components hardware in the plant. We've added some programs.

This is, our restart checklist is to a large extent going to mirror your restart plan. Adequacy of organizational effectiveness in performance.

As I mentioned a few moments ago. I personally strongly believe that the first line supervisor is the key to the long term exceptional performance. And this is written a little bit different than what yours is, management effective. We've structured this more I think broadly organizational factors. And, sub items we're going to get into in a little detail.

Readiness for restart, what we're going to be looking at in several areas, both the hardware as well as the people, and licensing issues. And, as this restart checklist involves, and I'm going to talk about a couple of these sections in more detail; Christine is going to talk about one or two; Bill is going to be talking about one of the sections.

But as the checklist gets formulated, and is issued by the NRC, it's important that we have a clear understanding of the specific items. And I think as you've gone through your structuring and restart plan, you can find a very close alignment. We can provide you with a lot of feedback. And I think it's going to naturally meld

together, because the issues that are important to us, we've been identifying the issues that you've identified or reports have been good.

So, I expect there will be a clear alignment. One of the purposes of publishing the restart checklist. There is actually two purposes. One is a very clear communication between us of what the expectations are. I would say minimum expectations on prior to restart. We would like to go far beyond these specific activities in a number of areas. And secondly, to clearly indicate to the public what the NRC expectations are prior to restart.

Let me talk a little about bit root cause. We've received documents from you regarding what I'll call technical recalls. And Steve, you mentioned that earlier. It was called something different. I think it was actually called root cause analysis, but didn't go into the level of detail that Steve's team is using today, more to his industry recognized processes at this point, which many of our staff do.

It's very solid approach to identifying all the organizational factors in the problem, so I'm certainly looking forward to that. The technical response is specifically focused in two areas, that's cracking, penetration, corrosion, what caused that, what contributed to it. That was presented, I believe, on May 7th at

headquarters, public meeting to the NRC staff and other folks. I think that's very well understood and we were completing our evaluation of that part of the root cause and that would be published and when we complete our review, we will provide that to you.

The second area of the reconnaissance, what I refer to as the software side, that's the organizational programmatic and people, and obviously, you haven't had your review yet, so we haven't performed our formal review of the facility; and we'll be doing that.

Christine, I think, has some scope of the advocates of the systems out, to go over there.

MS. LIPA: Sure, let me just talk a little bit in general about the checklist we have. I don't know if you guys got a copy of it. It was in our handouts and we can't see the projector.

But this is, we're calling this a framework for the checklist. This is not the checklist. And the panel is working to develop the checklist based on some of the things Jack referred to in root cause, AIT Inspection results and other items.

Then, once the checklist is developed and approved by the panel, it would be reviewed and approved by agents and management. So, this is the framework for today. We'll get you a handout.

The first item that I have on here, 2 A, is the Reactor Pressure Vessel Head Replacement. John gave you some details earlier on some of the inspections that have already been started. The inspections will continue.

The second item is Containment Vessel Restoration Following The RPV Head Replacement and obviously opening the containment and reclosing and testing as part of that inspection that we'll be doing.

The third one are Structures, Systems and Components Inside Containment; and it's really similar to the presentation you gave earlier. The things that we're interested in are some of the things you're interested in. What damage might have been done to various components within the containment head as a result of the boric acid.

That includes equipment, electrical equipment, mechanical equipment, environmental qualification for some of that equipment, the containment air coolers and the radiation monitors. We'll also be taking look at the monitor plan on the sump and fibrous insulation issue.

And then the final supplement in this area, our Systems Outside Containment. Specifically systems that contain borated water and also some of your important systems determined by your managerial criteria.

That's how we intend to approach this area.

Jack?

MR. GROBE: I just wanted to comment. These are broad categories. When we describe as framework; specific inspection, the scope of inspection in each of these areas will be different. They will be dependent upon the root causes of what resulted in the head degradation issue at Davis-Besse.

The reason we haven't presented this checklist earlier is that I didn't want to be in a position to find what was necessary. You've been working through a number of these areas. You've evolved over the last month, month and a half, and I want to be sure there was, you had a clear vision of what you thought was important.

We've provided feedback already in a number of these areas. Also done a variety of inspection activities; Mel Holmberg on the structure systems and components; John and, Don Jones have done a number of inspections regarding vessel head replacement in the area, nondestructive examination; and we've already laid out the inspection plan for the, what we're planning on looking at with respect to the, the code records for the necessary vessel head.

Shortly after we finalized this checklist, which I expect in the next week or two, we'll be finalizing our inspection plans, and get that schedule to you as well as some detail on the scope of the inspection.

Schedule obviously is dictated by you. We can't

inspect anything until you've completed work. And, we may be able to do some, or some inspections have to be done in process. For example, nondestructive examination inspection had to be done in process and that's already been completed.

So, as we begin to develop the inspection scopes at least, we will be clearly communicating that to you. The leaders in each of these areas will be working closely with your staff. I understand your schedule and my staff's, watch the progress in those areas and be able to step in and do our inspection at the appropriate times.

I think Bill was next going to talk about problematic areas.

MR. DEAN: Very briefly. I think it would probably seem a pretty good matchup here in terms of programs that we're interested in looking at are relative to the ones that you identified yourself here today. Clearly, the basis of looking at these is that we need to assure ourselves that the Licensee are assessing your programs and they are in a self-critical manner; and putting in place effective corrective actions which would ensure those programs are effective in the future.

You will participate in assessment of the accuracy of some of the programs. The one there that is a bit of a delta is items received as audit and self-assessment

programs. And our intent there is that, we believe that we can look at organizationally how do you put in place, say, a process by which you have independent and organization itself critical process, and that the results that emanated from that process are treated appropriately.

So, that's one that's a bit of a delta that you have to provide us here today.

MR. GROBE: Thanks. I think that's a real good point. We view corrective action program, an operating experience program, a self-assessment program as really part of the corrective action program; and, to be completely effective, it requires a number of components, and we've separated that out in our checklist.

You're taking actions in all of these areas. It's just that you haven't specifically defined in your programmatic reviews things quite the same way as we have here.

I was going to talk a little bit about organizational effectiveness. This is the area you probably won't get a lot of specificity from our checklist at this point, but there are no NRC requirements in this area. The organizational effectiveness and human performance are actually critical safe operations. The detailed look at this is going to be driven by, to a large extent, by what you choose to do in this area.

The results of this activity, of your effectiveness in this area would be directly reflected in all of the other inspections. And, organizational effectiveness, human performance, will be measured by your performance in all these other areas.

So, I will be closely monitoring activities, as well as the outcomes of those, as the organization performs during its approach to the restart.

The next area is Readiness for Restart, and I would expect that the Systems Readiness for Restart is different than your System Reviews. That's more akin to what you may call a checklist. It's part of the systems in an operational configuration for operations.

Operations Readiness for Restart is an operational organization of people. Operations, are they ready to make the transition from shutdown plant to operating plant. And obviously, test program, a number of activities that are going to be accomplished both prior to restart as well as during restart process, accomplish testing.

So, those are the three focus areas or the framework for the restart.

I'm going to ask Doug Pickett to talk a little about the licensing issues, and I'll wrap it up.

Doug.

MR. PICKETT: Okay, regarding the new

reactor vessel head, there is a number of licensing issues. This is where we require approval prior to restart. And all the issues under item 6 are basically documentation issues of paperwork, if you will. They shouldn't require any modifications or plant repairs.

The first four items are basically requests from the NRC code. The next are the spec requirements, and they allow us --

(Requested speaker to repeat)

MR. PICKETT: The regulations allow the staff to accept alternatives to the ASME Code, providing the staff is convinced there is an equivalent level of safety. Staff makes at times findings on all plants.

The item 6e, is documentation of the reconciliation between ASME Code, the new Midland Reactor Pressure Vessel Head.

And the final item is additional documentation provided on Verification of Technical Specification Pressure/Temperature Curves for New Vesssel Head.

And, your staff is aware of these issues, and it's my understanding that you're preparing letters for the staff's review, and we should see those shortly.

MR. SCHRAUDER: That's correct.

MR. GROBE: Okay.
Thanks, Doug.
I believe that -- well, all of these areas are fluid. We're going to shortly tie down what we believe to be the restart checklist in the NRC perspective.
As Christine mentioned a few moments ago, once the panel finalizes what it thinks should be on the restart checklist, that will be by Jim Dyer, Regional Administrator in Region 3 in Chicago, as well as Sam Collins, the Director of the Office of Nuclear Reactor Regulations. And, not until they approve it will we issue it to you and to the public.
I wanted to go into some detail today just to give you a scope and framework for what we're looking at from the restart checklist perspective.
One area that may have the most validity is the Licensing Issues Resolution. There may be other activities that come up that require either substantial safety regulations, or licensing actions as you go through all your system reviews. And certainly licensing actions are something we would have to take a significant safety evaluation, and complex safety evaluations, we'd likely take a look at also.
So, that area is going to be somewhat fluid as things evolve over the last couple of months. The other

areas likewise can also have issues added to them. It depends on the significance of the issue. We're going to be identifying a lot of things. I wouldn't expect many of them to appear on this checklist, but if it's something of particularly significance, the checklist would be updated and they would be added to the checklist.

This is the first time I've shown this to you. I wanted to get it out on the table and make sure you had a clear understanding and respond to any questions you may have regarding this framework.

Any questions from your side?

MR. BERGENDAHL: Give an example, like something that is systems outside containment.

MR. GROBE: Sure. The one specific issue, again restart checklist should be driven from issues that result in the shutdown. So, clearly systems containing boric acid. Water has boric acid in it. I want you to focus for those constant factors.

But in addition, many of these areas; the organizational effectiveness on human performance characteristics that were, that resulted in head degradation, may have resulted in other system degradation. And so, we're going to have to see in that area also.

I can't give you scope of the inspection at this

point, but I can tell you that we would be scanning a variety of the work that you're doing in the area of your system reviews, as well as some independent work. Areas that you may not have done to benchmark the quality of work that you have completed.

So, does that help out?

MR. BERGENDAHL: Yeah, I understand that.

MR. GROBE: Other questions?

Okay. Very good.

Lew, do you have any concluding remarks before we finish the business portion of the meeting?

MR. MYERS: Well, I thought this was a productive meeting. I think we accomplished our desired items. What I heard was next time we will have Bill Pearce here to talk about oversight; Clark Ross will give us performance indicators and work off curves and what we're doing and what we're identifying, have that at the next meeting. And finally, on a management issue, focus on the actions we're going to take and how we're going to, the amount of the effectiveness of the actions. Okay?

MR. GROBE: Sure.

MR. MYERS: Okay.

MR. GROBE: Let me add one or two things to that, just to make sure you have a complete

list.

MR. MYERS: Okay.

MR. GROBE: I think we talked about the oversight boards. And, did you mention that, value, they're adding what their function is?

MR. MYERS: Right.

MR. GROBE: And also, I would like to hear specifically about some of the more substantive issues that your activities have identified. So, that's more of a specific finding focus discussion. So, not only the performance indicators, or how many things that you're finding and how many things you're working on, that sort of thing, but also some specifics on more specific issues.

And, as we go through and inspect those activities, we'll also be presenting these meetings on special findings. So, we'll be discussing results of our inspections.

So, I think that's kind of a healthy going-forward spectrum for these meetings. Performance indicators, work progress, specific findings that you have, value added oversight boards, value added from Bill Pearce's staff and oversight, and then we'll give you our feedback as we have from the results of our inspections.

MR. MYERS: You know, I think

if you look at the event, and we had our first meeting, this is our third; I think we made good progress for the last meeting, and this meeting I think, I believe we've moved into implementation, and now we're going to go into really good monitoring of some of these things we're talking about. We'll be ready to do that the next time. I don't see any problem.

MR. GROBE: Just a final thought. I've, over the last couple of months, I've seen an evolution in your approach towards this project. Clearly, what you've articulated here today is a more comprehensive and more thorough evaluation than what might be the minimum mandated by the, the issues contributed to the head degradation. And I think also clearly what you've articulated today is commitment to go beyond those issues as far as improving not only the reliability of the plant, but safety of the plant and margins to safety.

So I think those are good, good indicators. And, you also presented today some, in the area of the head, specifically head replacement and substantive problems. And we've been inspecting those activities and found good results from your work, as far as the work that you've done.

So, I think this meeting has been helpful to us. It's been fairly comprehensive. It's been giving us a good

benchmark where you're at, and going. And we look forward to our next meeting, which I expect would be around the middle of the month, next month. And we'll work out that schedule with your staff.

MR. MYERS: Thank you.

MR. GROBE: At this point, why don't we take a eight minute break, which I expect will be ten by the time everybody gets back in their seats; give Marie a break; and then we'll convene the public portion of this meeting where we can receive questions from the public; NRC staff can receive questions from the public, as well as any feedback that you may have that you want to share with us.

So, we will be convened. I have five minutes until. Let's convene at three minutes after. Thank you.

(Off the record.)

MR. GROBE: This portion of the meeting is particularly focused on the NRC staff receiving input and feedback from the public. And there is a pad of paper on the podium up here, as well as the microphone.

And I would like to begin with any local members of the community in the Oak Harbor area, in the areas surrounding the Davis-Besse Plant as well as any local officials that have thoughts or questions that they want to ask, and then move into any other individuals that have

thoughts or questions.

So, anybody that's interested in providing us some thoughts or comments or has a question, please come up to the podium, and we're available to answer those.

I didn't think you'd miss a chance at this.

HOWARD WHITCOMB: I guess I have to lead it off, Jack.

In follow-up to your comment that you made about first-line supervision, I would offer the following observation. This afternoon, I've heard essentially two prongs, if you will. One is a technical fix to the corroded reactor vessel head and then the other is the software fix or management fix involving the root cause analysis determination, so forth.

What's been provided by First Energy this afternoon is a time frame for the technical fix. What has not been provided is a time frame for the management fix. Clearly, the technical issue is probably the least significant, but I haven't this afternoon, Mr. Grobe, heard First Energy's first prioritization of the management issues.

In other words, what are the root cause determinations? Why did they occur? And how is First Energy going to address them to prevent recurrence? And this afternoon, we haven't heard anything with respect to what priority First Energy has attached to that aspect and

how that's going to essentially factor into restart of the Davis-Besse Plant.

MR. GROBE: Okay. Excellent question. I think I heard two parts. I think both Christine and I had asked very similar questions today.

You're correct that the root cause analysis is not complete. The specific structure of what activities need to be taken by the plant has not yet been decided by the plant. And, we're here to get those also and look forward to those more detailed specifics at our next meeting next month.

The other question I think is also a fair question, and it's not one for me to answer, but I would ask Lew or Howard if they want to comment on what priority you place on the, addressing the causal factors of more on the human performance organization effectiveness as contrasted with the priority placed on the hardware fixes?

MR. MYERS: Well, in my mind, the management issues, I'm sponsor to the management issues, is pretty high priority. That's the reason I am the sponsor, because we realize we've had, we've made some pretty significant organizational changes already at the upper levels. We've improved the senior team at the station, has changed considerably.

As we go through finish up with the work processes,

we'll probably find some additional insights of training and standards that we need to take. And then finally the programs reviews.

As you go through these program reviews, we've got to make sure we've got good industry standards on our programs, that we have good ownership of our programs, and we have to go on to monitor implementation of each and every program. We're going to do that. I don't know that every one of those is required before restart, but we're certainly going to look at our programs very hard for restart.

And the final thing is our independent review board that I talked about. We won't restart the plant until that board thinks we're ready to go.

MR. GROBE: Okay. Anything else, Howard?

HOWARD WHITCOMB: No, that should do it.

MR. GROBE: Okay, thank you.

I did realize that I had forgotten to introduce one NRC staff member that is here today. And, I thought he had left. So, I was really feeling badly, but I just noticed that he came back in the room. So, let me take this opportunity to introduce Marty Farber.

Marty, where did you go? There he is over in the

back.

Marty is a very experienced inspector in the Region 3 office. Outstanding performer for us. And he has taken on the responsibility to be a leader on the, what we call, the AIT follow-up inspection. He's been working in Regional office for several weeks and is on-site this week bringing focus on the AIT findings, as far as the, whether those findings or which of those findings represent regulatory violations and what the significance of those violations are.

So, over the next couple of weeks, I expect Marty and possibly some other staff from Region 3 support will be completing the AIT follow-up inspection.

I didn't want to miss the opportunities to introduce Marty. So, I apologize Marty for not catching you earlier. You were on my list and I missed you.

Are there other members of the Oak Harbor community that have questions or comments?

Any elected officials that have questions or public officials that have questions?

Okay. Very good.

Are there other members in the audience today that have questions for us or comments that they want us to consider?

Yes, sir?

JOHN MILLER: My name is John Miller. I'm a reporter.

Mr. Grobe, if you were king, what would you do about the notion of the safety culture of the emphasis you put today on first line supervisors having the kind of safety attitude so that they catch problems as they arise rather than pinning the safety of the plant only on the senior management in some kind of bureaucratic process of CRs that would, that would find problems?

In other words, what do you think ought to be happening, not only at this plant, but around the industry in this matter of training or evaluating safety culture?

MR. GROBE: That's a big question. First off, let me take a step back. Our inspection program is built upon a number of fundamentals.

And, Bill, maybe you can, as I go through a couple things, maybe you can think through this and provide some additional thoughts.

We have characteristics in our inspection program, which we call cross-cutting issues. And what cross-cutting issue means is, it's something that affects safety performance across the plant in any of the various safety cornerstones, is what we're calling them.

One of the cross-cutting issues is Human Performance, and it's the focus of our inspection program.

Second cross-cutting issue is the Corrective Action Program, and safety culture of the plant. What we sometimes refer to as the safety conscious work environment.

These issues are underpinning issues for our entire inspection program, and we have a number of activities that we conduct that focus on those. One of them has to do with periodic, what we refer to as problem identification and resolution inspection. And, that is specifically, focuses on the activities it takes to evaluate problems, identify problems, evaluate them, resolve them. It's a risk-focused inspection, meaning take the highest risk significant issues and ensure that those issues are being identified and resolved.

We also have periodic activity where we go into depth. Some people refer to it as drilling down into an issue. Where an issue of particular, what appears on the surface to be more significant than other issues that come up on a day-by-day basis, we will drill down into the issue; not at the same extent, but similar to what Steve Loehlein has done with respect to this issue, and make sure that the Licensee is going to do a good job identifying the causal factors and correct it.

The last aspect of what we do currently focusing on safety, but I think you used the word safety culture, is

each of our inspectors when they go out to a site, whether they're health physicists, security inspectors, engineering inspectors, whatever different flavor of technical expertise they have, spends a certain period of their inspection time on site looking at the effectiveness of the Licensee's programs to identify problems and fix problems.

Bill, do you have, any thoughts that you have?

JOHN MILLER: Maybe if I could rephrase the question, because I think, I think I did confuse you. You said to Mr. Myers; Mr. Myers, you know, I'm frustrated, I don't believe you have done enough in telling me about how anybody at the plant below high level management is going to be operating in a sufficiently safety-minded mode; and you told him you want to see next time what he's going to do about that.

So, I'm asking you, what do you think he ought to do?

MR. GROBE: I appreciate, maybe I misunderstood your question. I apologize.

JOHN MILLER: It wasn't clear, I'm sorry.

MR. GROBE: It's certainly not my place to tell Mr. Myers how to fix his problems, it's my place to evaluate how effectively he does it. And there are many ways to choose to address these kinds of issues.

And they've been addressed at a number of plants around the country. And, outside of nuclear power, there are organizational effectiveness experts, and they're applied in big corporations, small companies across the country.

So, it's, Mr. Myers and his team's responsibility to bring to the table what they plan, and we make sure that to our satisfaction that it is comprehensive, and then we'll make sure from a planning prospective and make sure to our satisfaction that, that it's been effectively implemented.

And, we'll be presenting to you the results of our inspections at these types of meetings in the future.

JOHN MILLER: Okay. If you would humor me just one more time.

Back to the first question. If you were king, if you were the NRC Commission, you would be safe to saying something more generic than I would just let all of the utility managers around the country find their own way to a program that ensures that first level supervisors are all safety minded enough. What would those generic requirements be?

MR. GROBE: Again, it's, in the organization, as well as any other organization, there is all kinds of different ways. Each organization has, has a character to it; and one solution in one organization might not apply. Different parts of the country have

different characteristics of people and how they, what motivates them. What brings focus to their work. There is no cookie cutter solution to this kind of a problem.

And, what's important is for Mr. Myers to define what it is that he thinks is going to fix the issue here at Davis-Besse, and then we'll evaluate his implementation.

And, as I mentioned earlier, the results are going to be in the performance in the other areas of the restart checklist. Whether his activities are successful or not would be clearly evident, not only in the performance indicators that he develops to evaluate human performance and organizational effectiveness, but also the results of the specific activities that are undertaken to improve the plant, to accomplish the work.

Randy Fast talked about replacing the air coolers. That's a fairly large work activity that involves engineering, involves maintenance workers, involves maybe construction workers, depending on the scope of the work. And, you know, we'll be inspecting those sorts of activities in the plant.

And so, there is a number of ways that we're going to be evaluating the effectiveness, not only through the specific limitation actions under that cornerstone -- I'm sorry, building block, but also in looking at the performance of the staff and the organization.

JOHN MILLER: Could I ask one more question on a different point?

MR. GROBE: Certainly. That's what we're here for.

JOHN MILLER: One could make a case that this is an example of something, that Davis-Besse's situation is an example of something that the NRC hopes never to see.

MR. GROBE: I'm sorry, what?

JOHN MILLER: NRC hopes never to see. What's that, given that you don't have enough resources to inspect everything, you have a kind of sampling inspection program; you inspect some things, not others. You have a risk base analysis. Hopefully, it's what appears to be the most important things.

But we now have a plant that by your annual inspection performed quite adequately, but under new management you say, it's clear over perhaps a decade or more, numbers of individuals missed what in hindsight would seem to be very simple indications of problems.

And the last time on June 12th at the public meeting, at least, I think you and your assistant both agreed that, that the local inspectors priorities on what to inspect would not have this kind of a situation, boric acid on the reactor head, anywhere near the top of the

list; it would be way down on that person's radar screen.

Given that, what would you say to the argument that maybe this inspection team doesn't work; and, if NRC wants to be able to prove to its own satisfaction and to the satisfaction of the public that such a thing is never going to happen again, given that it was such a near miss to a LOCA, that the only solution would be a much larger inspection program, inspecting many more things than are required, many more financial on the human resources.

MR. GROBE: I apologize, I've forgotten your name.

JOHN MILLER: John Miller.

MR. GROBE: John, there is a number of things that are ongoing. You ask very good questions, and Bill is itching to add to my response. I'll pass the microphone to him in a moment.

I'm sure you've heard the old adage, don't throw the baby out with the bath water. I'm certainly not willing to condemn the entire inspection approach or other, any of the other broad statements that you've made, but what the NRC has undertaken, is ongoing right now, here last month, if you had an opportunity to hear Art Howell and Ed Hackett present publicly what we refer to as a Lesson Learned Task Force.

And the Executive Director, the head guy of the

Regulatory Commission has chartered a group of people completely independent of anybody that's involved at Davis-Besse to take a real hard look at inspection programs; how we handled generic safety issues, our interrelationship with the international community, and lessons to learn. And I think there were a couple other items on the charter for Lessons Learned Task Force.

I can't remember all of them off the top of my head, but that task force is working. They have spent a good deal of time at the Davis-Besse site talking to Licensee. They've talked to an incredible amount of NRC staff. They've collected a wealth of documents.

The task force is fairly broad, and as far as numbers and scope or perspective individuals that come from a variety of parts of our organization, technically as well as geographically. So, I'm looking forward to the results of their assessment, things that we can follow on a inspection program.

Bill, did you have additional comments?

MR. DEAN: John, I just want to point out two things. One is, that if you looked at nuclear industry as a whole, and where performance was ten, fifteen years ago, and where performance is today as an industry, there has been a lot of benefit gained from the collective experience, and our inspection program has been

designed relative to that collective experience.

And, what we have here at Davis-Besse is a new experience. And I would offer that our inspection program has the flexibility to be able to be modified, if appropriate, to address new phenomenon and new issues that might emerge.

And, relative to your comment about boric acid on the vessel head not being important. I guess I would like to point out that over the past couple of years, as we have learned more as an agency and as an industry about issues associated with CRDM nozzle cracking and learning about the different types of phenomenon and so on and so forth, I think there is a fairly significant track record over the last couple of years that indicates the significance and the seriousness with which the agency has considered and asked and required Licensees to take specific action, quote, for the vessel head degradation which occurred at Davis-Besse as well as on the aftermath of that.

So, I think that, that provides an example of the fact that any, any industry is not a static situation. That things change. That we continue to learn. That's one of the important things that we have to have that comes out of this, that we as an agency, Davis-Besse as the Licensee, and the nuclear industry as a whole, learns from this, so that the factors that led to this don't repeat themselves

in the future.

JOHN MILLER: One follow-up, if I could. Accepting that your comment that performance is better now we have experience; and accepting Mr. Grobe's comment that in general, throwing the baby out with the bath water is not a good idea. But we have the convenience of not having had the LOCA that we avoided only by what is fair to say, dumb luck, because stainless steel is put in there only for corrosion resistance, not for structure.

If we were now having this meeting in front of a congressional committee examining why there was this LOCA; do you really believe they would be convinced by the argument don't throw the baby out with the bath water?

MR. GROBE: I apologize. There was so many premises to that question, I'm not sure I can answer it effectively.

What I would suggest is that you and I have a chance to talk and go privately after this meeting, and we can get into a bit more detail on this, because I think it is important for you to understand in a little more detail the scope of our programs, the activities that occurred prior to Davis-Besse, the activities that have occurred after Davis-Besse.

And, I think I don't want to give you the impression that I feel any differently than this. I think a number of

managers, the agency, including myself, has stated this should never happen. And it's the Licensee's responsibility to make sure these types of issues don't happen.

It's our responsibility to have an inspection program that provides a high level assurance that what they're doing is the right thing. And, our inspection program did not disclose this as early as it should have, and certainly the Licensee did not perform in a manner that was appropriate, and it resulted in the head degradation.

So, with that said, let's get into this separately after the meeting, because I don't want to tie everybody else up with an extended discussion of this topic. Okay.

MR. MYERS: Can I make a comment?

MR. GROBE: Sure, Lew.

MR. MYERS: Let me make a comment; a couple. Most likely, from an engineering standpoint the situation we had would have caused leakage that would have shut us down before it broke. One gallon would shut it down. So, that was really first in there. It shouldn't have happened. We should have found this.

But what I do think is healthy, I never thought I would say this, but I've been in this industry for over 30 years, and the performance improvements that we see are due

to some of our oversight reviews and nuclear power operations and processes that we go through like we're going through here when we find something new.

I think they're right. We've learned something new that we need to share with the industry about this particular program. And I think that this is not, this is not a fun process, but it's healthy. And these processes that plants have gone through over the years to improve the material condition of our plants, the air operated valve, the leak rate programs; boric acid program, we should have had in place better, have made this industry perform well over the years.

And that's the reason for these type of things that we go through with the institute of nuclear power, because assessments of those every 18 months. And you're own internal self-assessments; if we do find a problem, there is going to be problems with any industry, that it gets to this level of detail, has really improved the performances of our plants; not only from an operation standpoint, but from a safety standpoint, that the NRC monitors.

You know, I really do believe that. This is not a fun process sitting up here on this stage, talking about this issue, but it's probably healthy.

MR. GROBE: Are there any other members of the public that have a question or

comment?

Let me ask, before we get started, Mr. Stucker, can you turn on the house lights?

BEATRICE MIRINGU: My name is Beatrice, B E A T R I C E, and Miringu, M I R I N G U.

I just want to get an indication from First Energy. You said that you have an independent panel that select people different experiences for different knowledge and from different areas, but you also said that you have brought in somebody who will help in facilitating communication between you and First Energy.

It's my understanding that you have, NRC has two staff members at every nuclear department. And indeed, the problem that you would be having with Davis-Besse especially with the boric acid problem has nothing do did with communication between you and NRC.

So, if you could elaborate on what you mean by some real facilitating or making it easier for you to communicate to First Energy, to NRC, or NRC communicating to you?

MR. GROBE: Ma'am, the portion of this meeting is to help the NRC with questions for us and comments for us. I would suggest if you have a specific question with First Energy, visit with those folks after the meeting and you can get feedback from them

directly, okay?

BEATRICE MIRINGU: Well, I thought since it was mentioned at this meeting that probably they could bring it like that.

MR. GROBE: I understand it. Outside of the context of the specific portion of the meeting, this section of the meeting is for us to hear from the public, us meaning the NRC staff. So, please feel free to direct your question to them after we complete this part of the meeting.

MR. BERGENDAHL: We'll gladly be available.

BEATRICE MIRINGU: Okay.

MR. GROBE: Thank you.

BEATRICE MIRINGU: Then the question I have also for, First Energy. You say at this meeting that you have moved from the planning phase and going into the implementation phase. And I understand that inspection is an ongoing process, but from what you presented today, there seems to be more inspections that need to be done; and therefore, I think that you really are not in a implementation state, and you're in the planning state. Thank you.

MR. GROBE: Okay, thank you. Are there any other members of the public that have

a question or comment for the NRC staff?

By the way, if it's reporters that have questions; myself, the staff, and First Energy staff will be available to discuss specific questions. So, we can do that in a more informal way, after the meeting, if you prefer that.

Yes, sir?

WILLIAM BRUML: Yeah. My name is William Bruml, B R U M L.

First, I was going to comment that I am rather relieved to see at this meeting that management is the major cause issue here. Clearly, when you have a ten year train wreck, the question isn't why didn't the brakes work; it's a question of why didn't someone set the brakes. I'm glad to see that, seeing you here, and I hope it continues to, to be there.

Also in response to one remark Lew made about, that he expected that if the situation had continued, they would have had leakage rather than, rather than a LOCA.

Does the NRC have any intention to publish the results of the inspections that it's been doing on the sections of the reactor head, so other members of the general public might kind of have more of a sense of what you guys are seeing?

MR. GROBE: That's an interesting question. I think you're talking about the

detailed analysis of the materials head; is that correct?

WILLIAM BRUML: Yes. Something as simple as a cross section of what, you know, of how the condition of the hole in the head; and, how the degradation that was going on in the stainless steel. So, that the rest of us can understand what people are talking about. Someone from either side here says, well, gee, this doesn't look like it's going to perform a full blown LOCA effect. And I hear about all this steel that's corroded away. I don't have a whole lot of confidence in that until at least I see something that talks about it.

MR. GROBE: Sure. I just want to make sure I understand the question before I answer it. I think there is going to be two areas of documentation may be of interest to you. The first is NRC is going to complete a risk assessment which will get into some of those issues, from a risk perspective. What was the risk, loss of contacts, rupture of the liner that remained, things of that nature. And that will be published as part of our inspection activities.

The second area of documentation may be of interest to you is the results of some detailed analysis that is being done by our research organization, the Office of Nuclear Reactor Research -- Regulatory Research, excuse me. And, there is a number of what we refer to as user

needs. I'm a user, so I sign a user need research and I respond to that. And they're in the process of responding to that. And they'll be published from that.

I don't have the time frames on either of those, but I'm fairly confident that the inspection documentation would precede formal publication report from research, and that should be out in the next month or two. And certainly, call at least with specific questions and we do have a response team.

WILLIAM BRUML: I have a second question.

MR. GROBE: Sure.

WILLIAM BRUML: I heard Christine mention in passing the issues of other in containment equipment, electrical equipment, and I wonder if we could hear a little more detail of what that means? One issue that you folks are close to this more often, often think, oh yeah, this is obvious, but to me it was a hole. Gee, what do you do about this? Is the issue here you have a building, you know, containment building that has a lot of electrical equipment, much of which is safety related; and, some of which has been opened up while inspection or service for some reason, during the course of this long period of boric acid on the containment vessel, containment building.

Which leads to the question of, gee, is this more severe than what the equipment is qualified for, since most of it is like, do you mean boric acid on the site? So, I guess my question is, is there a process ongoing to identify the equipment that might have that problem, how, you know, what is the general tone of that issue?

MS. LIPA: Let me tell you what I know so far. That was the one of the items that's on our foremat framework for the checklist. There is a plan to have an inspector develop a detailed inspection plan, and then go out and look at very specific things. That inspection plan is likely to contain looking at a number of things, such as cables, cable trays, junction boxes, things, you know, all types of things within containment pretty much top to bottom. What could have been affected by the boric acid. That's the scope of that particular line item.

MR. GROBE: I want to make sure, you understand that our inspection will be the sample. We won't be looking at everything. But the Licensee's activities, they have the components of their containment health review, which includes environmental health equipment and they'll be looking much more comprehensively.

We'll be sampling the activities they do as well as

some other activities or some other equipment that we may want to look at in a different way to both evaluate what they're doing as well as independently assess the depth and adequacy of what they're doing. Okay? Thank you very much.

Looking for other comments or questions.

I thought you were going to come forward. You stood up, now you're required to come forward. Just kidding.

Other questions and comments? Yes, ma'am?

VICKY HEIDEL: My name is Vicky Heidel and I have a question. Understanding that you're about ready to transport the Midland nuclear head, you said prior to August 1st, does that mean the NRC has given its stamp of approval that this is in excellent condition even though it's an old or new old nuclear head?

MR. GROBE: John, you want to briefly discuss our scope of the inspection activities for the head, and explain what sort of certification goes along with component base like this.

MR. JACOBSON: Right, there is a couple of components to the inspection that we're going to do regarding the head replacement, and one of them we've already done; and that is look at some of the nondestructive examination that was done, that the Licensee did to supplement some of the documentation that they did

have for the head. Some of it was missing. It's gone over the years. And they did some supplemental inspections.

And we've looked at those inspections as to how good inspections were done, as well as the results of those inspections. And so far, that part of it, we have no problem with. What we saw was done well, and the results were acceptable.

The next part of the inspection that's going to be done is looking at a sample, a good sample of the documentation; both the new work that was done, as well as documentation that exists from when the head was originally manufactured. And we need to do that so that we can verify for ourselves that this head in its condition today meets all the requirements of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code.

And in that code, there is requirements, for example, for the radiographs. There is requirements as to how those radiographs will be taken and there is requirements as to what the acceptance criteria is for any flaws or discontinuities that are found during the nondestructive examination.

And that's just an example of the kinds of things that we will be looking at. And then the last part of the head replacement that we're going to be looking at is the actual opening and then restoration of the containment to

place the head in the Davis-Besse containment.

VICKY HEIDEL: So, this inspection will be done prior to its being transported here, the total inspection?

MR. JACOBSON: Part of it has been done already, part of it is about to start. Whether the Licensee decides to transport this head now or they decide to transport it six months from now, is really not our concern.

VICKY HEIDEL: Okay.

MR. JACOBSON: And if they want to move the head, it's their head, and they can move it, but ultimately, restart of the facility, that decision will be made by the NRC.

VICKY HEIDEL: Is there any danger in transporting it that we should be concerned about that?

MR. JACOBSON: Any danger?

VICKY HEIDEL: Any danger of transporting the actual head.

MR. JACOBSON: With respect to what, radiation, radioactive?

VICKY HEIDEL: Yes, exactly.

MR. JACOBSON: No, the head has never been used and there's no radioactivity associated

with it at this time.

VICKY HEIDEL: Lastly what do you do with the old reactor head?

MR. JACOBSON: That's a question that the Licensee would have to answer at this point.

MR. GROBE: Let me respond to that in a little bit of detail. And if you, if you want to respond or ask your question to First Energy after the meeting, that's fine.

The Licensee has performed an analysis of the existing head to characterize what sort of waste it is. There is different categories of waste within our regulations and we're expecting to perform an inspection of that assessment that they've done, how they made the measurements and the validity of the assessment.

In addition to that, we have a routine aspect of our inspection program that deals with package and transportation of waste and we'll be performing those routine inspections on this very nonroutine type activity.

So, we will have a thorough inspection of what Licensee is planning. It's my understanding that they are currently not planning on transporting the head to a waste facility. They've currently characterized it, based on my information, of what's referred to as class A waste, which is low specitivity waste. And we will be performing

inspections and reporting the results of those inspections during future meetings like this one.

VICKY HEIDEL: All right, last but not least, I have understand that a brand new head has been ordered, and will that ever be installed at Davis-Besse?

MR. GROBE: That's really not the scope of our activities.

Lew, do you want to respond to that?

MR. MYERS: The answer is yes.

MR. GROBE: Okay, thank you very much.

I didn't realize what time it had gotten to be. Why don't I ask if there is any one additional question, and then we need to move on since we have another meeting at 7:00. Any additional questions?

Okay. I thank you very much for attending. I appreciate the questions we received. If per chance you think of something or felt that you didn't get a chance to ask a question, feel free to come back at 7:00.

Thank you very much.

(Off the record.)

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CERTIFICATE

I, Marie B. Fresch, Registered Merit Reporter and Notary Public in and for the State of Ohio, duly commissioned and qualified therein, do hereby certify that the foregoing is a true and correct transcript of the proceedings as taken by me and that I was present during all of said proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Norwalk, Ohio, on this 27th day of July, 2002.

Marie B. Fresch, RMR

NOTARY PUBLIC, STATE OF OHIO
My Commission Expires 10-9-03.