applicability of the SDP."
9 That was a key issue here.

10 MR. GARCHOW: That's correct.

11 MR. PLISCO: Actually, I have it in the
12 SDP section, too.

13 MR. KRICH: Yes, you did.

14 MR. GARCHOW: But I had a comment. You
15 just said the industry has requested that self-
16 assessment issues be considered as part of the process
17 similar to how E plan is handled; i.e., you come watch
18 our drills as opposed to coming in with all the
19 players. I'm not sure how that would work.

20 MR. BLOUGH: I don't know enough about
21 this area maybe to talk but --

22 MR. KRICH: Consider yourself lucky,
23 Randy. If you did, they would have to shoot you.

24 MR. BLOUGH: In principle I don't like a
25 recommendation that says fix something after something

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1 else happens, particularly if the something else is
2 the rule making. Are we actually in that situation
3 where it's inappropriate to actually take on something
4 here before the rule making?

5 MR. PLISCO: Yes. Actually, the
6 commission has already issued a COMSECY, what the
7 staff interim policy and process should be until all
8 these other actions occur.

9 MR. SCHERER: And then directed the
10 additional actions.

11 MR. FLOYD: There's probably no further
12 re-evaluation that needs to take place until the rule
13 making because the commission has provided interim
14 direction and that's been factored into the program
15 now.

16 MR. SCHERER: Including some questions --

17 MR. FLOYD: -- after the rule making is
18 complete.

19 MR. PLISCO: This is one of the ones I'm
20 not sure how much extra value we're adding by having
21 it in here. But by leaving it out, it is an area that
22 has had a lot of reviews.

23 MR. SCHERER: To some extent the situation
24 changed with the commission's recent --

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1 MR. GARCHOW: So our only potential
2 comment would be do we believe that the commission's
3 interim guidance or course of action addresses the
4 issues or not. I mean, that would be the only value
5 I could see in this letter, is the direction heading
6 in the right way or isn't it.

7 That sounds like, I think, from the
8 workshop and this discussion that one sort of has the
9 understanding it's heading in the right way. I'm not
10 speaking for everybody but that's my sense listening
11 to the discussion.

12 MR. PLISCO: No one has seen the final
13 action.

14 MR. BROCKMAN: I think everybody
15 recognizes something is being done which is good.
16 It's been to a degree OBE, overcome by events, and now
17 you've just got to wait to see what comes out at the
18 end.

19 MR. SCHERER: It's a new definition for
20 OBE.

21 MR. PLISCO: Anything else on I-3?

22 MR. GARCHOW: Did you get those changes?

23 MR. FRAHM: If they're all that easy,
24 we're going to move a lot quicker.

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1 MR. GARCHOW: We're on eight of 18 of the
2 initial package.

3 MR. PLISCO: I-4, event response.

4 MR. FLOYD: No comment.

5 MR. PLISCO: This was largely an internal
6 issue. This is one I even raised myself, especially
7 early on. There's been some interim changes. I still
8 haven't seen the management directive. It still has
9 not been issued.

10 MR. BLOUGH: This is one where I just
11 wrote down to myself. I couldn't remember if we
12 actually discussed this at the panel or whether I got
13 all my information or it had information --

14 MR. PLISCO: Yes, we discussed that it was
15 very early on.

16 MR. GARCHOW: In Atlanta.

17 MR. PLISCO: It was early on we discussed
18 this. A lot of this came up early on. Actually, I
19 think Ken and I were the ones talking about the
20 issues. Our major concern was the procedure didn't
21 handle conditions very well. It only was written to
22 handle major complex events.

23 Then what happened, which is usual in the
24 initial implementation, the situations that weren't
25 thought about is what happened. We had two

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1 conditions. The Summer pipe crack was one that really
2 didn't fit in to this procedure very well. Then the
3 Cooper EQ, again, didn't fit into that procedure well.

4 They have taken our comments and they are
5 reworking the procedures to make sure those types of
6 conditions also fit into that process. It was never
7 intended that they be left out. It just didn't handle
8 them well.

9 MR. GARCHOW: I'm fine with this.

10 MR. SCHERER: I think at the last meeting
11 I stated I thought the NRC event response, at least at
12 our plant, was appropriate and it did exercise some
13 discretion which was necessary, hopefully done and
14 carefully done. There's some positive data that exist
15 as well.

16 MR. BROCKMAN: But yours did classify as
17 an event?

18 MR. SCHERER: Yes. Oh, yes.

19 MR. PLISCO: I think the events that we've
20 had have fit in. That has worked fairly well.

21 MR. KRICH: It's the conditions that we
22 had problems with.

23 MR. GARCHOW: That probably was about a
24 five second conversation in the region.

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1 MR. PLISCO: No problems with that?
2 Inspection 5. This has to do with the use of licensee
3 self-assessment information.

4 MR. FLOYD: I have one comment on the
5 second sentence. I don't think the second sentence is
6 accurate. The NRC did not only review the results and
7 monitor portions of the review. I changed it to, "The
8 NRC scratched only."

9 It says, "The NRC reviewed the scope,
10 qualifications of team members and results of the
11 licensee self-assessment and monitored portions of the
12 review." That's what they really did on those
13 engineering design inspections where they took credit.

14 They came in and looked at the
15 qualification of the members, looked at the scope of
16 the inspection to see if it covered the areas that
17 they would like to look at, as well as looking at the
18 results to see if the results given the scope is about
19 what they would expect to have seen. They did
20 monitor, you know, a little bit about what went on.
21 Just for completeness I added "scope, qualification of
22 team members, and..."

23 MR. HILL: The old 45001. Under issue
24 description, that last sentence, "Baseline inspection
25 program to decouple inspection resource expenditures."

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1 I don't see how that fit in with the whole idea.
2 We're looking at self-assessments. It seemed to have
3 no bearing on anything.

4 MR. FLOYD: I would scratch it.

5 MR. BLOUGH: There's some relevance but it
6 would require a lot of explanation. In the past if a
7 licensee had a strong SALP the NRC would be more
8 likely to accept some sort of self-assessment.

9 MR. BROCKMAN: In lieu of the core
10 inspection.

11 MR. BLOUGH: In lieu of the inspection or
12 we would actually tailor the amount of oversight that
13 we provided.

14 MR. GARCHOW: I think in years to come we
15 might move --

16 MR. BLOUGH: In a subjective way.

17 MR. GARCHOW: -- we might move this way
18 but I think it's far too premature.

19 MR. MOORMAN: I was trying to be careful
20 on this. I know, myself, I'm not willing to endorse
21 that we do it yet because I don't think we have enough
22 information. That's why I tried to write it as let's
23 go back and look at the lessons learned.

24 MR. FLOYD: I agree.

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1 MR. PLISCO: Is there enough supporting
2 information to look at that.

3 MR. BLOUGH: In the goals we listed two.
4 We didn't list public confidence.

5 MR. PLISCO: Yes. Well, this is one of
6 those ones I think every block was checked. I think
7 everyone had like two votes. I took the three
8 highest.

9 MR. SCHERER: Everyone had two votes and
10 you took the three highest?

11 MR. PLISCO: Well, actually, you probably
12 don't want to know all the details but John and I were
13 trying to make a decision on which ones we were going
14 to put in here, what should the threshold be. Should
15 it be nine votes or should it be eight votes as far as
16 which ones we put in there.

17 Then it turned out when we went back and
18 looked, very few of them had that many votes. A lot
19 of them it's like everything has five or six. We
20 tried, in most cases, to pick the spikes. Which ones
21 had the highest peaks when you look at the total
22 numbers.

23 I think this one you can go probably
24 across all eight of them and make a rationale. That's

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1 how some of them came out that way. There's just the
2 ones that have the most votes.

3 MR. BLOUGH: If the sense of the panel is
4 that you proceed with a lot of caution and if thorough
5 methodical evaluation of it, does that comes across?
6 The recommendation is review results from the first
7 year of the ROP and evaluate these abilities.

8 MR. PLISCO: You're saying what I was
9 trying to say, that I don't feel I'm in a position to
10 endorse any change right now based on what we know.
11 If the question keeps coming up, we should look at it.

12 MR. BLOUGH: And we should look at it but
13 I think it would be premature and a mistake to jump to
14 anything there.

15 MR. PLISCO: Right.

16 MR. GARCHOW: But you do it today in one
17 area. I mean, the baseline inspection program and the
18 operator training area has essentially done that where
19 you look at the effacy of our exam development
20 process. You look at the effacy of putting our
21 lessons learned in. You've sort of taken that as
22 almost there. That was even built into the new
23 program that way.

24 I think that the recommendation as it sits
25 maybe with some caution works because we already have

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1 some precedents where we're doing that in some very
2 limited defined scope areas apparently. I mean, I
3 didn't hear any concern in here by anybody that that
4 was leading either the NRC, the public, or us astray.

5 MR. SHADIS: If you're saying that your
6 getting some credit for the work you're doing in terms
7 of the baseline inspection program, then the last
8 sentence here doesn't wash.

9 MR. GARCHOW: I don't know if I would say
10 that we're getting credit. The baseline inspection
11 program was sort of built around looking at how we
12 monitor our training and then that deemed, the
13 baseline inspection, a conclusion around our
14 monitoring and administering of the training program
15 as opposed to directly managing each specific license.

16 MS. FERDIG: Someone recommended that we
17 take out the last sentence.

18 MR. PLISCO: Yes, we took the last
19 sentence out.

20 MS. FERDIG: I think that came from
21 Richard, actually.

22 MR. SHADIS: Well, you know, earlier I had
23 relayed to you my take on public concerns with respect
24 to maintaining or even in building on your baseline
25 inspection program at least for the next few years.

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1 In this we're back to essentially
2 reviewing the first year, which is already gone, and
3 everybody knows we don't have enough information in a
4 whole lot of areas. I will tell you that I would like
5 to see it expressed in more positive terms with
6 respect to the baseline inspection program.

7 Then, you know, if there's a
8 recommendation to look into allowing the licensee to
9 pick up some of the things covered in the baseline
10 inspection program, fine, but at least for the next
11 few years I think that is very important to the way
12 that the public and the activist community receives it
13 program. I don't think it's out of sync either with
14 what David says. We're just not quite ready to make
15 that move.

16 MR. BROCKMAN: I want to make sure I
17 understand where you're coming from, Ray. For
18 example, the current program has us go out and review
19 20 surveillances at each site. You look at the first
20 year's information here and you see you've got two
21 green findings out of 2,000 observations in America.
22 We don't need 20.

23 I'm not going to give it up but with that
24 and everything else we're just not finding that
25 licensees have this. We can go down to ten

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1 observations per year or one a month, or go down to 12
2 a year, and still feel I'm covering this and take
3 those hours and put them into a different area or
4 maintenance rule.

5 The estimate was that it's going to take
6 200 hours a year to inspect it. Our inspectors told
7 us it only takes us 80. That's all it takes to do the
8 inspection procedure. Our estimate was wrong. We're
9 going to revise the planning estimate down to 80 to
10 reflect that.

11 Would you say don't do either of those
12 things right now? Wait several years before you do
13 that? Or is that within the realm of allowances that
14 you would say, yes, that's acceptable. It's very
15 cautious. It's using the information properly?

16 MR. SHADIS: No. I'd have to go back to
17 saying a few years, two years, three years. My guess
18 would be that if you had extra resources, you could
19 allocate them wisely to ensure that things were
20 covered. That would be my guess.

21 I just think from the public perspective
22 we're not certain that the ROP is being built on a
23 solid foundation to start. Everybody that has
24 participated in the workshops and so on, licensees, no

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1 one is satisfied with the amount of information we
2 have at this point.

3 The amount of experience we have at this
4 point. Excuse me. The conclusion there is that it's
5 premature to start adjusting what you have in solid
6 and that you have experience with.

7 MR. BROCKMAN: I understand.

8 MR. SCHERER: I understand Loren and Randy
9 and Ray's comments. I'm satisfied with this response
10 but, for the record, I just have to say that, at least
11 at the CE fleet of plants, we have done, and we will
12 probably continue to do, self-assessments and we think
13 they are extremely valuable.

14 We compare that to the -- by that I mean
15 we have a team come in from sister plants, for
16 example, in the engineering function. We have experts
17 on the system which will come in and do an audit or
18 surveillance of our engineering program for that same
19 system.

20 We find that the NRC inspections are good
21 and thorough and have identified a level of detail
22 well beyond the minimum expectation. They do a very
23 thorough job. But we find we get even more detail,
24 more insightful comments, and more suggestions for

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1 improvements when our peers come in and do a thorough
2 inspection.

3 We are going to continue to do that. When
4 the NRC has confidence in their own process and they
5 have had a chance to look at it, we think there is
6 probably a positive tradeoff where the NRC comes and
7 looks instead of investing the two weeks or three
8 weeks of team inspection on an engineering system.

9 If they would benefit from looking at what
10 we call self-assessment but is really a peer group
11 inspection, we think that would be of value and we are
12 going to continue to suggest that the NRC look at that
13 as an opportunity to better invest and utilize their
14 resources as we better invest and utilize ours.

15 I have no disagreement with the bottom
16 line. I understand where Loren and Randy and Ray are
17 coming from but I do believe that's a valuable
18 opportunity and one that I think should be continued
19 to be considered in the future.

20 MR. SHADIS: Do you share those reports
21 with NRC?

22 MR. SCHERER: Yes.

23 MS. FERDIG: Yes. I just want to second
24 that as a perspective of the public. I think I've
25 seen thorough self-assessment kinds of activities.

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1 That information is available to the NRC and to the
2 extent it can enable NRC inspection teams to look at
3 other things, I think it's in our best interest to do
4 so.

5 MR. GARCHOW: And when you do that, we
6 found that the resident inspectors pay attention to
7 what's going on.

8 MS. FERDIG: Absolutely.

9 MR. GARCHOW: It would be efficient for
10 them to come sit through one of those because it's
11 just an efficient way for them to get a sense of the
12 level of depth and effort that went into those
13 inspections and that routinely appears.

14 MR. SHADIS: You mentioned one of the
15 drawbacks. A lot of it is proprietary information.
16 A lot of it doesn't surface for the public to digest.

17 MR. GARCHOW: With respect to some of the
18 information in Ed's example, you might run into those
19 proprietary vendor type calculations. That happens
20 relatively infrequently.

21 MR. FLOYD: Besides, if it was proprietary
22 information, even in the NRC inspection as a
23 withholding provision in the regulations, if it really
24 is proprietary, could be withheld.

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1 MR. TRAPP: Maybe Ray was being more like
2 INPO stuff.

3 MR. SHADIS: But also, I mean, I know our
4 main licensee had different engineering groups, Conger
5 & Elsen, Franklin Institute, different people come in
6 and do studies and those were not available for public
7 inspection for a long, long time, but they served to
8 influence the way that NRC who was privy to them dealt
9 with things.

10 We simply had to trust, which we didn't,
11 but that was the position we were put in. I'm not
12 complaining about that.

13 The reason I asked if you shared these
14 things with NRC is that it would seem reasonable to be
15 building that record and that relationship over a
16 period of time so that if and when the ROP matures,
17 you would transition gradually or some graduated rate
18 into permitting the licensee to do more and more of
19 that work themselves. The issue of having it, you
20 know, be as accessible to the public as possible is
21 always going to be there.

22 MR. PLISCO: Okay.

23 MR. BLOUGH: The recommendation where it
24 says "first year," should it say "first few years?"

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1 Or where it says "evaluate," should it say "cautiously
2 evaluate," or you think we're in the right --

3 MR. PLISCO: Or just take out "first year"
4 and just say, "Review the results of the oversight
5 process." As we talked about a number of these areas,
6 I think a lot of these evaluation areas we don't want
7 to happen just once. It should be a continuous
8 process.

9 MR. GARCHOW: Periodic assessment.

10 MR. TRAPP: I hate to throw a monkey
11 wrench in the business but the minority view would be
12 the baseline is the baseline and the NRC should do
13 some sort of baseline in all those areas that we deem
14 risk significant. I don't really think we should give
15 those up.

16 I thought the special inspections like
17 MOVs where you might be able to bring in more talent
18 in lieu of an NRC, I saw some benefit there but the
19 baseline to me is pretty simplistic. It's not a lot
20 of resources, in my opinion, and I think it leads to
21 public credibility to have somebody completely
22 independent come in.

23 MR. FLOYD: And I don't think the
24 industry's intent was to --

25 MR. TRAPP: I understand that.

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1 MR. FLOYD: -- wholesale supplemented
2 baseline. I agree with that. I think where the
3 industry was looking to get credit for some self-
4 assessment was on the larger special inspection
5 elements that are in the program. They don't come in
6 and look at EP anymore. They don't come in and look
7 at RP anymore. That's not what it is. It's looking
8 at the big inspections like the design inspection.

9 MR. SCHERER: Exactly.

10 MR. HILL: Does the word "baseline" need
11 to be taken out of the recommendation then?

12 MR. FLOYD: No, it's part of the baseline
13 but those would be under the certain to find
14 circumstances. It would be, you know, the special
15 large team inspections.

16 MR. KRICH: Jim, I agree with you but I
17 think what we're talking about is if you've seen any
18 of the triennial fire protection inspections, they are
19 fairly resource intense.

20 MR. TRAPP: I mean, in Region I it's two
21 people, two weeks maybe. It's not a big --

22 MR. KRICH: It is different in Region
23 III. They've decided to put more people on for a
24 shorter amount of time. It turned into a fairly
25 extensive involvement. I think what this was getting

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1 to was those type of inspections can we look at doing
2 some type of oversight instead of doing the full-blown
3 but it is part of the baseline inspection. The
4 triennial is part of the baseline inspection.

5 MR. PLISCO: That's what I was trying to
6 capture to talk about what we did in the past. Even
7 in the past we didn't not do an inspection. We did it
8 a little differently.

9 MR. SCHERER: I not trying to solve the
10 issue but one of the suggestions was made is perhaps
11 having an NRC person be part of this team and then
12 being able to capture all of that through the NRC
13 representative in terms of having a part of a larger
14 team. Those are issues that we don't need to solve
15 now. Certainly my comments were not meant to
16 eliminate NRC oversight on any of the functional
17 areas.

18 MR. FLOYD: What if we moved the word
19 "certain?" "Allowing licensee self-assessments in
20 place of certain baseline inspections under defined
21 circumstances." It makes it clear you're not talking
22 about the entire program.

23 MR. TRAPP: Yes. I can see adjusting the
24 baseline but I think the baseline has some ability.
25 We shouldn't mess with it. I mean, if we need to

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1 adjust it, maybe your triennials -- maybe there's too
2 much inspection effort on the triennials. I mean,
3 maybe that's our point.

4 MR. FLOYD: It's not in lieu of the
5 baseline program or even the entire scope of the
6 baseline program. It's looking at it for a way of
7 maybe sharing resources to do the inspections.

8 MS. FERDIG: I'm just reflecting on Ray's
9 comment and I just want to throw it out there. I do
10 think there is a public access to information question
11 if, in fact, these are assessments that have to deal
12 with regulatory issues. If they are called self-
13 assessment, there's an assumption that they aren't
14 available to the public.

15 MR. PLISCO: What we did in the old
16 program was in those cases we wrote up a section in
17 the inspection report that says -- you know, we looked
18 at the self-assessment and these were in general the
19 findings of the self-assessment and in our views of
20 the -- and just what Steve talked about, the scope of
21 the inspection, the qualifications. We talked about
22 that in the report. We didn't put the report on the
23 docket but we wrote about the report.

24 MR. GARCHOW: We did and in some cases the
25 licensees did and it was totally appropriate. Hope

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1 Creek service water inspection that we put on the
2 docket. I think we sent that in.

3 MR. BROCKMAN: For a 45001 in Region IV.

4 MR. GARCHOW: If you didn't submit it on
5 the docket, it didn't count.

6 MS. FERDIG: I guess that's just back to
7 my whole philosophy that the more information that is
8 available, the better and it makes everybody more
9 credible.

10 MR. GARCHOW: But I think if you're using
11 in lieu of something, I think that ends up being the
12 regulatory docket.

13 MR. SHADIS: It's a pretty powerful
14 instrument for influencing the way that NRC -- even if
15 it's only at the regional level, the way that NRC
16 looks at a particular plant. So I think it's
17 important if access can be had by the public, it needs
18 to be had.

19 MR. PLISCO: Should I put that even though
20 it's part of the old program where it says, "The NRC
21 reviewed the scope, qualification of team members, and
22 the results of the licensee's self-assessment and
23 monitored portions review," and then put something in
24 there about when the self-assessment -- or ". The
25 self-assessment report was put on the docket." Just

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1 to plant that seed that that information was -- it was
2 done in place of an inspection and it was put on the
3 docket.

4 MR. FLOYD: That's fine.

5 MR. PLISCO: In the old program you didn't
6 get credit if you didn't under the 45001 procedure.

7 MR. BROCKMAN: You had to submit it.

8 MR. PLISCO: No docket, no credit. That
9 was specifically addressed to the comment that Ray
10 had. That's why we did that in the past. If it took
11 credit, the core program, it had to be on the docket.

12 MR. FRAHM: So, Loren, just add the word
13 docket in?

14 MR. PLISCO: I was going to say, "The NRC
15 reviewed the scope, qualification of team members, and
16 results of licensee's self-assessment and monitored
17 portions when the self-assessment report was
18 docketed."

19 MR. GARCHOW: I don't know if that has any
20 bearing on this particular issue of looking forward to
21 the use of self-assessment. It will provide some
22 historical perspective

23 MR. KRICH: So let me go back a second to
24 Ray's concern. Are we addressing your concern? I
25 guess the one part -- you raised a good point but the

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1 thing that bothered me was that having seen this in
2 various incarnations, I have to tell you that I don't
3 think that influenced the NRC in a positive or
4 negative way so much as it was used as another piece
5 of information that they looked at as part of their
6 inspection just like they would look at calculations
7 or 5059s or any other documentation.

8 I guess I'm interested if you think it
9 really does have an effect on where they wind up at
10 the end of the inspection.

11 MR. SHADIS: I don't know, Rod. I think
12 maybe it should have some effect. I mean, it is
13 information and is backed up with some documentation,
14 solid calculations and stuff.

15 I'm reacting to our experience in Maine
16 where there was a major engineering study that
17 Franklin Institute supervised. A lot of the findings
18 that were in it, which we only got by discovery after
19 the plant was closed, were found again 10 years later
20 by the ISAP.

21 When we looked through, we said, "Gosh.
22 Something is very wrong here."

23 MR. KRICH: If we had only know.

24 MR. SHADIS: Yes. And if we could have
25 looked over NRC's shoulder while they were reading

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1 that, we could have pointed and said, "That looks
2 important to us. Doesn't it look important to you?"
3 We didn't have that opportunity.

4 I think this conversation is sort of
5 outside the scope of this item. This is pretty
6 straightforward here. The only real issue that I have
7 here, the only real caveat I have here, is that it's
8 somehow be included in positive language that we want
9 to wait awhile before doing this. We want to make
10 sure that the ROP is

11 MR. GARCHOW: It's premature to launch
12 into this immediately.

13 MR. SHADIS: Yes. That needs to be said.

14 MR. PLISCO: Ready for a break for lunch?
15 We finished the I's. Anymore on this one?

16 MR. SHADIS: No, but you want to shorten
17 that lunch break some? The only reason I'm suggesting
18 that is you've got 3:00 scheduled for --

19 MR. PLISCO: Can we start at quarter of
20 1:00?

21 MS. FERDIG: Quarter of.

22 (Whereupon, at 11:57 a.m. off the record
23 for lunch to reconvene at 12:45 p.m.)

24

25

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

21

(12:48 p.m.)

22

MR. PLISCO: Let's see how far we can get

23

by 3:00. In your chair Ron input the changes we made

24

in the first two sections, the P's and the I's.

25

Actually, you might want to date that as today's

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1 revision so you don't get it confused with the other
2 ones. We're going to put that in the next printed
3 copy.

4 Let's go ahead and go through the A's.
5 The first one had to do with A-1 is the length of time
6 inspection finding is included in action matrix. This
7 had to do with some proposals. This is an offshoot of
8 one of our O issues having to do with this impact.

9 We talked about the threshold, the green
10 and white threshold on some of the PIs not being risk
11 informed and then the impact of that and the conflict
12 with some of the inspection findings.

13 This border on really an answer or partial
14 answer to that question, does this proposal on
15 evaluating the feasibility of some kind of graded
16 approach looking at the impact of those individual
17 issues in the action matrix, in the first column of
18 the action matrix.

19 I think the subject was discussed somewhat
20 at the workshop last week as a possibility of
21 something to look at and address some of those
22 concerns.

23 I think the thought was some of these
24 lower levels, like some of these white PIs that don't
25 have a risk informed threshold, rather than have some

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1 kind of timeline on a graded approach on how long they
2 stay as far as impacting the decision making on the
3 action matrix was the thought of that proposal.

4 MR. GARCHOW: So this gets at the issue
5 that a PI finding may not have the same weight as an
6 inspection finding. Yet, in the action matrix they
7 are seen as the same.

8 MR. PLISCO: Right. The action is the
9 same.

10 MR. HILL: I think we really talk about
11 that somewhere later.

12 MR. FLOYD: Inspection findings.

13 MR. GARCHOW: I'll leave that for later.

14 MR. PLISCO: This was something, I think,
15 that was discussed early on and it's probably worth
16 some time now as far as to see where we are on this or
17 whether we agree with this proposal. Or if it does
18 appear to be really an answer to that overall question
19 we've already raised in the overall section.

20 MR. SCHERER: I guess my recollection of
21 this was it was all findings, at least as it was
22 raised in the Region IV workshop. In fact, I think I
23 shared that this had come up as a suggestion from our
24 regional administrator at the workshop.

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1 Part of the reason it was raised was for
2 PIs. It was one of the issues where -- it was part of
3 the discussion with the potential reluctance of
4 licensees to take a white PI to avoid the unintended
5 consequence of something where it turned white.

6 The NRC had done its inspection and
7 decided it was totally appropriate and essentially
8 closed out the issue. Then you had a white in another
9 area and now you were into the action matrix issue of
10 repeated findings.

11 The suggestion was made at least to
12 consider -- not implement but at least to consider
13 determining a length of time so that exposure period
14 might be reduced to the unintended consequence of
15 being on an escalated part of the action matrix when
16 that was not called for.

17 I guess I missed that this issue had
18 become only an inspection finding. I have no problem
19 with it being part of the action matrix.

20 MR. PLISCO: Well, I think it was looked
21 at originally because the performance indicators have
22 a natural time. Based on whenever the threshold goes
23 back, it goes away automatically. Where the findings,
24 even if the issue is corrected, it stays on the books
25 per se for four quarters.

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1 MR. FLOYD: And I think that was the focus
2 of it.

3 MR. SHADIS: Was it designed that way for
4 a reason?

5 MR. PLISCO: Yes.

6 MR. SHADIS: What was the reason?

7 MR. FLOYD: The reason was that in the
8 case of the performance indicators they already have
9 a minimum four-quarter time period built into them
10 because it's a four-quarter roll-up. In some cases
11 it's an eight-quarter or 12 quarter roll-up.

12 MR. SHADIS: Just to reflect that?

13 MR. FLOYD: Well, it was felt like they
14 already do account for that, whereas an inspection
15 finding you don't inspect every inspection module
16 every quarter and it takes a year to complete the
17 assessment cycle.

18 When you say the performance indicator is
19 indicative of current licensee performance, that
20 already has at least a four-quarter back look but an
21 inspection finding may not. It just may be that they
22 inspected it this quarter instead of next quarter or
23 two quarters ago. It won't be looked at again for
24 another year.

25 MR. GARCHOW: Or two or three.

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1 MR. FLOYD: So that was the logic for why
2 the inspection findings stayed on for four quarters
3 and the PIs could roll off.

4 MR. SHADIS: Sit on there until the next
5 inspection.

6 MR. FLOYD: Until the next cycle, yes.

7 MR. PLISCO: The next full year. Even if
8 it's already corrected and addressed, it stays on
9 there. That was really the issue, I think.

10 MR. GARCHOW: I'm comfortable with this as
11 written.

12 MR. FLOYD: Yes. It just says evaluated
13 the feasibility of it and they're doing that anyway.

14 MS. FERDIG: So it's a priority one
15 because you want to be sure they're doing it.

16 MR. PLISCO: Actually, I wanted to ask
17 about that. I know that's what we came in with
18 initial priorities and now we have a lot more
19 information that I don't personally feel is a big
20 issue right now as far as priority.

21 I mean, it's something we should be
22 looking at. I mean, looking at how many issues we've
23 had and the experience we've had so far. That's my
24 own personal view. This is what we ended up with the
25 first time through.

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1 MR. FLOYD: I think it's only a big issue
2 for the industry because the threshold of getting a
3 graded cornerstone is two whites. My concern is I've
4 had this issue, I've corrected it, and now I'm just
5 waiting for the clock to expire, okay?

6 So I'm vulnerable to having another white
7 somewhere that might be totally unrelated to this one
8 and all of a sudden I'm in a graded cornerstone when
9 really I only have one current performance issue and
10 I have one that's been fixed. That's where the
11 concern is. It's almost more of an action matrix.

12 MR. PLISCO: That's how I have it.

13 MR. LAURIE: Question. We have a number
14 of recommendations that make reference to evaluating
15 the feasibility of something. Do we know what that
16 means? That is, the commission gets this or somebody
17 gets this and they say, "I'm going to implement the
18 recommendations." Do we know what the step then is to
19 evaluate the feasibility of something? What does that
20 mean? Is there a step? What does that in reality
21 mean?

22 MR. BROCKMAN: It would probably mean IIPB
23 reviewing it and if it's captured under the SRM that
24 came out, they would have to report it back to the
25 commission in response to the SRM unless the SRM said

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1 inform EDO and it would go down to that level but it
2 would be an internal staff activity as part of the
3 assessment review process.

4 MR. LAURIE: Okay. So staff is instructed
5 to evaluate the feasibility of something and they will
6 know how to do that?

7 MR. BROCKMAN: I don't feel uncomfortable
8 with any of them we've identified thus far.

9 MR. PLISCO: That's important to make sure
10 we get the description.

11 MR. BROCKMAN: There's some that they
12 don't and then they should appropriate punt it to
13 someone who is qualified.

14 MR. LAURIE: I'm just getting to the
15 language. The language is implementable.

16 MR. BROCKMAN: Uh-huh.

17 MR. GARCHOW: So do we have a consensus?

18 MR. PLISCO: Yes, on that one.

19 MR. FRAHM: Without change.

20 MR. PLISCO: A-2 has to do with the
21 regulatory conference. Actually, you heard a
22 discussion. This was a topic at the workshop and Bill
23 Dean and staff talked about this yesterday.

24 This really had to do with the structure
25 and the format of the regulatory conference and being

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1 confused to the participants and the observers what
2 the objective of that was.

3 Actually, I already know there's actions
4 being taken to address this issue. They are not all
5 fully in place yet but they are taking action to
6 address it.

7 MS. FERDIG: Didn't it have to do with
8 clarification?

9 MR. PLISCO: Yes.

10 MR. BROCKMAN: I think it's a little
11 broader. It's not only the staff guidance, it's the
12 guidance to both the internal and the external
13 stakeholders. Staff guidance to me would limit this
14 to the internal stakeholders.

15 MR. GARCHOW: We have to communicate the
16 revised guidance somehow appropriately to the outside
17 world which would include both the industry and the
18 external stakeholders.

19 MR. SCHERER: To some extent, at least my
20 perception is that this is a change issue. As time
21 goes by and people become more familiar with the
22 regulatory conference and forget about their prior
23 experience with enforcement conferences, this issue
24 will tend to mitigate on its own. That's why I'm
25 comfortable with it being a priority 2.

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1 MR. GARCHOW: This may be a carryover for
2 some history to you, Ray, because I think you've
3 changed the approach but early on we had a regulatory
4 conference and the press was there and some of the
5 interested folks. A big introductory spiel was made
6 that this is not an enforcement conference. Then we
7 introduced the enforcement officer.

8 MR. PLISCO: We learned from that.

9 MR. GARCHOW: I believe that's been fixed
10 this time.

11 MR. PLISCO: Right. And one of the, I
12 guess, speeches I've been giving preaching is that
13 we've also seen it on the other side. We had a
14 regulatory conference scheduled in Region II and it
15 turned out the regional administrator had another
16 commitment. He wasn't going to be there.

17 The licensees found out about it and they
18 wanted to move the regulatory conference because the
19 regional administrative wasn't going to be there.
20 They wanted to have it when he was there. If you
21 follow the guidance, he's not even supposed to be
22 there. There's change management issues on both sides
23 as we work out way.

24 MR. GARCHOW: I agree.

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1 MR. PLISCO: I think with time we're going
2 to work through this. It's just a change management
3 issue. Part of it is the guidance. Really the
4 guidance clarification I know of that's already
5 ongoing is to change the format and structure. Who
6 talks and what do they say to help communicate what
7 the purpose of the meeting really is and the
8 objective.

9 MR. FLOYD: And with Ken's suggestion to
10 add a phrase about communicating the clarified
11 guidance to all stakeholders. I don't have any other
12 comments.

13 MR. BROCKMAN: And I'd get rid of the word
14 staff.

15 MS. FERDIG: Good.

16 MR. LAURIE: Another quick editing point.
17 Second sentence, "During the initial implementation of
18 the reactor oversight process, stakeholders noted that
19 the objectives of the regulatory conferences were not
20 clear during the conduct of the conference."

21 MR. PLISCO: I see what you're saying.

22 MR. LAURIE: I'm not sure you mean during
23 the conduct of the conference.

24 MR. PLISCO: We just need to say we're not
25 clear.

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1 MR. BLOUGH: We've learned since that also
2 the regulatory performance meeting is unclear. That
3 hasn't really come before this panel and that's being
4 fixed.

5 MR. PLISCO: I know that was talked about
6 at the external workshop.

7 MR. GARCHOW: So we have consensus on A-2?

8 MR. PLISCO: Sounds like it. A-3, "no
9 color" findings.

10 MR. BROCKMAN: AKA blue.

11 MR. FRAHM: For your information, on the
12 web page we are changing the blue color to a lighter
13 shade of gray.

14 MS. FERDIG: So it really is no color.

15 MR. BROCKMAN: AKA gray.

16 MR. FLOYD: Only in the nuclear industry
17 could we have this debate.

18 MR. HILL: No. You could decide what is
19 "is."

20 MR. BLOUGH: When I looked at this write-
21 up it looked to me like -- it sounded to me like we're
22 advocating dropping no color findings. In actuality
23 I believe some of those are good issues. They just
24 confound the current process so it wouldn't be the
25 right thing to do to just go and scratch them all.

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1 MR. GARCHOW: If you look at their
2 recommendation, I have that same concern. From the
3 last sentence regarding definition and use of these
4 findings, I read that to mean incorporating them into
5 another part of the program so that you weren't
6 introducing this non-color.

7 MR. FLOYD: Which is the word that
8 triggered that? Maybe that's what we need to fix.

9 MR. BLOUGH: I don't know. I did this
10 late last night. I bracketed everything from "the
11 staff guidance was non-specific" to "classification."
12 "...so it is not clear what role they play. Licensees
13 are concerned that they may be inappropriately used to
14 support trends and believe that many of these issues
15 do not warrant inclusion in inspection reports."

16 I guess that passage right through there
17 seems to be an implication that if we just took what
18 we had now and scratched out all the no-color
19 findings, that would be an adequate resolution.

20 Maybe I'm reading something into it that's
21 not there but I also didn't read the panel
22 recommendation either as suggesting that part of the
23 effort is to finish the SDP tool so that you could
24 assign colors to it.

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1 MR. PLISCO: What if you took out "need
2 for" and said "re-evaluate the use of nuclear
3 findings." Was the word "need for" implying that
4 we're saying that they should get rid of them?

5 MR. MOORMAN: I'm not sure that you can
6 get rid of those, Loren. Those are findings but they
7 defy the SDP process. They are still of regulatory
8 concern. I kind of see these as more of a
9 communication issue as to what exactly they are, not
10 the need for where they are because we're patching
11 that --

12 MR. PLISCO: So you're saying that you're
13 agreeing we're taking out "need for."

14 MR. FLOYD: There's really two issues
15 wrapped up here in my mind, those issues that
16 legitimately can't be evaluated using the SDP, wilful
17 violations and things of that nature. Then there's
18 the other thing that we have seen on the website and
19 that is violations that appear that they're minor
20 violations or, even in some cases, may be some
21 observations that are showing up as no color.

22 MR. PLISCO: And that's what I tried to
23 capture. I think the other thing that we didn't talk
24 a lot about at the workshop, but in practice I know in
25 the regions we've seen, is where one of the rubs occur

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1 where the regulatory process has not caught up with
2 the inspection process.

3 The inspection process is ahead of the
4 regulatory process as far as using risk insights.
5 There are regulatory requirements, some specific ones
6 that don't have a lot of risk significance, but the
7 inspectors are obligated to disposition those issues
8 in the report if they see them as a violation of the
9 requirements and they pass through, in their view, the
10 minor violation filter.

11 Those are where a lot of these no-color
12 findings are coming from. They don't affect a piece
13 of equipment directly. They are a violation of a
14 regulatory requirement. They pass through the minor
15 filter but they don't go into the SDP and that's how
16 they come out like that.

17 MR. FLOYD: Like 50.59?

18 MR. PLISCO: Well, there are usually
19 process issues. Some of the maintenance rule issues
20 fall out that way.

21 MR. BROCKMAN: Where we're going with
22 maintenance right now, people have said for A-4 we
23 need to come up with our own SDP as to how to deal
24 with A-4 maintenance rule. Not to put the risk

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1 perspective on it. It's to put the managing risk.
2 It's a regulatory issue.

3 MR. PLISCO: And I know I have a personal
4 problem with calling any tech. spec. violation minor.
5 We'll come across some that's a compliance tech. spec.
6 issue that really doesn't have any equipment impact,
7 an impact on operability. Based on my training and my
8 experience, I can't call a tech. spec. violation
9 minor. The words can't come out of my mouth. I just
10 can't do it.

11 MR. GARCHOW: Outside of Section 6.

12 MR. PLISCO: Yes, outside of the admin.
13 requirements.

14 MR. GARCHOW: Section 5, Section 6.

15 MR. PLISCO: And those are the kind of
16 issues that sometimes pass through all those filters
17 and come out as no color. The system right now
18 doesn't handle those well.

19 MS. FERDIG: So we're saying there is
20 value for some category here that isn't getting looked
21 into.

22 MR. PLISCO: Yes. I think that's what Jim
23 was saying. I think that's what Jim was saying. I
24 think many of these issues are valid.

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1 MS. FERDIG: Is there another name that
2 would characterize them more accurately?

3 MR. MOORMAN: And that's the communication
4 issue. It's not SDP issues.

5 MR. BROCKMAN: Maybe that's what the
6 recommendation ought to be. The staff needs to come
7 up with a better way to deal with those issues that
8 cannot be handled by the risk-informed use of
9 significance determination process and come up with an
10 appropriate way of communicating those issues.

11 MR. KRICH: There was another aspect
12 besides no color that we talked about. I agree with
13 what you're saying but there was another aspect and
14 it's sort of captured here. That was that inspectors
15 could use this as a way of pursuing some of their own
16 particular concerns that is not necessarily a
17 violation of regulations.

18 It's not a tech. spec. violation. It's
19 just some concern that the inspector has. Since he
20 can't get it into the process through the existing
21 SDP, it doesn't rise to the significance for the
22 inspection report. The way they continue to carry it
23 and get it into the inspection report is to make it a
24 no-color finding.

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1 I remember the discussion here. Also
2 included was to tighten up on that guidance so that
3 what does get characterized as a no-color finding,
4 whatever we wind up calling it, is properly that. I
5 think the stuff that Jim mentioned is appropriate for
6 that category but there's another side of this where
7 you can get some mischief.

8 MR. PLISCO: Right. And what the staff is
9 doing is they are clarifying the guidance for the
10 questions, the filters that the issue passes through.

11 They have implemented an audit process
12 that they're auditing reports as they go out to try to
13 go back in our own internal enforcement process to the
14 regions to give us feedback because some of the
15 questions are subjective where you may have issues
16 that are on the edge of some of those questions and
17 there are some judgments in some cases.

18 That audit process is to help provide some
19 feedback for consistency across the regions in
20 applying this.

21 MR. KRICH: That's good. I didn't realize
22 that.

23 MR. GARCHOW: Some of the examples that
24 have shown up look like they are -- I'll say it for
25 the inspector -- going to lay some track for the

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1 future and not miss them in the inspection report.
2 Some of the ties are very loose to the cross-cutting
3 issues at best. I mean, at best you would say they
4 are loose.

5 I'm not questioning the intent but, I
6 mean, it would appear from the outside that it's an
7 attempt to start laying the pathway to start being
8 able to connect seemingly unconnectable dots in the
9 regulatory process. I think that issue plus the fact
10 they call them a color when they are not a color just
11 adds confusion.

12 When you get beyond that, I think it's a
13 guidance issue and probably a change management issue
14 because, in some respect, we're talking about operator
15 work-arounds that we've allowed the no-color findings
16 to become almost a regulatory work-around as a way of
17 getting some other stuff back into the process with
18 maybe the first thoughts of guidance.

19 Some of that isn't necessarily bad. It
20 may have been for appropriate reasons because the
21 initial construct didn't handle these types of issues
22 very well so this sort of developed as a work-around
23 to get those issues in the record.

24 MS. FERDIG: Does that sometime include
25 cross-cutting issues?

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1 MR. MOORMAN: Yes, yes.

2 MR. PLISCO: There's linkage with this
3 issue back what we talked about before in the report
4 documentation threshold. I mean, these all kind of
5 link together.

6 MR. KRICH: By making a no-color finding
7 you can get it into the inspection report.

8 MS. FERDIG: Caveat.

9 MR. GARCHOW: But I see a real need in
10 some respects being able to argue both sides of the
11 point. If you're doing 10 percent of your inspections
12 in the Corrective Action Program and you're trying to
13 set the stage in the record for the upcoming annual PI
14 & R inspection, the only way the inspector has to lay
15 that in the record to be sitting there for evaluation
16 by that team in nine months is via this no-color
17 process in the current construct, unless you just put
18 it in as an observation or something.

19 MR. PLISCO: If there's no hardware.

20 MR. GARCHOW: If there's no hardware.
21 That's correct.

22 MR. KRICH: So what I think we're saying
23 is we understand the need for it. It needs to be used
24 properly, not abused. At the same time, I think in

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1 its current form it just confuses the pants off of the
2 public as well as some of the licensees.

3 MR. PLISCO: Confuses the inspectors, too.

4 MS. FERDIG: So relabeling and clarifying.

5 MR. SHADIS: I'd like to suggest a change
6 in the wording of the recommendation. "Re-evaluate
7 and clarify the program guidance regarding the
8 designation, definition, and use of what are presently
9 terms no-color findings."

10 MR. PLISCO: That's good. Say that again.

11 MR. SHADIS: Do you want it again?

12 MR. PLISCO: Yes. Slower.

13 MR. SHADIS: "Re-evaluate and clarify the
14 program guidance regarding the designation,
15 definition, and use of what are presently terms no-
16 color findings."

17 MS. FERDIG: So does that statement imply
18 that we're also suggesting another label?

19 MR. SHADIS: Well, we had some discussion
20 about that and I thought I would just slide that in
21 there while we were at it.

22 MR. PLISCO: I thought our consensus this
23 morning was we think we need a new label.

24 MS. FERDIG: Yes. I think it could be
25 stated a bit more explicitly than that.

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1 MR. GARCHOW: You could have blue findings
2 that don't go into the action matrix and they're just
3 there to be used for future inspections. There's all
4 kinds of ways to solve that problem.

5 MR. SHADIS: Do you want to put a sentence
6 in the issue description and then a reflection of it
7 in the panel recommendation as far as the terminology?

8 MS. FERDIG: That would do it. Just so
9 there's something.

10 MR. SHADIS: Can we do that? Do you want
11 to make that up later? A short sentence that says
12 this is hard to understand and something in the panel
13 recommendation that says there ought to be a better
14 designation than no color.

15 MR. GARCHOW: It gives a perception of
16 aggregation.

17 MR. PLISCO: Well, term is one. Then the
18 other proposal -- of course, this is getting back into
19 solutions again. I've heard that -- I actually don't
20 have a lot of problem with it. It's just making them
21 green findings, you know, as far as how it fits in the
22 process that works.

23 MR. FLOYD: If you did that, you would
24 have to eliminate one category of no-color findings

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1 that you have today and that's when you do your PI &
2 R inspection.

3 MR. PLISCO: Yes, the observation.

4 MR. FLOYD: We look at the licensee's
5 program -- this is what a lot of them say -- and we
6 found their program to be effective. They were good
7 at prioritizing the issues and it appeared that their
8 timely actions were effective.

9 MR. PLISCO: We do that once a year at
10 each plant.

11 MR. FLOYD: There's nothing negative about
12 it.

13 MR. GARCHOW: That's a good solution
14 because I think you end up getting more than you want
15 anyway because if it's a green finding, it goes into
16 our Corrective Action Program. It's Appendix B,
17 Criterion 16 where they are going to fix it in a
18 timely manner commensurate with our safety
19 significance or not.

20 You're the judge of it and you have the
21 upcoming inspections that can now go back and look at
22 the corrective actions that were done relative to that
23 green finding. You get to the place I think you want
24 to get to.

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1 MR. FLOYD: The only caution on that, we
2 heard from the workshop last week that some licensees
3 -- that was proposed, why don't we just make them all
4 green.

5 The kickback that we heard from the
6 industry was that, "Well, I don't want things that are
7 -- some of them are minor violations that are being
8 characterized as no-color findings and I wouldn't want
9 those to be elevated to green because they're not even
10 supposed to be in the report in our opinion."

11 The other thing was they didn't want to
12 see a large load-up of green findings. This is a
13 trust issue because there's a segment of the industry
14 out there that still believes the NRC at sometime in
15 the future is going to aggregate all the greens
16 together and draw some conclusion even though the
17 program says don't do that. It's a cultural change
18 issue.

19 MR. KRICH: I would have to argue against
20 that, too. I mean, it's not apples and apples. A
21 green finding put on the chart with other green
22 findings that have gone through the SDP process,
23 you're really not looking at apples and apples there.
24 You're looking at two different things.

25 You know what I'm saying, Jim?

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1 MR. PLISCO: Well, you're broadening the
2 band of what's in green starting from zero.

3 MR. BROCKMAN: We've already got enough
4 variation right now to the different implications of
5 the green PI versus a green inspection thing.

6 MR. GARCHOW: So I guess we won't have the
7 solution. It may not be that apparently easy.

8 MR. PLISCO: It's not.

9 MR. GARCHOW: We're still pretty much in
10 consensus that it needs to be solved.

11 MR. TRAPP: The bulk of the complaints
12 don't seem very valid. I don't think we are going to
13 aggregate greens. I don't see that happening. I
14 didn't really understand the first problem they're
15 having with it.

16 MR. PLISCO: Actually, I think I stood up
17 in the workshop and said we've been directed by the
18 commission not to aggregate so I don't think we're
19 going to aggregate. We have explicit direction not
20 to.

21 MR. FLOYD: Although, I have heard some
22 folks at the NRC say, "I looked at the website and
23 this plant has an awful lot of green findings. They
24 haven't tripped the threshold yet but the fact that
25 they have so many greens out there that we found is an

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1 indication that we ought to really keep a good close
2 watch on them because they might be about to trip a
3 threshold."

4 I mean, whether you aggregate them
5 mentally or on paper, I think there's always a
6 tendency to, "Ooh, how come they have 24 and everybody
7 else only has six?"

8 MR. BROCKMAN: I'm not as much concerned
9 about my staff. I am concerned on public perception.
10 The public will aggregate.

11 MR. FLOYD: Yes, they will.

12 MS. FERDIG: That's a good point. Any
13 muddying it anymore in terms of the definition and all
14 the things that are counting, it might not be a good
15 idea.

16 MR. GARCHOW: The virtue of counting gets
17 you into the comparison and the aggregating, not the
18 very nature of communication. You found the same
19 pages of somebody with six and somebody with 60 and it
20 begs the question.

21 MR. SHADIS: With respect to the public
22 perception, I'm trying real hard to think about how
23 that would be affected by a bunch of green findings
24 other than the curiosity to want to know why there are
25 a bunch of green findings which is a perfectly

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1 reasonable question. I don't see that it would have
2 any big impact on public confidence.

3 MR. SCHERER: I agree with that. I would
4 rather have to explain why I have six green findings
5 than explain why I have three green findings and three
6 findings of no color and what do those findings of no
7 color mean, what is it, and where do I put it. Or I
8 have three green findings and three blue findings
9 which are not comparable to either green, white,
10 yellow, or red.

11 MR. HILL: Aren't we continuing to just
12 talk about the solution instead of whether we want to
13 recommend something?

14 MR. SCHERER: Fine.

15 MR. PLISCO: Any other changes?

16 MR. BLOUGH: Well, yes. I believe that
17 part of this is the staff really needs to intensify
18 its efforts to further develop the SDP totals so that
19 all valid findings can be assessed for significance.
20 There is some element of these that --

21 MR. PLISCO: We have that in the SDP
22 section as far as other SDPs.

23 MR. FLOYD: I think the danger in that is
24 you could very quickly be generated into feeling that
25 you need an SDP for every regulation because any

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1 violation that you have that you can't run through
2 SDP, you'll want to put a no-color tag on unless it's
3 really, really minor. That's the danger of that.

4 I think you could very quickly develop a
5 subjective process because sometimes at the level of
6 compliance that we're talking about on these no-color
7 findings, it's often somewhat subjective whether there
8 is an item of noncompliance or not.

9 There's a fair amount of disagreement
10 sometimes between the licensee and the regulator on
11 that issue. I think you could quickly try to write an
12 SDP to evaluate a programmatic issue and that's not
13 very effective often.

14 MR. BLOUGH: I'm not advocating a
15 proliferation of a whole lot of new SDPs for one
16 regulation or whatnot. I just think it may not be all
17 that hard in the end to come up with an SDP that will
18 capture some of the valid no-color findings.

19 MR. PLISCO: We're going to come back to
20 that question when we get to the Ss. It's in the Ss.

21 MR. SCHERER: I'm pretty comfortable with
22 Ray's words on recommendations.

23 MR. PLISCO: That's good. A-4.

24 MR. GARCHOW: So just do we have consensus
25 with Ray's words on the recommendation?

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1 MR. BROCKMAN: I think we've got the
2 challenge.

3 MR. SCHERER: Did you hear that, Ray?

4 MR. BROCKMAN: The second sentence that
5 emphases get it out of the coloring.

6 MR. SHADIS: They're not my words. I was
7 just improving on your words.

8 MR. PLISCO: Whoever's words they are
9 they're good.

10 MR. BROCKMAN: We're in agreement with the
11 words as you submitted.

12 MR. SCHERER: Let the record reflect.
13 Right?

14 MS. FERDIG: I agree we want to scoot on.
15 I just have a question. Would you consider evaluating
16 this conversation that we just had that some of you
17 guys think that if they went to all green findings,
18 that might be a solution and, therefore, worth
19 considering? You want to hint at that or not?

20 MR. PLISCO: No, because several proposals
21 were talked at the workshop and I know the staff has
22 all those on their list and, as I said, this proposal
23 was not met with a lot of consensus at the workshop.
24 It was a lot of disagreement with it.

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1 MR. FRAHM: Pretty much a 50/50 split.
2 Call it something different or call them all --

3 MR. PLISCO: Yes.

4 MS. FERDIG: Okay.

5 MR. PLISCO: A-4, multiple findings. This
6 is the issue about -- actually, we had this in a
7 different section. I moved it to assessment. I think
8 it was in inspection.

9 It really has to do with how we handle a
10 disposition so I thought it was better in assessment
11 enforcement so I took the liberty of moving it. You
12 can tell me whether I'm right or wrong.

13 It really has to do with how we
14 disposition findings when you have multiple issues
15 really related to the same technical issue or the same
16 problem and how we handle those.

17 Really it comes back to how they -- what
18 do they mean in the action matrix. That's why I
19 thought it really belonged in assessment because it's
20 really the impact on the action matrix.

21 MR. FLOYD: To Ken's last suggestion I
22 would just add "and communicate to all stakeholders"
23 at the end of the recommendation.

24 MR. KRICH: We ought to handle multiple
25 inspection findings with no color.

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1 MR. PLISCO: Right now they have no entry.

2 MR. KRICH: I just thought I would throw
3 that out.

4 MR. GARCHOW: That's one way to have
5 various shades of clear.

6 MR. PLISCO: This is not a new issue
7 either. This was in the old enforcement process.
8 There was always a question of rolled up into one big
9 violation or was it multiple small -- I mean, this is
10 really the same question.

11 MR. FLOYD: In my mind, though, the
12 concern is quite a bit lessened under the new program
13 because what was going on in the old program is you
14 would have -- in today's vernacular it would be green
15 findings rolled up into a white. Here each finding is
16 run individually to the SDP and they generate multiple
17 findings but, at least, you have an objective process
18 for assessing what is the significance of them.

19 MR. PLISCO: And there is a little bit of
20 double hitting question in here which the staff
21 already has guidance in the procedures to cover.

22 MR. BLOUGH: I'm just curious what are the
23 examples that have been problematic? Are there
24 examples where this actually has been problematic so
25 far?

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1 MR. PLISCO: In the pilot we had one issue
2 and this is a different spin on this question. This
3 had to do with the Sequoyah flooding issue which was
4 a white issue. The technical issue was white.

5 When we did the inspection, there were a
6 number of loosely related inspection findings that
7 initially I think the program office and the Office of
8 Enforcement, their tendency was to make them white
9 also since they were related. They weren't
10 contributors to the cause. It was just things that we
11 found while we were looking at the real issue.

12 The question came up do you make
13 everything white, anything that is related to that
14 issue when you find it, even though it may not even be
15 a cause. How do you handle those in depositioning it
16 and how do you handle it as far as the impact on the
17 assessment process. That was one example.

18 In this case it was a flooding issue in a
19 turbine building. Once the inspectors looked at it,
20 they found that the drains in the turbine building
21 should have been scoped in the maintenance rule
22 because of the importance of them and internal
23 flooding issues. That turned out to be a violation.

24 When you go back and look at what they
25 would have done, if it was scoped in the maintenance

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1 rule, what they would have done wouldn't have impacted
2 what happened in the event. It wasn't a cause of the
3 event.

4 The initial inclination was to make those
5 white findings, too, since it was part of that same
6 inspection. That's one spin of this problem, how you
7 evaluate all those issues that are related.

8 MR. FLOYD: I agree with the answer. They
9 just need to clarify what is the policy and how they
10 are going to treat those.

11 MR. GARCHOW: With one change is that a
12 clear policy that communicates to the stakeholders?
13 Do we have consensus?

14 MS. FERDIG: You might want to add the
15 word related in the name of the issue itself.
16 Multiple related inspection findings.

17 MR. GARCHOW: We haven't covered this
18 first one.

19 MR. PLISCO: Okay. Actually, you're going
20 to find in a lot of these Os we have touched on as we
21 went through. That's why they're Os.

22 MR. FLOYD: We did this one yesterday
23 specifically.

24 MS. FERDIG: Are we doing these Ss too?
25 Should be save the S until the last?

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1 MR. PLISCO: Let's go ahead and do those
2 now since you've had time to look at those last night
3 for those of you who did.

4 Anything on O? Actually, let's see. I
5 had one proposed change last night when I was looking
6 at it because I went back and this was -- I think I
7 went back and tried to look at some of the parking lot
8 issues.

9 The sentence that starts, "The other
10 elements of the Reactor Oversight Process..." One of
11 the parking lot issues, the proposal was the SDP
12 process would be a good example of where you could
13 apply this kind of process. Specifically the FAQ.

14 MR. LAURIE: Loren, where in the
15 bureaucracy do you see such a program being assigned?
16 And do you folks have a vision of knowing roughly
17 where that's going to be handling that kind of thing?

18 MR. PLISCO: The Inspection Program Branch
19 in NRR who owns the program. They have parts of this
20 process already but I wouldn't call it what we
21 envision as an integrated fraud process. There's
22 pieces of it that they already have and it really
23 needs just to be -- I think the thing we've talked a
24 lot about is the FAQ, the success of that process.

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1 That model ought to be used in other parts
2 of the program so everyone has access to what the
3 issues are and what the answers were to the questions.
4 Right now that doesn't happen.

5 On the inspection side Randy was talking
6 about we have a process where inspectors send in
7 recommended changes and questions. They are reviewed
8 and considered by the staff and then appropriate
9 changes made but the individual inspector doesn't get
10 any direct feedback. The other inspectors don't know
11 what questions were asked and what the answers were.
12 A piece of the process is already in.

13 I think our view internally, and Randy may
14 want to talk about this, is we ought to have the
15 direct feedback to the inspector and those questions
16 and answers ought to be available for any inspector to
17 look up to minimize if people keep asking the same
18 question.

19 There may be some subtlety that's answered
20 in that question that other people don't even know
21 about because it's not communicated until a procedure
22 change is made later on and catches up.

23 MR. BROCKMAN: As you say, it's all
24 stakeholders, not just the inspectors.

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1 MR. PLISCO: Right. That was just one
2 example.

3 MR. BLOUGH: Looking at this write-up, I
4 agree with it for the most part. The thought about
5 predictability, openness, scrutability, and
6 transparency doesn't come through enough in that so
7 I'd take those four words and just make sure they are
8 each used one place somewhere in the statement.

9 MS. FERDIG: I had suggested some
10 rewording that would fit that.

11 MR. BLOUGH: Okay.

12 MR. SCHERER: There's one --

13 MR. PLISCO: Why don't you read it?

14 MS. FERDIG: I'm done.

15 MR. PLISCO: Well, you said you had some
16 proposed changes. Why don't you read it to us?

17 MS. FERDIG: Well, it does not include the
18 extended stakeholder language. "Establish a formal
19 program and assign resources to continue open
20 communication, clarification, and adjustment as needed
21 to enhance the reactor oversight process." And then
22 to continue with the second sentence. It just
23 specifies this. Then you could add even more
24 specifically the language.

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1 MR. SCHERER: I have one comment on the
2 recommendation. The words are there but I don't think
3 they are clear or strong enough for me, at least, and
4 that is the feedback mechanism. It does say, "Obtain
5 responses to questions."

6 I had heard some clear issues where there
7 is a need when somebody asks a question to get a
8 response. It doesn't have to necessarily be the
9 comments the person gave are going to be incorporated
10 in a program but there should be a closed loop
11 process.

12 It's easy to slip up on any process,
13 especially one as high a profile as this. We learned
14 that lesson in our internal programs where we solicit
15 employee suggestions and need to have a formal process
16 to get back to them with how it got resolved.

17 I'm just concerned that I could interpret
18 the obtained responses to questions as being the way
19 to address that term but it's not as clear as I would
20 like.

21 MR. PLISCO: What do you propose?

22 MR. BROCKMAN: You don't get off that
23 easy.

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1 MR. BLOUGH: The process is predictable
2 and scrutable. That implies that people will know
3 what the process is going to do with their feedback.

4 Scrutable is that they would be able to --
5 there would be some mechanism whether it's a direct
6 feedback to each individual or something posted that
7 they would have to go find. Obviously direct feedback
8 to the individual is preferable. I don't know if we
9 need to specify that.

10 In the first eight months we got about 600
11 individual feedback forms from inspectors in Region I.
12 I read them all and lots of times they were --
13 sometimes they were 180 degrees out which didn't mean
14 that they balanced out.

15 It just meant there was data scattered
16 there and you need to understand. We actually went
17 through a procedure expert process where we find an
18 expert for each procedure and they reviewed all the
19 feedback.

20 They made a presentation to management and
21 then we forwarded the result of that to headquarters.
22 We didn't answer each of the 600 but there was some
23 comfort, at least, by people. You know what the
24 process is and they could attend any of those sessions
25 they wanted to.

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1 MS. FERDIG: Right. And if they know that
2 their piece was read along with the other 599 and used
3 in this way, that's good enough in nine times out of
4 10.

5 MR. PLISCO: Yes. Most people just want
6 to know it's not dropped into a black hole or in the
7 round file. That's what they really want to know.
8 It's being considered. Somebody has it.

9 MS. FERDIG: Is the feedback reflected in
10 this language?

11 MR. BLOUGH: I want to know what Ed thinks
12 because I think individual feedback on each of the 600
13 is preferable but I'm not sure if we should go quite
14 as far as suggesting.

15 MR. GARCHOW: You might get what you ask
16 for, too. It's like the Super Bowl ad where they are
17 waiting for those orders on the Internet. They are
18 real happy until they got up to a million in the first
19 five minutes.

20 Then the reality set in on exactly what
21 that meant to them. If you're going to put out that
22 expectation that everyone is going to get feedback,
23 you better be ready to do it ahead of time. That
24 could be very admin. intensive to a level greater than

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1 maybe what the benefit is of trying to do it. I'm not
2 sure I'd jump on to suggesting that.

3 MR. MOORMAN: To what extent do you see
4 those feedback forms as sort of a request for
5 interpretation? That's kind of where I would like to
6 be sure that --

7 MR. PLISCO: Some are. Some are. That
8 was kind of my -- I mean, some are proposals for
9 changes. Some are questions of interpretation.

10 MR. MOORMAN: I mean, towards the
11 consistency part of this -- towards that part of the
12 program, I think it would be worthwhile for us to
13 include that. At least make the recommendation that
14 those get addressed separately if nothing else.

15 MR. SCHERER: I didn't want to say how to
16 do it. I was toying with the sentence like, "Every
17 effort should be made to provide stakeholders with
18 feedback as to the resolution of their questions."

19 MR. HILL: I would say efforts. I'm not
20 sure I would say every. I'm not sure I would put that
21 qualifier in.

22 MR. GARCHOW: That means I'd send somebody
23 on a horse 50 miles in the middle of the desert. I'm
24 not going to go that far.

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1 MR. SCHERER: Fine. Efforts should be
2 made to provide stakeholders with feedback as to the
3 resolution of their questions.

4 MR. PLISCO: Did you get that?

5 MR. FRAHM: I'm not sure where we want to
6 put that. Is that going in the second --

7 MR. SCHERER: I would take out, "And
8 obtain responses to questions." Instead, put in the
9 sentence, "Efforts should be made."

10 MR. HILL: So in this case we are going
11 beyond go evaluate and tell them what to do.

12 MR. PLISCO: Well, still not how. I can
13 tell you what they do with feedback forms. They built
14 a matrix that said, "Here is the person's comments.
15 This is what they had to do." It wasn't a detailed
16 discussion of each comment. Who has it and what they
17 are going to do with it. They sent this matrix to the
18 regions and said, "Here are everyone's comments."
19 Everyone didn't get an individual response but they
20 can find theirs.

21 MR. SCHERER: I was careful not to say you
22 get an individual response to specifically outline
23 each question. You guys correctly helped me take out
24 the word every.

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1 MR. GARCHOW: Be careful that's not a form
2 letter. "We're taking your personal input."

3 MR. SCHERER: But I do think there was a
4 lot of comments about getting a resolution. Certainly
5 if you submit an FAQ, it gets a number and you can
6 track it. That's one way of responding. If it
7 doesn't, then there are other venues.

8 MS. FERDIG: Is this dealing with the
9 concern that Dave Lochbaum had when he didn't hear
10 back?

11 MR. PLISCO: Yes.

12 MS. FERDIG: I would suspect that --

13 MR. BROCKMAN: It's an internal concern
14 from inspectors, too.

15 MS. FERDIG: Right. It's probably some
16 judgment about how and what kind of response and how
17 timely.

18 MR. PLISCO: And where it comes from.
19 Ready for 0-2?

20 MR. BROCKMAN: There's a different issue.
21 Mary, just to play on that, there's a different issue,
22 too. Sometimes the answer you're going to get back is
23 going to be no. Deal with it. There's a lot of
24 people that will say, "That's the best I can work."

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1 How can you say no?" Real simple. It's a
2 monosyllabic word.

3 MR. GARCHOW: So let's go back. We had
4 consensus with a few changes. Can someone read us the
5 changes and then we'll get in the record that we had
6 consensus. I think we just had a few word changes to
7 the panel recommendation.

8 MR. SCHERER: I struck "and obtain
9 responses to questions" from that last sentence and
10 added a last sentence, "Efforts should be made to
11 provide stakeholders with feedback as to the
12 resolution of their questions."

13 MR. GARCHOW: And the issue description
14 remains unchanged?

15 MS. FERDIG: Well, we talked about adding
16 some language of communication, scrutability.

17 MR. PLISCO: I don't think we have
18 anything yet for that.

19 MR. GARCHOW: Do we or do we not have
20 consensus?

21 MR. PLISCO: I think we have consensus but
22 I think Randy's suggestion was to add a couple of
23 words to emphasize the reason, the importance of this
24 change as far as predictability and scrutability.

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1 MR. GARCHOW: So do we have consensus on
2 adding a few words and then trust that they're added?

3 MR. PLISCO: Which we'll send back.

4 MR. GARCHOW: I understand. Consensus.

5 MR. PLISCO: O-2. This is a roll-up of a
6 number of the issues on public access to timely and
7 clear oversight information.

8 MR. FLOYD: It's my recollection that the
9 for example was really what Dave Lochbaum presented in
10 his -- I'm not sure this really captured it. What he
11 was saying was, for example, "The public information
12 could be organized by site starting with an overview
13 of plant performance based on the action matrix
14 outcomes. Then with the ability to drill lower if you
15 wanted more."

16 MR. PLISCO: That's what I had intended.

17 MR. SCHERER: I agree with where you're
18 heading but I don't agree with "could be organized by
19 site." In fact, I thought the recommendation was you
20 start with the overall matrix and be able to drill
21 down to the site and then to the findings.

22 MR. FLOYD: Yes. I think his vision was
23 you had a listing of all the sites with an
24 identification of what column in the action matrix
25 they were. Then if you wanted to know more about it,

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1 you would click on that box and then go down to the
2 first sheet. If you wanted further detail, you click
3 on those boxes and go to that specific one."

4 MR. SCHERER: I agree but that's a lot
5 more detail than --

6 MR. FLOYD: Well, this is an example.

7 MR. SCHERER: The comment that I heard
8 that resonated and I think needs to go in here was a
9 comment from, I think, the NRC OPA where they said,
10 "Start with the general and work down towards the
11 specific." That's the principle I'm trying to adhere
12 to.

13 Start out with where that plant fits in in
14 the overall scheme of other plants and then drill down
15 to site specific information. Beyond that the purpose
16 -- you know, the basis for the green finding and the
17 inspection report that goes beyond that.

18 MR. SHADIS: I took it from the workshop
19 that there's a lot being done in the agency on this
20 right now. They are sort of headed in that direction.

21 MR. PLISCO: We have the web -- that's his
22 collateral duty. Ron is the "webmeister."

23 MR. FRAHM: One of them.

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1 MR. SHADIS: I thought your comments were
2 essentially that you were headed pretty much in the
3 direction that David talked about.

4 MR. FRAHM: When we go out with the next
5 quarterly PI's inspection findings, we'll have the
6 action matrix format with five columns and the plants
7 will be listed in their appropriate column. Then when
8 you click on that plant, it will take you down into
9 the more detail of TIs and inspection findings. We'll
10 be out there, I guess, the end of April. That should
11 help a lot.

12 MS. FERDIG: Is this the only issue
13 relating to communication?

14 MR. PLISCO: Yes. There were two before.
15 When we went through the initial prioritization we
16 rolled them up into this one. One had focus on timely
17 information.

18 MS. FERDIG: The reason I'm asking the
19 question is that I wonder if there's more to consider
20 than besides just the website and access to
21 information. Somewhere in all of this I would like to
22 see some recommendations that continue to do what I
23 know have been heroic efforts to this point but to
24 engage this interested nonactive public to become more
25 aware.

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1 MR. GARCHOW: I mean, I hear you but then
2 we have the meetings with the plants nobody comes and
3 it becomes a regulatory burden to support the people
4 renting a school or giving permission for a school
5 orchestrating this and nobody attends. It may be
6 public confidence in the fact you have the opportunity
7 to have one even if nobody comes.

8 MR. PLISCO: There are other agency
9 efforts, too, outside the ROP in general to engage the
10 public and try public outreach. We have communication
11 plans in place that are much broader than just the ROP
12 process to try to engage the public and get more
13 communication as far as day-to-day activities and
14 things like that that I'm not sure are appropriate to
15 stick into this topic since we're really focused on
16 the ROP.

17 MR. BLOUGH: We're coming up on our annual
18 public meetings right now and I know that's supposed
19 to be an opportunity when the staff is supposed to
20 avail themselves to allow interested members of the
21 public to gain information about the performance of
22 the plant as well as NRC programs. Of course, we have
23 a lot of activities that are open to the public like
24 the regulatory conferences and the regulatory
25 performance meetings.

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1 I had the same feeling on this issue that
2 we are a little light on public access to timely
3 reactor oversight information if it narrows down to
4 recommendations about the website. I don't know what
5 to do about it at this point though I have that same
6 discomfort.

7 MS. FERDIG: My guess is that there are
8 things that haven't been thought of yet that could
9 engage the public in ways that they are not now
10 engaged other than just having a meeting that nobody
11 shows up. I think it's time to push that paradigm to
12 a new place. I'm not sure what that would look like.

13 MR. SHADIS: My understanding is that at
14 the local public document rooms attendant to each
15 plant site, they have been given the option of
16 retaining the old records. They are equipped with a
17 computer and the software to access ADAMS on behalf of
18 their library clients. My sense is that the public
19 doesn't know this.

20 If they have an issue or, say, if there is
21 some event at the local power plant that stirs their
22 interest, most ordinary members of the public,
23 noninvolved members of the public, don't know that
24 they can go to their public document room, what was

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1 formerly the public document room, local library, and
2 tie into NRC's documents through the library.

3 MR. GARCHOW: I think the reality is if
4 they knew they could actually do that from their
5 living room --

6 MR. SHADIS: Well, this is true but --

7 MR. GARCHOW: Not that I have a life but,
8 I mean, I've explored the NRC webpage at home. I've
9 taken the time and I'm just amazed at how much
10 information is on there.

11 MR. BROCKMAN: And how do I fix that? How
12 do I force those horses to drink from the --

13 MR. SHADIS: You know, it may be an annual
14 public notice that this information is available
15 published in local newspapers. I'm not sure.

16 MR. PLISCO: Actually, I think we do that.

17 MR. SHADIS: Pardon me?

18 MR. PLISCO: I think we give the website
19 in the press release. When we do the annual
20 assessments we put that in the press release. The
21 details and any more information they can get from
22 this website.

23 MR. SHADIS: Yes. It's not the same as
24 making sure that the public knows that all the
25 historical -- most of the historical information and

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1 other things regarding issues surrounding the use of
2 nuclear power available. I also have to point out
3 that it is still a fact that more people have
4 telephones than have computers. There is still a
5 segment of the population that is not computer
6 literate or may be operating an antiquated piece of
7 equipment five or six years old, whatever it is. They
8 are just not going to have that ready access.

9 MR. PLISCO: I know our Public Affairs
10 Office still get plenty of calls from people asking
11 for documents and we just send them directly copies of
12 the documents.

13 MS. FERDIG: I don't know that we need to
14 solve the problem. I just think we need to extend the
15 recommendation we're making beyond website access. I
16 think that the more heightened the concerns become in
17 our society about energy resource needs, the more
18 interest there's going to be about various sources and
19 there's just opportunities to expand.

20 MR. BROCKMAN: Let me give a suggested
21 resolution. "Engage the Office of Public Affairs to
22 identify methods for improving public communication
23 outreach efforts. Develop a communications plan,
24 reference the ROP, fund and implement as appropriate."

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1 MR. PLISCO: There is a communication
2 plan.

3 MR. SHADIS: You weren't paying any
4 attention at all. You were spending all that time
5 writing.

6 MR. PLISCO: Well, I was listening.

7 MR. SCHERER: I can support that. I would
8 also encourage that nothing in there excludes looking
9 further at the work that's on the Internet.

10 Personally, I think and there are several
11 people that appeared before us waving this particular
12 figure which is all the PIs and saying this is the
13 program including the state of New Jersey which gave
14 us percentages of boxes that are green.

15 I still think when we put -- we need to
16 think through how we package information and put it on
17 the Net. As an engineer I saw absolutely nothing
18 wrong with this and found it of great value when
19 reviewing our PI results against others in the
20 industry in trying to benchmark and look at issues.

21 Until I sat on this panel I did not
22 understand how that could be misinterpreted by
23 somebody with well-intentioned interest in
24 understanding the process. The way it was packaged,
25 I think, leads to the wrong conclusion.

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1 MR. LAURIE: You could look at it from an
2 engineering perspective -- from a nuclear engineering
3 perspective. I would venture to say that many, if not
4 most, of those that would be viewing the data are
5 neither (a) nuclear engineers, or (b) engineers at
6 all. I would be concerned that the author of web data
7 might be incapable of translating the language to lay
8 language and that's a very important thing to be able
9 to do.

10 MR. SCHERER: And that's why I endorsed
11 Ken's words in action. I wanted to make sure it
12 expanded to the way we presented the information on
13 the website as well as in public meetings.

14 MR. TRAPP: But my guess is that 99
15 percent of the people that have ever accessed that
16 webpage either work for the nuclear industry or work
17 for the NRC.

18 MR. SCHERER: I believe so.

19 MR. FLOYD: We have actually had some
20 statistics on that and the vast preponderance were
21 engineers probably from the industry.

22 MR. TRAPP: 99 percent might be low.

23 MR. FLOYD: It might be low, yes.

24 MR. FRAHM: Two other things. Originally
25 we just put up that matrix which was strictly PIs

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1 because we had the information available so we put it
2 up there. Hindsight being 20/20 that might not have
3 been the best idea for this reason.

4 Now we have the equivalent for inspection
5 finds so that one is no more prevalent on the webpage
6 than the other. They are equally blanks off the top
7 of the performance summary page as the PIs or the
8 inspection findings in showing the different colors
9 under each cornerstone or performance indicator.
10 That's one thing.

11 The other thing we took back from the
12 workshop is that we need to as best we can make the
13 information as user friendly and understandable to the
14 lay person and still convey the proper message.

15 That is something we are taking back with
16 us. We have a commitment to get with the Office of
17 Public Affairs to try to look at our webpage and make
18 it more understandable to the general public.

19 MR. BROCKMAN: It sounds like a
20 recommendation that falls right in with what's already
21 planned.

22 MR. FLOYD: Yes.

23 MR. BROCKMAN: I've got one thing that is
24 supposed to develop communication. There is already

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1 a communications plan so I would say we revise the
2 communications plan as appropriate.

3 MR. FLOYD: Good.

4 MR. BLOUGH: I was just curious where did
5 we get the data on visiting the website? Can't you
6 just visit the website anonymously?

7 MS. FERDIG: They have hits but not --

8 MR. FRAHM: All I know is the total number
9 of hits. I don't know that we know where they're
10 coming from.

11 MR. GARCHOW: There's web software that
12 can analyze it.

13 MR. FLOYD: You get a URL designator for
14 everybody that makes access to your site. You can
15 tell from the URL whether it's a utility, the NRC.

16 MR. SCHERER: That's the issue that came
17 up with Intel chips because they left behind a marker.
18 You not only can tell who accessed it but how long
19 they were on and what areas of the site they clicked
20 to. Advertisers now come back and target advertising
21 based on that.

22 MR. BROCKMAN: If you don't have a
23 firewall, my guess is somebody that's not even there
24 can probably access and count it.

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1 MR. GARCHOW: They are doing it and they
2 are leaving cookies behind on your machine.

3 MR. PLISCO: Back to the ROP.

4 MR. BLOUGH: Is the NRC counting who is
5 visiting the website?

6 MS. FERDIG: Yes.

7 MR. TRAPP: Well, I don't know. Is that
8 true?

9 MR. GARCHOW: Number of hits.

10 MR. FRAHM: Just number of hits.

11 MR. SHADIS: Even if you were able to
12 categorize and said that it was 99 percent industry
13 folk or NRC employees or whatever, still there is an
14 obligation to speak to that one percent if that were
15 the case. In fact, you know, that could be an
16 indicator that there is something radically wrong with
17 your website. I wouldn't let that affect the idea
18 that it needs to be communicated.

19 MR. TRAPP: I just think the website is
20 pretty good the way it is and to give any criticism to
21 that website I think would be a disservice.

22 MS. FERDIG: I agree. I would like to go
23 on record as supporting that. It is a good website.

24 MR. FRAHM: Constructive criticism is
25 always welcome and encouraged.

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1 MS. FERDIG: But don't change it too much.

2 MR. FLOYD: Just improve it.

3 MR. PLISCO: O-3, long-term program
4 effectiveness. This really has to do with -- we've
5 talked a lot about this. This is really to get a
6 structure process to look long-term program
7 effectiveness, test program assumptions, some of the
8 premises that the program is based on and periodically
9 go back and retest those to make sure that they are
10 true and whether any program changes are needed
11 because of that.

12 MR. HILL: How is this different from the
13 self-assessment problem?

14 MR. PLISCO: This is broader. This gives
15 a bigger picture. I think this links back to looking
16 at industry trends.

17 MR. FLOYD: I thought that was all part of
18 the self-assessment program.

19 MR. PLISCO: I think if you go back and
20 look at the metrics in the self-assessment they are
21 not going to identify some of these long-terms. They
22 are not explicitly going out and looking at what
23 assumptions --

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1 MR. SCHERER: I would prefer in the
2 recommendation to add the word ongoing. "Establish a
3 structured ongoing process to evaluate long-term."

4 MR. SHADIS: That's good.

5 MR. GARCHOW: I would recommend going into
6 the self-assessment program. You have made the self-
7 assessment program look at the metrics and then make
8 some conclusions in this area on an annual basis.

9 MR. SCHERER: I think that's a way to go.
10 I don't think it's the only way to go. As long as
11 it's an ongoing and a long-term view, how the
12 commission does it, I think I want to give them
13 flexibility to do it.

14 It can be broader than or sub-part of,
15 very frankly, the self-assessment process. I have no
16 strong feelings either way but I did want to get the
17 sense, although it would be impossible to do it on a
18 long-term basis, in my opinion, without it being an
19 ongoing program.

20 MR. HILL: Do we need to indicate in here
21 somehow that the expectation is that it is more than
22 the current self-assessment program or could people
23 read it and say, "Ah, we got that with the self-
24 assessment program."

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1 MR. BROCKMAN: The current program as
2 described has three components on the annual basis.
3 You go in and look at the plant performance, you look
4 at the self-assessment for the ROP, and you look at
5 the industry performance. That's described in the
6 documents that you got, those three there.

7 I think all the components are there. We
8 could emphasize if you wanted to the need to do that
9 because at the moment we look at the self-assessment,
10 I think, as being those internal metrics like the ROP
11 itself as opposed to the totality.

12 MR. PLISCO: Why don't we say, "Establish
13 a structured ongoing process as part of the self-
14 assessment process." Is that what we're trying to
15 say?

16 MR. SHADIS: Now what do you have?

17 MR. BROCKMAN: I think you would have more
18 of a sentence if this would include both as a minimum
19 the self-assessment of the ROP and an overall
20 assessment of industry performance.

21 MS. FERDIG: The only thought I may add to
22 the sentence is presumably this process would include
23 a representation from all the stakeholders.

24 MR. SCHERER: That's different.

25 MR. SHADIS: When you all get done

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1 writing --

2 MR. PLISCO: We sort of captured the
3 external, I think, in 0-1, didn't we? The feedback
4 and the comments. That's what we were trying to get.

5 MR. HILL: I don't know if what Mary's
6 talking about is the same thing but I feel obligated
7 to bring up Jim's concern here of an oversight
8 committee made up of more than just the NRC looking at
9 this.

10 MS. FERDIG: Right. He was using the
11 analogy to, you know, quality council kind of thing
12 that had a representation of the stakeholders who had
13 some responsibility for ongoing.

14 MR. KRICH: So we need an evaluation panel
15 in perpetuity.

16 MS. FERDIG: I don't know.

17 MR. SCHERER: It's got to include David.

18 MR. BROCKMAN: I mean, if we truly believe
19 that should be recommended, now is the time to address
20 it and this is the place to put it down.

21 MR. GARCHOW: What other precedence is
22 there and anything else that would have this go on in
23 perpetuity?

24 MR. BROCKMAN: ACRS and ACNW.

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1 MR. SHADIS: It could become a
2 subcommittee of the reactor safety committee. Could
3 it not?

4 MR. FLOYD: Which one?

5 MR. SHADIS: The ACRS.

6 MR. KRICH: Different.

7 MR. BROCKMAN: I think the makeup of the
8 two committees you wouldn't necessarily get what you
9 were looking for.

10 MR. FLOYD: They're a technical advisory
11 body and this is largely a nontechnical issue. There
12 are some technical issues but largely management.

13 MR. BROCKMAN: But I don't think we would
14 want to get to the point of defining which group or
15 how it should be. The question is should there be an
16 ongoing oversight type of thing constituting the
17 totality of stakeholders.

18 Whether it be ACRS or what have you, it
19 could be left to be defined by others. That is a
20 recommendation we would make that there should be some
21 type of ongoing oversight body.

22 MR. TRAPP: I think I would be more of an
23 advocate of that if I found that this body here found
24 a lot of things that weren't already identified by the
25 staff.

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1 It seems like we've identified just things
2 that they have already identified so there's no real
3 evidence to say that, hey, these independent bodies
4 are really a big benefit to the overall program or
5 self-assessment. I would say we kind of proved it.

6 MR. HILL: I didn't say that. Whenever
7 they came in and said, "Here's the metrics we're going
8 to give," we had a lot of comments about the metrics.
9 I think the point Jim made is over time you start
10 getting very comfortable with what you're doing if
11 you're the only one doing it and nobody is looking
12 over your shoulder.

13 While today it might be okay, although we
14 made comments about what they should be looking at,
15 who is to say down the road whether that will continue
16 on without somebody else looking at it.

17 MS. FERDIG: I agree. I think that's been
18 the beauty of this program, is the attention and the
19 dialogue that's been sustained among the three
20 constituency groups, if you will, the regulator, the
21 industry, and the public.

22 Again, I defer to what you guys would know
23 in terms of the precedence and how those kinds of
24 groups have worked in the past. I just think that is
25 the one characteristic that made this process work.

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1 MR. SCHERER: And I'll draw the analogy
2 that Jim did. Total quality issue of having a quality
3 council to give overall view. Not the details but
4 make sure that the overall program is accomplishing
5 what it was intended to, especially as time goes by.
6 It's not nearly as important the first year as it is
7 the 5th or 10th year.

8 The second is the way we operate our
9 plants with both an on-site and off-site review which
10 have different roles and different functions. In my
11 mind a recommendation like this is analogous to the
12 off-site review.

13 We ask to give a broad overall perspective
14 whether we're so comfortable doing what we're doing
15 that we're missing some issues or missing some broad
16 patterns that we're no longer addressing the way we
17 think we are.

18 MR. HILL: And another point is on the
19 feedback from the workshop last week how many times
20 did they say it was split 50/50. NRC wanted this
21 approach and industry wanted this approach. So if you
22 only have one group you add some credibility if you
23 have more than just that one body looking at
24 everything.

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1 MR. GARCHOW: We have no power to do
2 anything. I'm not suggesting this. We have no power
3 to do anything other than recommend which someone may
4 choose not to. To use your analogy, it's not like
5 we're a SORC body or something where people have to
6 bring in and we have to pass a judgment and approve or
7 disapprove, which we're not.

8 In that level I could probably see where
9 if you were going to do something like that, you could
10 use us as a tie breaker and get the diverse input but
11 that's not the construct of the FACA panel, nor do I
12 think it should be. All we do is have good
13 conversation and make the recommendation with really
14 no ties to whether they are ever done or not done.
15 There's no regulatory hook that they use this for
16 anything.

17 MR. SHADIS: No, but it's an opportunity
18 to add some additional genetic material to the pool.

19 MR. FLOYD: What about this? I'm not sure
20 we need a full backup panel, or maybe it would be
21 that. What if we just had a suggestion that they
22 consider every year they are going to do an
23 assessment.

24 We've asked them to do an assessment and
25 they have committed to doing an assessment. What if

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1 they just presented the results of their assessment to
2 a body of representative stakeholders annually. It
3 could be a different makeup every time. It doesn't
4 have to be a long-standing committee that meets days
5 and days for months like we have.

6 It could be just meet, hear the report,
7 reflect on it, and then make a recommendation as to
8 whether or not they think more needs to be done or
9 whether they were satisfied with the overall
10 assessment.

11 MR. BROCKMAN: As soon as you said the
12 word recommendation you just bought FACA.

13 MR. FLOYD: Yes, maybe you bought FACA but
14 it doesn't have to be you're going to evaluate this
15 over a long period of time. It's just sort of like a
16 FACA hearing panel that just hears the assessment
17 report results.

18 MR. GARCHOW: Maybe mail the report out
19 early and then come in and discuss it.

20 MR. KRICH: Let me step back a second.
21 Are we looking for a solution here?

22 MR. PLISCO: Sounds like it.

23 MR. KRICH: Maybe I missed something but
24 to my mind I think what we were trying to get at, at
25 least what I understood was, what we want the NRC to

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1 know is that we think that they need to have a
2 continuing process to evaluate a new revised reactor
3 oversight process. It needs to reflect the
4 stakeholders, that whatever they do needs to have
5 stakeholder involvement.

6 MR. PLISCO: And engage the stakeholder.

7 MR. KRICH: Engage the stakeholder. It
8 needs to go out on some type of continuing basis
9 because this is a work in progress. How they
10 accomplish that is up to them.

11 MR. BROCKMAN: "Consideration should also
12 be given to engage on an ongoing basis both internal
13 and external stakeholders." I've got, "Provide
14 periodic feedback concerning effectiveness of the
15 ROP." The words can be played with.

16 MR. BLOUGH: Well, ongoing basis says to
17 me connotation of continuous. If I would have to
18 decide, I would at least give it a year off and have
19 something done --

20 MR. BROCKMAN: I don't even want to say.
21 On some periodic basis let someone decide what that
22 should be. Thank you very much. It's got to have --

23 MR. BLOUGH: Well, if you use "on an
24 ongoing basis" it almost sounds like -- it denotes to
25 me standing panel.

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1 MR. BROCKMAN: How about "on a going
2 forward basis."

3 MR. BLOUGH: If you do that, I want to
4 stipulate that it will be totally independent of this
5 panel. None of the same members.

6 MR. PLISCO: And the stakeholders at a
7 minimum should include Dave Garchow.

8 MR. GARCHOW: Steve Floyd. He's on every
9 one of these.

10 MR. PLISCO: I think it's good we don't
11 provide an answer because I'm not sure if it is
12 germane.

13 MR. SHADIS: Something like "from the time
14 as it opternally presents itself."

15 MR. SCHERER: Well, my concern with the
16 language is a Federal Register notice once a year
17 would seem to me to satisfy that and that's not the
18 thought that I had.

19 MR. PLISCO: That's why we engage and not
20 just solicit input. I think it's a key word.

21 MS. FERDIG: Right.

22 MR. PLISCO: But I think the way we have
23 that will work. There are some practical problems as
24 far as establish FACAs panels because there's lots of
25 paper and requirements. There's a limitation how many

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1 the agency can have at one time. There's some
2 practical problems with ongoing.

3 MR. SCHERER: We may want to talk with Jim
4 who came up with the original suggestion even though
5 he's not here at today's meeting and get some input
6 from him on language that you could then circulate.

7 MR. PLISCO: Because the reason we started
8 in October is because the fiscal year we already had
9 our allotment of FACA panels so we couldn't start
10 before October 1st.

11 MR. SHADIS: So you're pretty good with
12 that recommendation?

13 MR. BROCKMAN: I've got to finish playing
14 with the words.

15 MR. FRAHM: Do you want to hear what I
16 have? "Establish a structured process to evaluate
17 long-term program effectiveness as to program
18 assumptions. This would include both self-assessment
19 of the ROP and performance." The new sentence says,
20 "Consideration should also be given to engage on a
21 periodic basis both internal and external stakeholders
22 to provide an independent assessment of the ROP."

23 MR. BROCKMAN: That's not bad to start
24 with. We can live with that.

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1 MR. PLISCO: Do you want to say strong
2 consideration or consideration?

3 MR. SCHERER: The only suggestion is that
4 we try to get Jim to give us some input as well.

5 MR. PLISCO: Yes. Actually, I talked to
6 Jim before the meeting. I'm going to e-mail that to
7 him and get his individual comments.

8 MR. GARCHOW: So do we have consensus?

9 MR. SHADIS: Before we go on to the next
10 one, could we just go back in the description here for
11 a minute? I would like something clarified. The
12 third sentence in the issue description reads, "The
13 reactor oversight process was based on certain
14 assumptions and presumptions and when sufficient
15 information and experience has been attained, these
16 should be validated."

17 MR. PLISCO: That's almost like the
18 recommendation.

19 MR. SHADIS: Well, yes. It has a
20 recommendation tone to it. It also has a time element
21 built into it. Conditional stuff is built into it.
22 The notion that the ROP was based on certain
23 presumptions and assumptions is very mysterious to me.

24 MS. FERDIG: Yes. To me, too.

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1 MR. SHADIS: And I'm also uncertain as to
2 how those presumptions and assumptions just might be
3 validated by sufficient information and experience.
4 I'm not even going to argue about it. I'm just really
5 curious about it.

6 MR. BROCKMAN: This is your information
7 request that you asked for in the first 30 minutes of
8 the meeting.

9 MR. SHADIS: Well, it smacks of basic sort
10 of information I was talking about that isn't all in
11 yet.

12 MR. PLISCO: Well, the big one, and we
13 discussed it yesterday, was that -- and this has to do
14 with the cross-cutting issues -- if a plant has wide-
15 spread cross-cutting issues, that they're going to
16 show up in either performance indicators or inspection
17 findings crossing thresholds before the plant has
18 major problems. That's the presumption. Part of the
19 program was based on -- that's why those thresholds
20 were set up and that's why the action matrix was set
21 up the way it is.

22 MR. BROCKMAN: For the most case the
23 performance -- declining performance would be
24 indicated in a step-wise progression.

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1 MR. PLISCO: So there'd be opportunities
2 to take action both by the licensee and the NRC before
3 major problems occur. That's the big one.

4 MR. SHADIS: I can see how that would be
5 validated by experience and information over time.

6 MR. FLOYD: And I think the other big one
7 was that the industry had reached a performance level
8 such that the previous oversight process was thought
9 to have been outdated somewhat.

10 And the concept of a licensee response
11 band was appropriate because the assumption that went
12 into the initial part of the program was that the NRC,
13 because of the improvements in safety performance in
14 the industry, by in large is not that concerned but
15 for a handful of plants in any given year.

16 The concept of a licensee response band
17 which allowed the licensees who were doing a good job
18 in maintaining high levels of safety could manage
19 their own business more effectively and the agency
20 would focus more on the outliers. That was another
21 major problem.

22 MR. PLISCO: Another one is the low-level
23 violations where we have changed our process and how
24 we follow up on those. We don't do as much follow-up
25 on the specific corrective actions we used to.

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1 The assumption was that the licensee's
2 corrective action programs had matured and we had
3 confidence that they would take the right action for
4 those low-level issues. We're not spending as much
5 time as we used to on those issues. That's another
6 one.

7 MR. SHADIS: Could you when you write this
8 again include something that says assumptions and
9 presumptions regarding --

10 MR. BROCKMAN: An e.g. with the three that
11 we just talked about?

12 MR. SHADIS: Cut it to the minimum amount
13 of verbiage because some of them I have no problem
14 with. Some of them I would see as debatable. Even
15 so, that's what it was based on. It's good to
16 memorialize it when you say it needs to be watched
17 over time or revisited or proved or whatever. If you
18 do that for me, I would appreciate that.

19
20 MR. PLISCO: We can do that. O-4.

21 MR. FLOYD: O-4. I've got a concern here.
22 The second sentence reads like a statement of fact and
23 I think what is really is is an opinion on the part of
24 the NRC stakeholders. I presume that's where that one
25 came from. In fact, the whole paragraph is really

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1 summarizing the NRC's position on the issue. I don't
2 see any verbiage in here which summarizes what the
3 industry position is.

4 MR. PLISCO: Well, actually, the second
5 sentence, I thought, I've heard licensee's express
6 that same point. Maybe I didn't get it across clearly
7 that they have seen different issues pop up in
8 different regions that they think the thresholds --

9 MR. FLOYD: The overall industry position
10 in that regard, I thin, is that the industry believes
11 that the ROP should focus on performance outcomes of
12 which cross-cutting issues are but one possible cause.

13 Early data suggest a correlation between
14 cross-cutting issues and thresholds consistent with
15 the presumption of the program, which is why I would
16 disagree that the current process does not have
17 sufficient criteria thresholds and definitions.

18 I think it's built into the structure of
19 the program that if you have problems in your cross-
20 cutting areas, they will manifest themselves in
21 tripping thresholds. They need to be dispositioned as
22 part of the performance issue that arises because they
23 are but one cause by not having achieved the desired
24 levels of performance.

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1 I would like to see that flavor kind of
2 worked in. I don't really have any problem with it.
3 The recommendation is fine. That's what happening.

4 MR. BLOUGH: But you're saying all that --
5 everything that you said would be prefaced by industry
6 beliefs.

7 MR. FLOYD: Sure. That's fine. In fact,
8 I said that the industry believes that.

9 MR. GARCHOW: It's not just the industry.
10 That was the rebuttable presumption that was made from
11 the first day of the NRC putting this together was
12 that you could construct a program where the
13 combination of PIs plus inspection findings could
14 point to declining plant performance.

15 The cross-cutting issues, I guess, just
16 crept in the conversation and never went away so they
17 end up at the bottom of the chart going across. We
18 never really defined the inspections or what you would
19 do with them which contributes to our no-color
20 findings.

21 MR. FLOYD: And we heard a staff
22 presentation yesterday which said that they have yet
23 to identify any licensee that has significant
24 weaknesses in the cross-cutting area that has not
25 crossed the threshold.

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1 In every case where a plant has crossed a
2 significant number of thresholds, they have found that
3 they do have weaknesses in the cross-cutting area that
4 have been identified. I think we're seeing some --
5 again, it's early evidence.

6 It's only nine months worth of data but we
7 don't have any indication to believe that the
8 presumption is not valid. In fact, we're getting
9 early indications that the presumption is valid.

10 MR. GARCHOW: At least that's what Bill
11 said yesterday.

12 MR. FLOYD: Right.

13 MR. PLISCO: Read that sentence and see if
14 anyone has any problem with it.

15 MR. BROCKMAN: Predictive versus
16 indicative aspect. The threshold as to where it is is
17 to what level you're comfortable with cross-cutting
18 issues.

19 MR. FLOYD: Exactly. My sentence was,
20 "The industry believes that the ROP should focus on
21 performance outcomes of which cross-cutting issues are
22 put one possible cause. Early data suggest a
23 correlation between cross-cutting issues and
24 thresholds consistent with the presumption of the
25 program." That's the industry's view.

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1 MR. BLOUGH: As long as it's clear that
2 the view about the early data is also industry's view,
3 Bill Dean's view.

4 MR. PLISCO: He was just regurgitating
5 what Stave had presented. That's not the NRC's data.
6 We don't have data to support that. He was talking
7 about --

8 MR. FLOYD: No, he wasn't. They said they
9 had actually gone in and looked at the programs,
10 looked at the PI & R findings from the PI & R
11 inspections. That wasn't my data.

12 MR. PLISCO: I haven't seen anything.

13 MR. GARCHOW: He didn't preface his
14 comments saying based on NEI data. He was in here
15 yesterday talking like there was something they had
16 done in their group. I don't know what the truth is.

17 MR. FLOYD: That's the impression I got.

18 MR. SHADIS: It's a little late on.
19 Whatever information has come in from the field and
20 presented and the deliberations of this group and to
21 have the lengthy presentation there was yesterday and
22 then base the findings of this and move on. It's a
23 little much and pushing it some. I don't object to
24 whatever people would like to include in terms of
25 reporting what the industry thinks or what the staff

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1 thinks. As far as what is concluded from that by this
2 committee, it seems like it's not very deliberative to
3 pop it in.

4 MR. PLISCO: That was my concern.

5 MR. FLOYD: As long as we make clear
6 that's the industry perspective at this point in the
7 program.

8 MR. BROCKMAN: The recommendation is
9 pretty benign, too.

10 MR. FLOYD: Yes. The recommendation is
11 fine.

12 MR. BLOUGH: That's exactly what we need
13 to do. I guess where I am in responding to what
14 industry says is that I do believe that it's
15 theoretically possible to design a program where the
16 thresholds will identify declining performance in time
17 to, you know, for the licensee to identify and perhaps
18 turn around and for the NRC to identify and properly
19 engage.

20 I believe that's theoretically possible.

21 There's some indication that the program
22 we've designed does that but it's too soon to tell.
23 Part of it is you end up with this question mark.
24 What are we missing?

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1 What are the holes in the program with one
2 plant that's in multiple degrading cornerstone, and a
3 few plants just early in the process of getting into
4 degraded cornerstone, and little experience really
5 with industry performance and trend?

6 It's too early to tell. To some extent
7 the hanging onto the cross-cutting issue is, in part,
8 reflective of that. It's also theoretically that if
9 cross-cutting issues are truly cross-cutting, they
10 could be degrading several cornerstones, and if there
11 are holes in your program, it would be degrading
12 everything and you wouldn't notice it. There's no
13 evidence so far that's happening.

14 MR. FLOYD: I disagree with that. If you
15 have significant weaknesses in the cross-cutting areas
16 that could affect multiple cornerstones, you would
17 expect to be tripping thresholds in multiple
18 cornerstones.

19 MR. BLOUGH: You would expect to be
20 tripping thresholds. Right.

21 MR. FLOYD: Yes.

22 MR. BLOUGH: That's the presumption.

23 MR. FLOYD: That's the presumption.

24 MR. BLOUGH: If the program is designed
25 properly

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1 MR. FLOYD: Sure. I don't disagree with
2 anything you said. I acknowledge that early data
3 suggests that there is a correlation but I'm not
4 saying it's the definitive answer.

5 MR. BROCKMAN: Just to make sure this
6 panel understands, one of the things that we want to
7 make sure we don't even get captured with, and it's
8 the challenge of it, is once again the program is not
9 based on the premise that all issues will go green to
10 white to yellow.

11 No matter what we put together, the
12 possibility of going straight green to yellow, even
13 straight green to red, that can happen and does not
14 say the program is a failure. It should be the
15 exception to the rule. That should happen very, very
16 infrequently but it still can happen that the program
17 cannot identify every -- you know, the stars line up
18 right or you get somebody that goes out there and does
19 something --

20 MS. FERDIG: Stupid.

21 MR. BROCKMAN: -- that's stupid and it can
22 happen.

23 MR. KRICH: I think what we've been saying
24 all along is that the program was set up really to
25 find incipient failures. There are failures that

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1 occur that are "oops" type of things. I think that's
2 what you're saying, Ken.

3 MR. BROCKMAN: Yes.

4 MR. PLISCO: So with the addition of the
5 industry view of this issue, any other consensus on
6 this?

7 MR. FLOYD: You really have two views
8 articulated. You have what is predominately, I think,
9 an NRC view, staff review versus industry view. The
10 recommendation is to continue to work it.

11 MR. PLISCO: Anything else? 0-5. This is
12 the green-to-white thresholds.

13 MR. FLOYD: I don't have a problem with
14 the write-up. I do have a recommendation.

15 MR. PLISCO: This is one we've really
16 talked a lot but as I went through notes and where we
17 were, I'm not sure where we wanted to go with this.

18 MR. FLOYD: All I had with recommendation
19 was consider making the green-to-white threshold risk
20 informed where possible. There are some possible ways
21 to do that. Can't do it in every single one of them
22 but where it can be done, it could be improved.

23 MR. GARCHOW: The other issue is to
24 consider moving the action matrix line over one so its
25 single white PI doesn't move you into the next column

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1 which is, like we said earlier, early on in the
2 framing of this that was on the table for a period of
3 time and then got moved.

4 That was the thought that the PI being a
5 95-5, just because you were an industry outlier, if it
6 was in your corrective on one, it didn't necessarily
7 mean that you would have to start sending the bus to
8 the region.

9 MR. SCHERER: I'm uncomfortable. We're
10 getting into solutions as opposed to asking the staff
11 to address the issue. I'm also uncomfortable that we
12 failed to address the concern I've had from the
13 beginning which is, is the NRC and the other
14 stakeholders prepared at least for PIs to accept all
15 green findings or is there going to be for the PIs a
16 call for resetting a new 95-5 based on 2005 data.

17 MS. FERDIG: Didn't I ask that question
18 yesterday? Didn't Bill say no?

19 MR. FLOYD: It's been asked and answered
20 many times. The answer I keep hearing is no, that's
21 not the intent of the program. While it would have
22 been inappropriate to set the program up not to have
23 some outliers at the outset, if the industry continues
24 to improve such to the point there are no outliers,
25 that's acceptable.

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1 MR. PLISCO: And the flipside is --

2 MR. FLOYD: And we also said we thought it
3 was highly unlikely that would ever occur.

4 MR. PLISCO: There's another piece of the
5 answer, I think. If we get to the point where we
6 change PIs or adjust what we're counting, we obviously
7 have to go back and look at the threshold. If we
8 change what we're counting, you need to go back and
9 look at those thresholds.

10 MR. BLOUGH: With the warning that's out
11 there about solutions, I've been thinking about --
12 I've been wondering about the degraded cornerstone
13 where you have two white PIs and you get a degraded
14 cornerstone whereas, actually, it requires -- without
15 other issues it requires a yellow which is even in the
16 inspection finding arena an order of magnitude on
17 average graded white to get into degraded cornerstone.

18 I have been wondering if maybe going into
19 degraded cornerstone might be appropriate with two
20 inspection findings but it would take three PIs or a
21 combination of two PIs and inspection finding in the
22 cornerstone. I've been wondering if the line for
23 degraded cornerstone isn't a little too far over.

24 MR. PLISCO: I think I raised this issue
25 early on because I found myself in that position. It

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1 was Farley. They went to degraded cornerstone. It
2 was because of two white performance indicators.

3 We had a public meeting and when you
4 looked at the issues individually that led to the two
5 white performance indicators, there was no risk
6 significance. There were no common issues. Each one
7 of the PIs was caused by two separate fault exposure
8 issues.

9 There was no linkage so there were really
10 four technical issues having to do with these white
11 PIs and there wasn't any linkage. There wasn't any
12 common cause, no cross-cutting issues.

13 But from the public confidence arena, you
14 know, I felt uncomfortable. Here we have a press
15 release. We have a public meeting. All these people
16 pile in and for me to sit there and say there's really
17 no big deal here, I didn't feel comfortable doing
18 that.

19 That, to me, was a signal that in this
20 case maybe there's a threshold issue or the action
21 matrix isn't right, that there really isn't some risk
22 significance why we're going through that exercise.

23 MR. FLOYD: It's probably a combination of
24 the two, I would think.

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1 MR. BROCKMAN: See, the point you get in
2 deal with this is I can also come up with two white
3 issues that put together is a major big deal.

4 MR. PLISCO: Especially findings.

5 MR. BROCKMAN: Findings. You've lost that
6 confidence. I could probably come up with two PIs
7 that would be a major big deal depending on how far
8 they are into the white.

9 MR. PLISCO: And what the cause.

10 MR. BROCKMAN: And what the cause is. The
11 one concern I heard is here comes the bus from the
12 region. Well, I hope as the division director I'm
13 going to send the bus for the region if I believe
14 there's a reason to send the bus. Otherwise, I'll
15 send a couple of people out there for three days and
16 that meets 95-002, thank you, and you've put the
17 response together.

18 Now, I can understand Warren's dilemma
19 here but what you've got to do in that thing is say
20 this was an indicator. It caused us to have a
21 question that got us out here immediately. We're
22 pleased to say that it didn't come out as a
23 significant issue.

24 You tripped early, we got out, we got
25 involved, we got engaged with the licensee, and was

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1 able to put a good context on it and were able to tell
2 you that it isn't a major problem.

3 A different issue could have been. We
4 would still have been out here just as much. So, I
5 mean, there's just as much success as being able to
6 take that and in the right context saying it isn't a
7 problem as much as it says it is. I would have been
8 just as --

9 MR. PLISCO: Uncomfortable.

10 MR. BROCKMAN: -- uncomfortable in the
11 meeting in coming up with that. We probably need to
12 look at that threshold. I don't think it's the green-
13 to-white threshold we're talking about. It's the
14 threshold going from a regulatory response band down
15 into a degraded cornerstone and going to the next
16 level.

17 MR. GARCHOW: There's two issues, though,
18 because our first two meetings were dominated by all
19 the factors that having this green/white threshold,
20 the unintended consequence of how the outside world
21 looked at you being the lone white in the sea of
22 green.

23 There was one there. That had a whole
24 unintended consequence I don't think we saw going into
25 the development of it. I thought that's what this

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1 concern was sort of addressing, that somehow there's
2 many ways to do it.

3 You have to temper what that white really
4 means relative to the action matrix in a way that I
5 think is different than the way it is today because
6 that's what driving you into the people potentially
7 not taking power reductions when they should. This is
8 the kernel of something that has offshoots in many of
9 the areas because somebody doesn't want to go white.

10 MR. BROCKMAN: You've got two solutions.
11 Reduce the threshold so that white is much more common
12 and then you don't stand out, or increase the
13 thresholds significantly so that if you've got white,
14 you're really in deep trouble.

15 MR. GARCHOW: Or some combination of that
16 and addressing the action matrix. Somebody has got to
17 straighten all that out because this really was
18 probably the conversation that dominated the first two
19 meetings we had.

20 MR. BROCKMAN: But it's not an action
21 matrix issue. I haven't heard a thing from the
22 licensee that said the NRC's actions out of the matrix
23 were wrong. It's the public perception that's coming
24 out of the press side which has nothing to do with the

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1 action matrix. The white is going to be in the sea of
2 green continually.

3 MR. BLOUGH: Exactly. The items in the
4 licensee response band seem appropriate to me to
5 someone who pops up with the single white of that
6 level of significance. Or someone who's an outlier in
7 the PIs and then you do follow-up to find out what
8 they've done to determine cause and extent of
9 condition and establish corrective actions.

10 That's kind of why I argue against moving
11 the line of licensee response band over toward to
12 include one white PI because it seems to me logical
13 that if it pops up as an outlier, that's enough for us
14 to do the items that are in the action matrix which by
15 themselves are fairly benign. Not benign but fairly
16 limited.

17 MR. TRAPP: For a degraded cornerstone you
18 had to have a public meeting?

19 MR. PLISCO: Yes.

20 MR. GARCHOW: That's a different
21 discussion.

22 MR. PLISCO: A press release. Division
23 director has to run the meeting. There's a high hat
24 on.

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1 MR. GARCHOW: I heard what Ken said about
2 you don't have to send the bus out from the region and
3 whatnot but, you know, as you were going through that
4 whole discussion, you know, I go back to Webster's
5 Dictionary.

6 If I looked up the words degraded
7 cornerstone just using Webster's Dictionary, what you
8 were talking to me -- telling me didn't sound like a
9 degraded cornerstone. It didn't sound like what the
10 agency should be doing if there's a degraded
11 cornerstone.

12 The program has that flexibility for us.
13 There's wide variability of what you do for a degraded
14 cornerstone but it doesn't seem to match if you have
15 two PIs and there are outliers in two areas but
16 there's not a lot of risk significance.

17 MR. BROCKMAN: I don't disagree but also
18 how the press will play it in that area or how it can
19 be looked at because we said the term degraded
20 cornerstone certainly carries a connotation. I think
21 that is the issue we're trying to deal with here.

22 MR. KRICH: So what we're saying is that
23 the outcome needs to match up with the significance so
24 that it's clear to the outside observer, as well as
25 us, that we treat it relative to its significance.

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1 There's lots of ways to do that. Adjust the
2 threshold, move the action matrix line, or a
3 combination of two.

4 I think ultimately what we're trying to
5 get to is that whatever comes out of the findings and
6 the PIs together needs to reflect the safety
7 significance. Because we have some things that are
8 not based on risk, what we're winding up with is that
9 it's a kind of artificial outcome that does not
10 reflect accurately.

11 MR. PLISCO: And from the NRC inspector
12 you can make the argument we're airing on the
13 conservative side which is good.

14 MR. KRICH: So that may be the answer. I
15 mean, it may be that, yes, we understand and we'll
16 leave it that way or --

17 MR. GARCHOW: I think out of all the
18 things that sitting here, you know, three years ago
19 and meeting every week with the NRC and back and forth
20 with NEI, this is probably the biggest difference or
21 unintended thing that occurred that never was in the
22 conversation because we had the mistaken belief, maybe
23 an unreasonable mistaken belief, that having a single
24 white occasionally, even across multiple plants, would
25 not be seen as a big deal.

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1 The reality is that did not come to pass.
2 The rest of the program as it was designed, even over
3 two years, has generally shaken up exactly like it was
4 sort of thought to be with a few enhancements here and
5 there. Some of the SDPs ended up a little more
6 difficult than we thought they were going to be
7 developed. Other than that, it ended up the same.

8 I think this is, to me, the priority issue
9 that I have in getting resolved out of all that we've
10 heard in the whole time. It's not a match to the
11 significance on risk with what the outcome is when
12 you're white.

13 MR. PLISCO: But listening to what you
14 just said, this panel recommendation doesn't appear to
15 get to what you address as the issue just looking at
16 where we can make the green and white threshold risk
17 informed. That doesn't get to what you're --

18 MR. GARCHOW: No.

19 MR. BROCKMAN: It's not the green/white
20 threshold. What we're really talking about is the
21 degraded cornerstone threshold.

22 MR. BLOUGH: Well, that's what we're
23 talking about. I'm not sure that's what he's talking
24 about.

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1 MR. KRICH: We're talking about the
2 outcome. One of the fixes may be adjusting threshold
3 or it may be moving the line or a combination of both
4 but the issue is not the threshold. The issue is what
5 does it look like when it comes out.

6 MR. GARCHOW: Your description of the
7 issue, I thought, that is the issue and said better
8 than I said it. There's a disconnect between the real
9 safety significance of a single white PI and what that
10 looks like to the NRC and the outside world in all of
11 our information that we put out. The webpage, what
12 you get for an inspection report, the follow-up
13 inspection, all of that is not --

14 MR. TRAPP: You know, it's funny. You're
15 saying with the NRC. With the NRC I see it as we
16 don't think of white as being a big deal.

17 MR. FLOYD: Now I'm going to have to -- I
18 was holding off on this comment but I've got to make
19 it now. On the one hand the NRC is telling the
20 industry, "You're making too much out of it. A white
21 is no big deal. It doesn't have that much safety
22 significance. Why are you worrying about it?"

23 On the other hand they're saying, "But we
24 really need to document these no-color findings that
25 don't even pass the threshold of being able to be

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1 evaluated in an SDP. They have extremely low
2 significance because if we don't do that, we might be
3 missing something."

4 There's a little bit of irony here and
5 it's a little bit of a disconnect, I think. You can't
6 have it both ways. You can't tell us the white is
7 insignificant but I really want to trend and track
8 these no-color and green findings.

9 MR. TRAPP: But we're not doing anything.
10 Right?

11 MR. FLOYD: I know but you want to
12 document them and you want to make sure they're
13 captured and you want to look to see --

14 MR. SCHERER: The NRC and the industry are
15 not the only stakeholders. I was listening very
16 carefully to this discussion and, as much as Loren
17 wants to go out there and say, "We've looked at this
18 and there is no safety significance and there is no
19 issue here and I can assure you that we have
20 identified these four individual items and they are
21 all totally separate," there will still be a question
22 raised legitimately:

23 "Well, wait a minute. This plant down the
24 road had two white findings and you went and did a
25 special inspection. You had 12 inspectors there for

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1 four weeks. Our plant right across the street from my
2 house has two white findings and you come in here and
3 tell me never mind. What's wrong with that picture
4 and why should I believe that you guys are not blowing
5 off the plant that's right around the corner from my
6 house when right down the block two white findings,
7 your process, and you react totally differently?"

8 Loren can make all the arguments he wants
9 but that's disparate treatment for the exact same
10 process and we're into that. We need to figure out a
11 way to address it where not only the NRC and the
12 utility are satisfied that there's equitable treatment
13 based on the safety significance, but that it's
14 scrutable to a member of the public. I don't think we
15 have that process now.

16 MR. BROCKMAN: I hear you saying that the
17 current process for that which is 40 to 240 hours
18 worth of inspection effort, one of the outcomes that
19 we're seeing of that is that is too broad. That level
20 of discretion that you're saying has unintended
21 consequences in dealing with the local stakeholders.

22 MR. SCHERER: I think so.

23 MR. GARCHOW: So I don't think we're that
24 far off as long as we describe the issue for what it
25 is because in the end their action is going to end up

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1 the same. I mean, I think it needs to be evaluated
2 and a remedy perceived to make sure that the outcomes
3 are based on the true risk significance.

4 Right now the action matrix in its attempt
5 to be very bingo chart like has this as an inadvertent
6 consequence. You get two white PIs and you're into
7 something by rule that may or may not be pretty.

8 MR. FLOYD: And these issues do all sort
9 of tie together. I mean, we spent some time earlier
10 talking about safety system unavailability where some
11 plants balancing availability and reliability on the
12 maintenance rule and doing what they think is the
13 proper level of maintenance to get that proper balance
14 have projected ahead that they are going to trip
15 essentially all of the SSU unavailability PI
16 thresholds.

17 They're going to have four whites in that
18 one cornerstone, and yet the safety significance of
19 those could be nil. If they're only meeting the
20 maintenance rule, they're probably doing the right
21 thing in terms of what is the right level of
22 maintenance for that system perhaps.

23 MR. GARCHOW: And because it's based on a
24 95 threshold.

25 MR. FLOYD: Right, 95-5.

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1 MR. TRAPP: Why are they out on outlier
2 enforces. I think that is something to look at. Why
3 should they be --

4 MR. FLOYD: Sure. Go look at it. Don't
5 call it a degraded cornerstone. I think that is the
6 concern. Whereas if you had two white findings that
7 actually tripped the risk threshold, that's different.

8 MR. KRICH: It is really a degraded
9 cornerstone.

10 MR. GARCHOW: I just saw this as a
11 fundamental thing that had tentacles of a couple of
12 other things we were talking about all the time.

13 MR. PLISCO: It does. That's why it's an
14 overall issue. It's underlying a lot of the issues.

15 MR. FLOYD: Would the recommendation be
16 more along the lines of seek a way to reach greater
17 parity between the significance of inspection finding
18 and PI outcomes? Nexus.

19 MR. KRICH: Love that word.

20 MR. PLISCO: How about this? "Evaluate
21 lessons learned from use of the action matrix to
22 ensure the agency's actions are commensurate with the
23 risk significance of the issues.

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1 MR. GARCHOW: Specifically around the
2 green light. I don't think that holds if
3 white/yellow.

4 MR. BROCKMAN: That's a solution. You're
5 focusing on that solution technic. I've got to go to
6 the unintended consequences. That would be one way of
7 solving it. There's a couple of ways of slicing this
8 thing.

9 I don't think we ought to focus that that
10 is the methodology that should be picked. I can make
11 it three whites. I don't need to change the
12 threshold. I'll just change it to three whites. I've
13 moved the level of vulnerability over, or I can keep
14 it two whites and change what it takes to get into a
15 white and get the same answer.

16 MR. FLOYD: That may still not work for
17 the guy who's going to do the right thing and trip
18 four of them.

19 MR. BROCKMAN: It may not. It may not.
20 Maybe before you go to a 95-002 if you've got multiple
21 issues, you will do a 95-001 on each one and then
22 develop a corrective action plan based upon that.
23 It's not necessarily efficient but it will probably
24 give you a much better communication with the public
25 as to why you are proceeding to the next step.

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1 There's lots of different ways we could
2 approach this. I don't think we ought to do our
3 normal inclination which is be engineers here and try
4 to solve it.

5 MR. FLOYD: That's why I suggested just
6 seek ways to achieve parity between the thresholds
7 established for PIs at a performance base and the risk
8 informed SDP findings.

9 MR. GARCHOW: I would agree with that.

10 MR. FLOYD: Leave it at that.

11 MR. GARCHOW: I'm comfortable with that.

12 MR. FLOYD: Maybe do it through action
13 matrix and maybe do the thresholds. They've got all
14 the options to do it.

15 MR. KRICH: And, Loren, what you had was
16 okay. The only part was it wasn't only the agency
17 action. It was also what it looks like so it's the
18 agency action and the presentation of it so to speak.

19 MS. FERDIG: What do you think, Ray?

20 MR. SHADIS: It's Mission Impossible.

21 MR. BLOUGH: I agree with what we said.
22 It's just awfully vague. A lot of what we have is
23 fairly vague.

24 MR. SCHERER: Well, we're trying to just
25 state the problem, not the solution.

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1 MR. BLOUGH: Yes.

2 MR. BROCKMAN: We've had a lot of
3 discussion on this one between the NRC and the
4 industry representatives as to the impact as perceived
5 by the public. Help us those who are a little closer
6 to the public and what we're talking about here. Are
7 we on the right track or are we all full of hooey?

8 MR. SHADIS: No, I don't think so.

9 MR. SCHERER: To which point?

10 MR. FLOYD: That was a binary question.
11 You've got to choose A or B.

12 MR. SHADIS: It was actually the second
13 question.

14 MR. PLISCO: Did you get Steve's comment?

15 MR. FLOYD: Seeks ways to achieve parity
16 in the treatment of green/white thresholds for PIs
17 that may not be risk informed with white findings that
18 are risk informed.

19 MR. BROCKMAN: That's one thing. The
20 other thing is develop the overall actions which need
21 to be responsive and need to give the right outcomes
22 to the integrated issue.

23 MR. SCHERER: That's fine.

24 MR. FLOYD: That's fine.

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1 MR. GARCHOW: After you did that, it all
2 has to play out right. That page may look different,
3 the inspection report may look different, the meeting
4 may look different.

5 MR. BROCKMAN: But it needs to be
6 communicated and clear to the public as to how you got
7 to that as to what it is so that the logic flows.

8 MR. FLOYD: When you say the outcomes are
9 consistent, you're really talking about agency
10 actions, public perception, the whole thing.

11 MR. GARCHOW: That's Dave's concern, too.
12 Right? Because if you did that correctly, you would
13 not be taking exceptions to the action records which
14 is one of the issues Dave Lochbaum brought up earlier,
15 that they get that public confidence.

16 MR. BROCKMAN: Sometimes I've seen Dave's
17 comments that if you get two whites, you ought to know
18 where that's going to take you every time. What we're
19 saying here is two whites may take you to different
20 places depending upon how it comes out. It needs to
21 be able to be followed. It needs to be clear. It may
22 not be totally predictable but it needs to be able to
23 be followed as to how you got there and make sense.

24 MR. TRAPP: I always thought the industry
25 was very interested in our process being more

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1 objective and we can't be much more objective than we
2 are now. Now I'm hearing, "We would like you to be a
3 little subjective if it can benefit us, but be
4 objective if it's against us."

5 MR. FLOYD: Well, I think the concern here
6 is mostly in the reactor PIs quite honestly. I think
7 what the concern is is that there is not an equating
8 between the green and white thresholds for PIs and
9 inspection findings in the reactor area. Performance
10 based one, risk informed are treated as if they have
11 the same significance.

12 MR. GARCHOW: And to say that was the same
13 was subjective at the beginning of the framing. In
14 retrospect after a year, the reason we're here is that
15 may not have served us the way we thought.

16 MR. KRICH: So, Jim, I have the same
17 concern actually. Even after having said what I said,
18 I still am concerned because what we're talking about
19 potentially is like a sliding scale.

20 MR. TRAPP: Sure. And then be ready for
21 it to go the other way.

22 MR. KRICH: Exactly. There's no easy
23 solution to these things and we recognize that. It
24 may be that we just have to bite the bullet. The

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1 ultimate solution may be, "Too bad. This is the way
2 it works."

3 MR. GARCHOW: We may stay right where
4 we're at but I don't want this to be drug out. We're
5 smart people and I think we can come up with something
6 better to meet all the objectives.

7 MR. BROCKMAN: Nine issues left.

8 MR. KRICH: Is this the lightening round?

9 MR. PLISCO: I haven't had good success at
10 predicting which ones would create the most discussion
11 but I'll try again since we are running out of time.

12 What I would propose is the several that
13 I think there will be some discussion, let's hit those
14 first and the rest since we've already given you a
15 rewrite of the Ps and Is, if you can electronically
16 send John and I your comments on those and we'll spend
17 next week rewriting those and just go ahead and send
18 our comments. What we have by the end of next week
19 we'll send you out one more round in preparation for
20 April 25th.

21 MR. GARCHOW: Can you send out the latest
22 version after today? Just sent that out to all of us?

23 MR. KRICH: Let me make sure I understand.
24 What we're going to do is go home and we'll go through
25 the Ss.

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1 MR. PLISCO: I was going to go through one
2 or two of them in the next 10 minutes. Or do you want
3 to go ahead and take the time to read them?

4 MR. GARCHOW: I'd say take the time and
5 read them. They will be quickly dispositioned the
6 25th. I just don't like the perception that we're
7 just blind here at the end. The SDPs is one of the
8 things that will probably have the most emotion of all
9 the stuff we've talked about. In some respects that
10 was where a lot of the issues are.

11 MR. PLISCO: Yes.

12 MR. FLOYD: For a homework assignment and
13 then we'll send you the comments on how we think it
14 ought to be marked up and we'll use our best judgment
15 to kind of characterize the overall comments on each
16 one to give us a jump start.

17 MR. PLISCO: And if we have some major
18 disconnects -- if there's major disconnects, then
19 that's what we'll focus on when we meet back on the
20 25th.

21 MR. GARCHOW: So the 25th would be final
22 agreement on what we came to a consensus of, one more
23 final review, going through the Ss, and then you're
24 going to take a shot at the cover letter?

25 MR. PLISCO: Yes.

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1 MR. GARCHOW: We can sort of thrash
2 through the cover letter and the 25th can be very
3 successful in getting the cover letter and the final
4 consensus and being essentially done.

5 MR. PLISCO: Right. And if you have
6 specific -- the other thing I would ask for homework
7 if you have specific thought on messages that we want
8 to include, overall messages in the cover letter, send
9 those to us also. I have been jotting down quite a
10 few as we've gone along and if you have any other ones
11 specifically.

12 MR. SCHERER: Since I won't be able to be
13 at the meeting on the 25th, that will be my
14 contribution, can you issue a draft beforehand so I
15 can have the opportunity to send some electronic
16 copies?

17 MR. PLISCO: Our plan is to get to
18 everyone something before the 25th.

19 MR. GARCHOW: Which would be the cover
20 letter and what you believe --

21 MR. PLISCO: The attachments.

22 MR. SCHERER: That would be very helpful.

23 MR. BROCKMAN: And comments received on
24 the 24th, don't be surprised if they're not included
25 on the 25th.

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1 MR. GARCHOW: I do my best work at the
2 end.

3 MR. BROCKMAN: Then you will get to enjoy
4 your work.

5 MR. PLISCO: We'll focus on the cover
6 letter and these attachments. There's other parts of
7 the report that aren't really boilerplate but things
8 like the charter, how we did business, who was on, and
9 similar to what was in the feedback report as far as
10 explaining the FACA process. There will be things
11 like that in the report also.

12 MR. KRICH: And the recommendation of
13 Garchow in perpetuity.

14 MR. SCHERER: He volunteered to serve
15 until it's fixed.

16 MR. PLISCO: A proposed membership for the
17 next FACA panel.

18 MR. GARCHOW: I earn my compensation. If
19 somebody will sign me up, I'll be here every day with
20 bells on my feet.

21 MR. FLOYD: \$143 an hour.

22 MR. SHADIS: This is an overall comment on
23 the content of what you've got here. The process has
24 been sort of funnel and filter. You get this
25 information and comments coming in and included in all

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1 that there was a great deal of comment from various
2 stakeholders from the media, the states.

3 In the filter funnel process we got down
4 to the point where your language in your report says,
5 "Licensees say," "industry says," "NRC staff says."
6 There's a dearth of attributions to all the other
7 stakeholders and it may just be that is the way that
8 the conversation brought it.

9 On the other hand, I'm suggesting you take
10 a hard look at that and see what happened to all of
11 the information that was laid on -- and it's not just
12 you as the summarizer.

13 It also goes to the whole panel. What
14 happened to that information? Was the quality of it
15 not good or was it not on point or whatever. It would
16 be good to know where that went because it's not in
17 here.

18 I mean, it's in here in extracted form.
19 Here and there I spotted stuff that people brought in.
20 In particular, some of Dave's comments have surfaced
21 but it's not attributed so you want to take a look at
22 that.

23 MR. BROCKMAN: You're right on.

24 MR. PLISCO: Yes.

25 MR. GARCHOW: Any other issues?

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1 MR. PLISCO: We'll see you on the 25th.

2 MR. GARCHOW: Motion to adjourn.

3 (Whereupon, at 2:56 p.m. the meeting was
4 adjourned.)

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