

REACTOR OVERSIGHT PROCESS
INITIAL IMPLEMENTATION EVALUATION PANEL MEETING

Date & Time:

Monday, December 11, 2000

Location:

U.S. Nuclear Regulatory Commission
Region II Office
Sam Nunn Atlanta Federal Center, 24 T20
Atlanta, Georgia 30303-8931

Agenda:

Monday, December 11, 2000

8:00-8:15	Introduction/Meeting Objectives and Goals
8:15-8:30	Review of Meeting Minutes and Action Items from November 1-2, 2000 Meeting
8:30-10:00	Presentation of Results from Regional Workshops <ul style="list-style-type: none">- Summary of Meetings from Staff- Summary of Meeting Issues from IIEP Members- Summary of Issues from Site Public Meetings
10:00-12:00	Presentation of Summary of ROP Issues Collected from IIEP Members
12:00-1:00	Lunch
1:00-3:00	Panel Discussion of Issues and Prioritization
3:00-5:00	Work Planning and Report Outline Development
5:00	Adjourn

REACTOR OVERSIGHT PROCESS INITIAL IMPLEMENTATION
EVALUATION PANEL MEMBER ROSTER

Randy Blough	Mr. A. Randolph Blough Director - Division of Reactor Projects, Region I U.S. Nuclear Regulatory Commission
Bill Borchardt	Mr. R. William Borchardt Director - Office of Enforcement U. S. Nuclear Regulatory Commission
Ken Brockman	Mr. Kenneth E. Brockman Director - Division of Reactor Projects, Region IV U. S. Nuclear Regulatory Commission
Mary Ferdig	Ms. Mary A. Ferdig Ph.D. Candidate, Organization Development Program, Benedictine University; Ferdig, Inc. Organizational Research and Development
Steve Floyd	Mr. Steve Floyd Director - Regulatory Reform and Strategy Nuclear Energy Institute
Dave Garchow	Mr. David F. Garchow Vice President of Operations PSEG Nuclear LLC
Richard Hill	Mr. Richard Hill General Manager - Support - Farley Project Southern Nuclear Operating Company
Rod Krich	Mr. Rod M. Krich Vice President - Nuclear Regulatory Services Commonwealth Edison Company

Robert Laurie

Mr. Robert A. Laurie
Commissioner - California Energy
Commission

PANEL MEMBER ROSTER (Continued)

Jim Moorman	Mr. James H. Moorman, III Senior Resident Inspector - Alto Verde Site U.S. Nuclear Regulatory Commission
Loren Plisco	Mr. Loren R. Plisco Director - Division of Reactor Projects, Region II U.S. Nuclear Regulatory Commission
Steve Reynolds	Mr. Steven A. Reynolds Deputy Director - Division of Reactor Projects, Region III U.S. Nuclear Regulatory Commission
Ed Scherer	Mr. A. Edward Scherer Manager, Nuclear Oversight and Regulatory Affairs Southern California Edison Company
James Setser	Mr. James L. Setser Chief - Program Coordination Branch Environmental Protection Division Georgia Department of Natural Resources
Ray Shadis	Mr. Raymond G. Shadis New England Coalition on Nuclear Pollution
Jim Trapp	Mr. James M. Trapp Senior Reactor Analyst U.S. Nuclear Regulatory Commission
Chip Cameron	Mr. Francis X. Cameron Special Counsel Office of the General Counsel U.S. Nuclear Regulatory Commission
John Monninger	Mr. John Monninger Technical Assistant - Associate

Director for Inspections and
Programs
Office of Nuclear Reactor
Regulation
U.S. Nuclear Regulatory Commission

P R O C E E D I N G S

(8:26 a.m.)

MR. PLISCO: Welcome to the second meeting of the Initial Implementation Evaluation Panel.

Just to remind everyone this is a public meeting. We'll have an opportunity to address public comments and questions if we have time at the end of each session or, if there's a good time in a certain subject area, we'll allow time for that.

The meeting will be transcribed. It's usual to help out our court reporter here to try to minimize the interruptance of other clients so he can keep track of who's talking for the record.

Since our last meeting we've had some changes in our membership and also added on since our first meeting. So, if we could go around the table and allow everyone to introduce themselves. We'll start here.

MR. SCHERER: I'm Ed Scherer from Southern California Edison Company.

MR. BLOUGH: Randy Blough, NRC Region-wide Director of Projects.

MR. FLOYD: Steve Floyd from Nuclear Energy

1 Institute.

2 MR. BROCKMAN: Ken Brockman, Projects
3 Direction, Region IV.

4 MR. SHADIS: Good morning. Ray Shadis, New
5 England Coalition.

6 MR. BORCHARDT: Bill Borchardt, NRC Office of
7 Enforcement.

8 MR. HILL: Richard Hill, Southern Nuclear
9 Operating Company.

10 MR. REYNOLDS: Steve Reynolds, in Region III.

11 MR. GARCHOW: Dave Garchow, and for the
12 record I've had a change. I'm now V.P. of Operations
13 with PSEG Nuclear.

14 MR. PLISCO: I'm Loren Plisco. I'm the
15 Director, Division of Reactor Projects, Region II.

16 MR. KRICH: I'm Rod Krich from Commonwealth
17 Edison, now.

18 MR. MOORMAN: I'm Jim Moorman, Senior
19 Resident Inspector of Palo Verde Site.

20 MR. LAURIE: Good morning. Bob Laurie,
21 California Energy Commission.

22 MR. TRAPP: I'm Jim Trapp. I'm a Senior

1 Reactor Analyst with Region I.

2 MR. SETSER: I'm Jim Setser with
3 Environmental Protection Division, Georgia Department
4 of Natural Resources.

5 MS. FERDIG: I'm Mary Ferdig. I am the Research and
6 Development Consultant and right now associated with
7 Benedictine University.

8 MR. CAMERON: Chip Cameron. I'm on Special
9 Counsel of NRC, Office of the General Counsel.

10 MR. MONNINGER: John Monninger from the NRC.
11 I'll be the Designated Federal Official.

12 MR. PLISCO: And we'll discuss the issues
13 that were collected from the members that we've gotten
14 so far, and we'll talk about collecting the rest of the
15 issues during that session.

16 And then this afternoon, continue discussions
17 of those items, and then resume work planning as far as
18 how we're going to meet our goals at the end of our
19 panel activities.

20 As was suggested in our first meeting, to
21 work out an outline for our final report to help us
22 prepare our end gain.

1 Tomorrow, we'll do a recap of first day's
2 meeting and then we have some presentations from
3 external stakeholders as we talked about in our last
4 meeting. We have the State of Illinois, the State of
5 Vermont will be represented.

6 We did invite the State of New Jersey. They
7 had some scheduling conflicts and we're going to have
8 them come in January in our January meeting.

9 And then we'll have some time in the
10 afternoon to talk about the issues from Illinois,
11 Vermont, and state issues and any other issues that
12 came up during today that we want to continue to talk
13 about.

14 And then late tomorrow, the agenda planning
15 as far as finalizing our January agenda; what topics we
16 want to cover, schedules, and our large meeting dates
17 in a tentative agenda topics with that. And we'll
18 close the meeting tomorrow. Any questions about that?
19 (No response.)

20 And Chip and I -- Chip's going to help us today.
21 Unfortunately, he's not going to be here tomorrow. He
22 has another public meeting to take care of.

1 MR. CAMERON: Right.

2 MR. PLISCO: But what we want to try to do
3 today and tomorrow is, again, collecting the issues and
4 making sure we all understand what the issues are in
5 all the areas. Not necessarily try to resolve them
6 today, but to get that collected.

7 For those that have not sent us their issues,
8 once we talk about the ones today, I would say it would
9 help you. You don't have to duplicate the ones we
10 already have. We're going to build one common list, so
11 if your issues are already discussed or in the list
12 already provided, then just provide with the new issues
13 you have on the ones you haven't seen on that list. Or
14 if you have a different spin on the same issue, please
15 do that too.

16 But we want to really, the next two days, get
17 a compilation of those issues and begin a process where
18 we can prioritize them so we can reach a goal of our
19 finding.

20 As far as the meeting minutes of our last
21 meeting, I think John e-mailed those to everyone. Did
22 everyone get theirs?

1 MR. MONNINGER: That's correct.

2 MR. PLISCO: Okay. That worked out well and
3 that was your request then. You did electronically and
4 John was technology challenged, but he's did it.

5 MR. MONNINGER: I can do it.

6 MR. PLISCO: Five hundred pages of transcript
7 caused some difficulty.

8 MR. MONNINGER: The entire meeting summary is
9 the four-inch binder of the public where it contains
10 special attachments, if anyone wants any copies.

11 MR. PLISCO: They'll be able to -- if they
12 want to read the transcript, it's available now on
13 electronic.

14 MR. MONNINGER: Everything right now is in
15 albums, but everything is not quite right yet. We have
16 an individual working on that. It should be ready to
17 read.

18 MR. SCHERER: Maybe we can talk it through so
19 we can make it through out bylaws.

20 MR. PLISCO: We did approve our bylaws and
21 operating procedures. Those are included as an
22 attachment to the minutes. I also wanted to highlight

1 -- you've got copies here that talks about our
2 committee objectives and general approach and it's
3 going to be a factor today as we talk about the issues
4 and try to put them in context. When we talk about
5 each issue, we do want to go back and link that to one
6 of the agency goals to help us prioritize those.

7 Any questions on the minutes of the last
8 meeting or any additional issues?

9 (No response.)

10 Okay. As far as basic logistics, I want to
11 get that out of the way. Everyone made it to the
12 building. That's a good sign. They made it through
13 the security process.

14 Our court reporter had some problems with
15 electronic equipment.

16 There's a cafeteria downstairs.

17 The only complication here in the Region II
18 office for logistics is that the men's rest room,
19 they're all behind locked doors on this floor. There
20 are publicly accessible, just one floor down on the
21 twenty-third floor. Just take the elevator down. It's
22 in the hallway there. Or one of the NRC people who are

1 getting the non-Region II people's badges coded and
2 make them let you in the doors here for the men's rest
3 room.

4 There's a ladies' rest room right outside the
5 door here.

6 Like I said, there's a cafeteria downstairs.
7 We can use that for lunch or there's also some areas
8 within walking distance of this building you can use
9 during lunchtime.

10 If you need copies or anything like that, let
11 me know and I'll have my secretary take care of that.

12 And also, phone numbers. Does anyone need an
13 emergency phone number that they can call? I think I
14 said it in my e-mail. It's area code 404-562-4502.
15 That's to my secretary, Jeanette Barns, and she'll get
16 the messages to us.

17 Any Admin logistics questions? Anything you
18 want to talk about, John?

19 MR. MONNINGER: No, not at this time. Oh, I
20 guess maybe just for members of the public, there's a
21 sign-in over there and there's also a public meeting
22 feedback form that we use at this meeting.

1 MR. PLISCO: And also there are copies of
2 handouts we give to the members on the table. Okay.

3 Well, the first agenda topic is to talk about
4 the results of the Regional Workshops Three. The
5 workshops have been conducted in Regions II, Region
6 III, Region IV. I think Region I is later this week.
7 Is that right? Wednesday?

8 MR. BLOUGH: Wednesday.

9 MR. PLISCO: What we propose to do is talk
10 about some of the issues that came up on those
11 workshops. We can see if there were any new issues in
12 addition to the ones we've already provided in our list
13 for John or that will be provided in your list to John
14 for those that haven't done that yet.

15 The first meeting was held in Region III.
16 Steve, you were at that workshop?

17 MR. KRICH: Yeah.

18 MR. PLISCO: You guys want to talk about
19 that?

20 MR. REYNOLDS: Sure, I'll go ahead and start
21 it unless you wanted to.

22 MR. KRICH: I wasn't able to attend all of

1 the sessions because I was helping two of you.

2 MR. REYNOLDS: I think we should have a
3 recount.

4 MR. PLISCO: Go ahead, Steve.

5 MR. REYNOLDS: It won't take quite that long
6 to figure this out. Anyway, the region meeting was
7 quite a bit American Nuclear Society meeting between
8 the NRC and industry and we had six break-out sessions.
9 So it went a little differently, I think, than the
10 other Regions meetings.

11 We had a break-out session on the inspection
12 program, one on the SVP, non-cost cutting issues. One
13 on event response, discrimination. And the last one
14 was on regulatory impact. And the first four fit more
15 into a new inspection program. Can you hear me okay?

16 (Yeses.)

17 Okay.

18 I'll start with the cross-cutting issues. I
19 don't know if -- Rod, you want to jump in and take
20 over?

21 MR. KRICH: How about if I do that?

22 MR. REYNOLDS: Okay. Cross-cutting issues, I

1 think the overall conclusion on that was there needs to
2 be criteria for what's substantive and what are all the
3 cross-cutting issues.

4 We have cross-cutting issues, as we know, in
5 corrective action, and human performance, and other
6 questions for cross-cutting issues. Do we have things
7 like design issues or common mode issues. That came
8 out in that.

9 Other things that came out of cross-cutting
10 issues were the fact they end up being no color, and
11 what does that mean and how does that compare, I guess,
12 to green, white, yellow, red as a finding or as a
13 performance indicator.

14 I think the group determined a lot more work
15 needed to be done in the cross-cutting issues really to
16 define the criteria and the threshold for those type
17 issues. That's about all I had on that one. I don't
18 know if you wanted to add anything?

19 MR. KRICH: No, that covers it.

20 MR. REYNOLDS: STP, the six significant
21 determination process. That session focused on three
22 of the STPs, I guess: Five protection STP, the

1 safeguards STP, and then the reactor safety STP. We
2 didn't talk much about health -- in which to prepare
3 this. I don't know.

4 MR. KRICH: BP -- a little bit of BP.

5 MR. REYNOLDS: Okay. Safeguards, I think
6 everybody knows, is being redone totally. So I'm not
7 sure what comments we would have except for we think
8 that's the right thing to do. In fact, we have one of
9 our safeguards experts help leading that effort. So
10 the STP needs to be focused on safeguards, and that's
11 what will be -- needs just to be revamped.

12 Fire protection. That is a very, very
13 complex STP, as Rod and I found out. I think that
14 group again said: I just need to be clearer, more
15 streamlined.

16 I guess there is a realistic factor --
17 realistic fire scenario. That means two different
18 things to realistic to some people like Jim Trapp, the
19 Senior Risk Analyst and realistic fire scenario for
20 fire protection engineers. So we found that out before
21 the panel meeting, but was discussed at panel meeting.
22 Two different things. And so definitions are clear

1 criteria of what the different terms mean, because what
2 we found out in fire protection is the risk analyst
3 thought it meant totally different than what a fire
4 protection engineer did. So we get two totally
5 different answers, depending on that definition.

6 So, defining, I guess, the terms and
7 expectations of the fire protection STP is about what
8 came out of that panel.

9 The other STP, I guess, the reactor safety, I
10 think the overall comment was: It doesn't clearly
11 reflect the site's current PRN. In fact, we're still
12 waiting for -- we, I guess, we, all of us, we the NRC
13 is waiting for the latest revised Phase II work sheets.
14 But it's a big difficulty now with having the current
15 work sheets and them being different in the sites.

16 PRN causes a lot more work for the NRC and a
17 lot more work for the industry. We're trying to figure
18 out which one's correct and going through Phase III
19 takes a lot longer, I'm sure.

20 MR. KRICH: The only thing I'd add to that is
21 that there was -- he kind of hit on it -- the
22 interaction between the safeguards STP and reactor

1 safety STP. When you get into like ossuary space after
2 you go from the safeguards STP to the reactor safety
3 STP, at some point, if you get through all the barriers
4 for the safeguards and that transition and how you move
5 into the reactor safety STP was -- needs a lot of
6 attention and work. I think, Jim, you probably know
7 that.

8 The only other comment I think that came out
9 was using the STP to find problems. It's one of the
10 issues that I sent up, but what we have found is that -
11 - and I think it was a natural inclination of people to
12 use the STP to find the problems, instead of finding
13 the problems then applying the STP to it. You look at
14 something and say well, let me apply the STP to it, and
15 if it looks like it could come out other than green,
16 then you say, okay, I might have a problem here. So,
17 it's something that we identified as -- we felt we were
18 starting to see some of.

19 MR. REYNOLDS: Then the fourth break-out
20 session related to new inspection program was event
21 response. And the bottom line, I guess, on that was
22 that the management directive, NRC's management

1 directive 8.3, which is in the process of being
2 revised, needs to clarify exactly what type of response
3 the NRC does to an event; how we're going to provide
4 risk and make that one more risk informed. It wasn't
5 real clear.

6 I don't think -- it's still not real clear
7 exactly what's the threshold and both from a risk point
8 of view and revised from a determinacy point of view,
9 how that's going to be handled.

10 And I think also the other thing that came
11 out of that was how to be able to respond to conditions
12 versus an event. More like BC summer or through wall
13 crack, things like that, which is more of a condition
14 than an event. I think that's an area that needs --
15 that break-out session found needed to be improved and
16 clarified, getting some flexibility to go look at that.

17 MR. KRICH: There was only one other point I
18 think that came out that was learning for us, at least
19 at Commonwealth Edison, I think for other people, was
20 the timing when there is an issue. How quickly do you
21 want us, the licensee, to have gone through our PRA to
22 be able to answer questions so that the inspector can

1 do his STP. And that was a learning for us. We take a
2 little more time to go through it and then think -- is
3 it 24 hours?

4 MR. REYNOLDS: Twenty-four, right.

5 MR. KRICH: So, I guess --

6 MR. REYNOLDS: That's more of a -- we have to
7 determine what sort of response the NRC's going to make
8 fairly quickly and how we're looking at risk to try to
9 get a senior risk analyst involved very quickly so we
10 know within 24 hours.

11 For a lot of the people from the industry at
12 that meeting that was, like I said, a learning
13 experience. They weren't on that track. They were
14 going a little more methodical, a little -- not quite a
15 pace that would help us, so. That was a good take
16 away, I think.

17 MR. KRICH: Yes, it was.

18 MR. REYNOLDS: That was the four sessions
19 that applied to new inspection program. I don't think
20 I need to discuss impact or discrimination. It doesn't
21 really apply to what we're doing here.

22 MR. KRICH: We could talk about

1 discrimination.

2 MR. REYNOLDS: Well, we could. I didn't sit
3 in that panel.

4 MR. KRICH: Bill and I could probably.

5 MR. REYNOLDS: You guys could talk about it
6 if you want to talk to spare the rest of us. I don't
7 know if anyone has anything to add that I missed?

8 MR. KRICH: No, I think that pretty well
9 covers it.

10 MR. REYNOLDS: Well, if there's any
11 questions, I would be more than happy to answer them.

12 MR. MONNINGER: Did you coalition a meeting
13 summary from that?

14 MR. REYNOLDS: Not yet.

15 MR. PLISCO: Yeah, that's one of the things
16 we've got on our -- we're -- as far as action and when
17 these meeting summaries come out, we'll get copies to
18 you. Actually, Region II's, I hope to have it today.
19 We're finalizing it on Friday, so before you leave,
20 hopefully tomorrow, I can get back Region II's to you.

21 MR. CAMERON: Good morning. Can I just check
22 in with the group for a minute? As I -- it may be

1 useful to do this early rather than later on.

2 As I understand it, with ... drills or this
3 meeting was to identify. Some of those issues will be
4 coming from the reports out of the regional meeting.
5 Some of them will be coming from individual panel
6 members who submitted some things, and don't forget our
7 famous parking lot issues, if I can use that term from
8 the last meeting.

9 And then a discussion to make sure everybody
10 understands what the issues are and then to try to
11 categorize them by these NRC goals. My question was to
12 -- as I'm listening to Steve and Rod, do we have an
13 organization -- or you're going to have, like, probably
14 a kazillion issues. Do you have an organizational
15 frame work to plug those into?

16 For example, Steve was talking about they
17 organized that regional session by four panels. I
18 noticed from Bill Borchardt's Office of Enforcement, he
19 had issues in several categories.

20 I didn't know whether if it would help to
21 establish categories to plug these issues or if you're
22 just going to sort of do it free-wheeling. And I guess

1 that that's my question to the group. Do you need some
2 organizational frame work for this? And should we
3 start capturing issues that are brought up from the
4 regional meetings right off the bat, and then we can
5 sort of integrate those with other regional meetings?
6 How would you like to do that?

7 MR. PLISCO: Well, one of the things I was
8 going to suggest is that if you look -- or one of your
9 handouts or the inputs we've gotten from, I guess, four
10 individuals from the tail-members are their issues that
11 they collected. I sort of like from Rod's --

12 MR. CAMERON: We want to make sure everybody
13 has one.

14 MR. PLISCO: Actually Bill Borchardt's is on
15 the top of the package that's all stapled together. Do
16 you see the memo from Bill to John with his issues.

17 Let's see, after his issues you'll see
18 Richard Hill's. And it's after that that you'll see a
19 table about the issues that Rod collected.

20 What I was going to suggest -- I mean we're --
21 - or I can do this today, obviously. John and I will
22 do this after the meeting once we get all the details

1 of the day. His bill of table is similar to this. It
2 has the issues by program area.

3 MR. REYNOLDS: Yeah, that's what we agreed
4 to, I thought.

5 MR. PLISCO: Yeah.

6 MR. REYNOLDS: These four issues. Exactly
7 we're on this. We talked about sorting them by PIs,
8 STP inspection?

9 MR. PLISCO: Yeah. Well, I'm saying -- yeah,
10 you gave it to us that way. I'm saying as far as
11 presentation. If we collect them all and get them back
12 out to you. Yeah, everyone provided them this way, I
13 think, with the program areas and the criteria. I'm
14 just saying, when we piece them together --

15 MR. CAMERON: I understand that. I agree
16 with this process. I heard Steve mention in the
17 program areas that you're going to use these as the
18 four large bins to organize these issues, for example,
19 and some of the material that came from the regional
20 report that Steve just did. Those could all fit into,
21 obviously I guess, into one of these four areas.

22 MR. GARCHOW: A little, I'll say a little

1 concern that -- not a major concern, but having sat
2 through being a member of the pilot flying evaluation
3 panel, we seem to be doing this different which may be
4 okay, because there was nothing that -- we invented
5 that a little bit along the way and we can invent this
6 along the way. But I see us getting way too much into
7 the details and getting into, you know, this should be
8 fixed or this. There's a whole process between the
9 NRC, the public, and the industry to get in through the
10 details of fixing, you know, if there's an issue with
11 the fire protection STP. That's running on another
12 frame that some of us in this room see, and others are
13 involved in.

14 I thought our role was collect the feedback
15 relative to the NRC objectives and are they meeting
16 them. We could spend a lot of time -- there are issues
17 as everyone's trying to improve like the industry, the
18 NRC will be improving the next 15 years. It's no
19 different than how we treat procedures at our plants.

20 I mean, they were good procedures 15 years
21 ago and they're better now. And there's people
22 changing them, you know, processing the change today

1 after 15 years.

2 I'm worried about how much detail we're
3 getting in on the individual elements as opposed to --
4 what I thought this panel was is flying a little higher
5 and saying, how does this all come together to meet the
6 agency's goal of protecting the health and safety of
7 the public, stakeholder communications, the things that
8 were on that flip chart before you just flipped them as
9 opposed to, you know, debating elements of collecting
10 all these issues which might be good for somebody to
11 follow up on afterwards.

12 But I'm not sure if it's helpful to us in
13 making our conclusions at hand. I just throw that out
14 there.

15 MR. GARCHOW: I think that goes to a
16 fundamental point -- and this particularly might be
17 important for Mary and for Ray and, obviously, for all
18 of you to get sort of grounded on where you're going to
19 go with all of this.

20 And, David, when you talk about flying a
21 little bit higher, I guess that can have many -- how do
22 you define -- does everybody agree with that. But I

1 guess the first thing is, is what does that mean,
2 flying a little bit higher? I mean --

3 MR. GARCHOW: I think he's talking about
4 trying to look at the NRC did a pretty good job, I
5 mean, last time coming in saying, okay, we have a self-
6 assessment program. We've defined the program elements
7 that we feel that needs to be successful. We brought
8 forth performance indicators we're collecting in each
9 of these areas, and we'll be able to come back as we
10 collect the data, be able to give you at least some
11 sort of objective, and in some case, at least
12 consistently subjective opinion on each of these
13 elements.

14 I was under the opinion from the last meeting
15 that we were going to stay sort of focused on those
16 objective criteria and the data elements and maybe do
17 our own polling with the states to see what their
18 impacts -- what they thought as opposed to burrowing
19 down into the type of interface issues.

20 When I read some of what we've already
21 written, it's almost like our report's going to have a
22 lot of recommendations that we want this to be fixed

1 and we want that to be fixed, which I didn't really see
2 as, at least where I thought this was going, we
3 certainly can do that. I mean, we can do anything we
4 want to do, but I didn't see that as the value of this
5 was.

6 MR. SCHERER: I do agree, but maybe not to as
7 broad an extent. My expectation is that we would not
8 be getting involved in trying to fix this PR or that
9 PR, -- working the definition of unavailability, where
10 the T of the 2 is the right approach.

11 But not only look at the entire program and
12 decide whether or not it's ready for a blow-out, but
13 the efficacy of the processes the NRC has in place to
14 revise, and amend, and resolve issues.

15 If we agree that the process is okay and it
16 can work its way through, and it's a balanced process,
17 and all the stakeholders get their input in how those
18 issues come out, I think is down in the grass issues
19 Dave is talking about avoiding.

20 But I do think we should be looking at
21 whether we're satisfied with the efficacy of the
22 processes that are in place to resolve those issues on

1 a broad, again, at a 50,000 foot level. But not down
2 and saying, you know, we want to help adjudicate how
3 this PR gets resolved or how that one, or we're worried
4 about this area or that area. It's just is the process
5 a coherent one. Does it meet the objectives that the
6 NRC set for the process, and are there ways to resolve
7 the issues that seem to have a good chance at success,
8 or are there big -- do we proceed if there's a gaping
9 hole somewhere, if there's a need for a process or
10 input that doesn't now exist and needs to in the
11 future.

12 MR. KRICH: I guess I agree with Dave's
13 point, but I don't think you can get there without
14 looking at what are the specific issues. And that's
15 having done this now from a pilot plant now and
16 conditional limitation.

17 But we found is that if we stayed talking
18 about philosophy at the high level all the time, we
19 never really got any place. And you missed the real
20 issues of what was working and what wasn't working. So
21 I guess the approach we took here was to identify at
22 least what we felt were issues, and then we thought

1 that then rolls into the higher level of well, is the
2 process being effective or is it not being effective.
3 And if it's not, why is it not. And then you have the
4 details of the real material to know what's not working
5 and why.

6 MR. CAMERON: You need to talk about this
7 individual indicators to get an idea about whether the
8 process is working.

9 MR. KRICH: That's what we found.

10 MR. GARCHOW: I go back to the charter -- and
11 we can change that so, like I say, we can do anything.
12 But we're sort of here in helping as an independent
13 review of the NRC self-assessment. And they laid out
14 the self-assessment and this panel of experts was
15 convened to provide an independent view of the NRC's
16 assessment of the process before they write their
17 commissioner letter in the spring.

18 And I agree with Rod that we have to go
19 through some of the detail to get there, but we had
20 agreed upon, or I thought we'd agreed upon, what the
21 NRC had as their criteria. And I'm worried that when
22 we get down into these discussions relative to these

1 categories, they're not tied to criteria. We don't
2 have the NRC performance indicators, doesn't provide a
3 balanced -- I don't mean the performance indicators for
4 the utilities, the performance indicators the NRC
5 developed for their monitoring of the process. We
6 don't have those to balance against.

7 MR. HILL: I think it's true that we're
8 supposed to look at their assessment, but it also says
9 that we're supposed to monitor and evaluate the results
10 of the first year. And if you don't know what the
11 issues came out of that first year, how can you say
12 you've done an evaluation on it?

13 MR. PLISCO: I see as we go back -- look on
14 page two here, the summary of our first meeting. Let's
15 go back and look at these objectives we talked about
16 last time. In the middle of page two -- the cover
17 sheet is a memo from me to Sam Carlson. The summary of
18 the first meeting. These are the objectives we talked
19 about. I think we've been talking through these.

20 The first, and that is the big picture
21 question. Is the process achieving the NRC's goals?
22 And these are the eight criteria we've picked to look

1 at, and that's how we're categorizing the issues. I
2 think that gets their issue there. I mean, that is the
3 first question, isn't it? I mean the big picture says:
4 Are we achieving the goals or not in these specific
5 areas?

6 And then the first four are the agency goals
7 and the second four: objective, risk, informed
8 predictable, understanding where the commission goals
9 when this program started out. And which the first
10 panel used, also.

11 The second area is to look at some specific
12 problem areas. The more significant ones, both short-
13 term and long-term, whether they've been identified or
14 not. We're not going to provide the answer. We don't
15 need to solve it. We just need to make sure the issues
16 have been identified and fed back into the process.

17 Part of this, at least the way I see it is --
18 well, let's look at number three first. And three is
19 what we talked about, is the self-assessment process.
20 Is the self-assessment process working, and then in the
21 long haul is it going to provide self-correction
22 mechanisms as issues are identified in the process for

1 the long term, assuming they're not going to establish
2 this panel every year to keep looking at the program,
3 you know, if the internal self-assessment process
4 works.

5 So I heard people talk about all three of
6 those parts and I think part of the answer is we're
7 going to do all three of those. We are going to answer
8 the big picture question: Is the process working? And
9 if it's not, what are the more significant problem
10 areas?

11 And the part to address, I think your
12 concern, Dave, is, we're not going to solve every issue
13 and I don't think every single issue that we're all
14 going to raise are going to end up in our final report
15 -- in the same columns in the commission.

16 I think we need to start to talk about all
17 the issues and then we're going to need to go through
18 our prioritization process after we get everything on
19 the table. What are the most important things? The
20 biggest problems with this program that need to be
21 corrected in the short term, and in the long term, what
22 things do we think need to be corrected. I think we'll

1 see some overlap on these issues.

2 I've been in a number of these workshops and
3 I think as you hear them all, there's a lot of
4 interconnection to some of the issues and I think some
5 of them -- my prediction is that some of these are
6 going to come together with similar issues and we can
7 characterize those. But, again, we're not going to
8 solve them.

9 My goal today was to make sure we get them as
10 many issues as we can on the table and make sure
11 everyone understands what those issues are from the
12 different perspectives of the different stakeholders to
13 make sure we all understand. And then we can begin to
14 prioritize them and decide whether we think they're
15 important enough, at least forward from this panel, to
16 Sam Collins of the commission of what they are.

17 MR. BROCKMAN: And, Loren, I think you hit
18 the nail on the head as to what keeps us at the higher
19 level that Dave was talking about. We're all going to
20 have to get very much out of character.

21 This panel is not the place to solve problems
22 and every person here almost is a problem solver. We'd

1 be problem identifiers, recommendations maybe as to
2 things to consider, and then we have to let loose of
3 the issue, which is going to be very difficult for some
4 of us. That's the key thing that we -- and that keeps
5 us at the higher level.

6 You're right, Dave, if we get down into a
7 large discussion of what it's going to take to solve
8 this problem and fix it, we've gotten way too close to
9 the weeds.

10 MR. CAMERON: And you can. And let's go over
11 to Steve and then to Mary. I think this is a
12 discussion that going to be -- it's useful for you all
13 to have, not only in terms of bringing Mary and Ray up
14 to speed, perhaps, but to make sure you all agree on
15 the place that you're going to here.

16 Steve.

17 MR. FLOYD: Yeah. From the last meeting I
18 thought what would be useful today is what we're
19 starting to do, and that is to allow for some level of
20 detail, but then we ought to stand back and look at
21 what the central issues are.

22 We're going to hear cross-cutting issues that

1 came up at all three of the workshops so far. All with
2 a slightly little different twist, but there's a common
3 theme there and we should identify that theme. And
4 then what we ought to do, I think, is to go back and
5 take a look at the critter that the NRC put out to see
6 if it's likely in their monitoring program and their
7 corrective action element would they likely identify
8 that piece also, and pick that up, and have a plan for
9 resolving it. And that's what we should be doing as a
10 committee is passing judgement on whether their
11 evaluation process and correction process is going to
12 be adequate to address what we think are the issues
13 that are out there.

14 So I think it is useful in getting some level
15 of detail, then look for central themes to bounce
16 against the evaluation criteria.

17 Mary?

18 MS. FERDIG: Well, my comment is just an
19 observation. I think what I hear being voiced is an
20 interest in grounding, what we do in specific examples,
21 specific cases, particular issues. But I think the
22 danger is going into the diagnostic of finding all the

1 things that are wrong, because I think you can also
2 find very particular examples of things that are right
3 relative to the criterion.

4 And I just suggest that what we're looking
5 for is specificity to help look at the overall picture
6 and, perhaps, not emphasize the target of diagnostic
7 problem identification, or whatever the words might be
8 to find the things that are problematical.

9 MR. CAMERON: Bill, do you have something --
10 Dave submitted some issues here. I think that there's
11 some agreement around the table here on how we should
12 proceed. I'm not sure what that means in terms of
13 going through the resolves of the regional meeting and
14 whatever. I mean, we just do that. Do you have any
15 comments on that?

16 MR. BORCHARDT: I think the approach that
17 we're on is sound. By going through detail, it's
18 almost like a brainstorming session where you lay out a
19 lot of ideas and then we can all integrate them
20 ourselves and come up with some major topics which can
21 then be the subject of our recommendations or our
22 report to Collins and the commission.

1 In fact, I think we were through nine months
2 of an initial implementation. We waited until this
3 point in time so that we would have specifics because
4 the initial eval -- what was the initial group called?

5 MR. GARCHOW: PeepUp.

6 MR. BORCHARDT: PeepUp, had just theory to
7 talk about.

8 MR. CAMERON: And a hand glance worth of
9 data.

10 MR. BORCHARDT: And now we have a lot more.
11 And so I think those specifics will help lead us to
12 some valid views.

13 MR. CAMERON: Ray, do you have anything to
14 offer at this point in listening to call this as a new
15 member of the group?

16 MR. SHADIS: I'm interested in specific
17 examples to demonstrate whether or not the program is
18 working. I mean, it's as simple as that.

19 Whether or not NRC self-assessment program is
20 working is a whole other matter. It's -- I think it's
21 important to look at it, but you have to recognize that
22 you're really getting into analysis almost in the

1 Freudian sense. We've got to get into the mind set of
2 NRC's self-assessment program. I don't know that that
3 takes care of saying whether or not the Reactor
4 Oversight Program is a success in its initial
5 implementation. And I think that's what we're being
6 asked as to whether or not this thing is working.

7 MR. CAMERON: And the self-assessment is just
8 one part of that larger question, so --

9 MR. SHADIS: Well, I mean, self-assessment
10 it's -- just from the outside, you know, looking at the
11 way NRC works is a great puzzle to those of us on the
12 outside as to how this agency works.

13 MR. CAMERON: Maybe --

14 MR. SHADIS: When you're invited to a meeting
15 and there isn't a sign in the lobby directing you to
16 where the meeting is, it says to me there's a certain
17 degree of dysfunction. And you know, I go up and down
18 the scale, wherever you want to go. But if you get
19 into the self-assessment program, I'm just presuming
20 that it has some of the same quirks that we have in the
21 physical arrangements with these meetings. A small
22 example to the big one.

1 Any case, I don't know how you can progress
2 through this without going from specifics to
3 generalities. I don't think you can start mid-way
4 somewhere with generalities about the program and then
5 progress to even broader generalities.

6 MR. CAMERON: Okay. Good. I think there is
7 agreement on that.

8 And one last question for the group. Going
9 back to these process elements that Rod -- his table
10 on. We're going to be talking about lots of specifics.
11 Can I assume -- do you want to assume for your work
12 that, at least for organizational purposes, that any of
13 these specifics that you discuss that are going to get
14 you to this larger look, that they're going to fall
15 into one of those four areas: performance indicators,
16 inspections, the significance determination process and
17 assessment, and enforcement? Does anybody have any
18 problems with that? Okay.

19 MR. PLISCO: I think if you look -- well, we
20 had a presentation at our last meeting of the self-
21 assessment process the MR has developed. They actually
22 have a fifth category which they call "overall." More

1 broad scope issues that really cross all these areas.
2 They have another area where they capture. And I think
3 we can allow ourselves if we have some of those kind of
4 issues that --

5 MR. CAMERON: And that would be -- would you
6 call that --

7 MR. PLISCO: We just call it "overall." Any
8 other discussion on the Region III issues?

9 (No response.)

10 I think we'll hear some of the same topics at
11 some of the other workshops. I know that we're in the
12 Region II workshop and some of the same subject areas.

13 Chronologically, the next one was Region IV.

14 MR. BROCKMAN: We had not had the benefit of
15 having a ANS workshop to compare this to, so we
16 generated a separate meeting down in Region IV. The
17 attendance was really pretty good in that it was large
18 enough representation to be able to get a good cross
19 view of points, but it stayed small enough, in relative
20 about to 60 and 70 people area, that when the format we
21 took which was not to do break-out sessions; to have
22 four plenary sessions that spent about 90 days per

1 topic.

2 (Laughter)

3 It seems like 90 days. At 90 minutes per
4 topic, you could get a good dialogue still going. No
5 one felt encumbered by the group or anything, the size
6 of it, so that --

7 MR. TRAPP: Where was the meeting?

8 MR. BROCKMAN: The meeting was in the
9 Arlington area. We had it at a hotel there and we
10 announced it as much as we could. We gave it to what
11 we call our expanded distribution. Anybody who gets
12 one of the old Salper PPR reports or what have you, you
13 know, which is about anybody who's ever expressed an
14 interest in having a copy of an NRC document on that
15 distribution list. The down side of that -- excuse me?

16 MR. SCHERER: Anybody from California?

17 MR. BROCKMAN: Excuse me?

18 MR. SCHERER: Except for the -- from the
19 industry?

20 MR. TRAPP: From the State of California?

21 MR. BROCKMAN: From the industry --

22 MR. TRAPP: No, I'm interested in citizen

1 groups?

2 MR. SCHERER: No.

3 The four areas that we broke into our plenary
4 fund on were, once again, the inspection program, STP,
5 PIs and assessment. I'll cover very quickly in that
6 area.

7 Certainly, there was some lively discussion
8 and recognition about the increase in the level of
9 effort between the current program and the old core
10 program, where numerous of the utilities were realizing
11 that they had historical good performance under the old
12 program and had level X of inspection effort that was
13 conducted.

14 Under the new Baseline Inspection Program,
15 they were seeing close to two times X. And this
16 reflects itself in both financial and regulatory impact
17 issues and that was a concern for several of the
18 utilities there.

19 The number of occurrences. How many times do
20 you go out and observe surveillance or maintenance
21 activities? Something along those lines. And that
22 goes into the depth of each of the individual

1 procedures.

2 What's an adequate sample for one of the
3 aspects of the baseline program would be to take a
4 pulse on all the different activities in somewhat of a
5 systematic way. There was a lot of discussion on that
6 from both the utilities view point and from the NRC
7 inspectors view point.

8 The inspectors felt that the small band that
9 is currently allowed was overly restricting their
10 ability to focus on risk informed sampling. Where you
11 see an area of vulnerability at a plant, so certainly
12 that's a higher risk potential of there being something
13 wrong there that they didn't have the flexibility to
14 investigate that area as thoroughly as they want,
15 because of the bands you've got on the number of
16 occurrences.

17 Resources was a topic that was discussed and,
18 as I mentioned already, the overall expenditure of
19 resources at the different utilities.

20 Another area which was discussed was the
21 technical expertise that's available in the regions
22 with the NRR now becoming the repository of licensing

1 activities and all of the inspection being delegated to
2 the regions. The technical expertise in some of the
3 more specialty areas is a great challenge to the
4 regions to be able to meet, and that was recognized.

5 Those were probably the key issues that I
6 carried out of the inspection arenas.

7 Steve or Jim, any comments from you all? You
8 were there.

9 MR. FLOYD: Yeah, I guess the other comment I
10 heard relative to scope of inspections -- I forget who
11 made the comment, but the comment came up a couple of
12 times about: As part of this process, would the NRC be
13 going back and looking at the scope of the inspections
14 to see what the history of findings and occurrences
15 were against them to. Perhaps, strengthen those where
16 the inspector felt like they didn't have enough hours
17 to do the job, but in areas where it may look like
18 there's an excessive number of hours being spent for
19 the types of findings that are there, maybe reducing
20 the level there, and adjusting the program.

21 MR. BROCKMAN: I think Goldeen, who was
22 there, agreed that was part of the self-assessment

1 process to do that.

2 Jim?

3 MR. MOORMAN: The one thing that I took away
4 from that was some of the industry representatives'
5 discussion of absolute avoidance of a white PI window.
6 And in some other discussions that I had, it appeared
7 to me that that would occur sometimes possibly under
8 circumstances that we wouldn't want to see as
9 inspectors. So I'm not so sure that we communicated
10 well what --

11 MR. BROCKMAN: And that's a good segway into
12 the PI part of the meeting. That was probably one of
13 the unique insights that really came out is, under PI's
14 inspection findings, either one.

15 From executive management in the industry,
16 the concern, the pressure that is placed upon the
17 operating staff not to have a white indicator is just
18 as great as a yellow or a red.

19 White is unacceptable. There's the -- what
20 was promulgated. And that leads to the question, then,
21 is it acceptable for everything to be green(?) for
22 there to be an interesting discussion on that.

1 Philosophically if you look at the current
2 definitions of what's a white which identifies
3 outliers, but it identifies outliers based upon the 95
4 to 98 data, you can come up with a lot of different
5 discussions, which we did, as to is it acceptable for
6 everything to be green. It can be. Does that engender
7 public confidence? Well, it can; that everything's
8 running well.

9 But it can also -- then the public confidence
10 can go but it's so easy to be green, everything could
11 be terrible and there's still green.

12 The other aspect you've got in that was an
13 interesting discussion of the reason the white was
14 looked upon so badly was because there are very few
15 white findings out there, although we're finding the
16 population's growing a little bit.

17 But within PIs especially, there are so very
18 few white performance indicators out there that it
19 definitely does become a concern because it's way
20 beyond what I think had been the initial vision of what
21 white PIs would be. There would be some rotating five
22 percent band or something in the performance. Now it's

1 moving up to a level that's causing that not to be
2 true. When someone does go there, there's a lot of
3 pressure.

4 Without a doubt, the availability of PI is
5 the PI of discussion mitigating systems. The FAQs that
6 are associated with PIs, a boon and a bane. It's
7 wonderful that we've got all this robust guns on the
8 PIs out there to be able to identify what you need to
9 do with any individual PI and it's data overload.
10 Nobody can manage all the FAQs that are out there and
11 at any one time be able to figure out what is all the
12 guidance that's being given to you. And that's
13 probably what I carried out of the PI session.

14 Steve?

15 MR. FLOYD: Yeah, I guess I just heard quite
16 a bit of discussion on potential for unattended
17 consequences on some of the performance indicators.
18 Again, I think that the theme might prompt operators of
19 the facilities to take the wrong action to try to keep
20 the indicator to be green.

21 On the other hand, we also heard on one of
22 the indicators that there may be a problem with the

1 indicator that might keep the operator from managing
2 their plant the way they would normally manage their
3 facility and they would go green, but it really
4 wouldn't be risk informed or really would not point out
5 a problem. And I think people are concerned about the
6 unplanned power change is the only other definition
7 that that one, I think, creates a problem with, in
8 addition to unavailability at a collection issues.

9 I think back on being all white, I think I
10 heard -- or the not being all white, but the unused
11 color white, I think I heard some people comment that
12 it was their experience or their observation that most
13 people haven't had a white yet. So a lot of the
14 sentiment seems to be out of fear about what's going to
15 happen to me if I get a white; whereas a few utilities
16 that had a white stood up at the conference and said,
17 well, it's not that bad to get a white. You know, the
18 NRC comes in, they do a small amount of inspection
19 activity, the issue gets put in perspective and they
20 follow it and it wasn't all that bad.

21 So, I think we're still seeing some learning
22 going on here. And I think I did hear the observation

1 that maybe this issue will not be as significant as
2 time progresses and more people get a white, because
3 the number of white inspection findings is starting to
4 climb now as the program goes through its first year.
5 So it's not just PI, but it's also inspection findings
6 that can give you a color as well.

7 So the combination of the two is probably
8 going to mean that everybody over the course of the
9 year is probably going to have at least one white. So
10 I think some of this concern will go away.

11 MR. SCHERER: Well, I attended that session.
12 I know quite a bit of dialogue on this very subject.
13 It was clear to me from that session that (1) there was
14 a difference in the NRC's expectation with the
15 acceptability between white and versus yellow, red.
16 And a lot of people from the utilities perception that
17 anything other than green was unacceptable.

18 There was a lot of discussion of other
19 stakeholders that come in to play and a long discussion
20 of at least one or two utilities that had, for example,
21 visits from their waiting agencies that wanted to go
22 through, carefully, each one and understand what the

1 impact is. So clearly there is a different perception
2 by different stakeholders, and as to what the
3 significance of green, white, yellow, and red are.

4 And obviously, there's a difference, as Ken
5 pointed out, to the way the green to white threshold
6 was set and the white to yellow and yellow to red, with
7 the latter being "risk informed" and the other one just
8 being a 95-5 outlier. And what does that mean to the
9 future?

10 That then brought up the issue of: Is the
11 NRC prepared for everybody to be green? Or maybe we
12 just don't have enough white. And if there are enough
13 whites out there, then people wouldn't overreact to
14 receiving a white. But there was clearly, in my mind,
15 at that session at least, a split between what the NRC
16 perceived the meaning of going from green to white and
17 everybody in the audience that had gone, like Steve
18 indicated, that had had a white, said the NRC did not
19 overreact to the white. It wasn't all that bad.

20 The NRC seemed to be reasoned and focused in
21 its approach and took it in context. And everybody
22 else got up and said, but our management tells us we

1 are not to go white. We are to stay green and we are
2 to be driven to stay green.

3 And some got up and said and we are told to
4 stay well within the green. Stay away from the green
5 and white threshold.

6 So there's clearly -- my point is, as a clear
7 -- amongst the stakeholders, and again for the first
8 time I heard at that session with other stakeholders
9 involved, like bond rating agencies, that set the value
10 for the utilities, and the parent agencies, are
11 involved in this process in that perception.

12 MR. BLOUGH: When you said about having
13 margins, staying well within the green, not only just
14 in the green, but well within the green as being a
15 message that some utilities are doing, that raised
16 another question in my mind about why there's such a
17 fear of white.

18 And if you have one white that's one thing,
19 but once you have one white and a cornerstone of a
20 second white, creates then a degrading cornerstone.
21 And I was just wondering within the utilities, how much
22 of a factor that is that once you have one white in the

1 cornerstone, then there's a worry that, you know, an
2 issue of low to -- I guess it's low to moderate
3 significance? Is that the definition of white?

4 MR. BROCKMAN: Yeah.

5 MR. BLOUGH: One more issue of low to
6 moderate significance can put you actually in a
7 degraded cornerstone call. Is that a factor in this
8 kind of fear?

9 MR. GARCHOW: The conversation did not really
10 get to that. They just brought that up in the
11 introductory and there were a whole lot of eyes that
12 got very wide at that stage of the game, as I think
13 people started reflecting on that. But they hadn't
14 already been there and seen now, wait a second, I'm one
15 inspection finding away from having a degraded
16 cornerstone. Once you get that first white, you start
17 looking at that. But the conversation didn't focus on
18 that a whole lot. It really focused to a great deal,
19 you look out there, you call up on the web, and you see
20 this massive screen of green and then you go, whoo
21 Diablo Canyon. That's not green. Why is that? Or
22 whatever it may be.

1 MR. GARCHOW: To directly answer your
2 question, we're sitting there with a white, actually
3 no, two whites and two different cornerstones, although
4 one's about to roll off. I think the -- I can't -- I'm
5 not speaking for the industry, but I find focusing on
6 running these plants and multiple plants on one site,
7 which is my case, I mean, we don't focus a lot on the
8 NRC performance indicators. I'm focused on running the
9 plant excellently. If you focus on running the plant
10 excellently, the rest sort of takes care of itself.

11 Now occasionally things happen. And when
12 they happen, and if you end up a white, or you focus
13 and I'll share -- I'll share -- I mean, the NRC
14 reaction wasn't overboard. It was exactly as the
15 program said. It spotted an area that needed further
16 attention. They come in and evaluate it, put it in the
17 right context. And it's either a big issue or it's not
18 a big issue and you stay white long enough before it
19 resets to make sure that, you know, the problem really
20 has a chance to be fixed even if it really isn't a
21 problem.

22 I think we spurred this conversation about

1 green and white, and the conversation being spurred
2 actually keeps it alive. So here we ask the question,
3 then we get the input, and we almost created a language
4 of this issue by keeping it alive.

5 MR. BROCKMAN: And from the operational view
6 point, Dave, I was in a conversation -- that very fully
7 -- that wasn't focused. Where it became interesting
8 is, okay, I've got a white mitigating systems, and I've
9 got a safety system functional assessment schedule next
10 month in a system I haven't looked at in forever. Gee
11 whiz. Why did I want to delay that by a quarter or
12 two. That's a paperwork review that has a good
13 probability of turning up a latent issue.

14 MR. GARCHOW: Well, what if --

15 MR. BROCKMAN: That's the type -- that's the
16 type of thing. See, it's a little bit different spin
17 in the operating plant as to what could be an
18 unintended consequence of having a white already on the
19 books. But do I want to take on that type of a look or
20 do I just want to change the timing by two quarters and
21 let that white go away off the books.

22 MR. SCHERER: This discussion is focusing on

1 just the NRC and the utility interface.

2 MR. BROCKMAN: Yeah.

3 MR. SCHERER: And I want to remind you again
4 that was part of the discussion in Region IV. That's
5 only two of the stakeholders. The other stakeholders
6 are the bond rating agencies, the executive management
7 at the utilities --

8 MR. FLOYD: A&I.

9 MR. SCHERER: -- A&I, all those other -- the
10 local press, the local citizens groups, that want to
11 focus on anything that isn't green. So we have to
12 understand that definition, but it also on part of that
13 transparency and that ability for others to understand
14 this process. You know, I can explain to you all --
15 and I think everybody in going through the details, we
16 focus on the NRC utility interface. That's a different
17 issue than I think the one that was being discussed in
18 Region IV.

19 MR. FLOYD: I just want to put in perspective
20 this issue of maintaining yourself deep in the green.
21 That's not a bad message, because if you look at the
22 metrics that the NRC is going to measure the success of

1 the program is, one of them is maintaining safety
2 industry-wide. And if you look at all these
3 performance indicators, the industry average and median
4 value is about only one quarter from the top of the
5 green down.

6 I think that's a good message that management
7 is putting out to the utilities is to be well into the
8 green, because that means we are, as an industry,
9 maintaining safety. What it shouldn't mean is that
10 you're doing dumb things to try to stay in the green.
11 I mean, that's what --

12 MR. SCHERER: My message for that is, I think
13 Steve is raising a very important point. If you look
14 at the trend data, since it's been there, what gets --
15 it's true, what get measured, gets managed. So if you
16 get set a security PI, it is moving well within the
17 green. The median value and the average value is
18 moving towards 100 percent availability because now
19 it's taking a high profile. People are managing it.

20 Where you have to worry is things like
21 unavailability, which is the one that everybody
22 discusses, because pure, you know, zero unavailability

1 means you're not doing preventive maintenance.
2 Preventive maintenance is a good thing. So you don't
3 want to drive well within the green. In some cases,
4 you want to drive towards the green/white interface.
5 That's the right answer, is go do that preventive
6 maintenance. Go take it and be proactive at
7 maintaining that piece of equipment, even if it means
8 taking it out of service briefly in order to maintain
9 it. So those are the unintended consequences that we
10 need to be careful that we look at.

11 But I would -- just looking at the metrics
12 that I've seen on the web site, it appears to be true,
13 the old adage that what gets measured, gets managed,
14 and that the numbers are moving well within the green.

15 MR. BROCKMAN: The key thing is managing to
16 the indicator, not managing the indicator.

17 STP. Nothing new.

18 Fire protection safeguards. Lots of
19 discussion. We need the Phase II sheets and how we're
20 going to use those.

21 Probably a point, a lot of people said an FAQ
22 for the STPs and how they get used and sharing the

1 information would be something valuable. This then
2 played on the discussion that we had in the PIs of the
3 second edge to that sword.

4 When you get the FAQs, it establishes another
5 whole data set, and really the optimal solution would
6 be the FAQs to be interim lessons, and then you go in,
7 and on a recurring basis, upgrade the baseline
8 documentation associated there so you don't need this
9 compendium on the side.

10 There was also discussion on event response
11 versus the need for a CCCDP insights. And it becomes a
12 very, very interesting dilemma when you get into event
13 response as to what's going on and the need for it to
14 be able to put a risk perspective on an event, which I
15 will call different than being able to crunch a risk
16 number.

17 Because if you've got an ongoing event, NRC
18 is not going to wait 24 hours to decide whether it is
19 going to get involved with that event. That will be
20 done in a couple of hours; three or four.

21 Is that an unintended consequence of this new
22 process as to what type of risk expertise a utility's

1 got to have available to at least come up and let's
2 talk about what are we talking about. Is this white
3 issue? Is this green issue? Is this yellow issue?
4 And start putting some of your perspective on there. I
5 don't know, but it was a part of discussion that went
6 on because I know within Region IV, we have shared with
7 our utilities that our internal expectations with our
8 SRAs is to be able to put an initial topical, broad,
9 perspective on an ongoing event within four hours. And
10 we will use that to reach a response decision off that.

11 MR. LAURIE: I have a question. And this may
12 be going back just a moment, but on all these
13 discussions we're going to have regarding the color
14 issue. And from a public perspective, that's at the
15 very top of, certainly, my list. I know what the
16 summary sheets say about the definition of the colors.
17 What did the red say? Could I get somebody to give me
18 a copy of the reds? Are they far more detailed than
19 what the summary sheets say about what the colors mean?

20 MR. BORCHARDT: There are some --

21 MR. LAURIE: The program, the process.

22 MR. BORCHARDT: There are no regulations on

1 this program.

2 MR. LAURIE: Well, when you talk about white,
3 when you talk about operating out of the standard, is
4 there something more detailed than what I'm reading in
5 the summary? If so, I need to see that.

6 MR. PLISCO: Yes. The detail is really
7 implied in what has been significance in terms of the
8 process itself. Jim can probably tell you. When they
9 go through an analysis, there's specific tables in the
10 back when they do their risk analysis, and for an
11 inspection finding on --

12 MR. LAURIE: Well, what --

13 MR. PLISCO: We have an inspection manual
14 chapter, it's called. It has the details.

15 MR. BROCKMAN: If you don't have a copy of
16 those --

17 MR. LAURIE: I'm looking for something a lot
18 less complex than that, because one of the challenges
19 being faced in the discussion regarding the color
20 coding, going from green to white -- and I know we're
21 going to get into this -- is the stakeholder's
22 perspective, is it significant?

1 If you're able to say it is not significant,
2 the public will understand that. The legislatures will
3 understand that. The governor will understand that.
4 It makes it easier for industry to deal with. Just
5 operating outside the specific standard doesn't
6 necessarily make it significant.

7 And so I'm worried if there's a two-sentence
8 definition rather than the one-sentence definition that
9 I should be reading that I'm not.

10 MR. FLOYD: Where's the one you're reading
11 out of now? That new ray 1549?

12 MR. LAURIE: No. The --

13 MR. BROCKMAN: The inspection report. The
14 one page --

15 MR. LAURIE: And that makes no mention of the
16 term "significant," so that ad which routed we're
17 unable to stand up and say it's white, but this isn't a
18 significant deal, because that term is not a term of
19 art that is being utilized. And my guess is maybe we
20 want us to be able to say that.

21 MR. GARCHOW: Especially on the PIs where we
22 just done the framing of it, it's just five -- the

1 bottom five percent of data that was available in a
2 three-year period. There was no relative -- I mean,
3 all of the data, even the 100 percent data, were plants
4 that were operating safely, but just by virtue of a
5 construct of the program to give an indicator of where
6 the NRC might get some value out of looking further.

7 We color the indicator white when you're
8 outside 95 percent of the industry. A hundred percent
9 of the industry could be operating with five decades of
10 margin to safety, and those lower five out of a hundred
11 plants took white out of this population. So there
12 really is, in many of the indicators, no safety
13 significance to being that the green to white threshold
14 on the white might.

15 MR. LAURIE: I would like us to engage in
16 some discussion about the term "significance" and see
17 if that will help us at all.

18 MR. BROCKMAN: I see I didn't shape these
19 words --

20 MR. SHADIS: It's out of control. It's like
21 tourette's syndrome, only just a --

22 (Laughter)

1 I'm wondering if the issue really isn't how
2 this is reported. It isn't a communication issue as
3 opposed to how does it affect plant operations; safety.
4 How does it affect change with the plant? Now I have
5 big issues with that. I've got two examples here, and
6 I just want to just toss them out and as a concrete
7 physical example of how it comes to us, the public.
8 Okay. And these are news accounts, so you'll have to -
9 - I didn't have time to get the LERs and whatever went
10 with this, but, okay.

11 At the Summer plant, you had a steam-driven
12 emergency-feed water pump inoperable during power
13 operations. And this was rated as an issue of
14 "substantial importance to safety and awarded a color
15 yellow."

16 At Millstone, you had a turbine-driven
17 auxiliary-feed water pump out. Failure was
18 characterized as a low to moderate safety significance,
19 and awarded a white. And I don't know how much
20 information is in the LERs, but you know, when the
21 public sees this, we either go to the news accounts and
22 what statements are made by NRC spokesmen, or we go to

1 the web site and we pull up the LER. And we can't see
2 the difference in these two events, and yet they're
3 awarded -- one is not a particularly safety
4 significance. The other one is, you know -- and I'm
5 looking at this and I'm going, "Well, what's going on?"

6 MR. TRAPP: The key to that was when we
7 issued our white when we saw a potentially helpful for
8 Summer. We said people are going to have questions
9 about this. So we looked into the event. And the
10 reason is primarily the duration. I mean, one was out
11 for a long period of time. One was out for a short
12 period of time. If you have a piece of equipment out
13 for a short period of time, it's inherently less risk
14 significant than having it out for a long period of
15 time.

16 So while in this case we were lucky 'cause
17 that was the case, there's going to be other cases
18 where you're going to have a turbine-driven pump out
19 at, let's say, Beaver Valley One and that would be
20 different than Beaver Valley Two, because Beaver Valley
21 One has a dedicated feed pump that backs up Ocks feed.

22 So you can't, you know, just by looking at a

1 piece of equipment, different plants are going to have
2 different risk associated with it.

3 The important thing, I think, is that we get
4 the risk categorized correctly for that plant. And I
5 think in this case that's what we did.

6 MR. SHADIS: There's another factor that goes
7 into this, too. At Millstone, they did surveillance on
8 this pump and it wasn't operating correctly. They had
9 problems with it. They said to hell with it. They
10 buttoned things up and ran it.

11 Now, to me, you know, as a member of the
12 public who wants the company to do their very best,
13 this is, you know, this borders on intentional. It's
14 like, you know, a real failure of judgement on their
15 part, to say the least.

16 Whereas, in the other case, I didn't find it
17 in the article, but it may or may not have fallen
18 within the intervals of surveillance, maintenance and
19 inspection, however you would say. So --

20 MR. TRAPP: At Millstone, you get the news
21 clip, but you don't get all the details. I mean, some
22 of the details at Millstone, whereas they did the

1 surveillance test and the governor was sluggish, did,
2 in fact, pass the surveillance test. So they did their
3 surveillance test, took their data, passed the test,
4 and upon shutdown is where they believe the governor
5 became a part of it. So, you know, there's always more
6 to a story than probably what's printed. I think
7 there's probably more to that story.

8 MR. SHADIS: I understand that. And I
9 appreciate your explanation of it, but I think -- I
10 guess what I'm getting to is, when these things are
11 reported out, that our sense at this point is we don't
12 have enough information.

13 You know, when I looked at the red indicator
14 for Indian Point Two, I said, "There goes the
15 objectivity." They got a red because of the political
16 heat.

17 MR. TRAPP: We were absolutely involved in
18 that one, too, and I don't think we had a red because
19 of political heat at all.

20 MR. SHADIS: In times past --

21 MR. TRAPP: The risk analysts were kind of
22 left alone, and we showed up with a number, and we

1 defended the number. So I think, personally, it was a
2 --

3 MR. SHADIS: I can only tell you that in
4 times past where you had steam generator do failures,
5 it was no big deal. You know, I don't want to make
6 that too tight a thing -- nail that too tightly, but we
7 did have NRC spokesmen coming out and saying, well, you
8 know -- as they did it in Indian Point Two. They said,
9 "There really is no public safety significance here."
10 This had no release and ta dah, everything worked.
11 Everything worked. They told them to shut down so,
12 fine. And then a few months later, out rolls the
13 highest award you can give that plant.

14 And to us, you know, right away, there's no
15 consistency and we're wondering where the objectivity
16 is.

17 MR. KRICH: If I could, Ray, ask a question.
18 What would it look like? What would a good press
19 release or a good discussion look like so that you
20 could figure out what was going on?

21 Because I'm in the industry, when you read me
22 those two pieces, my immediate thought was not knowing

1 those two was probably that one was out for a lot
2 longer than the other one was. And that turned out to
3 be, because I know how the process works. But as a
4 member of the public, what would it look like? Could
5 you give me an example of what something would look
6 like that would give you enough information so you
7 could reach a reasonable conclusion?

8 MR. SHADIS: Maybe. Let me just say that
9 you're on the right track with that thing. One of
10 those pumps was out for 48 days or something. We'd
11 offset that with the company's failure, and the
12 maintenance and surveillance then on the other one, but
13 -- and it goes, I think, to maybe to what Mr. Laurie
14 was saying that, when we see these reports, we don't
15 really have a good understanding of how that category
16 was awarded.

17 And if there were -- I don't know what(?) ten
18 points that were in English and easy to understand.
19 These are the things that we look at in order to grade
20 the severity of this or the safety significance.

21 MR. PLISCO: Have you got this issue
22 captured? I think it's a good issue. There must be a

1 change in how these issues are communicated in the
2 context.

3 MR. SHADIS: And they're not.

4 MR. PLISCO: Tied to this, too, is that we've
5 had an issue -- it's really the same issue,
6 communicating with the utility how we reached our
7 conclusion to make sure that's clear in the context
8 that we put it in.

9 Now we've done some things, I know in Region
10 II, even at the Phase III part of the process before we
11 had the regulatory conference to make sure everyone
12 understands what the assumptions were in trying to
13 reach that risk significance decision.

14 MR. CAMERON: Just before we go on to you, I
15 just wanted to check in with the group. In these
16 discussions of the Regional meeting, there's a lot of
17 issues coming up, and I just wanted to point out one
18 thing that Mary pointed out to me is that these are not
19 only issue categories. The issue might imply that
20 there's something wrong or there's a concern, but data
21 categories of what might be working well, also. So I
22 just put that up there.

1 But some of the summaries that are coming out
2 at the regional meetings, I mean, they may be issues
3 and important issues that you want to deal with, but
4 this whole utility and stakeholder expectations,
5 perceptions of the towers; how they're explained,
6 what's the relationship; the use of terms like
7 "significant." This seems like this is going to be a
8 big issue for all of you, and I'm just putting these
9 under what I'm calling annal flags, like you might want
10 to come back and pay more attention instead of keeping
11 track of everything.

12 MR. SCHERER: I just want to make clear to
13 you that we need to be careful with discussion. I
14 heard Dave say, well, five percent remembers just the
15 bottom five percent of the performance. Nobody says
16 that's unsafe, and all the plants could be safe or
17 could be well within the safe range, and this just
18 happens to be the bottom five percent.

19 Separately I heard Ray indicate, "Well, you
20 know, I live near Millstone and we want that to be the
21 very best performer." And that's the issue that I've
22 been trying to raise. Unless you've lived in Lake

1 Woebegone where all the kids are above average, you
2 know, there's going to be a bottom five percent. And
3 there are stakeholders that don't want to live next to
4 the nuclear power plant that's in the bottom five
5 percent. They all want to live next to the nuclear
6 power plant that's in the top five percent. And we
7 create that issue.

8 And the reason I'm bringing it up again is
9 because this is the issue of the green to white
10 threshold; the way we've defined it in the process. By
11 not risk informing it, but by just doing it the 95-5.
12 That issue will live with us as long as that's the
13 green to white threshold or as long as we debate moving
14 that threshold to stay with the 95-5. So that's why I
15 want to make sure it gets onto the parking lot and will
16 remain a perception issue. We won't solve it, but it
17 will remain a perception issue.

18 MR. GARCHOW: And that causes the unintended
19 consequences, all kinds of mischief, if you will,
20 around being able to communicate it, being able to
21 manage to it, and there's nothing about that that's
22 risk informed.

1 MR. SHADIS: I'd kind of like to clarify our
2 perception on this. First, I live a mile-and-a-half
3 down wind of Main Yankee. We call that a good plant.
4 Plus a dead wind. But even then we have issues.

5 It's not just whether these plants are ranked
6 in the bottom five percent of a category that is
7 overwhelmingly safe or, you know. It's not that. It's
8 also for stakeholders a question of whether or not this
9 is drawing adequate attention from NRC, and whether or
10 not there is real enforcement, and whether or not the
11 company is paying adequate attention to realizing the
12 safety significance or trying to do a temporary fix, or
13 brush by, or wait until next refueling, or whatever it
14 may be, you know, that mitigates them attacking
15 whatever the problem may be.

16 So it's -- it's specific to the item that's reported,
17 you know, not just to whether or not you think overall
18 the plant is safe or not safe.

19 MR. GARCHOW: I'm trying to come to closure
20 on this scares me.

21 (Laughter)

22 Though the last topic we discussed was

1 assessment and a lot of what we've been discussing
2 right here. You get STP and you get assessment. And
3 as we can see very quickly, they become quite
4 intertwined. It's very hard to separate the two. One
5 directly affects the other. What are some of the major
6 concerns that came up, communications with the public,
7 I think we've pretty well beat on that one.

8 Action matrix rigidity/action matrix
9 predictabilities/action matrix flexibility, that the
10 need to be able to be predictive, but that predictivity
11 also has some boundaries to it as to what you can do.
12 It doesn't say you're going to do, you know, for
13 example, if I turn up a degraded cornerstone, it
14 doesn't say I'm going to go out and do 240 hours of
15 inspection. It says depending upon the issue, it will
16 be anywhere from 40 to 240 and you have to have some
17 basis into that. And there's a big difference for
18 anyone who hasn't.

19 I know all the utilities fully appreciate the
20 difference between a 40 and 240 hour inspection effort.
21 And that's a significant difference. And you've got to
22 be able to communicate that right. Getting

1 communication -- what's the decision as to the level of
2 effort that you're placing in there. The timeliness
3 that's associated with that. You get into the aspect -
4 - we talked earlier about the resources that are
5 available. How quickly can the agency now generate a
6 follow-up inspection for a particular issue and it's
7 quite a bit dependent upon the significance of the
8 issue. Certainly, the higher the significance, the
9 quicker we're going to respond to it.

10 Also, what is it that we should be out there.
11 Looking at if the program is to go out and look at the
12 licensee's corrective actions that are implemented,
13 you've got to give them enough time to implement the
14 corrective actions. If you're out there doing your own
15 independent re-cause analysis that required you to be
16 out earlier. So there's a lot of things that were
17 discussed in there that there is still a great deal of
18 flexibility within the action matrix, within certain
19 prescribed boundaries, and making sure that's
20 understood.

21 The last issue we talked about under
22 "assessment" was the concept of compliance versus

1 prioritization minor violations are still violations
2 and compliance needs to be re-established. Whereas,
3 long-term corrective actions to preclude it recurring
4 again is a prioritization issue.

5 If it's minor, it's very small and it makes
6 no difference if this signature, perhaps, is not made
7 again, then maybe you can prioritize the issue that the
8 corrective action can take a little longer.

9 If it's an issue related to equipment
10 operability and making sure that this piece of
11 equipment will operate when it's called upon, that's
12 something you deal with right then. You don't wait
13 until the next refueling outage or something like that.
14 Or you've got appropriate compensatory actions and if
15 the automatic starter's not there or you've posted
16 operators there who's specific duty is part of that.
17 I'm pulling some examples off the top of my head, the
18 different dilemma that you're in.

19 And there was a very interesting discussion
20 going on within that arena, compliance versus
21 prioritization. Understanding there's still the
22 overall requirement to come into compliance with the

1 regulations, irrespective of the significance of the
2 assessment or the significance of the enforcement
3 finding that's associated with that.

4 Any other topics you've got?

5 MR. SCHERER: Yeah, on the assessment area,
6 it was thrown out towards the end of the workshop about
7 should we have a time period for the length of time
8 that a ... stays in the action matrix. Right now,
9 we've got white, yellow, and red findings that all stay
10 there for a year.

11 A concept was thrown out that may be a red
12 ought to stay there really until it's fixed, maybe a
13 yellow stays for a year, but maybe a white could be
14 some lesser time interval and that might alleviate this
15 concern or this unintended consequence of having one
16 white, now you set up for a degraded cornerstone, given
17 that a white still has relatively low safety
18 significance associated with it.

19 MR. FLOYD: That was what I was going to
20 bring up as well. I think that was a good, creative
21 idea and something we ought to look at. That came from
22 the NRC?

1 MR. SCHERER: Yes, it did.

2 MR. FLOYD: May I take from your point?

3 MR. BROCKMAN: Now, we were blessed with
4 having Mary there and I've sort of waited to call upon
5 Mary for some cap stone, which she's usually pretty
6 good at bringing things in an overall perspective. So
7 that was different than a true public -- an informed
8 member of the public without any preconceived
9 stakeholder allegiances to be responsive to. So I'd be
10 interested in your sharing your experience.

11 MS. FERDIG: Well, I think that your summary
12 of the content deals in line with my observations. I
13 think the only thing I would add to that was what I
14 thought was an effective format of the plenary session
15 and the kind of discussion that occurred, and the
16 various points that were surfacing that reflected
17 different perspectives and some conversation around
18 that, that I thought felt constructive. It was a good
19 meeting.

20 MR. FLOYD: I've got one other issue that did
21 come out and that was in the STP area that there -- and
22 I might be confusing it with Region II, but I think it

1 probably came up out of Pices. There was quite a bit
2 of confusion, I think on the part of the licensees and
3 the NRC staff as to how much communication is really
4 allowed or available between the licensee and the NRC
5 during the Phase II evaluation and when does the clock
6 start. The licensee said it was obviously very easy to
7 talk to the inspection team while they were on-site and
8 give them supplemental information, but then once they
9 left site, they weren't sure of what the process was
10 before the preliminary finding came out to get the NRC
11 any additional information. In fact, some were
12 convinced there wasn't a process for doing that. It
13 appeared to be the door was closed once the team left
14 site and they were trying to get a read on whether that
15 was intended or not or whether that was just their
16 perception.

17 MR. LAURIE: What was the answer?

18 MR. FLOYD: I don't -- I think the answer was
19 -- that was given was -- and I think it was a regional
20 administrator that said, "Well, if you ever have more
21 additional information before the report comes out, by
22 all means, pick up the phone and call your counterpart

1 at the region and give them, you know, the updated
2 information. But it's not --. Now, obviously, at some
3 point the NRC staff's in the process of writing their
4 report, they can't be considering and reconsidering
5 information.

6 MR. BROCKMAN: Yes, we can. It will delay
7 the output, but if -- I mean, the answer that was given
8 was the first point of contact is the team leader for
9 that team. The second point of contact is the branch -
10 -chief responders of that team. The third point of
11 contact are the SRAs who have, certain within our
12 region, gone to each site and established personal
13 relationships with the risk staff members at those
14 individual sites. And if that doesn't work, then you
15 start going into the executive management of the
16 region. But if there are factual inferences -- if
17 factual information is identified that could change the
18 consideration, it is never too late to bring new facts
19 to the table. There is a point at which time you say
20 philosophically as to the assessment we're going to
21 make on that, you're bringing nothing new to the table.
22 We'll go into the formal methods at this stage of the

1 game, but it's never too late for facts.

2 MR. LAURIE: And there's no rules, Ken.
3 There's no noticing rules, no meeting rules. If an
4 operator wants to call up at the inspector and say,
5 pick up the phone and say, "I need to have a cup of
6 coffee with you and further explain" --

7 MR. BROCKMAN: In fact, there are regulations
8 and that door is totally open at all times for
9 anything. I mean, that falls really within our
10 allegation process and it's very much open door at any
11 stage of the game to come to the agency, to the NRC
12 residence, to get a hold of any member of the agency
13 and present any technical concerns that you've got.
14 And that is very much mandated by regulation that those
15 channels are available.

16 MR. BLOUGH: In terms of after the inspectors
17 have left the site, the licensee wants to provide
18 additional information, they can call and provide the
19 additional information, because that's really part of
20 the -- they're trying to provide additional information
21 for the inspection just as if they were on-site. So,
22 it depends on the nature of the information provided.

1 Then once our report goes out, that's the report of the
2 inspection that should have considered, you know, all
3 the information they brought. And we do discipline our
4 inspectors to try to complete the inspection, get all
5 the information they need by the time they leave the
6 site if that's the plan. If it's not one of those ones
7 where they leave and come back again. But after they
8 leave the site, they should be open to receive
9 additional information until, yeah, really it's too
10 late to change the report. And then we would go into a
11 more formal process after.

12 MR. BROCKMAN: That does set up a very
13 interesting dilemma which we've talked about on the
14 timeliness. The tension that you've got between trying
15 to get a product out in a timely manner. That's
16 certainly an expectation we have with respect to
17 performance. We believe that is something that public
18 has an interest in that they can get timely feedback on
19 an issue and as to where it's at versus the absolute
20 technical accuracy associated with the issue. There is
21 no event that goes on that is just very simple, that
22 you can go to one little database and there's all the

1 data. A mitigated plant is exactly that. Everything
2 ties in to everything and the more you -- it's sort of
3 like taking the skin off of a golf ball. I mean, you
4 can't believe how many times things wind around there
5 and everything else, and how it all interplays with
6 each other. And that's a very interesting tension that
7 goes along with respect to our ability of finding out
8 the public's confidence. I mean, if we go out with a
9 finding very quick and just go with a conservation call
10 -- I'm going to call this white thing very much, and
11 then we'll get enough data to determine whether it is.
12 And you find out that 90 percent of the time, the
13 whites that you go out with become greens. I would
14 prentice that that's probably not going to give the
15 public a lot of confidence in the accuracy of our
16 assessment process. And, in fact, it could lead to
17 someone saying oh, well, as soon as it gets further
18 down the line, you get compromised because you're
19 continually retreating from your initial position. So
20 there's a lot of reasons to come out with what you
21 truly believe is a solid, defensible position on your
22 first cut out as opposed to, you know, just going ultra

1 conservative. Because ultra conservative --

2 MR. LAURIE: No question. But once it is in
3 writing, to change it takes a lot of explanation.

4 MR. BROCKMAN: We're certainly living in the
5 midst of that.

6 MR. SETSER: Let me point out, I'm listening
7 here. This is a very interesting conversation and, in
8 fact, I think probably to the heart of a lot of a
9 couple of issues of what he just talked about. But
10 remember, what we're trying to do is to insure that the
11 oversight process that's put in place minimizes loose
12 ends to the point where the public's going to have a
13 perception that there's a enlarging public safety. And
14 the particular point that was brought out in terms of
15 what to report, as long as we have a normal oversight
16 process and we're dealing with the performance
17 indicators as measured at a particular facility, that's
18 one culture. If I was going to be arguing with some
19 discussions as to how far you go with what you don't
20 do, but the minute that you --feed more into the
21 emergency responding of things if very critical and
22 very crucial that you don't limit yourself to an

1 artificial sheet of music that's in writing and say,
2 "That's all we're going to say and that's all we're
3 going do," because then you really are going to have a
4 situation where NRC doesn't know what's going on. A
5 governor of a state may not know what's going on. And,
6 believe it or not, you know, the NRC and the governor
7 of the state do talk back and forth. So, if you have
8 the long sheet of information, then you see such
9 headlines as "Governor is kept in the dark about this
10 situation." So that's that loose hand hold out there
11 that allows people to jerk onto it and say we're not
12 using the process correctly because you've got,
13 obviously, a difference in safety. I know there's a
14 lot of other communications that go on other than just
15 what's written down on the sheet, but the danger is
16 that you put it in writing, you've created an
17 artificial tool and you limit your ability. And that
18 may not have too much of a risk during the normal
19 oversight process, but when it comes closer to an event
20 which is more news worthy -- it's more emergency
21 response related, where there are a lot of other folks
22 that get involved other than just in the regulatory

1 process of things. And I think those are very
2 important. So I think this is a very right-on
3 discussion and I know there are a lot of communication
4 issues you'll never solve because they're just
5 differences in culture, but this is particularly a
6 pertinent one, I think.

7 MR. BROCKMAN: I think it's a good thing for
8 us to look at. I believe the agency and their program
9 has, without a doubt, tried to establish a --bungee
10 board by which they would make a decision to respond to
11 an event. And that's different than the final
12 assessment you may come up with on the significance of
13 the event. We will get engaged very early, and then go
14 into our --. We may launch an inspection and come back
15 and say, when it was all over and done with, that it
16 wasn't a significant event. It was a green event. And
17 I think that's proper to keep that level of
18 communications. But for us to have a feeling is that
19 right? Is that threshold -- is there something in
20 place that establishes the right type of
21 differentiation of a type of an area we may have not
22 looked at yet in our parking lot somewhere. You know,

1 we've been focusing on the inspection and everything
2 else. It may be response ought to be another area and
3 how that relates to the current --event that we should
4 just quickly say, yeah, they're on the right path and
5 the right type of processes.

6 MR. FLOYD: As Ken pointed out earlier, we
7 tend to be problem solvers and all we are identifying
8 so far are all the things that aren't working quite
9 right with the new oversight process. Region IV was
10 the only region so far that's done this, although I
11 think Region I is planning on doing it to is trying to
12 capture what are some of the things that are working
13 right.

14 MR. PLISCO: Yeah, my input I've prepared,
15 I've tried to capture at least the things that I've
16 heard in our public workshops.

17 MR. FLOYD: Yeah, I think it would be easy
18 just to focus on all the negatives, and then the
19 conclusion of this evaluation we've got all these
20 negatives and say, "Oh, gee, the process is no good.
21 Look at all the problems." So I don't know how we do
22 that, but at some point along the line we've got to

1 balance the other side of the equation and say, "Okay.
2 We've got problems, but on balance, is this thing
3 working or acceptable."

4 MR. PLISCO: Yeah, but try to do that in the
5 group of skeptical inspectors.

6 MR. BLOUGH: We've just had our inspector
7 seminar and the inspectors are dramatically more
8 positive on the program overall than they were a year
9 ago, say. There were still attacking issues, you know,
10 in trying to get at things where it need to be
11 improved, but it's almost ironic because the inspectors
12 at the seminar were saying things like, "Well, it's
13 working well. We've been able to develop the issues at
14 plants such as IP2, Fitzpatrick, and Millstone Two. So
15 the inspectors are feeling it's working in those cases
16 which, you know, it's ironic because it underscores
17 what you say about being able to communicate and get
18 across why it came out the way it did and if we think
19 it's objective, you know, why we think -- why it's
20 objective.

21 MR. GARCHOW: Look at the difference in
22 communication. Three years ago, you'd have to go drive

1 by some plant to a public document room, leaf through
2 huge --self-reports, and enforcement reports, and spend
3 a day or two at the library to try to present some sort
4 of independent view of what was happening with this
5 plant. Today, you can log on your computer from
6 anywhere in the world and at least see some objective
7 evidence, read the last inspection reports, see these
8 green and white findings. And, I mean, in a matter of
9 ten minutes, someone like Raymond can get a picture of
10 the entire nuclear industry in the United States that
11 has some criteria. We can debate the fine points of
12 the criteria, but at least it's done in some consistent
13 manner. And three years ago, you didn't have a chance
14 to do that. So we focus on the problems, but from the
15 balance of where we were compared to where we are now
16 and being -- everybody being able to get a snapshot and
17 burrow into whatever detail you want relatively
18 efficiently, it's night and day.

19 MR. SHADIS: Oh, if it were only that easy.

20 MR. GARCHOW: Compared to that, I don't know
21 what you did three years ago, but you'd spend a lot of
22 time at the library.

1 MR. SHADIS: We did; local public document
2 room. And the days when there was paper coming in, the
3 it was a matter of going down periodically and leafing
4 through it. There is no mechanism for leafing through
5 the Adams document system. There's no way you can
6 casually peruse what's in there and see what's
7 happening with issues. And, you know, there are plenty
8 of examples. At Main Yankee, in the six months the
9 time that plant went on-line, NRC had identified cable
10 separation issues and electrical separation issues, and
11 they resurfaced periodically over time until '92, '93.
12 And the company had proposed solutions. There were
13 requests for information. The solutions were
14 unsatisfactory. The work was never done. And in '96
15 that was one of the issues that broke the camel's back
16 and the plant went down. Not long after making 3,800
17 new labels for trays and cable bundles, whatever,
18 because nobody had any idea. And I -- but the thing
19 that was easy for us under that system was to track
20 that. You know, we had documents referencing
21 documents. We were able to leaf back through it even
22 through the fiche system. And today, we're trying to

1 track a simple decommissioning operation and which is
2 nothing compared to an operating plant; shouldn't be.
3 And it's almost impossible using the current electronic
4 system. I hope it will get to be as good as you say.
5 And I will acknowledge, though, that for a -- as you
6 say, yes, you can get the LER instantly or, you know,
7 whatever it may be. But I -- I took your time to tell
8 you that because I'm hoping that's one of the things
9 that's addressed. I know that's one of the things NRC
10 was very proud of was that you could put up a chart and
11 say this plant performance and, you know, have your
12 color indicators. You could see it in a minute. And
13 I'm hoping that it will be developed and be something
14 more than that.

15 MR. FLOYD: Main Yankee is not under this
16 system, so they're not on the color charts that Dave
17 referred to. I mean for the issues that you're talking
18 about. You wouldn't find decommissioning issues.

19 MR. SHADIS: No, no, no. We are on a
20 disconnect because I was taking historical examples of
21 Main Yankee when it was an operating plant and the way
22 we were able then to track issues and satisfy ourselves

1 as to whether or not they were being addressed, not
2 being addressed, you know, what the essential status
3 was. And I'm hoping that as this information is
4 presented to the public that it will grow in terms of
5 the real information that is conveyed.

6 MR. PLISCO: Is this a good time for a 15
7 minute break? Off the record.

8 (Off the record at 10:14 a.m., and reconvened at 10:42
9 a.m., this date.)

10 MR. CAMERON: -- under these panel flags
11 beside the one, but the whole perspective on --a powers
12 is that how do we evaluate what is working well. With
13 this working well, what are the attributes of working
14 well. Can we learn anything from the working well that
15 might -- although we might not be recommending
16 solutions, do any of the working well attributes,
17 whatever, tell us anything about what might not be
18 working well. And Mary and a few others of you have
19 raised this, so I've put that up there as a second
20 issue. That's all I wanted to say.

21 MR. PLISCO: Thank you. The last workshop
22 we're going to talk about is Region II. I'll go ahead

1 and start off with that discussion. We issued our
2 meeting summary Friday. I have you an excerpt of the
3 issues. You should have that on your desk. The one
4 that starts with "the summary of meeting e-vac issues."
5 And I'll just walk through some of these. Performance
6 indicators -- that was kind of a mixed response in
7 discussions about the frequency of changes to the PI.
8 Some thought it was too frequent and it would create a
9 burden on the -- and this was mostly from the utility
10 perspective -- burden on the utility staff in keeping
11 up with the changes. But other people said when they
12 had a question, they wanted an answer yesterday. I
13 don't think there was a consensus. Steve was there. I
14 don't think we reached a consensus on what was the way
15 to go. There was some concerns about the changes in
16 the process. Discussion of the frequently asked
17 questions, mainly had to do with unavailability and
18 some of the issues involved with that set of
19 performance indicators. There was a discussion on
20 trying to make the frequently asked questions, the
21 responses more generic because it is kind of a misnomer
22 to call it frequently asked questions. They're really

1 not frequently asked questions. They're very specific,
2 site specific, case by case issues. And there was
3 quite a bit of discussion on the potential misuse for
4 those where a plant may see an answer, and take it out
5 of context, use part of an answer when the full
6 situation didn't apply to them and those kinds of
7 situations. We talked about that. Apparently there
8 was some kind of effort. Steve talked about to look at
9 maybe providing more generic answers and responses, and
10 general issues that are raised to try to help in that
11 area. There was discussion of trying to get the
12 definitions of performance indicator similar to the
13 other activities that go on to collect performance
14 indicator data. And I know that's an ongoing effort
15 with the internal clean up to help the utilities on a
16 report; information and use the same set of
17 definitions. Early in the -- process, there was a
18 question regarding enforcement of PI errors. We had a
19 good bit of discussion on that. I would say the
20 general consensus is the current policy that's in place
21 is reasonable and I think -- I don't think there's real
22 disagreement with that. I know there were early

1 concerns of what would happen if --barriers were found
2 and how they would be handled. We can always re-
3 emphasize that the importance of that data being
4 correct and accurate.

5 MR. FLOYD: I think as the feedback we were
6 hearing, while there was a lot of early concern on that
7 with the temporary instruction which told the
8 inspectors to focus on verifying the varsity of the
9 PIs, early on in the program, I think a lot of
10 licensees feel much more comfortable now that they've
11 identified where most of the issues and disconnects
12 were so they feel less vulnerable to get the --point
13 nine issues.

14 MR. BORCHARDT: There haven't been many
15 issues.

16 MR. FLOYD: No, there haven't been any,
17 right. I think that's why the comfort level is pretty
18 good, yeah.

19 MR. PLISCO: There was a discussion of
20 surveillance periods and impact, the fault exposure
21 time, and the T over 2 issue. I've heard that at a
22 number of workshops and what the impact of that is.

1 And, again, that gets back to the issue of having to do
2 with unavailability indicator.

3 MR. GARCHOW: So -- this struck me as
4 unusual maybe because I hadn't thought about ever
5 thinking of doing that. But I mean, so the issue is
6 that maybe this is how I understand, maybe -- well,
7 kind of saying if somebody has a white or red and you'd
8 say okay, I had six surveillance tests in 92 days, but
9 if I do it every 45 days and it fails, and I do my
10 fault exposure time through the process, it's not
11 enough to color it white and is that --

12 MR. PLISCO: Right. And this -- and I think
13 this is a natural rub right now, where the agency's
14 regulations aren't risk informed and the process is,
15 now. You know, there may be some technical
16 specifications that time is not risking for and the
17 surveillance frequency isn't. And I think it's raising
18 some of these questions on this frequency and some of
19 the surveillance tests.

20 MR. KRICH: It's the issue when if you have
21 an 18 month surveillance, you only do it on 18 months,
22 and it fails, you're definitely in white and

1 potentially in yellow. You're not -- you can't get --
2 you have no choice.

3 MR. GARCHOW: And some of the surveillance,
4 you know, the tech specs say during review. They don't
5 say 18 months, so you absolutely can't do them any
6 other period but during refueling.

7 MR. HILL: I think that's compounded, too, by
8 you can have that fail, the operator could still take
9 reasonable action, but you can't count it for
10 unavailability hours. You've still got to consider
11 that as unavailable.

12 MR. PLISCO: Right. And that's another
13 discussion related to that performance indicator
14 program. Right now it doesn't give credit for operator
15 action that there is operator action that can take
16 place to restore the equipment in a reasonable amount
17 of time. Right now, they cannot --. My question was,
18 whether it should or not. -- they don't talk about the
19 ones that generated it. Most of the discussion --

20 In the inspection area, there was a lot of
21 discussion about non-colored issues. I think there was
22 someone that asked whether it's a new enforcement

1 category or a new -- essentially a new color, if I call
2 it a non-color. A lot of discussion of how those --
3 now and how there's none. How issues are generated.

4 MR. GARCHOW: You know, on that, that's
5 probably a good one for communication. I mean for
6 Raymond's point, it's hard to stand up in public and
7 have an intellectual discussion about a non-color or
8 color.

9 MR. PLISCO: Yes.

10 MR. CAMERON: You can't get those.

11 MR. FLOYD: That's what he's saying to me.

12 MR. GARCHOW: There's at least one since now
13 on the web site where a bunch of no color findings have
14 been categorized now and rolled up into a --green top
15 code. You've seen the first example of a multiple
16 number of non-colored findings having color.

17 MR. GARCHOW: So on the web page there must
18 be an invisible box. I have allowed --

19 MR. PLISCO: And you're right. I think it is
20 a communication issue. We went -- about how you can
21 get them, and I think once you look at the NRC process
22 if you can understand how you felt some of those will

1 fall out and it is a relatively new and low number, but
2 there are some issues that fall out that's a non-color.
3 There are some communication problems with that.

4 There was a discussion about what was termed in
5 here and terms at the workshop as "cherry-picking," and
6 this is an inspector rating of the licensees current
7 action program to find issues to put in an inspection
8 report. Some of these may have already been identified
9 as maybe low safety significance, but it's still
10 documented as an issue in the report, and what the
11 policies and --correction report for that. And there
12 were concerns about that.

13 And there was a discussion -- a philosophical
14 discussion of whether -- it really doesn't apply just
15 to ROP, I think applied to the old program as well, is
16 would the NRC's actions -- taking issues that were
17 already identified by the utility and putting in a
18 report, and making an issue out of it, determining
19 self-identification issues. I think the point was
20 made, --it would. And I don't think that's a question
21 that really just applies of the new inspection program.
22 I think it's a question of the old inspection program

1 as well.

2 MR. BROCKMAN: Except that point that we
3 identified in argued. If you've already got a white on
4 the books, it certainly sets up an interesting dilemma
5 for timing as to how quick you're going to do your
6 self-assessment.

7 MR. PLISCO: We already heard someone comment
8 about resources. We heard the same comment in our
9 workshop. Specific utilities that said that they're --
10 they saw higher charges than what they'd like to for
11 the NRC inspection for the year.

12 There was a concern about the length of time the
13 processes use. This overlaps a little bit in the STP
14 process as far as identification in what we call
15 unresolved items in an inspection. We may need some
16 external assistance or assistance from headquarters how
17 long that takes, and whether that's timely or not.

18 And some issues about utility involvement in the
19 process. When is there a point they get involved
20 before the issue is resolved or decided. For example,
21 in TIA or a -- what we call a task interface agreement
22 with the headquarters office in a specific subject

1 area. When is the proper time for the utility to get
2 involved before the final decision is made in a public
3 way.

4 MR. GARCHOW: That issue comes up
5 occasionally, too, because -- and I think that's a real
6 issue that when you include NRRs you get that
7 perspective. Then the question if you have more
8 information or where it's heading while you're in that
9 interface is completely done, you know, so it's not
10 seen by the licensing.

11 MR. PLISCO: There were some licensee
12 representatives that were concerned about whether the
13 new inspection report format provided enough
14 information for the public perspective. Because the
15 reports are slimmer now. They're really only focused
16 on the more significant issues. There's not a long
17 discussion of low level issues like we used to have,
18 and reports, and whether that would be perceived as
19 less information from a public perspective. I know in
20 our region we haven't gotten a lot of feedback on that
21 yet, but that's one of the areas we're looking at.

22 STP process, again we had issues with the Phase II

1 work sheets. Until those final work sheets get out,
2 there's a lot of issues. You know, a lot of the
3 utilities, and I know in Region II, when issues come
4 up, they like to work through it themselves to see what
5 they get for an answer -- color -- as we're working in
6 parallel. And actually we found there were a couple of
7 utilities that didn't realize they couldn't use the
8 current Phase II work sheets. They've been working
9 through and, in fact, got different answers. So right
10 now, the sheets really aren't -- haven't been valid.
11 The new sheets aren't out yet, so the current sheets
12 aren't valid to use. It's caused some communication
13 problems.

14 Again, physical protection STP was an issue.
15 That's been, I think, in all the workshops.

16 The question about using frequently asked
17 questions for STPs also came up in our workshop.

18 Again, the difference between allowing operator
19 credit in the STP and the -- the performance
20 indicators. This raises an issue. Not only as a
21 practical issue, but as a communication issue in
22 dealing with the public and how those issues are

1 handled differently.

2 There was some discussion, too, on the process the
3 inspectors use to determine whether something is of
4 significance enough to put it in the inspection report.
5 We call those the Group One, Group Two, and Group Three
6 questions. Some of them are subjective and discussion
7 about the potential for inconsistency on how issues are
8 handled within a region or between the regions because
9 of those subjective questions.

10 MR. BLOUGH: We've got the same from ours at
11 the inspectors seminar meeting. We got several
12 branches and the branches kind of look at those group
13 point questions and read them even a little
14 differently. So, we have inspectors standing up saying
15 -- presenting a finding to the group, you know, another
16 inspector sitting there saying, "I've had essentially
17 the same thing and it was minor instead of green, so."

18 MR. PLISCO: Assessment enforcement area,
19 there was a question raised about -- this was an
20 interesting question, if a licensee ended up crossing a
21 PI threshold because of a willful violation of one of
22 their staff members, how would we handle that. It is a

1 good question. No one had an answer. It's a workshop.
2 But within the process --

3 MR. GARCHOW: So like someone signing off a
4 surveillance test that failed and -- and when you go
5 back and look at it, and --I'm appalled at the exposure
6 plan?

7 MR. PLISCO: Yeah, I don't think anyone gave
8 a specific --

9 MR. FLOYD: Well, there is a real example.

10 MR. PLISCO: Oh, is there one? Oh, I didn't
11 know this.

12 MR. FLOYD: I believe it's at Peach Bottom.
13 They had a siren test which was contracted out to a
14 contractor and they found through their own internal
15 investigation that the contractor was putting a jump --
16 a jumper so that it always looked like a siren was on,
17 but of course you didn't know that the siren was on.

18 MR. KRICH: Plus they weren't doing the test.
19 They were signing off for it. So they were cross- the
20 records as well. It was just that they hadn't measured
21 it. And then that caused them to go to white for
22 repeat.

1 MR. PLISCO: So I guess Randy's got the
2 answer to that question, then.

3 MR. BLOUGH: Yeah, the way we approached it,
4 is it's a white PI. We're expecting to hear the
5 corrective action and then we're expected to do the
6 supplemental inspection and then, you know, if there's
7 other things that come out of the investigation, now,
8 we'll handle in due course. But, I mean, we haven't --
9 we're handling it as a white PI in doing this. We're
10 doing the same thing.

11 MR. KRICH: In fact, as the --cycle
12 assessment approaches, came out and was identified that
13 there will be a supplemental inspection in the EP area
14 because of this.

15 MR. BORCHARDT: I mean, let's try for the PIs
16 is that they are, in fact, independent of the
17 inspection program. I mean, I'm not really sure why
18 there's a lot of confusion on this. The issue of the
19 PI's got to stand on its own.

20 MR. PLISCO: But I think this gets back to
21 the original issue we put on the board is, there is a
22 philosophical difference, I think, and I've seen it in

1 all the workshops between the way a lot of utilities
2 perceive white issues, and the way the NRC perceives
3 white issues, and maybe the way the public perceives
4 the white issues; how important they are and what they
5 mean. And I think that's where a lot of this rub comes
6 from.

7 MR. FLOYD: I think another element of
8 confusion in this was the program has been couched as a
9 way of assessing the licensees performance, and here
10 was an individual performance, not a licensee's
11 performance. So, do you have a licensee's performance
12 issue or do you have an individual performance issue?
13 And there's uncertainty as to whether the performance
14 indicator should capture both.

15 MR. FLOYD: That is a question.

16 MR. REYNOLDS: A bunch of individuals make up
17 a licensee --

18 MR. GARCHOW: You know, you always write your
19 mail to me, so I don't know if that's true or not.

20 MR. FLOYD: I don't think there's a big
21 issue. I think there's a question more than anything.

22 MR. PLISCO: Really the last thing in this

1 area was the timeliness of how we handle greater than
2 green issues and how important it is to get those
3 issues through the process and disposition our -- I
4 know our track record has not been good, at least in
5 the beginning of the program, but I mean, obviously,
6 those are the more complicated issues, and it takes a
7 while to work our way through them. But our track
8 record hasn't been good yet in that area of getting
9 those out and handling them in a timely manner. I'm
10 not sure -- I can't speak for the other regions --
11 well, actually Bill could probably help us out. As an
12 agency, we're doing it, but it hasn't been good.

13 MR. BORCHARDT: Yeah, I know. It's taking
14 longer. Right now that's one of the concerns, I think,
15 the process needs to look at. Because ultimately, at
16 least in my view, that the real objective is to get the
17 problems fixed. I mean there's an awful lot of time on
18 the front end trying to define the significance of the
19 problem, and if that ever interferes with correcting
20 the problem, then we really have a problem. I mean, we
21 can debate endlessly if we want to about the
22 significance, as long as the issue gets fixed. And

1 that's what we're trying to take a look at is that
2 interval between issue identification and when it
3 actually gets fixed in the plant or, you know, whatever
4 the corrective action is. We need to make sure that
5 that period does not expand.

6 MR. FLOYD: Is anybody aware of any
7 unintended impact on actually fixing the issue that the
8 arguing over significance has had? I'm not aware of
9 one.

10 MR. PLISCO: I think it's more of a public
11 confidence issue, mostly, and making sure once we
12 decide what's going to take our action and make sure
13 that's out, you know, that's well communicated in what
14 the significance is, and what the NRC is doing.

15 MR. GARCHOW: You don't contest the non-
16 compliant. I mean, by definition, the licensee has to
17 fix it. So then all your debating is --when. Because
18 if it's a non-compliance, it's a non-compliance.

19 MR. PLISCO: I know we haven't had any issue
20 with the problem itself didn't get fixed promptly.
21 It's really the deciding what it was that took a long
22 time.

1 MR. SCHERER: Is there any example of a
2 licensee that it came through as an issue once it was
3 identified, arguing the significance? I'm curious.

4 MR. PLISCO: We haven't had it.

5 MR. BLOUGH: We haven't had any of those. We
6 had one case where there was a white PI at --Calver
7 Close and we did the supplemental inspection and it
8 showed that the corrective actions weren't adequate.
9 And then that puts the NRC -- the inspector feels in a
10 bit of a quandary about what weight the inspection
11 report carries in that case. But once we did the
12 inspection, the licensee, you know, agreed what the
13 areas they had not really looked at, and they really
14 went after it very aggressively. So that was our
15 success.

16 MR. PLISCO: And we had one issue going to
17 pilot where the utility vehemently disagreed with our
18 position that it was an issue. They fixed it anyway.
19 And I think to this day, they still don't agree with
20 the issue that was raised, but they did correct it.

21 MR. SCHERER: I'm just trying to determine
22 whether the reality fix is --, you know, say to fix the

1 underlying issue and you can debate whether it was
2 white, or yellow, or green. But go fix the issue and
3 I'm trying to understand whether the real issues or all
4 of that is --

5 MR. BORCHARDT: To my knowledge there aren't
6 any that corrective action has not been taken. I think
7 there's a second half to the issue, though. It gets
8 into resource utilization and efficiency. It takes
9 effort to resolve whether or not what the safety
10 significance of the issue was. And at some point, the
11 fact that it's fixed, makes the argument meaningless.
12 I mean, it's not meaningless because there's a lot of
13 interest on stakeholders perspectives of whether the
14 issue's green, or white. But we're spending an awful
15 lot of effort trying to agree to that. And is it worth
16 it?

17 MR. PLISCO: And you'll see that issue
18 specifically spelled out in my write-up on what some of
19 the issues are as to the resource expenditure on some
20 of these. And trying to characterize it long after
21 it's been fixed; whether it's diminishing resources.

22 MR. BROCKMAN: This is not new.

1 MR. PLISCO: Yes. Yeah, this existed in the
2 old program.

3 MR. BROCKMAN: The old program, where did we
4 spend all of our time in endless debate as to whether
5 you were a soft one or a two. Not whether you were a
6 two or a three. That's where all the debate went. We
7 spent a lot of time on it with the stakeholders and the
8 uses of their meaning of this determination.

9 MR. PLISCO: And there's some practical,
10 internal issues within the NRC as far as --. You know,
11 the Jim Trapp's of the world. We only have two of
12 those in every region. And it was a multitude of
13 issues that are being, what I call, tested and what the
14 significance of it is. And there's a lot of work and
15 re-work done. Their resources get tied up completely
16 on those issues. And there's other things we have a
17 risk analyst do is like looking ahead in what we're
18 going to -- inspection planning and other things we're
19 going to do; more proactive type activities. But that
20 can get all our time tied up in these, what I call,
21 pencil sharpening exercises. They go back and forth.

22 MR. GARCHOW: It's interesting that this

1 issue just spins us right back to that.

2 MR. PLISCO: Oh, yeah, it does.

3 MR. GARCHOW: Because on several of these
4 things that we're talking about spin us right back
5 here.

6 MR. CAMERON: He needs a repeat of that
7 parking lot --

8 MR. GARCHOW: In the end of GM spends, you
9 know, 40 inspector person hours debating whether it's
10 green or white, and all that you would do if it really
11 was white is send an inspector in for 32 hours to
12 validate the corrective actions that are ongoing or
13 sound anyway. I mean --

14 MR. TRAPP: Well, a prime example is any
15 point two steam generator red, yellow transition. It
16 didn't make any difference with the action matrix
17 whether it was red or yellow. You know, we would have
18 taken the same actions regardless, yet we spent lots of
19 effort in trying to determine red or yellow.

20 MR. BORCHARDT: And we're seeing indications
21 that it's not a white, yellow, red threshold. There's
22 licensees challenging green issues. Right? I mean

1 there is no threshold.

2 MR. GARCHOW: But the process has to allow --
3 I mean the old process, it was violations. I mean, you
4 know, the process allows for disagreement. And then
5 that's a healthy regulatory process, so there has to be
6 something in the process that allows for disagreement.
7 Now in the end, since this is all you're trying to
8 decide is the level of oversight and it's an internal
9 NRC process, I mean, in the end some of the NRC's are
10 kind of saying this is what it is, and this is what
11 we're going to do. Because it is your internal process
12 for allocating inspector resources towards those plants
13 that are maybe drifting a little away and have issues.
14 It's not the industry's program.

15 MR. PLISCO: Is there anything else? Any
16 other issues?

17 MR. HILL: You covered most of it. I mean a
18 lot of it was very similar to what we've heard from the
19 other agencies. I can't give you anything you haven't
20 covered. Were there ?

21 MR. PLISCO: Yeah, there were a lot. Again,
22 I didn't mention them in here. I tried to include some

1 of them in that write-up that I provided. We'll go
2 over it in the next session. But there were a number
3 of --. But we had the same discussion of that. The
4 same discussion I had with the inspectors at Region II
5 was we started talking about the process and the
6 problems in the process. You know, we were usually
7 comparing the current process to perfection rather than
8 comparing the current process to what the old process
9 was. Sometimes you fall into that trap. Once you
10 start asking, then I want to start asking the
11 inspectors about, okay, now compare it to what we were
12 doing two years ago and five years ago. They all
13 agreed it's a significant improvement; much better.
14 But once you start generating trying to get the issues
15 and problems at hand, you get caught up in that
16 sometimes.

17 MR. GARCHOW: Was that the same kind you saw
18 in yours, Steve, in yours where there are talks about
19 the positive aspects of it? Or did they immediately
20 just get into let's generate the list of all the issues
21 --

22 MR. REYNOLDS: In fact, once we started out

1 with every session listing the positives, and then
2 areas for improvement. Rod and I just focused on the
3 things needing to be improved upon. There were -- I
4 think there were more positives. The bigger picture
5 positive is in the more detailed or more focused areas
6 to work on.

7 MR. BROCKMAN: The more they're learning the
8 program, and what we'll allow them to do and how it
9 will allow them to focus, the greater the positive
10 feedback that I'm getting from the resident staff.
11 They -- I think they end at region bay staff also. I
12 think they all see it as a great value added. But why
13 don't we go to the voice of the inspection staff? Jim,
14 we'll put you on the spot.

15 MR. MOORMAN: We are trying to focus more in
16 what we're doing. The program seems to work. We are
17 focused and find a way to stay within the procedures;
18 do what we're told.

19 MR. BROCKMAN: That's probably the biggest
20 concern, you know, that I've seen coming up once again
21 is understanding the flexibilities that the program
22 allows you and the more you learn the program, the more

1 you find it does give you a lot of flexibility to look
2 at a lot of things, whereas the first read, you could
3 look at it as being very narrow and constricting. Once
4 you start understanding the program, there's a lot of
5 different ways to look at about any concern that you've
6 got at the plant.

7 MR. MOORMAN: Yeah, that's -- that does allow
8 us to do that, but we're spending a lot of time trying
9 to figure out where to focus, you know, looking for
10 those problems. And the inspectors have expressed to
11 me that we're spending maybe an inordinate amount of
12 time trying to define those areas. But we do have the
13 latitude to do that.

14 MR. REYNOLDS: The new inspector program has
15 really helped us at one of our sites is we recently
16 thought we -- we had concerns about -- and new
17 inspection program will let us focus in on those
18 problems and through the PIs -- -- substantial
19 corrective action. And the residents and our region
20 base inspectors saw that they were able to deal with
21 the issue of -- inspection program. We don't think we
22 were able to do it, at least as quickly, through the

1 old program. That's in a place where it has worked; to
2 be able to identify and focus our attention.

3 MR. GARCHOW: Does the NRC have a process to
4 feed those kind of lessons learned back into the
5 inspector training program?

6 MR. MOORMAN: No.

7 MR. GARCHOW: So that kind of good story and
8 how it worked for you would work?

9 MR. REYNOLDS: You'd be amazed at how --
10 well, you should be amazed, but the residents talk
11 quite a lot amongst themselves and share their stories
12 well before we even get to our bi-annual resident
13 seminars. But even at the resident seminars, that
14 information gets shared.

15 ? : Then it's good.

16 MR. TRAPP: -- of the walls are pretty high,
17 I think. I mean I get some because I deal with the
18 SRAs in other regions, but I don't think the inspectors
19 have a good understanding nationwide, or as good as
20 understanding as they could.

21 MR. BROCKMAN: I would dare to say that my
22 inspectors are not going to have nearly the degree of

1 understanding and satisfaction on the Kiwana issue or,
2 Loren, you've probably seen the same of your
3 inspectors. Your inspectors won't have nearly the
4 appreciation for the inspection efforts that's been
5 going on in Cooperville as my inspectors would.
6 Loren's probably got the same thing at --Summer and
7 Sequoia.

8 MR. REYNOLDS: But we have other licensees
9 that we haven't been able to focus the new inspection
10 program with the areas we think we need to. --Kiwana
11 is just a success story as far as being able to
12 identify a problem and have a licensee also recognize
13 to take action to go fix it.

14 MR. BROCKMAN: I was focusing on getting the
15 feedback back into the overall -- that's one of the
16 things we're looking at. There was a task force that's
17 on right now to re-look at the entire agency's training
18 and re-qualification program for its inspectors in
19 light of the changes that are going on right now. I
20 think lessons learned intra-region, there's a very good
21 communications of intra-regional lessons learned.
22 Inter-regional, the highlights get passed on, but the

1 real understanding and in depth appreciation, it's not
2 there yet.

3 MR. MOORMAN: For a lot of the implementation
4 issues, the residents are still struggling with how,
5 exactly, to do this program. And we don't, I feel,
6 have an effective way of getting information on
7 implementation issues out nationwide to inspectors.
8 And that's one of the things we talked about at our
9 counterpart meeting.

10 MR. SETSER: In other --training projects
11 similar to this that some of the other federal agencies
12 say they do were conducted, they found out at the --
13 field line you're looking at a three year curve before
14 the inspectors started to feel comfortable because it
15 takes that long just to get the knowledge and get
16 familiar with where you are. So you shouldn't expect
17 it right up front. This is normal and also you should
18 expect your cost to go up because they do --. It's not
19 a real negative. This is just a cultural pattern.

20 MR. BLOUGH: Loren, we haven't had our
21 meeting yet, but could you indulge me and give me five
22 minutes to just talk about the types of feedback we've

1 been getting? Even though we haven't had our meeting
2 yet, we are expecting several states to participate, by
3 the way, in our meeting and we're getting at least a
4 few members of the public at our meeting Wednesday. So
5 we should get a lot of good input there. But I
6 mentioned a few things that the inspectors have
7 provided feedback on. Generally, you know, they think
8 they're really involved with the new program and their
9 on-learning curve and progressing -- happy that the
10 program seems to focus them better on what's risk
11 important. And, again, they think it's -- there have
12 been a number of successes with the developing non-
13 green issues and cross-cutting issues. And I mentioned
14 that, you know, at specific sites.

15 In Region I, there's the inspectors and their
16 managers are worried about getting it all done during
17 this first year because it is -- there are a lot of
18 start-up costs and learning curve associated with the
19 first time through on these things. And in Region I
20 anyhow, we've got a lot of other demands including a
21 heavy training load this year and a lot of involvement
22 of everyone in the feedback and program evaluation

1 phase. And we've designated procedure sponsors; our
2 subject matter experts, you know, to help with the
3 evaluation evaluating right down to the individual
4 procedure. And then also Indian Point Two is a big
5 work load of Region I. So there is a concern about,
6 you know, getting it all done this first year. Along
7 with that, when you look at the procedure level, the
8 inspectors are seeing -- were seeing a variability in
9 the resource demands. The same procedure will take
10 vastly different amounts of time at different sites or
11 even, you know, successive times at the same site
12 depending on what's found, what samples are chosen, you
13 know, how easy that site is to inspect. And there is a
14 worry, particularly at the inspector level, that those
15 -- rather than seeking to understand which of those
16 variations are valid and which are, you know, which are
17 due to inconsistent and which are valid variability
18 that over time, those variations variability may get
19 ironed flat instead of, you know, getting understood
20 and endorsed where it's valid.

21 MR. GARCHOW: Randy, one issue that we came
22 up with that was sort of unknown that we were going to

1 run into this. Some plants have easily retrievable
2 design basis information. And other plants don't. And
3 one of the inspections you did at Salem when you were
4 digging in a design review, we end up trying to find a
5 calculation that's in a salt mine in Pittsburgh and,
6 you know, the inspector's there three days. He'd love
7 to get all his information and get done to get back to
8 the region, and we're out there trying to convince
9 Westinghouse to, you know, open up the salt mine and it
10 caused some frustration on both sides. We couldn't
11 whistle this document up in a heartbeat. And I think
12 there's going to be more cases like that when you guys
13 are on a tight time frame. If you pull a string that
14 gets into an area that might not have been, you know,
15 happened to have been looked at in 20 years, it's not
16 easy at times to find some of the source documents. We
17 know where they are, but to get your hand on it, isn't
18 quick.

19 MR. BLOUGH: That's an issue. Some of it
20 will be alleviated with a learning curve, but a lot of
21 it won't. On thresholds of documentation, there's been
22 a lot of talk about that. But there are several ways

1 of reading those questions on, you know, what gets
2 documented and what doesn't. Along with that, the
3 inspectors -- their verbal communications with the
4 licensees is an issue as well. Just from the
5 standpoint of during the inspection, the inspector
6 particularly the residents -- well, all of the
7 inspectors are going to see a lot of things and ask a
8 lot of questions and find problems that may, in the
9 end, turn out to be so minor that they don't get
10 documented. And the licensee generally wants a roll-up
11 at the end of the inspection of everything the
12 inspector saw. So the inspectors kind of have a
13 question in their own minds about where that leaves
14 them when they've seen and talked about a lot of stuff
15 that eventually falls below the threshold
16 documentation. Cross-cutting issues, I mentioned we
17 have some success stories there, but there are also,
18 you know, inspectors who are concerned kind of in a
19 philosophic point now, you know, about how they would
20 identify and document an adverse trend in a cross-
21 cutting issue. And then once they're able to do that,
22 what weight that would carry. Like I said, though, the

1 ones where we thought it was important to get to, we've
2 been able to get to those. Likewise, in the PI in our
3 area, you know, there's a lot of discussion about the
4 right way to inspect that and the interface between
5 what's done in every inspection and the periodic
6 inspection, and are we getting a good look at PI&R.
7 And the corollary to that is if there's a licensee that
8 doesn't take adequate corrective action, what weight
9 does our inspection find and carry and how we handle
10 it. Although, like I said, in the cases we've had, you
11 know, they're all on a success path now. I think the
12 specific cases are on a success path.

13 We get a lot external stakeholder feedback in
14 Region I, too. And we'll get more within the next few
15 days. But some of the things the external stakeholders
16 are saying at the meetings, you know, like Ray said a
17 lot of people are appreciative of the web site and they
18 can get some information fairly easily. We get a lot
19 of antidotal feedback from stakeholders; a lot of
20 questions about events, and what we're doing about
21 events, and what we make of events. We get some
22 external stakeholder outraged. For example, at --East

1 Creek, they had an event where they were inspecting new
2 fuel and two of the bundles fell over when they were
3 trying to inspect them. And that came out green or,
4 you know, in our inspection, and yet there was a
5 certain amount of outrage from the stakeholders about
6 that. And so we answer that now as it comes.
7 Actually, sometimes the states get asked the same
8 question we get asked, and they've been helpful in
9 answering that mail.

10 The other point of external stakeholder is that we
11 get a lot of feedback about enforcement; that there's a
12 discomfort with the relative lack of simple penalties
13 and fines as we made these changes. So that's kind of
14 the feedback we're getting without having had the
15 meeting. And I didn't go through -- we told them we'd
16 meet back because we have what you told us here.

17 MR. KRICH: Could you explain a little bit
18 more, Randy, about the one issue about the adverse
19 trend in the cross-cutting areas? What's the concern
20 there?

21 MR. BLOUGH: The inspectors are worried kind
22 of at a conceptual level that -- with the levels of

1 threshold for documentation and the way the program's
2 set up. Will they be able to detect early and identify
3 an adverse trend of cross-cutting issues because, you
4 know, every licensee has issues in the cross-cutting
5 areas. Every single plant will have issues at some
6 level. And so there was a certain amount of concern
7 about, you know, most of that falls into the minor
8 category so it never gets written. And when it starts
9 to fall into a picture and amount to a trend, will you
10 identify it and document it, and characterize it? But
11 again, yeah, that's just kind of a valid concern the
12 inspectors have.

13 MR. GARCHOW: Talking to our senior resident
14 who just recently got reassigned to Washington, his
15 concern here is very articulate and I sort of agree.
16 The process doesn't, you know -- the best plants in the
17 country are always working on human performance. I
18 mean you ask the best plant what their biggest problem
19 is, they'll tell you human performance. Because when
20 you fix everything else, that's all you're left with.
21 You've got 18, 19 hundred people around the plant.
22 That's what you're left with. So he was concerned that

1 as there's human performance issues that are popping up
2 in non-safety related areas, you know, that would
3 probably have some of the same pre-cursors -- those
4 human performance issues. I mean, they're the same
5 people, so you wouldn't think that there would be a
6 difference. He was just a little bit concerned that
7 through the inspection process the inspectors don't get
8 involved in those to maybe see some of the things
9 occurring that may have that, you know, popping out
10 later, I would say in one of the PIs or one of the
11 inspectible areas.

12 MR. MOORMAN: I think that carries over even
13 into safety related issues where you can see several
14 minor issues come up, but yet it does make a trend.
15 There are some seniors that I've talked to that have
16 seen several human performance errors, several
17 procedural errors, but yet they don't pass the Stage
18 One questions. So, they're minor and don't get
19 documented, but yet there is a trend there and it's
20 being set up. This PIR inspection may be a good one to
21 look at for some out of the box solutions.

22 MR. BLOUGH: It's a tough issue because, you

1 know, there's a licensee response bin and are these all
2 right at the level that they should be just left as
3 licensee response issues or when is the right time that
4 the NRC should start to trumpet the case, I guess.

5 MR. PLISCO: Is there anything you wanted to
6 add?

7 MR. FLOYD: Well, thank you for indulging --.
8 I've just commented there is a cross-cutting issue is
9 working group that I guess we're going to hear from at
10 some time --

11 MR. PLISCO: Yes.

12 MR. FLOYD: -- on this topic. I mean, this
13 is the topic. The premise of the program was that
14 where we set the thresholds and the fact that we have
15 four color bands and several decades of degradation
16 available before you're going to have an impact that
17 the point of where you're going to get actively
18 involved in cross-cutting issues that they start to
19 affect performance results. But people want to dig
20 sooner, and I don't think the industry objects to that.
21 I think the thing that we're hearing from the industry
22 right now is that they're not sure that there is a

1 clearly defined set of criteria for what constitutes a
2 trend. I don't think if there is a trend there, I
3 mean, I think everybody wants to know about it and have
4 it pointed out to them, but the real issue is what is
5 the criteria for determining a trend?

6 MR. PLISCO: There isn't one.

7 MR. FLOYD: What's that?

8 MR. PLISCO: I mean, it's not clear.

9 MR. FLOYD: Yeah, there isn't any good
10 criteria.

11 MR. PLISCO: Yes, there's a question, but
12 it's --

13 MR. FLOYD: What people are afraid of is, you
14 know, as Dave said you've got a lot of people on-site
15 and we've got a lot of procedures on-site. Some plants
16 are more proceduralized than other plants and you can -
17 - where the real concern comes, I think, is mostly in
18 the procedure area. They're missing a step in the
19 procedures. They're failing to follow a procedure
20 that's at the station and then what you start to see is
21 an inspection report. Wow, you know you had one of
22 these six months ago in maintenance and then we noticed

1 Ops in this one, you know, last week. And three months
2 ago, somebody in engineering missed a step in a
3 procedure, so I've got an adverse procedure trend.
4 Well, I don't know. Do you?

5 MR. TRAPP: On the back end, too, once you
6 find an adverse procedure trend, then what do you do
7 with that?

8 MR. PLISCO: Yeah, I mean. Okay. Now you've
9 got one. Now what do you do?

10 MR. PLISCO: It's a tough area. It really
11 is.

12 MR. FLOYD: And the thresholds are different,
13 too. I mean, our experiences as far as what -- until
14 this corrective action system you see a significant
15 difference in the threshold. A plant may look like
16 they have a lot more, but because their threshold is
17 different. You know, they have it down to where
18 someone's -- I thought about doing the wrong thing, so
19 they write it down. Where another plant, something
20 very significant has to happen before it gets in the
21 system. And then --

22 MR. PLISCO: --There's a lot of area -- and

1 that's why it's a difficult problem.

2 MR. GARCHOW: The other issue is, you know,
3 management's job all the time is when I play connect
4 the dots. So, I mean, I'm always looking well, how
5 does this relate to this, relate to this. Is it bigger
6 than just one little thing. And you know, the NRC to
7 some extent's trying to do the same thing for the same
8 reason, actually. But there's differences in how you
9 do that and with no clear cut criteria, as Steve says,
10 I mean, in a debate on procedure you said when does a
11 lot of little things equal a big thing. A lot of
12 little things may just end up being a lot of little
13 things. But that's all they end up as. And the danger
14 is missing when a lot of the little things are actually
15 pointing to something more significant.

16 MR. KRICH: At the same time, Jim, you can
17 probably explain this better in your view point. But
18 if I was an inspector at a station, I'd want to make
19 sure that I was protecting myself. For good reason, if
20 I see something going in a bad direction, but it
21 doesn't fit any of the thresholds, how do I handle that
22 so if something does happen, something really bad

1 happens, that it doesn't come back and the first
2 question is was the resident inspector doing that -- is
3 telling me things were degrading?

4 MR. BORCHARDT: It seems to me that --

5 MR. MOORMAN: Well, I'll say our management
6 looks at us to do the right thing and, you know,
7 sometimes things happen. I've never been singled out
8 for any sort of admonishment.

9 MR. LAURIE: We could arrange that, though.

10 MR. MOORMAN: So can I. But, we're looking
11 for trends in different areas. And when you see
12 something, it's more than just these one little things
13 that add up. It's your entire observation of the
14 facility. It may be manifested in little events or
15 little glitches that you see, but it's generally more
16 information that's behind that. And I don't like to
17 use the term "gut feel" because we don't go on those.
18 But it's the combination of all that information that
19 goes into saying, hey, there's an issue here and how do
20 I get at that. So we need to be able to look at these
21 low level issues and point to them. Now, some
22 facilities handle that better than others. Some with

1 go at a low threshold and others, it takes the written
2 documentation to get that movement. So that's --
3 you're right. We do look at this.

4 ? : I hate to do this to you, but I need to be educated
5 as to what do Europeans do? And my pulse says that
6 you're all experts as to how the Europeans inspect
7 their plants. And I'm sure all of that will be taken
8 into consideration when this process was developed.
9 But I -- give me somebody to talk to. I'm really
10 interested in whether there were any lessons learned
11 from those folks or even the Japanese. Does anybody
12 know?

13 MR. FLOYD: I just attended a regulator
14 workshop in Madrid, Spain about a month or so ago where
15 they were looking at the use of performance indicators
16 and how they go about setting up an assessment program
17 for their licenses. It's kind of all over the map.
18 The Spanish regulator which is very closely tied to the
19 U.S. NRC approach, is in the process of switching to
20 something very much like the revised reactor oversight
21 process.

22 MR. LAURIE: So it's your sense, Steve, that

1 there really are no lessons learned to be gained from
2 the Europeans?

3 MR. FLOYD: I don't know. I think they're
4 all feeling that way, too. I mean, I saw Spain move in
5 this direction. Germany and Switzerland are moving
6 towards this direction in various degrees. -- was kind
7 of going the opposite direction. The French were going
8 north towards a --Saltz type system which is what the
9 rest of the country's in Europe seem to be moving away
10 from. The big theme that I heard at this conference
11 was we really would like to make this be more
12 objective. But the French seem to be going the other
13 way. They had a very interesting system where they had
14 11 or 13 characteristics associated with every adverse
15 condition they found at the plant. You know, the
16 elements like were there human performance involved,
17 management oversight. I mean, there's a whole bunch of
18 categories and they gave it a score of one to five in
19 each of the 13 categories for every condition. And
20 then they added up all the points and they were just
21 going to plot the total number of points and give a
22 score based upon how many points you had. I don't know

1 how that would work.

2 MR. BROCKMAN: You have a bond market would
3 level.

4 MR. FLOYD: Yeah, the bond market would. I
5 don't know what sense you would make out of that.

6 MR. LAURIE: I would also -- I'm not going to
7 give you a hard time doing this, but I also need to
8 talk to you all about how the military handles their
9 nuclear inspections; both the army and the lesser
10 branches. So during lunch break or some coffee break -
11 --- the same issues and the same pressures are involved
12 and you all -- many of you have experience in that. At
13 such time as appropriate.

14 MR. BROCKMAN: And the Japanese are a little
15 different because they're driven by the law that
16 requires every plant to shut down every year and do
17 their total maintenance outage which is where they
18 focus all of their inspection activities. They take it
19 down to the sixteenth inch X nut.

20 MR. LAURIE: Are their plants government
21 owned?

22 MR. BROCKMAN: No, but the law is that they

1 have to take them down for a maintenance outage every
2 year and they basically strip them down to parade rest
3 and rebuild them.

4 MR. LAURIE: Pretty expensive, huh?

5 MR. SHADIS: I think it's a question of
6 focus. I think that the focus on plant specifics to
7 some degree has to inform this process also. And I do
8 know that the Europeans have a different sense of
9 priorities -- at least the French do as to what they
10 want to spend resources on inspect -- it's way
11 different, but it, you know, I would love to get the
12 answer to the question that you asked. Really, how do
13 they look at the issue of, you know, a reactor
14 inspection program.

15 MR. CAMERON: This issue you're talking about
16 now, you've handled a little bit about last time --
17 performance by thinking about -- do you need -- what
18 other information do you need from external sources in
19 order to do your work? The only issue that came up the
20 last time that we had a parking lot was that it seemed
21 like you wanted to hear from a group of the senior
22 reactor analysts in addition to the people we have on

1 the panel. I don't know if you still want to do that,
2 but do you need anything -- data from foreign
3 experience, military experience? I'm just noting that
4 for you to sort of put in the back of your mind you may
5 not need anything extensive or anything at all, but
6 I'll put that up there.

7 MR. LAURIE: When we get into detail in some
8 of this, there may be lessons learned in other -- with
9 other experiences such as the green to white issue; on
10 the psychological repercussions of that. That's not a
11 new issue. It may be a new green to white issue, but
12 it's not an issue unique to the NRC. It's not an issue
13 unique to a nuclear power plant. It's an issue that's
14 addressed in every inspection that's ever been
15 conducted from day one. That is, how do you encourage
16 proper inspection without penalizing those being
17 inspected to the point where it provides disincentives?
18 That's an issue that I'm sure has been studied for the
19 last thousand years. I mean, we don't have to reinvent
20 that today. What's the answer to that? What do
21 business professionals say about that? And there have
22 been 10 million such inspections over the last thousand

1 years.

2 MR. CAMERON: So I think that what you're
3 saying, Bob, is that, I think this would -- after you
4 identify all of the issues and prioritize them, that
5 there may be some issues that you'll see where you
6 could say let's look at the experience from other
7 fields in inspection or whatever and bring that to bear
8 on this particular problem.

9 MR. LAURIE: I just don't want to fall into
10 the trap that everybody falls in, in the belief that
11 the answers are limited to those present in this room.

12 MR. BORCHARDT: I would ask that those are
13 very important points, I think, that you raise and good
14 questions. But it's really information I think the
15 people that are going to revise and develop the
16 approved oversight process need to get an answer to,
17 not us. I think what we need to do is identify the
18 flaws and any fatal flaws with the process and direct
19 NRR and NEI and the rest of the stakeholders to go out
20 and do the kind of research that you're talking about.
21 Go get the answers, but I think with the time we have
22 available and the people that are in this group, that

1 it's far beyond the capacity of us to give them the
2 answer.

3 MR. LAURIE: I understand that, and I respect
4 that. I don't know where the line is. The green to
5 white issue, I think we can end that discussion in one
6 minute. The utilities will say, "Not an issue. Not a
7 problem. We can handle it. It's trustworthy." And
8 there's other folks that will question that. And there
9 is no objective answer to that. So maybe the most we
10 can do is recognize it as a possible issue and then is
11 it your intent that that's all we do, or do you take it
12 a little bit further and try and understand the issue a
13 little bit further. I don't know the answer to that.

14 MR. PLISCO: Yeah, from my perspective, I
15 don't think, you know, we're not going to be in the
16 place or have the time or resources to resolve the
17 issues. We can only identify what they are. Make sure
18 we understand all the perspectives of them, and that's
19 what I was hoping, you know, as we discuss these issues
20 that -- I mean, obviously, people have different
21 perspectives on what the issue is and make sure we
22 understand all of the perspectives of the particular

1 issue. Make sure that gets captured. So when we pass
2 that on as an issue and it gets resolved -- needs to
3 get resolved, that they understand all those
4 perspectives. But I don't think we're going to be in a
5 position to get the information necessary and reach a
6 consensus on what the resolutions to some of these
7 issues are. Some of them have been worked on for two
8 years, and they're still not resolved yet. I mean,
9 these cross-cutting issues in the industry, the NRC,
10 and we're trying to get -- for a couple of years, and
11 we're not -- I think there's a lot of understanding now
12 of what the problem is, but no answers. But I think
13 Bill was right. I think in the time that we have, I
14 think we're going to be lucky to get a good list of
15 issues and make sure they're well defined and what the
16 different perspectives of them are.

17 MR. GARCHOW: And their impact and whether
18 they really do or don't have any bearing at all on
19 whether these plants are operating safely or not.
20 There's been a good bit of discussion --

21 MR. PLISCO: Get back to our goals.

22 MR. GARCHOW: And as we have discussions, --

1 we're hunting for a plan. At least the best we know,
2 we're operating safely.

3 MR. CAMERON: You probably should deal with
4 this now and square this away, because I've heard in a
5 couple of different discussions with all of you as some
6 people were talking about recommendations to resolution
7 some of the issues that were identified. And from
8 others, we're only going to have, as Bill suggested,
9 we're only going to have time to identify and
10 characterize the problem. So I think you should all be
11 clear on that. And there may be some -- once you do
12 that identification and characterization, there may be
13 some -- you may be able to pass along a general sense
14 of how these issues might be resolved even, for
15 example, Bob's point about that in resolving these
16 issues, the Commission should look to the experience of
17 other agencies. I mean, you might be able to get into
18 that somewhat, but is there other discussion from other
19 panel members about this -- are you lonely about the
20 business in identification and characterization or is
21 there some resolution aspect to it. Do people
22 understand that that was not going to be --

1 MR. BORCHARDT: I would add just in addition
2 to characterization and identification, maybe some sort
3 of batch prioritization. But beyond that, and I've
4 already said my piece, so I'll be quiet.

5 MR. CAMERON: What do you mean, batch
6 prioritization?

7 MR. BORCHARDT: Well, I think it would be
8 worthwhile to identify -- I mean, this report's going
9 to Sam Collins, is that right? I mean, ultimately.

10 MR. PLISCO: It will end up with the
11 Commission.

12 MR. BORCHARDT: Is to say, you know, director
13 of NRR, here is 20 things that we think the program
14 needs to evaluate and come up with improvements. And
15 these are the five most important that ought to be
16 given the highest priority because of the impacts that
17 they can have. That's what I would see as our role.

18 MR. CAMERON: Like a near term, long term
19 list?

20 MR. BORCHARDT: Whatever. Keep in mind that
21 that -- we not only have that. I put Bill's identify
22 and characterize prioritize. Now, again, that's as

1 Steve nicely put it, areas for improvement. Okay. But
2 don't forget the other issue that you were going to
3 talk about is do you take a look -- do you fold into
4 that -- what is working well. Okay. I think Bill --
5 from Bill's perspective, you were just focusing on
6 where there might be areas for improvement.

7 MR. CAMERON: Yeah, I don't think we need to
8 focus very much at all on what's working well. I think
9 we can acknowledge that there are some distinct
10 advantages to this process. But we're not in a trial
11 case. We're in the initial implementation phase. The
12 Commission has decided that we are going to use this
13 process. And now our objective is to make it as
14 effective and as good as we can. And so I don't think
15 we need to do a sales job. It's not our responsibility
16 to try to sell this program. It needs to be sold on
17 its own merits. What we ought to do is take the time
18 we have available to see where the problems are that
19 need to be addressed.

20 MR. BORCHARDT: I respectfully disagree in
21 terms of one area. I think there are things that we
22 are doing well that we may want to put in so that we

1 don't lose it at some point in the future. I'll give a
2 personal example. I think the FAQ process worked very
3 well in terms of identifying and resolving issues
4 without having to do it as we did in the past, for
5 example, by the maintenance rule, we did it by
6 inspection and essentially as people identified and
7 inspection reports issued, then other people were able
8 to move their program forward. I think the FAQ process
9 was working well. That may come out to a
10 recommendation recognizing that if others agree with me
11 that the FAQ process, on the whole, is working well,
12 that we may want to maintain it or not lose it, or have
13 a process in place should the FAQ process be replaced
14 by something that would also accomplish those same
15 objectives. So I think there's some advantage in
16 identifying those attributes of the process that are
17 working well. Identifying it so that at some point in
18 the future, somebody doesn't drop it without
19 recognizing that there are some attributes that FAQ may
20 not be the only answer, but what will replace that if,
21 in fact, it is .

22 MR. GARCHOW: Because of our independence of

1 it, I hope it will bring some balance as well. I mean,
2 we're going to say that if we have public jobs and I'm
3 going to prepare a report that lists a laundry list of
4 prioritized issues so someone's going to pick up the
5 report and say take it for what it is. The independent
6 panel met on the whole laundry list of issues they
7 prioritized. But I do think even though we don't have
8 to sell it, I agree with that the Commission has
9 spoken. I think we do need to be balanced and provide
10 an objective understanding of whether this is meeting
11 the agency objectives or not, and not just prepare a
12 report that, you know, I'll be standing up in our
13 community and say, look at this, here's a three inch
14 report that is a laundry list of problems.

15 MS. FERDIG: I think we might be talking about an
16 orientation, a perspective that we're looking at here.
17 I mean, I don't -- I'm not into coming up with a
18 perfunctory list of things that are going well to, you
19 know, tell people in a performance review of what
20 they're doing well just before you hit them in the gut
21 with telling them everything they're doing wrong
22 because that's how you do performance reviews. That's

1 now what I'm talking about. When I think about this,
2 what I'm inviting is an orientation that the potential
3 is rich for in a group conversation such as these, to
4 never lose sight of the perspective of what are the
5 possibilities. So it's not just putting down all the
6 things that are wrong, but give them what we all want
7 to achieve toward this program in the first place.
8 What are the possibilities for looking toward to deal
9 with what aren't going to be some obvious concerns and
10 issues and so on. So, I don't know if we call them
11 what's going well. I don't know if we call them
12 solutions, but I think that just drilling down on the
13 problems and listing them for Sam Collins isn't enough
14 -- isn't maybe I should say conversations that can
15 occur in a group like this.

16 MR. KRICH: Let me try. But I also see as
17 one or two quick finds on this problems are, you have
18 to identify sometimes what's working well so as not to
19 solve something so much that you kill the patient.

20 MS. FERDIG: Yes.

21 MR. KRICH: Do you understand what I'm
22 saying?

1 In other words, when we go through and
2 identify the problems, which is what we're here for, to
3 bound the problems so that when they go through the
4 solution, you don't do something too much. You need to
5 sometimes to -- you have to put a bound on it, and
6 sometimes that boundary, by explaining what works well,
7 so you know when to stop with the solution.

8 MR. BLOUGH: Our charter says we're to
9 provide advise and recommendations to the Director of
10 NR on reforming and revising the ROP. So I would
11 agree, if our recommendations are primarily towards
12 revising and not reforming, which should be the reason
13 for that. And likewise, it also says our written
14 report will provide an overall evaluation of the ROP.
15 So that suggests balance. I mean, overall evaluation
16 terms suggests that there should be some balance.

17 MR. CAMERON: Would this point on the
18 organizational -- your answers to these questions are
19 going to be very important in terms of what you do with
20 your time.

21 In other words, all this list of issues that
22 John has been capturing that came up from the regional

1 reports -- I mean, they've been mainly and exclusively
2 what hasn't been working. Okay. Some of them are
3 serious; some maybe serious; some of them are not.

4 Just on those issues, one of the things you
5 need to figure out is -- I mean, he has, I don't know,
6 40, 50 issues there. Just on those things, you have to
7 figure out: What are we going to call on? How are we
8 going to organize those? What are we going to call on
9 from that list that we want to talk about?

10 Now, if you were going to do something more
11 than, I think, Mary is suggesting with her use of the
12 term "orientation" on working well, if you were going
13 to go around the table or try to look at the regional
14 meetings and say: What is working well? I mean, you
15 are going to have a whole other list of 50 more,
16 perhaps, what is working well.

17 So I think it is important in terms of how
18 you do your work to try to figure out if there is some
19 boundary that you can put around work. We've had two
20 suggestions. One from Mary, which is we should have a
21 sense of that, at least, and that ties in with what
22 Randy brought up from the marching orders. Have a

1 sense of what's working well so that that is in the
2 report.

3 And Rod said something to the effect that, if
4 you're going to try to fix something that isn't working
5 well, that you should know what is working well, so
6 that you don't unintentionally get in there and screw
7 it up.

8 Keep in mind Randy also brought us back to
9 this initial issue which is the panel -- whatever the
10 panel does, is it going to make recommendations or only
11 do what Bill stated, which was identifying
12 characterized prioritize.

13 I think, Randy, in what you read are the
14 marching orders for the panel, recommendations -- I
15 mean, is it recommendations on how to fix things? I
16 mean, you need to figure that out, too.

17 MR. TRAPP: It seems to me that it is Bill
18 Dean's job to identify, characterize and prioritize
19 these issues. It just strikes me that -- I mean what
20 we're looking for, I would think, would be fatal flaws
21 in the process that we'd want to tell upper management.

22 Coming up with these issues, I think we're

1 just being repetitive to work that's already being
2 done. I mean, I think we need to be a higher level,
3 look at the process. Is Dean out there finding issues?
4 Does he have a reasonable corrective action system? To
5 me that's the important thing for what we need to do.

6 MR. GARCHOW: It got to where I was afraid we
7 were going to get two or three hours ago. This will be
8 the approach, I think, might work to get the balance.
9 I think it is good to get all the issues out, so I mean
10 we can't fly so high that we're superfluous, obviously.

11 But the NRC refers back to their PIs and the
12 way they characterize how they're measuring the
13 success. What might be the approach is do this issue
14 so when we started this, somehow bend that in
15 accordance with how they're doing their PI's, and then
16 our report would be: We agree with the NRC's
17 conclusion in this area, and all the PI's measured, the
18 effectiveness of the program, but we also found that in
19 this area the following issues still remain to be real
20 issues that could help make the program better as we go
21 forward. Or the NRC's assessment PI's, not for PI's,
22 but their PI's on how they're going to -- their

1 metrics. The metrics of the program fall a little
2 short because the metrics, you know, sort of would
3 paint this picture.

4 But the results of us is certainly weighing
5 all this information and some of these other issues
6 might give a different perspective to that issue in the
7 NRC's metrics.

8 And then our report would be some assessment
9 of the NRC metrics ability to identify the program,
10 plus -- I don't believe -- was that Mary? I go from
11 what Mary says that the richness of this group could
12 add to the NRC's assessment by virtue of our
13 conversations and our assimilation of all the problems
14 and areas for improvement. Then we would have a way of
15 writing them. I'm just trying to begin with the end in
16 mind. There has to be a report.

17 Then we could sort of follow the same format
18 as the NRC assessment. Have some judgments on their
19 metrics when they bring them back after they have
20 collected, and then add our issues and concerns with
21 these different areas, based on our boil up of these
22 issues, and provides a roadmap for us to get a report.

1 I'm sure the commissioners are going to see
2 the NRC's assessment report. So if they saw our
3 reports sort of in the same layout with our issues
4 inserted it, it provides some continuity and how you're
5 actually going to work through an evaluation of a
6 fairly complex process.

7 I just throw that out as a suggestion. That
8 way it gets to the issues, but we've given them -- or
9 somehow characterized them in accordance with the same
10 manner that the NRC is laying out their assessment
11 report. And we put our comments in.

12 It's -- Rod, you'll appreciate it, it's like
13 IMPO does for their training. They come give the
14 report, and then you insert into the sections, you
15 know, your viewpoints on it so the final report becomes
16 the assessment plus your perspectives melded together.

17 MR. SHADIS: You're talking about somehow
18 integrating the protocols here so that it can mesh with
19 NRC's internal assessment of this program?

20 MR. GARCHOW: We agreed. We heard their
21 internal assessment program. The first meeting we all
22 agreed and talked; went through a great deal. All

1 their PIs, and listened to Alan talk, and we said, you
2 know, we've passed some judgment or we had some
3 conversation around this adequately look at the
4 program. Now we're concerned if they have their data
5 metrics. We have the experiential basis of the room,
6 the work shop, whoever the panel might chose to come in
7 and talk to us, and then we integrate those together
8 and pass a judgment in each of these areas whether some
9 of the issues remain, and have the NRC met their
10 objectives. What their objective was for inspection.
11 What the objective was for enforcement.

12 Or, if the objective isn't quite right, it's
13 based on our talk. We could make a judgement that, you
14 know, that the objective didn't quote enough based on
15 the state's inputs or the state holder's input. Maybe
16 it was too narrow.

17 MR. SHADIS: It seems to me that the, you
18 know -- vulnerable to some kind of circular
19 reinforcement. You've got an agency that says we're
20 looking at our program, and this is what we find. And
21 then an independent panel says: Yes, you're looking at
22 your program and this is what you'll find.

1 MR. GARCHOW: With the following --

2 MR. SHADIS: But in order to do that you
3 really need to have an independent look. A separate
4 custom look, if you will, at the implementation of the
5 program.

6 I mean, the fact that the feedback from the
7 regions this morning, I thought was really informative
8 about how, at the regional level, they're seeing this
9 thing go down. And to hear from some of the
10 inspectors. And we do have the advantage of having
11 some people who were operating plants, and they're
12 going through this --

13 MR. GARCHOW: Because the NRC's assessment
14 has actually been into those areas, but we lead the
15 discussion through. I mean, if you're going to talk
16 about the program, we're going to talk about PI's. If
17 you are going to talk about the program, we're going to
18 talk about the inspection. You're going to talk about
19 PSDPs. You're going to talk about public
20 communication. Those are all the areas that were in
21 the NRC self-assessment. We don't have to -- all we're
22 going to pass judgment, do we agree with their

1 assessment or not; and are there other issues that we
2 brought up from our conversation and insight that shed
3 a different light on it then maybe the commissioners
4 would get just by reading the internal self-assessment.
5 That was the only thing I was suggesting. I think
6 we're actually in agreement.

7 MR. SHADIS: Well, it's a matter I think of
8 concentration or focus or devoting of resources, you
9 know, parceling those out as we go.

10 If you're going to do a review of NRC's self-
11 assessment, that's wrong. I don't think that's what
12 we're being asked to do.

13 MR. PLISCO: It's part of what we're asked.
14 That's why I went back to the objective this morning is
15 --

16 MR. SHADIS: I think it's a small part but not
17 --

18 MR. PLISCO: One question we do need to
19 answer is, is the process in place for, on the long
20 haul, to assess the program, provide the feedback that
21 is needed, make the process changes that are needed?

22 We heard part of that at our last meeting.

1 This is the process they put in place. We do need to
2 say something about what we think about that process.

3 MR. SHADIS: And how much of -- what we do in
4 the remainder of the time that we have. The thing
5 ought to be devoted to scoring NRC's internal
6 processing.

7 MR. GARCHOW: That wasn't earlier what I was
8 suggesting. It becomes a frame work of discussing the
9 process. They're bringing forth metrics that we don't
10 have. We're trying to be objective. I mean, we can
11 sit around and be subjective. The NRC is going to
12 bring us forth data, how many inspectors, what are the
13 findings. I mean, they showed us all those PI's on the
14 first --

15 MR. PLISCO: At our next meeting they're
16 going to come back with our first status.

17 MR. GARCHOW: I don't see how we could pass
18 judgment on this process without data. I mean, the
19 whole process -- the word "judging" is trying to get
20 objectivity on what was previously a subjective
21 process. I'm suggesting we stay with that theme and
22 use the objective data the NRC's is preparing to help

1 us, along with our insight and experience determine
2 where we are at.

3 MR. SHADIS: Please don't misunderstand. I'm
4 not suggesting to exclude all the, you know, hard run
5 data that they put together. That's not what I'm
6 suggesting at all. But, you know, a clear look
7 directly from the point that we're sitting to the
8 implementation of this process, I think is important.
9 And it is very easy to be drawn off into someone else's
10 perception of it. And especially if you have a lot of
11 energy and a lot of talent and information going into
12 putting together a in-house review.

13 I don't see that the charge of this committee
14 is to do an in-house review. I want to make sure --

15 MR. SCHERER: You're discussing format.
16 Categories of the different -- the way the NRC looks at
17 the program and the way we look at the program, I see
18 an advantage to having the same format that the NRC is
19 using, so that we can focus to the same sort
20 efficiency. I still think this panel would have an
21 independent view of those issues.

22 My personal opinion is that we should have a

1 spectrum of views from data flaw that we send to them,
2 to finding that the NRC process in place result
3 correcting, what I refer to as the closed due process
4 exits, or that we see gaps in a closed due process that
5 we think need to be addressed, all the way through into
6 what we were discussing a few minutes ago.

7 I believe that those positive attributes,
8 that we want to make sure aren't removed without prior
9 thought. Whether they are documented. Where there are
10 "successes" or strengths in the program that we can
11 identify.

12 So I see us again as having not at the bi-
13 foot level, but at the 50,000 foot level, some broad
14 uses. Close the processes, open new processes that we
15 see, and strengths in the program which we believe that
16 those are important for the future. And then we frame
17 our recommendations around that.

18 MR. CAMERON: You have been touching on a lot
19 of issues, and I wouldn't confuse format with what you
20 are going to be looking at in the independence of your
21 review.

22 Originally, this morning, we talked about

1 these four bids, okay. And that's the way the regions
2 have been reporting, etc., etc. So that seems to be
3 part of your format.

4 The top issue that we're getting to is, fatal
5 flaws, date of call is flying high. Ed has actually
6 given us a specific height (50,000 feet, I guess). But
7 how do you, out of all these issues you are
8 identifying, forget how do you capture the working well
9 context. How do you follow through all these issues
10 that you've seen and said that's a fatal flaw versus
11 something in the weeds? You know, maybe you need to
12 see all of those issues and be able to -- to be able to
13 figure that out.

14 MR. GARCHOW: I have a problem with the
15 language, right? Where we've just created fatal flaw,
16 you've just created the possibility that fatal flaw
17 exists. Till you just said that, we didn't even know
18 we had a fatal flaw possibility.

19 MR. CAMERON: I'm just --

20 MR. GARCHOW: I'm not taking it on you,
21 right?

22 MR. CAMERON: You have a really good point

1 there. I think that Jim is using that not -- Jim
2 doesn't want to use this -- I mean a major problem,
3 major issues, whatever you want to say.

4 MR. GARCHOW: That was discussed the last
5 meeting, too, the possibility. That was one of the
6 first things we were supposed to look at and see if
7 there was anything that says we should say stop the
8 program. Right. But that would have to be some
9 criteria, so we'd have to go back to, like, what are
10 the objectives. And which that takes me not being. It
11 takes me back to how we set the framework on how we
12 were going to evaluate the program was going to be
13 done.

14 MR. SETSER: Well, let me see if I can add
15 something here. You're falling into the same trap, as
16 I can see the number of people who tried these kind of
17 projects in the past have. You're looking at, hey,
18 we've got this program in place. Let's evaluate it and
19 figure out what we need to do to change it. That's not
20 what our objective is. We're looking at a long range
21 program that we've only begun to implement.

22 What kind of progress have we made on

1 something good to implement this? Where we are and
2 where do we stand from this viewpoint to see our big
3 issues right now?

4 If you take these issues, you've got to list
5 them. Five years from now you can come up with five
6 times the amount of issues, because that's the nature
7 of the process, to have a continuous improvement
8 program. You can't change all of those all in the
9 first year. You can't change them all in the second
10 year.

11 But what are the big players here on the
12 board that, from our perspective, need to be tackled
13 now in order to be able to move forward on down the
14 road? So if we get bound up in all of these issues,
15 that doesn't say anything about the quality of the
16 issues, whether they need to be or not. That's not the
17 -- there are other forces within NRC, within the state
18 programs that's going to move on these issues and
19 provide some kind of solution to those down the road.

20 So what have we done as far as implement the
21 program? Where are we? Have we established a
22 communication process? How do the inspectors in the

1 field supervise? And are we training? How does
2 industry feel it's working, in terms of comfort zones?
3 And then by in large how the program seem to be coming
4 across to the public at this point? Those are the
5 kinds of things we need to be talking about and looking
6 at, rather than getting bogged down in the trenches.

7 MR. BROCKMAN: You've hit the nail on the
8 head, but I think one of the things we've got to do and
9 what's right this afternoon, what is the vision of the
10 end product? What are the questions we have to be able
11 to answer? And that's what we're batting around here.

12 I, personally, think you two are -- one is on
13 the left side and the other is on the right side of the
14 net, and you're just beating balls back and forth at
15 each other trying to get into the same -- you've got to
16 look at it both ways. You have to look at assessment
17 criteria or are they adequate to be judging what
18 they're doing. And then are they adequate, period.
19 And that has to be done from a different perspective.
20 Something you're both -- you've got to look at it from
21 both sides.

22 But the key thing is, the commission has put

1 out, if my memory serves me right, about eight
2 different things that this program is supposed to do:
3 increase safety, increase confidence, etc., etc., etc.

4 I would premise, when we get into our
5 conversations this afternoon, that that's probably the
6 focus we've got to take. Is there something out there
7 that's jeopardizing meeting one of those eight
8 objectives, if we identify that there is something here
9 if not tended properly? Call that a fatal flaw, call
10 it a significant concern, call it a left-handed monkey
11 wrench. We can figure out words we want to call it,
12 but we need to bring that forward.

13 Are there areas that are being extremely
14 successful in addressing this, and should some vested
15 should be retaped? We should bring that forward as one
16 of our recommendations. This is good. Keep the
17 philosophy of this in the program.

18 If we've got that type of vision, I think
19 we're going to go and get the balance that we're
20 looking for, get the overall assessment, and have th
21 level of recommendations that we're talking about.
22 Keep focus on those eight questions.

1 MR. CAMERON: And would you take what the
2 panel agreed to before, these eight goals which you're
3 going to be looking at the information from, are you
4 recommending a filter -- and I hate to use words like
5 "significant" or "substantial" -- but your filter for
6 what the big issues -- and maybe we could call them
7 major issues, and maybe we don't have to call them
8 fatal flaws -- but is the filter something like
9 something that would substantially or significantly
10 prevent the NRC from reaching one of those goals? I
11 mean, I'm asking the group.

12 MR. BROCKMAN: There is not a process in
13 place at the moment to take the concern we've
14 identified and reach an appropriate answer at the end.
15 That's big, fatal, whatever you want to call it. In
16 one of those eight questions there's a dilemma out
17 there and there's nothing addressing it, and that will
18 cause that question not to be satisfactorily answered.
19 The public's confidence will not be -- the public will
20 not have confidence because of this problem, and
21 there's nothing fixing it at this time. But we ought
22 to identify that. That's a big problem. It may not be

1 fatal but it's certainly a big problem.

2 Now all these issues we've just listed, all
3 443 pages of them, there's going to be a ton of them
4 we're going to throw out. They don't hit our level.
5 And we'll need to look at those, or it's captured just
6 in the essence of another issue. It's being addressed.
7 I don't have the process for that at the moment. But
8 if we make this thing in two-inch volume, it will go
9 the way of all two-inch documents. It will gather dust
10 on a book shelf and never be used.

11 This group needs to be concise and come up
12 with a good, crisp report that can be used, and keep
13 that level that we were talking about, and that's going
14 to cause some synthesis, some analysis, some
15 irrigating, a little bit of compromising probably on
16 this issue as adequately addressed. We've got the
17 capability to do that with majority/minority opinions,
18 and what have you. So I think this afternoon's
19 discussion --

20 MR. CAMERON: Let me ask Mary and Bill if
21 they'd give us some feedback on what you just said, and
22 also on this idea of what the filter would be to decide

1 which of those 400 of the 420 issues you're going to
2 throw out.

3 Mary, do you have any thoughts on what we've
4 been discussing?

5 MS. FERDIG: Well, to answer your question
6 about the filter, I'd have to think about that. We
7 have to think about that in terms of sensitivity
8 questions. But I think what I'm hearing you say -- and
9 I really want to acknowledge David's comment about the
10 language we've used -- it is critical in formulating
11 our expectations, even as we speak to each other in
12 this room, much less what goes onto the report. So if
13 we think in terms of perhaps what we're seeing is, as a
14 group we're going to come together with some collective
15 ideas about what we think NRR needs to pay attention to
16 most, in order to ensure the continuing success of this
17 program.

18 And the paying attention to is going to
19 concern some of those very real experimental issues
20 that are occurring right now out in the field, that
21 will constitute the kinds of issues that we've been
22 talking about today.

1 And we also might be saying they need to pay
2 attention to some of those things that we can't lose,
3 that are carrying the momentum in the direction that
4 serves the collective purpose of this whole program.
5 That's one reaction I'm having.

6 MR. CAMERON: Bill, when we were identifying,
7 characterizing, prioritizing areas for improvement,
8 Steve said. Okay. In your view, what would we be
9 identifying, characterizing, prioritizing? What are we
10 these areas for improvement, big issues, Mary, what
11 needs to be paid attention to? Okay is the way Mary
12 paraphrased it. Bill, what do you have on this?

13 MR. BORCHARDT: I believe it's appropriate
14 for this group to arrive at a conclusion whether or not
15 this program is adequate to continue forward. I mean,
16 that's about as high level as you can get. Okay.

17 In arriving at that conclusion, if there's an
18 appropriate construct of these eight elements for us to
19 evaluate each of those eight, the only way that I can
20 think of myself of being able to arrive at an
21 independent conclusion as to whether or not these eight
22 goals are satisfied is by looking at some level of

1 detail of the issues that have been raised by the
2 group.

3 In going through that, I think we need to
4 make a summary statement about each of the eight, and I
5 think it would be beneficial to all of the people that
6 are trying to make this program work to lay out what
7 some of the specifics were. Not in an outrageous
8 amount of detail, and certainly not to give them the
9 fix, because we're not in a position to know that.

10 But to ignore the detail comments, some of us
11 probably do not have enough facts in order to arrive at
12 an independent conclusion. And so I think we need to
13 work through the details to arrive at various levels of
14 higher level of conclusions, ultimately reaching a
15 conclusion as to whether or not the program is robust
16 enough to go forward.

17 MR. CAMERON: Now that should not address the
18 filter, but it did not lay out what the panel's work
19 might be. Do the people generally around the table
20 agree with what Bill just said?

21 (No response.)

22 He talked about there needs to be a panel

1 conclusion on whether the program should continue.

2 MR. GARCHOW: Stop there on that one and we
3 can revise our charter, but reading that that
4 conclusion of whether to stop or go wasn't in the
5 charter. Doesn't mean that that isn't what we want to
6 do, revise the charter and go forward. That would be a
7 good discussion. Actually, I think that might be a
8 valuable to the commissioners to have that conclusion,
9 but that really wasn't in what we started to do.

10 MR. PLISCO: Well, the question is indirectly
11 answered by the question we have down here now. The
12 answer is, is the program achieving the NRCs goals?
13 You've answered it.

14 MR. GARCHOW: If they're all no, you have.
15 If there's three yeses, one no, and two we-think-sos,
16 well, then, all you've done is provided input for who
17 is ultimately going to make the decision, which is the
18 commissioners.

19 MR. BLOUGH: I agree with what Bill said. We
20 should answer that type of question. I just used in
21 our charter the word "reforming." We're supposed to
22 provide advice and recommendations on reforming and

1 revising. And "reforming" I read that as very broad.
2 Yeah, I personally don't think we're going to be
3 talking about throwing out the program or completely
4 reforming it into something different. I think we'll
5 be in the area regarding advising.

6 So I'm agreeing with what Bill said.

7 MR. CAMERON: So you think that the question
8 of whether the panel states a conclusion on whether the
9 program should continue, you think it is consistent,
10 going to David's question: Is it consistent with the
11 charter? You think that's included there.

12 MR. BLOUGH: Yeah.

13 MR. CAMERON: Let me ask Bob. Bob wanted to
14 say something.

15 MR. LAURIE: We had a discussion the last
16 time whether or not we felt it was in the purview of
17 the panel to reach a conclusion, and we determined, yes,
18 that we thought it was within the purview of the panel
19 to do so.

20 I question whether we will have enough
21 evidence to reach such a conclusion. I would question
22 whether we would have enough evidence to reach any

1 conclusions other than we believe the following issues
2 are necessary to address in order to assure success of
3 the program. Because we are not obtaining a large
4 degree of external evidence.

5 We're relying to a large extent on the
6 knowledge and experiences of the individuals in this
7 room, and we're talking about it, and we're going to
8 take all of that cumulative knowledge and write about
9 it in a report. It's not how you investigate.

10 And I don't know how you reach a conclusion
11 unless you investigate. And I don't think it is fair
12 to say that we're investigating. We're not doing that.

13 UNIDENTIFIED PERSON: We're evaluating.

14 MR. LAURIE: Even an evaluation requires a
15 lot of external input. We don't have time to do that.
16 At least I don't see how we do that.

17 MR. BLOUGH: Isn't that something though we
18 decided -- based on how much information we have, what
19 type of answer we could give to that as opposed to what
20 we --

21 MR. LAURIE: We're talking about expectations
22 today. And I don't know how many more hours we're

1 going to meet before Norm has to start writing his
2 report.

3 MR. GARCHOW: A group of very similar people
4 with the Beep have got to this point. We had the same
5 short terms, same problems. Steve was there. We made
6 a conclusion that there was a way to do it without
7 spending three weekends in a row in January writing a
8 report in a hotel. And we were successful.

9 MR. LAURIE: The solution may very well not
10 be that we fully endorse that's right, but we see no
11 reason why not to go on. We may very well conclude
12 that there's no evidence before the panel to recommend
13 that the program be discontinued. But, you know, when
14 you talk about evidence, what is that? We're not
15 getting a lot of --

16 MR. GARGOUGH: Let me check on something. I
17 understood from the first meeting, which is, we're
18 going to have various states come in, like we are
19 today, to give us their feedback on the process. We're
20 going to, I think, if I remember correctly, invite some
21 inspectors in from the field to give us their feedback
22 on it, and I think we were also talking about inviting

1 some other stakeholders outside the process to give us
2 some feedback, as well as the collective feedback from
3 this group. So in a sense we are collecting some
4 information.

5 MR. SCHERER: I thought at the first meeting
6 we told that at least four representatives from the
7 utilities and the four regions were expected to send
8 the information out to all the utilities in the region
9 and collect back feedback from all of the utilities in
10 the region, and bring that -- that was an expectation
11 that we were to do that and bring that information back
12 to the panel.

13 MR. PLISCO: And you're going to get two more
14 things. You're going to get some of the metric results
15 to the status collecting. And we heard what they're
16 going to collect. And we'll get some of the results
17 from that, partially, at our next meeting. And they're
18 also conducting, as you heard last month, they're going
19 to do some surveys, some external surveys and internal
20 surveys, and you'll see some of the results from that.

21 MR. KRICH: So, personally, I think we have
22 more information that the Florida Supreme Court.

1 (Laughter)

2 MR. LAURIE: I just want to make sure that we
3 allow enough hours to accomplish that, because --

4 MR. GARCHOW: A work planning session.

5 MR. KRICH: I guess that this issue about the
6 conclusion about whether to continue, there could be a
7 spectrum of, while we don't think it should
8 discontinue, we could go back to what Mary said and
9 someone else said about what needs to be paid attention
10 to for successful implementation. You could leave that
11 loose until you see where you are going with this and
12 how that should be characterized. Okay. But the
13 general objective is you're evaluating this program
14 based on those eight goals, and still need to deal with
15 the filter issue.

16 I think Bill and others are agreeing that
17 there needs to be some sense of what's working well in
18 the report.

19 MR. SHADIS: When you talk about your filter
20 issue, is this an altitude filter? Is this like when
21 you get below a certain altitude you filter out things?
22 What kind of filter are you talking about?

1 MR. CAMERON: I guess what I'm trying to find
2 out is whether the group has a way to look at all of
3 these 500 issues and say that's below the radar screen.
4 We don't need to worry about that. That's not a -- we
5 wanted to use fatal flaw. That's not a big issue. How
6 do you determine that? I mean it's the whole thing
7 about obscenity, you know. Is it one of the things
8 that, well, we know it when we see it, or is there some
9 general criteria that the panel could agree to?

10 MR. SHADIS: It seems like that would be
11 something that you would design somewhere down the
12 road. But right now you're trying to figure out
13 whether or not you want to have a conclusion, you know,
14 that says "go" "no go" on program. Talk about that.
15 You're talking about what you want to include in a
16 general sense. How fine you want to screen that, or if
17 there's certain items that you want to definite exclude
18 categorically. Maybe that's something you would want
19 to look at after you get some of these other things out
20 of the way. The one thing that -- and I guess an
21 evaluation is what you make it.

22 This morning on leaving the Westin Peachtree

1 Plaza I filled out a 60-second guest evaluation. Is
2 the portage too hot, too cold, just right? I thought
3 it was confining. I wanted to say other things. And I
4 think here we have to decide, you know -- you've come a
5 long way to deciding what you want to include.

6 Top question you have there on your sheet
7 there is what I initially thought we started out
8 discussing, and then kind of went elsewhere. The
9 question of whether or not the panel -- what was the
10 role of the panel in suggesting solutions, and then we
11 got from that to whether or not to include the positive
12 aspects of this, positive assessment, focus on the
13 problems and it went elsewhere.

14 I'd like to comment on that first question
15 there. Yes. The panel should have a role in
16 recommending suggestions, because if they surface in
17 the discussion, and it seems reasonable that someone
18 would benefit from them, I don't see that you would
19 want to throw out suggestions just because you've
20 decided that you're not going to include suggestions in
21 your report.

22 MR. BROCKMAN: Which is different from taking

1 on the mandate that we will have a suggested solution
2 for each item.

3 MR. SHADIS: Absolutely. Totally.

4 MR. CAMERON: To make sure everybody agrees
5 with that, and to just sort of clarify what both of you
6 said, recommended solution or solutions would be
7 identified for major problems?

8 MR. BROCKMAN: If they are, we'll improve
9 them.

10 MS. FERDIG: Whatever comes up.

11 MR. BROCKMAN: If they're not, they're not.

12 MR. CAMERON: But for every little issue or
13 just for the ones that we finally say are major issues?

14 MR. SHADIS: If you want some language, I
15 would say that we could agree that this panel would
16 consider including solutions or suggestions as they
17 evolve from our discussions.

18 MR. CAMERON: For any issue.

19 MS. FERDIG: Right, as the merged --

20 MR. SHADIS: Document.

21 MS. FERDIG: -- document.

22 MR. SHADIS: In the microcosm. Minor issue.

1 This morning we talked about the lack of information in
2 the reportage, both in the media and on the web site.
3 And that from the public perspective it would be nice
4 to know what went into the decision-making process to
5 categorize different defense.

6 If that was a problem, someone said: What do
7 you do? And I thought maybe you could have a 10-point
8 checklist or something included in the information that
9 went out. That was a suggestion. It may not have been
10 a good one, but if it was determined that it was a good
11 suggestion, why couldn't it be incorporated at the end
12 in an appendix of some kind.

13 MR. CAMERON: So you're talking about that
14 during the panel's discussion a number of issues were
15 addressed and here are some proposed solutions as an
16 appendix.

17 Anybody want to comment on that?

18 Now Ray has taken us back to this question
19 about should there be recommendations over and above
20 the conclusion that Bill was suggesting about should
21 the program continue. Whatever we do with that. What
22 about Ray's suggestion?

1 MR. BORCHARDT: I think as long as it is
2 clear that this is just food for thought and that the
3 eventual implementors can do whatever they want with
4 it, and not create a huge work burden in responding to
5 each one.

6 MS. FERDIG: Right.

7 MR. BORCHARDT: I wouldn't object to it.

8 MR. CAMERON: And would those recommendations
9 in terms of solutions be something that the panel would
10 want to be in there? Would it be just like sort of the
11 brainstorming ideas of any individual panel members?
12 Or would you want it to be something that the panel, as
13 a whole, felt comfortable with? And that goes to our
14 consensus process.

15 MS. FERDIG: It could be language about how
16 you characterize them. They could be possibilities for
17 future consideration. It is a whole lot easier to get
18 consensus on something like that than a recommendation.

19 MR. FLOYD: I would point out that I haven't
20 heard any problem raised here yet today that I don't
21 think Bill Dean and his staff are not already aware of,
22 and are already working on it in some fashion. So when

1 they come to the course of these meetings and report to
2 us, not only how they're performance metric results are
3 coming out, but what are they doing about some of these
4 specific problems, which is on everybody's radar
5 screen, we may get some insights and we might be able
6 to put in our report we agree with the candidate
7 resolution proposed by the staff, or we disagree with
8 it. That's another possible outcome. But I think
9 they're going to wind up probably putting a lot more
10 thought into how to resolve these issues than anybody
11 in this room, or collectively in this room is going to
12 have the time to do. It's their number one job.

13 MR. BLOUGH: I wouldn't have a problem with
14 including any recommendation in that we can reach a
15 consensus on. Then that provides it's own balance in
16 that if it's very minor thing, but yet it is so clear
17 to the panel that everyone says "yes" immediately, you
18 know, why not include it.

19 If it's a minor thing and people can't say
20 yes immediately, then people aren't going to want to
21 spend time, I hope not, talking about it, so it won't.

22 If it's a major thing and people want to

1 spend time to try to hammer out a consensus, so it kind
2 of levels itself, I think.

3 MR. CAMERON: And just to check back on on
4 what Mary suggested, Mary, your terminology would not
5 be recommendation but...what was the phrase you used?

6 MS. FERDIG: I was just trying to make it
7 more abstract that didn't require much detail, since
8 that may not be the focus of the group, and I was
9 calling it possibilities for --

10 MR. CAMERON: Possibilities for improvement.

11 MS. FERDIG: -- consideration, which could
12 include raise Ken's ideas.

13 MR. CAMERON: Is that acceptable to the group
14 instead of making a recommendations to call it
15 "possibilities for improvement"? At least at this
16 stage. You can revisit this later on, when you hear
17 all of the Bill Dean recommendation fixes, etc., etc.

18 MR. BROCKMAN: The concept we're talking
19 about I think is common amongst all. I would propose
20 let's table what we're going to title it until we see
21 how we organize our final report, and then we'll figure
22 out what we call it now, and we know that there's two

1 possibilities at least. It will need to fall into the
2 construct of the final report. I think we've got a
3 common vision and that's the key point right now as to
4 what we want to do here. We'll call it Barbie or Ken,
5 whatever. We'll figure out that name later on.

6 MR. CAMERON: You just want to table what we
7 call it for now, and we know that there's two
8 possibilities at least.

9 MR. GARCHOW: I'd actually suggest that
10 Laurie and I or John could take a shot at it and not
11 waste a lot of group time trying to figure out three
12 words. When they write the report, take a chance at it
13 and it is probably going to be okay. And we could move
14 on to talking about some of the issues.

15 MR. CAMERON: Based on a panel consensus,
16 though, these things would be, and as they come up in a
17 discussion.

18 MR. SHADIS: I just felt that if there are
19 ideas that they probably shouldn't be lost in a thick
20 transcript or, you know, collection of documents.

21 MS. FERDIG: Somebody can take notes of
22 Bill's things only and add them to this group.

1 MR. CAMERON: I have a lot of notes.

2 (Laughter)

3 MR. CAMERON: Have you figured out how you
4 want to deal with recommendations or possibilities for
5 improvement?

6 MR. REYNOLDS: I think a key point that Ray
7 was talking about, and Ken said, is, if we don't have
8 to have a recommendation, as everyone believes.

9 MR. CAMERON: That's correct.

10 MR. REYNOLDS: We don't have to search for a
11 recommendation. I agree with what we're discussing.
12 If one comes up, we capture it. But don't strive or
13 think about striving having a recommendation follow
14 issues.

15 MR. MOORMAN: I think we need to be careful
16 with our recommendations, because anything that comes
17 out will have the information of the panel, and may be
18 construed as constrictive by those who may have more
19 data and want to change the program in a slightly
20 different way. So we may be posing some additional
21 risks for those who are actually --

22 MR. BROCKMAN: I like Mary's "vision" a

1 little more than "recommendation." Recommendations
2 carries a connotation with it that this is something
3 new. Whereas, the possibilities for improvement is
4 more like seeding the cloud for thoughts and what have
5 you. And when we get our final report, the right
6 words, I think, will become very self-evident at that
7 time.

8 MR. MOORMAN: But down to the actual wording
9 of any sort of recommendation or instructive criticism,
10 or however it may go. If it gets too prescriptive,
11 then we risk --

12 MR. CAMERON: I think that I'll rewrite this.
13 But I think there is a sense of the panel here in terms
14 of this issue of recommendations.

15 MR. PLISCO: Is now a good lunch break time?
16 Say 1:30.

17 (Whereupon, a luncheon recess was taken at
18 12:35 p.m., to reconvene at 1:30 p.m.)

19

1 AFTERNOON SESSION

2 (1:30 p.m.)

3 MR. CAMERON: Just to give you what I thought
4 was a summary from the last meeting, and this morning's
5 discussion about the panel's work, if you'll look at
6 page 2 of the Summary of Initial Implementation
7 Evaluation Panel Meeting. (Pause) That's a December 5
8 memo from Warren to Sam Collins. The panel stated
9 objectives there.

10 I don't see anything that we discussed this
11 morning that has been in conflict with that. But is
12 the reactor oversight process achieving the eight NRC
13 goals? Have the more significant areas been
14 identified? Has the NRC developed a sound self-
15 assessment process?

16 And the input for answering those questions
17 would come from looking at the, as this document called
18 it, the more important issues, which we have referred
19 to as big issues, major issues this morning.

20 Now all of those issues, as Rod, for example,
21 had organized them, are into these categories of PI
22 inspection, STP assessment. The data to identify the

1 more important issues comes from all the discussions
2 that we started off doing this morning, and what Loren
3 is going to continue with. All these issues that we've
4 talked about. The ones that Bill Borchardt developed.
5 So somehow or another there will be a wheedling effect
6 there.

7 And the two new things that we did, I think
8 the is agreement around the table is that the panel
9 should look at what is working for perspective and
10 context, and the general sense -- and to give people a
11 general sense of how the program is working.

12 And the other thing I think you reached
13 agreement on, although the term "recommendations" may
14 not be the right term, is to include any consensus
15 recommendation for the panel problems, as these
16 recommendations or solutions come up during the
17 discussions. But it wouldn't be for every issue that
18 you identify that you also have a systematic discussion
19 of how that can be. At least that's at the sense that
20 you would do that systematically with each issue.

21 That's what I sort of heard over this morning
22 and the last meeting. And there still are maybe issues

1 for all of you to resolve. But maybe when Loren gets
2 to the format for the three o'clock session and see if
3 there is agreement on that.

4 MR. PLISCO: To go back and look -- I don't
5 want to feel constrained as to what the previous panel
6 did, but they did provide what we're calling
7 recommendations for certain instances, and they talk
8 about it. Every category did not have a
9 recommendation. But where they had an issue, they
10 called it a recommendation.

11 And in general, I just looked at them.
12 They're not what I call real specific. They're just
13 general overview kind of recommendations, as far as
14 areas to look at and things that ought to be
15 considered, and they reviewed that.

16 MR. GARCHOW: Maybe important enough for --
17 we also had room for minority opinions. And that's how
18 we broke log jams of discussions, because there really
19 wasn't a right or wrong. We agreed that if we had a
20 minority opinion, that we would just insert it, you
21 know, allow the minority opinion and put a couple of
22 paragraphs in that section saying it should be noted

1 those are minority opinions. So the reader-of-the-
2 report could see it all.

3 MR. PLISCO: Any more discussions?

4 (No response.)

5 What I would like to do is continue with
6 washing out some of these issues and go through -- some
7 of the members have already provided input on some
8 issues that they have, or they've heard about. I would
9 like to walk through some of those provided to you this
10 morning in your pile. I've got another one I'll hand
11 out, when you get those from Steve.

12 MR. GARCHOW: I think I sent those two days
13 ago or three days ago. Saturday. But not everybody
14 works seven days a week, sorry. When you get to your
15 office, you will see an e-mail that I think I did.
16 I did send it to everybody. It was a real brief e-
17 mail. Just on two issues.

18 MR. BORCHARDT: Well, I'll very briefly run
19 through them. The top one on that handout was a note
20 to John Monninger from myself. A number of these have
21 already been discussed and mentioned, so I'll be very
22 brief on those.

1 The first item is, notwithstanding the
2 importance of what we are doing in this task group, it
3 is a recommendation to consider having a independent
4 group assess the effectiveness of the program,
5 especially as it goes to public confidence and some of
6 the other issues that are of importance to the agency.
7 Although we were independent from the creation of the
8 ROP, many of us in this room have a stake or a role to
9 play in its current implementation, and this just goes
10 to recommend that some consulting organization and
11 previously not-involved members of the public also have
12 a review function.

13 The second one was directly mentioned, I
14 think, in the Region III work shop.

15 MR. GARCHOW: Hey, Bill, on that first one -
16 - this is maybe something the NRC could help us,
17 because of your contacts in the government. I mean,
18 certainly the NRC doesn't have the corner on the market
19 of regulating, you know, very complex industries. It
20 might be interesting to note, you know, what does the
21 FDA do.

22 MR. BORCHARDT: Yeah.

1 MR. GARCHOW: What does the --

2 MR. BORCHARDT: Well, that was my thinking.
3 I think there's a benefit to having that kind of a
4 review done. And all I'm suggesting is that we, as a
5 group, make that suggestion. And that's about all we'd
6 do, I think. Not provide any more detail, but --

7 MR. PLISCO: And it also might be a question
8 we can ask Bill Bean. I know they do that kind of work
9 up front before they built this program, is go look at
10 other agencies. They have routine in their actions
11 with the international regulators. They looked at all
12 that before they marched off on this. So I think the
13 next time we talk to Bill, he may be able to provide
14 some insight as far as what they looked at and what
15 they considered at the front end.

16 MR. GARCHOW: I was just wondering what the
17 other agencies do. I don't have that coming up in the
18 conversations much. Thank you.

19 MR. BORCHARDT: Item No. 2, like I said, came
20 up in the Region III conversations. This is
21 recognition that, on occasion, NRC will want to have a
22 near or immediate response to an event. And that

1 agency guidance, I think, needs to be strengthened to
2 discuss what the criteria would be, and how it
3 interacts with the agency actions.

4 The third item goes to how, and actually if,
5 multiple issues should be grouped in the designation of
6 individual inspection findings. And then it would also
7 potentially relate to enforcement, although I think
8 we're already grouped in the enforcement world.

9 But the question is, if there are five
10 related issues, all identified, say, through the same
11 inspection activity all surrounding the same event, and
12 they have a variety of colors because of their
13 individual significance, is it appropriate to have
14 five, distinct, separate findings which would then
15 translate or work their way into the action matrix. Or
16 because of their close relationship, should they be
17 combined into one finding that covers all of them.
18 Then what safety significance do you give that one
19 finding?

20 MR. GARCHOW: Is there an example of that,
21 Bill, where that came up? Did that happen at IP2?
22 Were there multiple --

1 MR. BORCHARDT: No. On the steam generators,
2 it was really one distinct inspection finding relating
3 to the effectiveness and adequacy, I think, of the
4 findings.

5 MR. GARCHOW: I'm sorry, were you talking
6 about EP?

7 MR. TRAPP: I was just talking about one
8 event, and then how it had multiple colors in one
9 issue, if that's what you were talking about.

10 MR. BORCHARDT: There's also Region III
11 findings on EQ programs, where you have multiple pieces
12 of equipment that have degraded. Each one, by doing
13 its risk significance, will come up with different
14 color. Are those each independent findings, and how do
15 you group it?

16 In violation space, the agency has, for many
17 years, and we continue to group those issues into one
18 notice of violation fact. But, yeah, we prefer
19 grouping because for other reasons. And we're not on
20 that.

21 The fourth item goes to the role --

22 MR. PLISCO: Just to save time. In my write-

1 up, I have a similar issue, same kind of questions, but
2 with a little different spin, is that we've had a
3 couple of instances -- one was in a file that we had --
4 issues that were related to a non* finding, but really
5 weren't going to be called -- weren't even significant
6 contributing causes. Something came up as we were
7 looking at the bigger issue. And our tendency seemed
8 to be early. You find issues related to that issue
9 gets the same color.

10 What we tried to do with the Sequoia flooding
11 issue, when we investigated, the storm drains and the
12 turbine building were in the maintenance program. And
13 they should have been. And it was a violation against
14 there.

15 Whether it was or wasn't didn't make any
16 difference in the real cause of the event. But there
17 was a lot of internal discussion. You know, I think
18 they were early on in the program. It had to be the
19 same color. And again I think that's a similar
20 question to what you're asking is, how do you
21 characterize these issues related to these color
22 findings? And how do you group them and package them?

1 MR. BORCHARDT: The fourth item has to do
2 with the role of the regulatory conference, which is
3 our experience showing taking on very highly technical,
4 very deep meeting, largely focusing on PRA analysis and
5 discussion of assumptions.

6 The role of senior managers from both the NCR
7 and the utilities, in contrast to what was previously
8 done in enforcement conferences, has subsequently
9 dramatically changed, to the extent that the senior
10 managers are much less involved than the actual
11 discussion of the regulatory conference. And we think
12 there's an opportunity here to improve the
13 effectiveness and utilization of resources by
14 recognizing that difference.

15 Five is something I think that we have
16 alluded to already this morning. Also the validating
17 of the thresholds in the STP, and that's not really a
18 new idea.

19 Number six is --

20 MR. SCHERER: Excuse me. When you're talking
21 about five, it still came back to risk ratio. Are you
22 -- were you intending to limit five or focus five on

1 white to yellow and yellow to red? Or were you
2 intending here to also focus on the green to white,
3 which is progress?

4 MR. BLOUGH: Well, for inspection findings,
5 it is.

6 MR. BORCHARDT: Yeah, you know -- for
7 inspection. Its thresholds between all colors is what
8 I was intending.

9 MR. SCHERER: You're talking STP only.

10 MR. BORCHARDT: Yes.

11 MR. SCHERER: Okay.

12 MR. BORCHARDT: Number six. There's a basic
13 assumption that some programs, a number of programs are
14 effectively implemented at licensee facilities, and
15 that assumption allows the program to carry forward
16 when it has certain findings.

17 One of those assumptions has to do with the
18 corrective action programs.

19 What I don't believe is adequately covered
20 right now is, what would be the result of a NRC
21 conclusion that the licensee's corrective action
22 program was fundamentally flawed and could not be

1 relied up.

2 If that find were made then, it would, in the
3 enforcement world, invalidate the use of non-cited
4 violations instead of notices of violations, and would
5 impact, I think, other parts of the reactor oversight
6 process.

7 I'm not raising this as something I think
8 will be a high frequency issue, but I don't believe it
9 is adequately addressed at all now, and we shouldn't be
10 developing this kind of policy for something this
11 significant on the spur of the moment.

12 Also, this is almost a cross-cutting issue.
13 There are certain programs like the maintenance rule,
14 EQ program, that the program, I don't believe, fully
15 describes how those would be evaluated.

16 For example, if a licensee were found to have
17 a grossly deficient EQ program, it could potentially
18 affect thousands of components within that. How would
19 the licensee and the agency assess the safety
20 significance of that programmatic breakdown, and what
21 would be the resulting outflow from the matrix of that
22 kind of a findings?

1 Number seven is, I think, another item that
2 we briefly talked about this morning, and it goes to
3 utilizing information from green inspection findings.

4 All of the people, whom I view as my
5 constituency in the enforcement program, very firmly
6 believe that we are in a much better of an approach now
7 where we assess the significance of individual
8 findings, and don't try to aggregate findings in order
9 to escalate the significance.

10 Notwithstanding that, there are things that
11 can be learned by looking at the trends of green
12 inspection findings. Unless green PIs, which are good,
13 green inspection findings, even though they are green,
14 are still not good. They're not positives. They
15 identify issues that need to be corrected.

16 We think that it warrants consideration to
17 see if there aren't ways to review and analyze those
18 green inspection findings in order to provide a
19 feedback mechanism into the inspection program or the
20 assessment process. That doesn't mean to drive every
21 licensee to the right on the action matrix to raise the
22 level of interaction with the licensee so that there's

1 more regulatory burden on the licensee. But, what it
2 does is prevent a blind eye being turned by the NRC
3 staff to green findings.

4 MR. FLOYD: Hey, Bill.

5 MR. BORCHARDT: Yes.

6 MR. FLOYD: Maybe I've gotten this wrong, but
7 I thought that was the purpose of the annual PI&R
8 inspection. To collectively look across the board and
9 findings that have been issued and the items that were
10 in the licensee's correct action program and see if
11 there was a big picture there as opposed to the module
12 by module 10 percent sampling of issues in the cap
13 related just for that module.

14 MR. BORCHARDT: I think in my mind I'm
15 looking at it more programmatically than site specific.
16 I think the PI&R will do it on a site basis, and that's
17 covered. What I'm looking at is the enforcement
18 program, or the inspection program looking at theses
19 issues to see if there aren't programmatic things that
20 should be done to the inspection program.

21 MR. FLOYD: I see. I see.

22 MR. BORCHARDT: You know, as a feedback

1 mechanism to the overall program. I'm not so --

2 MR. FLOYD: You're not talking about licensee

3 --

4 MR. BORCHARDT: With individual sites.

5 MR. FLOYD: -- you're talking about

6 programmatic assessments of your program.

7 MR. BORCHARDT: Right. And right now there's
8 at least the perception that in agreeing a finding are
9 pretty much off the plate. I mean they're in the
10 licensee's response then. All the licensees fix the
11 problems and not have any type of programmatic follow-
12 up. And we think maybe we ought to consider that's a
13 little bit too far.

14 MR. GARCHOW: I would also use that
15 information in your regulatory burden reduction,
16 because if you just start collecting a whole bunch of
17 green * so they're in very low safety significant,
18 areas that are non-conformance with regulations that
19 aren't risk significant, that could also be a pointer
20 to say, hey, this is where the licensees are focusing
21 on those. I mean, the argument would be, you know,
22 there's only ex-amount you can focus on. And while

1 you're focusing on those, maybe you're not focusing on
2 something more risk significant by virtue of the
3 program.

4 So I would say that you might find safe and
5 you might find pointers, you know, to give you some
6 insights on what to go look at further. But you also
7 might find pointers on why are we even looking.

8 MR. BORCHARDT: Sure. You know, I think the
9 other point that supports this argument is that there
10 are relatively few number of non-green inspection
11 findings. There are some. There's some significant
12 findings. But for the most part there's just a handful
13 of licensees that have gotten non-green inspection
14 findings to date. It just seems we're needlessly
15 turning our backs on some potentially valid
16 information.

17 Number eight has to do with what I see as a
18 weakness in that inspection of findings, issues that
19 are covered by traditional enforcement, by that I mean
20 issues that impede the regulatory process and are
21 willful, or have actual safety consequences, those
22 result in the traditional enforcement approach.

1 What doesn't happen, however, when that
2 treatment is used is that there is no feed into the
3 action matrix. You could have a very significant issue
4 that had actual safety consequences. It could get, in
5 an extreme situation, a severity level one violation
6 with a large civil penalty, but it would not feed into
7 the action matrix. Therefore, there seems to be an
8 apparent disconnect or a failure to consider that in
9 the agency's follow on actions.

10 MR. KRICH: I don't need to get into your
11 whole conversation, I'm just been thinking about that,
12 because its been raised before. I always thought that
13 if something was that bad, if you got a level two
14 violation in some area, that it was bound to show up
15 either as an inspection finding or PI or both that
16 would drive you to the right on the action matrix. It
17 is hard to believe you get that significant a violation
18 on something and not have it show up some place where
19 it is going to be measured.

20 MR. BORCHARDT: Not have it show up in a PI.

21 MR. KRICH: Either a PI or inspection
22 finding.

1 MR. BORCHARDT: It would be the inspection
2 finding, under my hypothetical scenario here, that
3 there is a very significant inspection finding. And
4 for the sake of argument let's say it was willful. All
5 right. But the current policy is, we would issue
6 traditional enforcement, and there would be no
7 corresponding yellow red findings.

8 MR. KRICH: Okay. I understand what you're
9 saying now.

10 But in the case of willful, and again the
11 whole premise we're looking at, where is the plan
12 relative in risk space? If the willful violation
13 didn't cause the plant to be in lower high risk,
14 whichever is the appropriate place, then it would be
15 appropriate to have a severe violation. But really the
16 plant isn't something it should have been.

17 MR. BORCHARDT: But suppose it did create a
18 high risk situation. The current construct is,
19 notwithstanding that, the enforcement action would be
20 severity level two and some civil penalty, and there's
21 no corresponding red or yellow inspection.

22 MR. GARCHOW: I'm not saying you're wrong,

1 because you know better than I do, but I would have got
2 in a dialogue without knowing what the facts were,
3 which you seem to have. I would say the issue would
4 have been percolating along through the inspection and
5 the SDPs and end up what it is, and the willful would
6 be running its own highway to a level 2 conference.
7 And you're sort of stuck with the willful.

8 But the issue, you didn't have safety
9 injection or whatever the egregious thing was through
10 the --

11 MR. BORCHARDT: And I think that's the
12 ultimate answer. I mean, that would be my suggestion
13 of how it would work out, but that's not what the
14 program says, no.

15 MR. BLOUGH: Okay. That's interesting.

16 MR. BORCHARDT: And that's the dilemma.

17

18 What I thought was happening was, suppose the licensee
19 willfully failed to do a 50-59 evaluation, and it turns
20 out that they make a change that is risky to the plant.
21 I would have thought that that was a finding that might
22 be a color like white or whatever.

1 But then the fact that it was willful and
2 initially getting a white finding, rather than treating
3 it as a cited violation under the program, you would
4 treat that still as a white finding, but then issue
5 them a superior level III.

6 MR. SCHERER: I'm willing to accept that.

7 MR. BORCHARDT: I thought that was how our
8 board --

9 MR. SCHERER: And maybe that's what we had
10 intended, but that's not what the program currently
11 says, at least -- if it does say that, it's not cleared
12 up, because I don't understand it, right, from what I
13 read. I think that's the right answer.

14 Well, isn't the issue also, Bill, that you
15 could get inconsistent results? You could get -- well,
16 the other way as well. You could get a relatively high
17 severity level finding with a white issue and a
18 relatively low severity level with a yellow issue.

19 MR. BORCHARDT: No. that's actually
20 impossible now. Well, my guidance in the inspection
21 program says is that if you can use, under any
22 circumstances you can use the STP to assess the

1 technical significance of an issue, use that.

2 And then if there is some factor such as
3 willfulness which causes that issue now need to be
4 treated differently than the reactor oversight, then
5 we'll use that to escalate the significance, if it's
6 warranted. But we will always start with the technical
7 significance determined by the ROPs. And that's the
8 way I'm maintaining complete consistency between the
9 issues. Now, does that make sense?

10 MR. GARCHOW: Does that happen very much?

11 MR. BORCHARDT: Yeah, we've used it on 50-59
12 issues ever since the pilot log program started.

13 MR. GARCHOW: So when you say "willful on 50-
14 59" it's an error in judgment if someone not --

15 MR. BORCHARDT: No. Well, 50-59 is not
16 willful. It is one of those impeding the regulatory
17 process.

18 MR. GARCHOW: Okay. I'm with you. I
19 couldn't get that. I couldn't make the match.

20 MR. PLISCO: There's a whole ben of --
21 there's not reporting things under 572 or 573.

22 MR. BORCHARDT: All right. Number nine goes

1 to this idea of -- not the idea, but the creation of
2 this no color finding and violation. I find that much
3 less than appealing, and I believe it needs to be
4 reviewed, and I would suggest ever effort be made to
5 remove this category. We either colorize it or treat
6 it under traditional enforcement, one or the other.
7 But this non-color is just non-sensical to me.

8 MR. PLISCO: I would make it invisible.

9 MR. FLOYD: Region 4, a workshop that says
10 the original intent of the program was that those non-
11 color findings be limited to the exceptions that were
12 going to be taken under the enforcement policy. The
13 failure to meet the condition, failure to put
14 corrective action program, then it might be a non-
15 colored finding and, you know, treated traditionally.

16 MR. GARCHOW: And actually the --

17 MR. PLISCO: Kind of transgress beyond that.

18 MR. GARCHOW: It actually turned out with
19 some additional guidance. I see the need for the NRC.
20 I mean if I were in their shoes on some of the human
21 performance and cross coding things, to have a way of
22 highlighting those in a manner in the inspection

1 reports so, like, when the yearly inspection or bi-
2 yearly inspection comes, there's a basis of that team
3 to go look at that's in the documented record.

4 And I've been seeing some of these non-color
5 findings come through with what I would say just sort
6 of setting the stage for the corrective action team
7 that's coming six months from now to say, hey, we had a
8 non-color finding and corrective action. We made this
9 observation and it is in the report. And when I see
10 those, I mean I'm fully expecting that I'll be talking
11 about those again when the corrective action team rolls
12 through town. And I can see why you would do that.

13 MR. PLISCO: Again, when I talked earlier
14 this morning about the rub between not having a risk
15 reform requirements and the risk reform programs, this
16 is one of the fallouts of it. And we talked a lot
17 about the threshold for their violations and the things
18 that have not changed. And there are still issues to
19 come up that have no risks because they are very low
20 risk significance that are still violations and
21 compliance issues. That's how this thing has evolved
22 and how to handle them right now. I don't think anyone

1 is satisfied with how it is handled, at least how it is
2 communicated. I mean there are violations and the NCBS
3 are issued. As far as communicating what they are is
4 satisfying to anybody.

5 MR. BORCHARDT: The maintenance being an
6 excellent example of something that's incredibly
7 difficult to do, a risk assessment on an administrative
8 requirement. And therefore, what we ended up doing was
9 going down this no-color path for a maintenance rule
10 violation.

11 MR. FLOYD: That's where a lot of them come
12 from. Right.

13 MR. SCHERER: Yes.

14 MR. PLISCO: I think procedural issues is
15 another one that are things to come up with, you know.
16 If they had followed procedure, it turned out it wasn't
17 real.

18 MR. GARCHOW: That was my point. My
19 perception in reading these reports, is you're putting
20 those in there so the corrective action team can go
21 say: Hey, here's a repetitive pattern of procedure
22 issues. What are you doing about procedures? What's

1 the effectiveness of the corrective actions? And it
2 gives you a basis to go start looking in an area where
3 if you didn't have that in your report, that can be
4 sort of starting from wherever you start from.

5 MR. PLISCO: That's part of it. But I think
6 it also puts the inspectors in a funny position,
7 because a lot of these issues no one is willing to call
8 minor or meet the minor threshold. I think there is
9 significant errors to eliminate, and there are
10 compliance issues, and they've got to dispositions for
11 them. They're put in the box of they're not risking
12 it, but their obligated. Disposition is to deal with
13 it, and that's what's created this no-color.

14 MR. GARCHOW: But once you call the
15 violation, there's still the process in place for me to
16 dispute that, whether it's colored or not.

17 MR. FLOYD: I just wonder if we've
18 artificially created a category that really isn't
19 necessary.

20 MR. PLISCO: My personal view is that green
21 is low significance only, zero.

22 MR. KRICH: Right.

1 MR. PLISCO: We ought to just call it green.

2 MR. SCHERER: I agree with that. If there's
3 a public confidence issue, try to get up and explain in
4 a public forum what a no-color finding is.

5 MR. FLOYD: There's a new box too that's
6 showing up on the web site, miscellaneous findings.

7 MR. GARCHOW: We had one of those.

8 MR. FLOYD: They're not green, they're not
9 white, they're not yellow, they're not red, they're not
10 no-color, miscellaneous that's showing up on the
11 website. There were no significant findings.

12 MR. CAMERON: This BRC, below regulatory --

13 MR. GARCHOW: I don't know. But this is the
14 struggle, because on the 39th year, 364th day, the last
15 ten minutes of the licensee's time somebody is going to
16 come up and say: For 39 years, 364 days and 23 hours
17 you've had this minor non-conforming condition.
18 Because they're out there everywhere. These real, real
19 minor non-conformance. I mean, there's thousands and
20 thousands of pages of regulatory requirements. There's
21 minor non-conformance everywhere everyday. Very, very
22 minor. So, I mean, anytime somebody goes and looks at

1 any plant in the country, are going to find very, very,
2 very minor non-conformance.

3 I mean, we find them every time we look. We
4 put them in the corrective action program. Inspectors
5 come through. They're going to find them too, when you
6 start racking over an operations that's been running 25
7 years with various sets of organizations running them
8 because there's turnover. You're bound to find that.

9 So I think the process now handles them. But
10 I think the inspectors are struggling, because when
11 they find them, what do you do with them? Is that a
12 correct perception?

13 MR. MOORMAN: That's exactly right. We're
14 still looking for the right threshold, and still in the
15 back of our minds we want something to have to hold up
16 for assessment. How much goes into the program? We
17 really don't know.

18 MR. SCHERER: Martin, we spent a lot of time
19 in the Region IV workshop discussing no-color findings
20 and, you know, I think one of the points that was made
21 is try to move towards zero in terms of no-color
22 findings. Maybe it might be simpler to just call them

1 all green. But let's at least keep this so we don't
2 lose this issue along the way.

3 MR. BORCHARDT: Number 10 issue is
4 recognition that the timeliness appears to be slipping
5 on the resolution of these findings, and that we need
6 to establish a series of performance measures that
7 takes a finding from identification all the way through
8 final resolution, to help us determine whether or not
9 there are programmatic process things that we can do to
10 improve the timeliness. Whatever it is.

11 I mean, we just don't have a real good feel
12 for what all the data is now. So if we had some
13 measures that would help us.

14 Eleven has to do with my belief that there
15 ought to be a parallel process to allow licensees to
16 challenge green findings, as there is for the more
17 significant findings. I think it also ought to be less
18 resource intensive, you know. It'd be as mensurate
19 with the significance of the findings, so it shouldn't
20 have all the trappings and formalities of a challenging
21 or red finding. But that there ought to be some
22 established process to allow that interaction.

1 MR. SCHERER: May I ask a question on that?

2 MR. BORCHARDT: Sure.

3 MR. SCHERER: I thought that that existed.

4 While I would imagine it would be few and far between
5 that the licensee would spend the effort to dispute a
6 green finding. Why doesn't that exist now?

7 MR. BORCHARDT: Well, it does.

8 MR. SCHERER: We disputed a --

9 MR. GARCHOW: We had to appeal minor, so,
10 yeah, I know what --

11 MR. BORCHARDT: Yeah. I'm suggesting that
12 the program needs to describe it. There is an appeal
13 process now. It's just done ad hoc for the most part,
14 and I don't think is the hugest issue, but for
15 completeness the program ought to address it.

16 MR. BLOUGH: Spend more time on that appeal
17 thing than you would have done on a supplemental
18 inspection, and it's just a green --

19 MR. BORCHARDT: But there is a --

20 MR. BLOUGH: -- but just to begin with
21 there's a problem. We're not risk informed any more,
22 but we spend a lot of time resolving at that level.

1 MR. BORCHARDT: Twelve has to do with a topic
2 again which we discussed earlier today, and that has to
3 do with the exchange of information between the
4 licensee and the NRC in order to fully characterize an
5 issue.

6 All of the relevant discussions and exchanges
7 of information gets summarized in the inspection
8 report. But then, once the report is issued, there is
9 still an opportunity, obviously -- we want to have the
10 exchange of the best available information at all
11 times. But I believe that that information at that
12 point, once the report gets issued, needs to be equally
13 well-documented.

14 Be it either in the documentation of the
15 NRC's final action or in exchange of information that
16 ends up being publicly available through Adams or
17 whatever the appropriate vehicle is.

18 That we should not allow even the suspicion
19 of having a secret exchange of information in order to
20 impact the NRC's significance determination.

21 MR. BROCKMAN: This really goes very closely
22 to Ray's concern this morning as to the checklist or

1 whatever is out there, exactly how the decision was
2 reached.

3 MR. BORCHARDT: Thirteen is not a new topic.
4 Has to do with PRA quality and consistency. Although
5 the example discussed this morning where two apparently
6 very similar issues ended up being different
7 significant determinations, different colors, and the
8 explanation this morning was because of the amount of
9 time covered by each.

10 It is equally possible that the time periods
11 could have been identical, but that the PRA for each
12 plant was different, and that is what caused the
13 significance to be different. And that's perfectly
14 okay if, in fact, the risk of the two plants was
15 different. But if it's just the difference in the PRA
16 methodology that was utilized, that becomes a more
17 difficult challenge to understand and to be able to
18 explain.

19 MR. FLOYD: Do you remember when the plant
20 specific work sheets came out, that should settle some
21 of this 'cause right now some regions I know are
22 relying on the licensee PRA because the work sheets are

1 not up to date. If you come out with the updated work
2 sheets, that should eliminate some of that concern over
3 consistency --

4 MR. TRAPP: But the other work sheets have to
5 be taken with a future grain of salt. There's going to
6 be a lot of issues. If you have multiple service water
7 pumps feeding a single header, if you have a service
8 water issue the work sheets won't apply. So there's
9 going to be a whole host of issues. I'd say maybe even
10 like a 50-50 split. You are really going to be able to
11 apply the work sheets directly. And the other thing, I
12 guess, is, if you use the work sheet and come up with a
13 white -- I can't conceive the situation where the
14 licensee or us wouldn't go on and get some better data
15 from either PRA or from our own office.

16 MR. FLOYD: But aren't we really relying on
17 the SRAs to make a final determination as to whether or
18 not the licensee's PRA is constructed properly and --

19 MR. TRAPP: No.

20 MR. FLOYD: -- to be able to evaluate the
21 issue?

22 MR. TRAPP: To evaluate the issue, I mean,

1 we'd evaluate the sequences and we'd look at the
2 critical sequences and that kind of thing. But we
3 don't go in and do, obviously, an in depth --

4 MR. FLOYD: Oh, I know you don't do an in
5 depth review, but you at least have some judgement as
6 to whether the licensee's PRA applicable to the
7 situation that's --

8 MR. TRAPP: Right. And we have our own
9 independent models that we kind of cross.

10 MR. SCHERER: I guess my experience is the
11 same as we are talking about here, at least for our
12 plant -- and certainly for the ones in Region IV that
13 have the sheets and agreed upon -- I didn't think that
14 the variations that may or may not exist in our PRAs
15 really did affect the categorization because the work
16 sheets were depending on plant characteristics not our
17 PRA. When we worked our way through it, it was
18 depending on whether we had -- or whether we had -- how
19 many trains we had in our system. Those were then used
20 by the region to evaluate the situation. We used our
21 PRA to compare it to that, but the NRC was not relying,
22 at least for our plant, on the PRA.

1 MR. BORCHARDT: It's my impression, anyway,
2 that licensees have been utilizing information derived
3 from their own individual PRAs, and the regulatory
4 conferences which are trying to categorize. To the
5 extent that there's a variation there, that makes our
6 job more challenging. We can hear what this one
7 licensee says, but it is hard for us to put it into
8 context of all of the rest of the industry, and similar
9 plants. I think that's what I'm trying to capture.

10 MR. FLOYD: Personally, I think the program
11 has to rely upon the SRAs to make the call as to
12 whether its prudent or not to consider that information
13 and how to consider it, because it is going to be a
14 long time, if ever, that these PRAs are consistent
15 across the board.

16 I mean, you get a different answer whether
17 you've done a shutdown model or just done a power
18 model, or whether you've got an extra...there's no
19 requirement to have any of that.

20 So you've got to reach to the point where
21 having a PRA define a certain way with a certain
22 completeness becomes a regulation, then you might be

1 able to get something for inconsistency but not until
2 there.

3 MR. GARCHOW: There is no right answer to the
4 PRA. It's not a digital process.

5 MR. PLISCO: And that's what is a risk
6 informed. That's a process. It's not a risk-base
7 process. And another thing I would add on here is
8 methodology. We're dealing with an issue now, and we
9 set a regulatory conference last week for summer. And
10 the issue as far as happening comes down to one thing,
11 how you model human performance and operator recovery.
12 This issue turns out to be in-risk base, right on the
13 line between yellow and white. And what assumptions
14 you make in operator recovery and the probability of
15 that decides where it is. And you have to look at the
16 air bands. In the end it comes down to the judgement
17 on what the understanding what the differences in the
18 models are, and what the assumptions are. You have to
19 just make a call. And we're going to have a lot more
20 like this one.

21 MR. FLOYD: The bad news is it's complex, but
22 the good news is, as Bill mentioned, there's only been

1 nine of these so far.

2 MR. TRAPP: Not only did we discuss the
3 issues, we were discussing significance and stuff like
4 this where we used to just slap a label on it and move
5 on.

6 MR. KRICH: To add to this. And your point
7 is going to take -- our experience is that the SRAs and
8 the region have gotten very good technical working
9 relationship with our PRA folks. And so I think the
10 SRAs have a good feel for the adequacy and consistency
11 of our PRA and know when to trust it and when to go off
12 and do their own type of analysis. So, unfortunately,
13 it is individual specific, but there is a backstop to
14 your concern here, which is SRA. At least that's been
15 my experience.

16 MR. BORCHARDT: I certainly don't mean to
17 under solve the importance of the SRA in helping that.
18 From my perspective, I see a tendency, despite our
19 desire to use the word "risk informed" to "become risk
20 based." That when push comes to shove, we're tending
21 more and more to want to look at the risk number. And
22 the more we allow ourselves to go in that direction,

1 the more important my item 13 becomes. Because,
2 ultimately, what the NRC would have to do is to be able
3 to explain why for still saying this is a yellow,
4 notwithstanding the fact that this licensee came in and
5 gave us a white number. And it is a hard argument to
6 make sometimes. But that's what being risk informed
7 means and not being risk based. But there's a strong
8 push to become more and more toward the direction of
9 risk based, I believe.

10 MR. PLISCO: In this item, from our
11 experiences, directly linked to this timeliness issue,
12 processing issues, and how many interactions are
13 required, and how many re-analysis and re-looks are
14 required, I think directing should be to that.

15 MR. GARCHOW: Maybe that cashes out during
16 the time you are doing that. Are the plants operating
17 safely in the interim? The answer most likely is yes.

18 MR. PLISCO: Well, our experience has been
19 the issue was actually fixed a year ago. We're
20 debating what we'll call it.

21 MR. SCHERER: I'll go back and poll the other
22 plants in Region IV, but again I just want to emphasize

1 my experience in working with Region IV is that
2 currently the NRC relies heavily on an individual
3 plant. PRAs developed by licensees is not, in my
4 experience, we do in arguing our case.

5 But our SRAs and the residents use their
6 insights based on their views of the situation, based
7 on their work sheets and discussion with our PRA
8 people. They certainly do have a dialogue. And as Rod
9 indicates, that helps change their mind as to some of
10 the issues as we've evaluated it.

11 But we rely on our PRA to make our case. NRC
12 has been taking an independent look, at least in Region
13 IV. So I just challenge that premise.

14 MR. REYNOLDS: Some clarification might help
15 there, though. The SRAs modified the face to work
16 sheets based on the scientific PRAs. So that
17 information from the site specific PRAs is in our tool.
18 That's what it was based on.

19 MR. PLISCO: But it's plant features.

20 MR. GARCHOW: Your model said, too, we'll
21 credit you the third. Had nothing to do with our PRAs.

22 MR. BROCKMAN: Again, the PRAs in Region IV

1 run anywhere from a Mock I Rev Zero up to the latest
2 and greatest. And there's been a lot of work by the
3 SRAs in staying very active with licensees,
4 understanding what their capabilities are, and then
5 getting a lot of data into the regional office that we
6 can use to work back and forth. And then we may have
7 to go back and get more supplementations.

8 But to say the number the licensee brings in
9 is the number that's acceptable, no.

10 MR. GARCHOW: I don't agree with that.

11 MR. BROCKMAN: It's a bid position. And work
12 off of C-pluses and minuses with, and then we'll go
13 back and --

14 MR. GARCHOW: Then you get into the
15 assumptions, and all of a sudden you're having a very
16 good technical decision instead of arguing subjectives.

17 MR. SCHERER: I still think it's a valid
18 point. My perception is that that sentence needs to be
19 looked at. Okay.

20 MR. PLISCO: Ray, you still want to try and
21 jump in, right.

22 MR. SHADIS: It's a question that I'm asking.

1 I'm asking for those folks in the know to educate me a
2 little bit and from the public confidence perspective,
3 but it's a question of how far do you go with risk
4 informing, not in the sense of being absolute where
5 something is risk driven but risk informed.

6 Would you have on a plant-specific basis
7 where you eroded engineering conservatism, let's say,
8 you're looking back at a plant and discovering that
9 maybe you don't have as much heat removal capabilities
10 you thought you had.

11 Then you have events that would affect that
12 particular train in the plant, that system. I would,
13 as a citizen looking at this from the outside, I would
14 presume that that plant's condition of having less heat
15 removal capability, let's say, than previously thought,
16 were informed the levels of risk that you assign to the
17 failure of that particular component. Is that the way
18 it ought to go? Now that's in the scoring end. But
19 how about in the end of allocating inspection
20 resources.

21 When we had this discussion with the public
22 meeting on this process at the Vermont Yankee Plant,

1 what we tried to get from the resident inspectors and
2 the people up in Region I at that point was, if you're
3 risk informing the process, and you have a bunch of
4 categories here, the risk information for PWRs is
5 different than BWRs, and you go all the way down the
6 line you know, for whatever you're looking at.

7 When it comes to the specific plant, we tried
8 to get them to say, well, what's high on the scope for
9 this plant? What are the areas where you see that
10 there are either eroded engineering conversations or
11 weaknesses that you are paying particular attention to
12 when you inspect this plant? They clammed up.
13 Couldn't pry word one out of them about how this risk
14 information play out when you get down to the specific
15 plant.

16 And I'm wondering if you could give me a
17 little education on that. Because that's the only way
18 we can see it is by the way, how does this play out in
19 our neighborhood.

20 MR. BROCKMAN: Let me try to project it from
21 a project's viewpoint, and then I'll give you some time
22 to formulate your thoughts, oh, Senior Resident

1 Inspector, how you apply that at your plant.

2 It definitely does follow in, and what it
3 goes into is in your sample selection that you are
4 going to pick. Whenever we go out to do an engineering
5 inspection, prominent identification resolution
6 inspection, if my residents are working with an outage
7 coming up -- and that's typically -- for your example,
8 when we'd really look at heat syncopacities and heat
9 exchangers and things this, we get together with the
10 SRAs. That's part of our planning process. And
11 identify where are the more risk significant areas to
12 focus at.

13 This is one we'd have -- there's a weakness
14 there. All right. I got that one sitting over in my
15 tickler file to pull up and be looking at whenever I am
16 doing problem identification resolution this is an area
17 that's a higher probability to look at. It is
18 something I want to get with Jim when I'm developing my
19 sample plan and factor in to the right way to look at
20 it. Am I mining it? No. Does it give me insight that
21 this is a softer area and therefore has a higher risk
22 possibility associated with it, it needs to be probed

1 to confirm or refute that fact, because it could be
2 refuted. At which time then I'll back off in the
3 future. That's how you use that information within the
4 development process. That's from a division director's
5 point.

6 MR. MOORMAN: But on a daily perspective, we
7 know which systems in the plant are important to risk.
8 And being mindful of those, everything that goes on in
9 the plant that we monitor in our daily plant status
10 monitoring, I look at every condition report that gets
11 generated at the plant. We look at that for how
12 problems are affecting those systems. And then we take
13 the inspection modules and go in and take a look at
14 those problems.

15 We also look at human performance. Where do
16 we see problems and are those likely to become risk
17 significant if they get out of control. So we do know
18 what systems to look at, and we focus on these.

19 MR. KRICH: The only question I had in
20 listening to your question was, you were saying, well,
21 if you have a degraded condition -- I'm not sure that's
22 the word you used.

1 MR. SHADIS: Well, "erosion of an
2 engineering" --

3 MR. KRICH: If it's a known condition, then
4 it's taken care of. It's addressed to the corrective
5 action. And the inspection process and use of PRAs is
6 not going to necessarily help you with that. It's an
7 identified condition.

8 Where PRA helps you is, all of us have a list
9 of systems which have a high impact on plant risk. So,
10 for example, the service water system. If you lose the
11 service water systems, in most plants you are in deep
12 do-do because it has a tremendous impact on the ability
13 to mitigate the consequences of an accident.

14 So the NRC will then use that, for example,
15 to go in and do a focused inspection on the service
16 water system to see if we're maintaining it properly,
17 is the training being done properly, human performance
18 problems in operating it is being operated properly.
19 That type of thing.

20 But in terms of eroding something that's
21 already identified as being eroded, then PRAs can't
22 help you with that because you've already identified

1 that.

2 MR. BROCKMAN: There's a key point that you
3 bring up, problem identification resolution process,
4 the corrective action process the licensee has. If we
5 identify this concern -- the licensee identifies it, I
6 am operating under the premise that they have embraced
7 the issue and put into their corrective action program,
8 and are dealing with as a responsible licensee.

9 If they're not, I'll come back to that issue.
10 If they are, and it hasn't crossed a significance
11 threshold, it's in their ban, then what I expressed
12 earlier is what I'm going to do. I'm going to use that
13 to help my risk inform my samples. If it has crossed
14 the threshold, then they're going to get special
15 inspection associated with that, as is appropriate for
16 the program 95001, 002, what have you, depending upon
17 the threshold it crossed and what that means.

18 Now if they haven't embraced it, and they
19 haven't seen it as a problem, then that gets us engaged
20 to go out and inspect the brief clarification to it
21 associated for what we think the potential impact could
22 be. And there are more than adequate risk-informed

1 modules for me to be able to go out and probe into that
2 and pry to independently putting characterization on
3 it, which will then a little more of what I'll call put
4 the shoe horn a little more before its fit into the
5 corrective action program.

6 I have not found the need to do that, I
7 think, except for one very minor opportunity thus far.
8 Its more been a follow-up because they've taken the
9 issue and use it to risk inform myself.

10 MR. BLOUGH: Well, there's so many angles to
11 that question. I mean, when you start answering all
12 the angles, you know, it gets to be overly complicated.
13 But there are cases where you wouldn't say the
14 engineering margin has eroded. But over time, from the
15 original design, is the design requirement here and the
16 actual design was here, and then various reasons:
17 modifications, changes to the plant, they might have
18 come closer together, you know. So where it's still
19 acceptable with less margin in the various
20 calculations.

21 In that case, one, as I think Jim said or
22 whoever said, those issues are more likely to get

1 picked up in your sample selection for the engineering
2 inspection. But the other angle on that is, you're
3 going to have to spend more time. I mean, the closer
4 it is, if you have -- diesel loading, which has now
5 become very tight, you have to look more closely at
6 every angle that goes into that, and the validity of
7 every single input to where, if there's more margin, it
8 would be an easier inspection to do.

9 Same thing with service water. If you've got
10 a water system, which the margin has gone down, it is
11 just going to be harder to take an inspector to inspect
12 it, because you have to go in and look at the results
13 of the inspections, all the heat exchangers in more
14 detail than you might have to with a system that is
15 more margin. I don't know. Your question has so many
16 angles to it.

17 MR. SHADIS: Well, I think I'm looking for
18 reassurance that the plant specific information plays
19 into, you know, not only plays into the assigning of
20 values for various infractions and so on, but also
21 plays into determining how this plant is going to be
22 inspected.

1 The emergency diesel generator example that
2 you brought up is a good one. And I know,
3 historically, in the way back with Maine Yankee, we had
4 diesel generators that, if they were tapped fully under
5 an emergency, it would be within three-tenths of a
6 percent of their plate rating.

7 Also, looking back in the record at one point
8 we had a violation where a mix of diesel fuel was
9 delivered that was what's called a "winter mix" in our
10 area. It's about 40 percent kerosine. Meaning that
11 the choleric content of it was diminished well in the
12 way past that three-tenths of a percent margin.

13 In other words, those diesels could not have
14 gotten their full horsepower rating out of that fuel,
15 no matter what you did to them. And yet, these two
16 events, the synergy between these two events, was never
17 brought forward in anything that NRC did at the time.
18 Nothing we saw at least.

19 And so what I'm suggesting here is that where
20 you have ongoing conditions with a plant, from the
21 public confidence perspective, we'd like to see it
22 reflected that NRC is aware of these things and taking

1 them into cognizance as they go forward with this
2 program, with this inspection program. And this is not
3 a new issue and it doesn't pertain in a singular way to
4 this program, but it does pertain to this program.

5 MR. BROCKMAN: I think it would be safe to
6 say that the program allows for these things to be
7 done. If we are doing our job properly, which is
8 holding upon me as a manager for that area and my
9 staff, we would be doing that. Am I going to tell you
10 that every issue and every correlation that I'm a
11 hundred percent command of, I can tell you I try. I do
12 my best, and we work on it, and we're continually
13 working on it. That's really the best I can go in that
14 area because of the amount of resources. We've got our
15 program in the sampling program. It's not a hundred
16 percent verification program.

17 Now, could I tell you we've still a process
18 involved, though, if such an issue was brought to our
19 attention, that we could immediately address it and
20 handle it without a doubt, that's still in the program
21 and would be immediately addressed, handled, and
22 reviewed and put into a proper context? No doubt about

1 that at all.

2 MR. BORCHARDT: I can finish up, hopefully,
3 very quickly. My last item has to do with what the
4 definition of a "performance deficiency" is.

5 For an inspection finding to be valid, there
6 has to be a performance deficiency. The question is,
7 is this a performance deficiency on personnel that may
8 have caused the problem, or a performance deficiency on
9 the plant? And to illustrate the story quickly, I'll
10 just give you a quick theoretical example.

11 Suppose a design engineer made an error 20
12 years ago, and it turns out that a system within the
13 plant would not have been functional for a specific
14 scenario for the last 20 years. The licensee discovers
15 that deficiency. Dah! Is that a performance issue?

16 Some would argue that this is an error that
17 happened 20 years; that it's not reflective of the
18 licensee's current performance in the area of design
19 engineering and, therefore, is not a performance issue.
20 Others would say, now, you don't look at who causes it
21 or how it was caused, you look at the fact that there
22 was a system that was required to be operable. It

1 wasn't operable. It had some impact on risk, which you
2 can assess, and that it's the plant configuration that
3 is the performance issue, and that's what the action
4 ought to be issued -- the finding ought to be issued to
5 document and the violation, if there is a violation, be
6 issued to take enforcement action on.

7 There was a fair amount of debate and
8 discussion on a number of recent cases that go to this
9 very question.

10 And my last issue is that I believe that
11 program guidance needs to be developed to specifically
12 address whether it is either or both of these
13 scenarios.

14 MR. FLOYD: Bill, I have another corollary to
15 that, and that is, suppose you have a diesel generator
16 fail to start. It's unavailable due to a random
17 failure of a relay and a piece of equipment. The relay
18 is under a maintenance program and it failed well
19 before it's meantime to failure, are you going to
20 evaluate that as a failure of that piece of equipment
21 using the STD or not? Because some would argue that,
22 no, that's not a performance issue with the licensee.

1 They were maintaining that piece of equipment in
2 accordance with their program. They just had an
3 unexpected failure well before its meantime to failure
4 on. That's another correlation to that issue that I
5 know has come up. Is that a performance issue? Yeah.

6 The first one I think is a little clearer in
7 my mind as to whether it's a performance issue or not.
8 The second one I think is pretty clear. It is not a
9 performance issue. But others may disagree with that.

10 MR. BORCHARDT: Well, let's elicit the answer
11 to the first question.

12 MR. FLOYD: I think philosophically it is a
13 performance issue, because the licensee has a program
14 where they're supposed to be going back and
15 periodically doing design reviews and assessments,
16 reviewing it, picking up to see if there's deficiencies
17 that have yet to be discovered. So that is part of the
18 program and responsibility to do that.

19 The second issue, if they got a program, and
20 it really was a random failure beyond their control, I
21 wouldn't think that as a performance issue.

22 MR. BLOUGH: I don't think we're supposed to

1 be able to find a performance issue before reviewing an
2 LER, and it ends up that it is just an equipment
3 failure. There's no program -- no reasonable thing
4 that should have prevented it. I don't think we're
5 supposed to define any performance issue and enter an
6 STP for it.

7 MR. SHADIS: Right.

8 MR. BLOUGH: But I do know that we did make
9 that mistake at some plants early on, and I hope we've
10 corrected it now where we specifically were reviewing
11 LERs, and they issue gree3n findings what was just an
12 equipment failure. No performance issue identified.

13 MR. TRAPP: The important aspect, too, in the
14 first case, I'd want to do a follow-up inspection and
15 see what other design issues are out there. So it's
16 probably worthy.

17 The second case, if I've already got what I
18 need to know, why would I go in there.

19 So if the purpose of the program is to direct
20 inspection resources, then that's exactly the key.

21 MR. GARCHOW: There's another, like, opening.
22 I know some of the utilities are doing better than

1 others; that in this program it doesn't matter who
2 finds it if you buy into the construct. So if we're
3 doing the self-assessment, here's where the disconnect
4 between 5072 and 5073 in the program comes in, because
5 I really have no regulatory basis to report that to
6 you.

7 Some utilities, our's included, have
8 submitted a voluntary LER. If we think that we're into
9 something we found that I can't get into a text-spec
10 problem, but when I review the issue in accordance with
11 the STP, I come out with something maybe green or maybe
12 green heading to white, I get nervous on the disclosure
13 parts.

14 I mean I think if that's where, you know --
15 if you were really going to tie all the programs
16 together, you would have a length of 5072, where I'd
17 have to report that, so the people like Jim could take
18 their view of it and say it either is or isn't.

19 Right now, not all those things would I enter
20 a text-spec or am I required to write a LER or make a
21 one- or four-hour call, but in my self-assessment
22 program I found it and it exists. It happens

1 infrequently. But as over 104 plants, as we're trying
2 to get our self-assessment programs more robust, we're
3 really digging, we're really going to find. And that's
4 an open issue.

5 MR. BORCHARDT: I'm done.

6 MR. HILL: Most of these issues have to do
7 with performance indicators, and most of them were, I
8 thi9nk, already addressed at the workshop, and so I
9 think they're kind of known but I'll go through them
10 anyway.

11 First there on "unplanned power change
12 performance indicator" has to do with the fact that if
13 you have something that's broken, if you go ahead and
14 fix it in less than 72 hours, and take a power
15 reduction, you're seen as being a poor performer or an
16 outlier and really doesn't take into that, you know,
17 may very well be capable of being -- in other words, a
18 72-hour arbitrary time period regardless of your
19 planning capability.

20 The second one has to do with fault exposure
21 hours, and there's already been a lot of talk about
22 that. And the fact of taking half of the time there.

1 Like I say, that's already being worked on.

2 The third one is similar. Again, equipment
3 unavailability definition. That was different,
4 different programs. And there's already groups working
5 on that. As David said earlier, a lot of things --
6 there's already people that have identified these, and
7 I think some of these were identified to us last
8 meeting.

9 The next one on the next page has to do with
10 reasonable operator actions, whether you should be able
11 to take credit for reasonable operator actions or not,
12 and the difference of not being able to do them for the
13 unavailable hours.

14 Then there's also a question about limiting
15 the exemption from reporting plant overhaul maintenance
16 hours, which has an impact on plants that already have
17 a text-spec that allows being able to do online
18 maintenance.

19 MR. GARCHOW: Did that come up at the work
20 shops, the plants that have the 14-day diesel LCOs, you
21 know? If you follow the NRC text-spec that they gave
22 you, that you paid for, you follow your text-specs

1 right into white.

2 MR. SCHERER: The PI Manual was changed.

3 MR. GARCHOW: Was that changed?

4 MR. SCHERER: Yes, if you have a risk based,
5 risk performed AOT, you don't have to do that.

6 MR. PLISCO: Now it's gone the other --

7 MR. FLOYD: This is another example of making
8 a quick change to the program that wasn't as well
9 thought out as it should have been.

10 MR. HILL: And then the last two have already
11 been talked about on security and fire protection.

12 MR. KRICH: In the interest of time, and also
13 everyone's patience, I'll go through this right quickly
14 because I think most of these issues have been covered
15 already. And I want to just put this in the context of
16 the way that these items were given. These are some
17 very specific items, but the objective of the idea here
18 was that they indicate some concern with the overall
19 program that needs to be addressed either as a weakness
20 or as a programmatical change.

21 The first one on performance indicators
22 really deals with the issues that I think all of us had

1 experience with performance indicators either, you
2 know, masking -- using T over 2 process, the faulted
3 condition, masking some other problem with the
4 equipment.

5 And I want to address an issue that Dave
6 Lockbaum put in his resignation letter. The concern
7 with the T over 2 issue is not a concern with
8 unnecessary regulatory burden. It's concerned with
9 plant safety in the sense that, if you wind up counting
10 the T over 2 for those conditions where you do 18-month
11 test, and you fail the test, and therefore you have to
12 take half that time and you're going to be in white or
13 yellow, you're possibly your attention on the wrong
14 thing, in terms of plant safety.

15 In other words, the plant may be fine with
16 respect to risk, but because of T over 2 you are now
17 devoting a lot of attention and resources to something
18 which really doesn't affect plant risk. Whereas, it
19 may be better served to put your attention on something
20 else which does affect plant safety.

21 So that's our issue with T over 2 is that it
22 can divert your attention from real safety risk issues,

1 because you're just counting numbers and you're not
2 looking at what is the context.

3 MR. HILL: I think to expand on that, you
4 know, in his letter he kind of implied that the text-
5 specs may be wrong. You might should test more
6 frequently. And I think that well before this program
7 ever came up, we always looked at -- at least our plant
8 did -- if you had an 18-month surveillance and it came
9 up and you had a problem, you had to look at it and
10 see: Do I need to test it more frequently for a while
11 or whatever?

12 Many, many times we would take and some
13 fails, and you'd test it. Okay. We're going to test
14 it every other day for a week, then we're going to test
15 it every week, and then we're going to test it a month
16 until we get some assurance we really figured it out.

17 I think the biggest problem we have T over 2
18 is, you have -- there's no consideration of what is the
19 problem. It's just the fact that it failed, and it can
20 have operator action and your safety function could
21 have been taken care of. And that's the same effect as
22 if it could never have worked at all.

1 MR. KRICH: That's what we mean by taking out
2 of context.

3 MR. HILL: Right.

4 MR. KRICH: And we had situations where
5 instrumentation was drifting more than we had
6 originally assumed and, therefore, wound up calibrating
7 or surveilling this instrumentation more frequently
8 than was required by text-specs.

9 Now, ultimately, that put us into what's
10 called adding a letter of 9810 space, which is if your
11 text-specs are not conservative relative to what you
12 are finding in the plant, you need to get your text-
13 specs changed. And that's, in fact, the process we
14 went through. But we did find if that instrumentation
15 was drifting further than what was covered by the
16 surveillance, so we did more frequent surveillance.

17 I really felt I needed to address that issue
18 in Dave's letter. The concern has always been on plant
19 safety not unnecessary regulatory burden.

20 On inspections, our issues here are some that
21 we've already discussed in detail. The non-color
22 findings is confusing to us, and the other issue is the

1 estimate of time it takes to do inspections. We have
2 found the inspections have gone way over what was the
3 original estimate.

4 Now we understand that those were estimates,
5 and that we're all learning from this process. For us
6 it's just a flag.

7 MR. BROCKMAN: I want to make sure I
8 understand. So you're saying the individual inspection
9 activities are going way over, not that your overall
10 inspection work load compared to the previous program
11 is different?

12 MR. KRICH: Both.

13 MR. BROCKMAN: The one is not surprising; the
14 other is.

15 MR. KRICH: Right. The one here is that the
16 NRC -- what's indicated in the inspection procedure,
17 the time has frequently found it to be an under
18 estimated of what the time actually turns out to be.

19 MR. BROCKMAN: Bigger.

20 MR. KRICH: Much less. So PI&R spent much
21 more time on it trying fire protection inspection, that
22 type of thing.

1 Also the time we have spent preparing and
2 covering these inspections has been more than what we
3 originally expected. So it's learning --

4 MR. BROCKMAN: Yeah, but we didn't give you
5 an estimate.

6 MR. KRICH: You did not give us an estimate
7 on that. We gave ourselves an estimate.

8 MR. SHADIS: Could we go back to that time
9 issue just for a minute?

10 MR. BROCKMAN: Sure.

11 MR. SHADIS: Six or seven years ago NRC had
12 sent out letters inviting licensees to apply for
13 exemptness, to extend the intervals on surveillance and
14 maintenance.

15 MR. KRICH: That was generic letter 9406, I
16 think.

17 MR. SHADIS: Yeah, something like that. And
18 that was prompted by concern for plant safety.

19 MR. KRICH: The generic letter has to do with
20 extending surveillance frequencies to 24 months,
21 because licensees at that point -- there was a number
22 of licensees who were looking at extending their fuel

1 cycle.

2 MR. SHADIS: No. Now that was one area where
3 that was invited, and I know that Millstone took
4 advantage of that to the extent that when they did
5 their extended shutdown, they didn't look at reactor
6 internals or anything for close to four years.

7 What I'm talking about is intervals of --

8 MR. GARCHOW: There really wasn't any
9 surveillance on the text --

10 MR. SHADIS: There was an invitation to apply
11 for exemption on surveillance and maintenance and items
12 like relay switches, dowels. There was a bunch of
13 things that different licensees applied for and they
14 were granted their exemptions. And from the public
15 perspective --

16 MR. GARCHOW: There weren't really exemptions
17 because you actually were granted text-spec changes.
18 So there was no exception. You just had a new basis
19 for your license.

20 MR. SHADIS: Yeah. I misspoke myself. It
21 was a text-spec change, if you would. But we were
22 essentially invited to ask for. But we could never

1 understand that in terms of increasing plant safety, or
2 enhancing plant safety. We were told by NRC at the
3 time that, well, you know, you keep testing these
4 things, you're going to break them sooner or later. So
5 its like, kids, don't play with the light switch, you
6 know. We're going to need it some day.

7 MR. FLOYD: The real answer is that you're
8 trying to balance availability and reliability. Okay.
9 Now, obviously, the more you test something the higher
10 you can say the more reliable it is, okay, if it
11 doesn't fail. But also, unless it's available to
12 perform its function because its out for testing. That
13 was the basis of the earlier ones. You're trying to
14 balance --

15 MR. SHADIS: Thank you.

16 MR. GARCHOW: And many of the tests on those
17 in Steve examples to actually test them, you have to
18 put the plant in a configuration where they're not in
19 the same configuration to be ready for an event. But
20 the artificiality, you have to test up the test
21 conditions.

22 MR. SHADIS: And so, in essence, we have set

1 ourselves up for extended intervals on surveillance.

2 MR. GARCHOW: Based on known reliability of
3 components.

4 MR. SHADIS: And that now -- in terms of
5 consequences, now we're talking about T over 2. Okay.

6 MR. KRICH: But a lot of these are -- most of
7 these cases, Ray, are not situations where we have
8 subsequently extended the surveillance. But a
9 situation when you cannot do the test when the plant is
10 operating, you can only do it when it shuts down for
11 refueling. I mean that's 18 or 24 months. So it's not
12 a question of extending something, it was a question of
13 we can't do the test unless the plant shut down.

14 MR. SHADIS: Now I understood and I took well
15 to your issue of how significant this is after this
16 particular component.

17 MR. KRICH: Right.

18 MR. LAURIE: Just so I understand, the
19 complaint or concern about the inspections taking more
20 hours than anticipated, the concern is based upon the
21 fact that portions of the operation have to be shutdown
22 for support personnel. Your support personnel have

1 costs attached. Absent that, what do you care. So my
2 understanding is that during the course of the
3 inspection, it affects the operation. The operation
4 has costs. Is that --

5 MR. KRICH: Exactly. The concern is that the
6 longer an NRC goes on, the more man hours and resources
7 are devoted to that inspection as opposed to doing
8 something else. Now I'm not saying they shouldn't do
9 inspection, I'm just saying, you know, we wind up
10 spending large amounts of resources responding to the
11 inspections, which is what we're supposed to do. But
12 the longer the inspection goes, the more resources we
13 wind up expending.

14 MR. GARCHOW: And so much as a planning too.
15 I mean, your planning expecting to be two hours, so you
16 need five engineers to support the fire protection
17 inspection for two weeks. And it becomes four weeks,
18 well then, whoever you were going to have in
19 engineering that you were planning on working on the
20 other two weeks is now still supporting the inspection.
21 And much like the NRC tries to always keep their
22 resources balanced, and we're trying to do the same

1 thing.

2 MR. BROCKMAN: And an ancillary question that
3 goes with that. The NRC works five-eighths. Everybody
4 may not work that. But as an agency we work five-
5 eighths. Eleven of the 14 sites in Region IV do not
6 work five-eighths. They don't work five days a week
7 every week.

8 MR. GARCHOW: We work six-tens.

9 (Laughter)

10 MR. BROCKMAN: Well, you answered my
11 question. I'm hearing -- is it a concern of the fact
12 that the inspection schedules we had, were they
13 premised on getting out there sometime on a Monday,
14 getting started, coming to closure by midday on a
15 Friday, and then being able to exit out there. Is that
16 causing an untoward impact in having to have licensees
17 rearrange schedules of people and what have you and
18 distract them from the things they would normally be
19 doing.

20 MR. KRICH: If you're out there for
21 inspection, we're going to be out there for inspection.
22 That has no impact on -- I mean we're going to be

1 there.

2 The biggest impact truly is, we take
3 resources that are usually devoted to doing either
4 improvements to plant liability or addressing issues
5 from the corrective action program. And now they're
6 off for the entire two weeks answering questions from
7 the NRC inspection team. That's life. I'm not
8 complaining that they shouldn't do that. But the
9 longer that goes on, the more they're doing that as
10 opposed to these other things.

11 MR. BROCKMAN: To make sure I understand
12 then, the activity going on longer than all the plans
13 that you've put in place to deal with that is sort of
14 like we're doing. Once the game's defined, it's a
15 nine-inning game. We don't get into it and decide,
16 well, let's play 13 today.

17 MR. TRAPP: But was some of that driven by
18 the findings or was that mainly -- I mean, if you come
19 through with a clean inspection, it's supposed to be a
20 week, and they take three weeks to do it, I can see a
21 complaint.

22 If it's an issue where you end up at the end

1 of this first week and you have 15 late findings, then,
2 obviously, it's going to take another week to resolve
3 them.

4 MR. KRICH: That is an element in it, but it
5 is not the driving element. Because if you look at the
6 way everybody does inspections these days, I mean, the
7 same thing that happens at his plant that happens at my
8 plant.

9 We set up a very elaborate system for
10 handling every single question that comes out of that
11 team. The minute the question is put down on that
12 system (snaps fingers) people are off running and
13 getting the answers to that question. So we're
14 resolving issues as quickly as we possibly can. So
15 there are things that linger that cause it to drag on,
16 but that's not the driver's fault.

17 I think that people are getting used to th4e
18 new inspection procedure. They're finding things that
19 they hadn't anticipated. I think this is mostly a
20 learning process.

21 MR. SCHERER: Is it the learning curve that
22 you're seeing, or is it an extension? I haven't seen

1 an extension. And the NRC so far has said they're
2 coming for a week, they're coming for a week.

3 MR. PLISCO: Well, I was going to say that
4 this is one issue we can look at real hard data. The
5 first thing we've talked about today. We can look at
6 hard data. When Bill Dean brings his information, he
7 can tell us what are we using compared to what was
8 estimated. We'll have real hard numbers to look at.

9 I mean, we can cut it. I mean, you saw some
10 of his metrics. He can cut it anyway we want it.

11 MR. BROCKMAN: But I think its an interest,
12 because I think we need to look at it in two different
13 cuts. The overall number, I can get that in a bunch of
14 different ways. And what I hear you saying is, the
15 concern is five-eighths has a different impact than
16 four-tenths.

17 The physical number of days in which the
18 inspection operates is also a significant factor in
19 addition to how many overall hours th4ere may be
20 associated with that.

21 MR. KRICH: Schedule issues are an issue too.
22 I mean --

1 MR. BROCKMAN: We don't have schedules here.

2 MR. GARCHOW: We have a tri-annual fire
3 protection inspection coming up at one of our plants
4 that was moved up four months. There were a whole
5 bunch of resources that -- because that's a big
6 inspection. Well, your big inspections, we didn't have
7 planned to be doing that, to be preparing for that and
8 getting the information together in December and
9 January. We had that scheduled out for April and May.
10 And then the schedule change becomes the impact as
11 we're trying to plan for outages and, you know, we use
12 people in multiple, different ways.

13 MR. PLISCO: And that's a metric too, I
14 think. How many of those scheduled changes we have.

15 MR. GARCHOW: A schedule change on one
16 inspector three days is different, than PIR fire
17 protection design basis review. You know, your big
18 ones. They take a lot of resources.

19 MR. KRICH: It was only raised as a flag that
20 I noticed this. I think it's a learning -- we had a
21 meeting a year ago September, as a pilot plan, in
22 Region III with Point Beach, and we talked about what

1 was working, what wasn't working. What we learned at
2 that time was the PI&R inspection, for example. We had
3 I think the first PI&R, and it went way longer than
4 what was put in the procedure.

5 MR. REYNOLDS: Everyone of these we bring up
6 here: the tri-annual fire protection, the quad-city,
7 and the pilot PI&R, was the very first time they were
8 done, and everything's had substantial change since
9 then. The agency's dropped associated circuits, which
10 is a major issue at Great Britain that we put in
11 abeyance. Oddly it wasn't a problem with the
12 inspection so much with the STP, so it wasn't that the
13 inspection resources. It was the assessment for the
14 program that took so long. And the PI&R, like you
15 said, it was the first one to be common. And I think
16 everyone since then has been well within. So I think
17 all these issues aren't nearly as -- we've done
18 triangular fire protection since then. We've done the
19 fourth on fourth drills and PIRs, and didn't schedule
20 going on and resulting going over.

21 All the ones that went over, especially the
22 fire protection and the osry was based on the issues

1 that were identified, not just the equipment problems
2 at the plant or their programmatic issues at the plant.
3 There were a lot of programmatic issues that needed to
4 be ironed out with the inspection program.

5 MR. KRICH: I agree.

6 MR. REYNOLDS: And so, I'm not sure that that
7 was allocating inspection resources. It was the right
8 words, especially it was more the -- in resources you
9 had to comply with the issues but it wasn't so much an
10 inspection activity. It was an outcome of -- we make
11 differentiation between inspection assessments and
12 inspection programs. I would put it more in inspection
13 program issues.

14 MR. KRICH: We just lumped it altogether into
15 one. I understand.

16 MR. REYNOLDS: I just want to make sure I
17 understood; otherwise, you and I won't communicate.

18 MR. KRICH: No, no.

19 MR. REYNOLDS: That's most of our PI&Rs to do
20 the scope as we see it is taking more. And the
21 engineering SSDIs, which is a pretty wide variation and
22 those specially dependent, how complicated the system

1 is and how retrievable the information is.

2 MR. BLOUGH: I'm very familiar with these
3 particular ones that Rod was talking about tonight, and
4 the words and what he was saying I didn't think it was
5 clear inspection program issues.

6 And another procedure question. You skipped
7 some of the issues, and some of the issues haven't been
8 covered. I was going to say the ones that haven't been
9 covered previously, and you're not covering, are no
10 longer issues, or they're all issues and your just
11 hitting the highlights?

12 MR. KRICH: They're all issues. I'm just
13 hitting on a summary statement. Is there something in
14 there you want to bring out in particular? In the
15 interest of time I was just trying to get through
16 quickly.

17 MR. REYNOLDS: Look, I guess we'll call it
18 all later.

19 MR. PLISCO: And I would suggest -- I mean,
20 we can all read these. If you see particularly you
21 don't understand, I mean if you'd been to some of the
22 workshops, I think some of these issues in all regions

1 are similar. But I think if anyone's got questions
2 about specific ones --

3 MR. CAMERON: Just a point of order. I don't
4 think the panel has started to wheedle down the issues
5 yet, and I think that it would be Rod's intent to have
6 all of these issues identified here considered before
7 the wheedling process would begin. Your not wheedling
8 yourself. Okay.

9 MR. PLISCO: I was going to say to stay out
10 of this, but I intended to -- John and I -- or John is
11 to take all the inputs. I know we're still missing
12 some inputs. Is to take all of these and try to put
13 together a consolidated list and make sure we have all
14 the issues captured, because there is a lot of
15 duplication, obviously, and we'll try to pull one
16 composite grouping together so these are not lost. If
17 it's written on this piece of paper, we'll work on it
18 when we put our list together. But I wanted to make
19 sure that we all at least understood what the issues
20 are as we walk through them.

21 MR. KRICH: STP, in general, the issues that
22 we found were similar to the issues that we've already

1 discussed with regard to the use of STP in fire
2 protection area, in the security area.

3 One new one that we just hit upon is this
4 long discussion here -- and, Steve, you're probably
5 aware of this one -- we had an HP inspection at our
6 Quad City Station. We had a very high unexpected dose
7 rates, when we shut the plant down for refueling, due
8 to some chemical treatment that we had been doing on
9 the primary system. Therefore, we had to keep
10 adjusting the ALARA estimates for work that was being
11 done on the plant, because the dose rates were about
12 three times higher than what we had expected.

13 And so we just got a finding because our dose
14 estimate for ALARA was greater than 150 times -- or the
15 actual dose was greater than 150 times what the
16 estimate was, depending on which estimate you start
17 with.

18 The NRC is starting with one that we when we
19 first shut down, readjusted it as we learned about dose
20 rates, and so there was some discussion about what's
21 the appropriate way to look at this.

22 MR. GARCHOW: Was that a green or white or --

1 MR. KRICH: I'm sorry.

2 MR. GARCHOW: Was that a green finding?

3 MR. KRICH: It was a white finding.

4 MR. GARCHOW: White finding.

5 MR. TRAPP: How did it turn out?

6 MR. KRICH: One of our regulatory
7 conferences.

8 So we think that this is an issue because
9 there's a -- and I think the NRC recognizes this --
10 there's a potential disincentive now to do good ALARA
11 planning, because if you're going to get held to that
12 first estimate, then everybody's probably going to
13 inflate that first estimate so as to not get caught
14 into the --

15 MR. GARCHOW: That would be an undesirable
16 consequence.

17 MR. TRAPP: And some undesirability going the
18 other way where you could just re-estimating yourself
19 all the way up to your --

20 MR. KRICH: That's right. We agree with that
21 too. You can't keep changing the number as you go
22 along.

1 MR. GARCHOW: We had a case, a very similar
2 example just occurred it sounds, and you do want to
3 keep conservatively redoing your estimate when you're
4 in the outage, because I challenge the team and say,
5 okay, this happened. I don't have to like it. But now
6 here's the estimate. Every day the work group has to
7 do more to conserve their dose. So I was giving them
8 challenge goals every day in the fly to keep overall
9 doses down. I thought I was going to get penalized
10 every time I exceeded that challenge dose. They
11 probably could still do it, but I didn't think it was
12 right that I was getting penalized for trying to do
13 something that was in the spirit of ALARA by
14 challenging the work groups to be creative once we had
15 a problem.

16 MR. FLOYD: The potential consequence here is
17 you could stifle plants wanting to expand the work
18 scope to further investigate problems to see the extent
19 of it, if they think they are going to go over their
20 dose limit. Their original estimate by more than 50
21 percent and then trip into the white.

22 MR. SCHERER: Exactly. You don't want to

1 penalize a plant that goes in and does an expansion
2 inspection, for example, in a steam generator because
3 that's the right thing to do, even though that might
4 mean that, even with the best ALARA program, that
5 you're increasing the dose. That's the right trade off
6 to do. And you look at all of it, including the dose
7 to the plant personnel. But if the right answer is to
8 inspect a steam generator that's still the right
9 answer.

10 MR. KRICH: I think that this is a good
11 example of a particular specific case that goes to
12 addressing the question of -- determining the new
13 oversight process is achieving the NRCs goals. What
14 was the goal here in terms of the ALARA STP? What
15 really was the NRC trying to get to? And then are we
16 doing that in practice? Are we, unfortunately, meeting
17 some other goal?

18 This shows the kind of -- you go from here to
19 the overall objective. I think you can see how that
20 would roll up to that.

21 MR. TRAPP: Can you please explain the third
22 one. I still have a little trouble with that one.

1 MR. KRICH: Third one?

2 MR. TRAPP: Yes.

3 MR. KRICH: The change management issues?

4 MR. TRAPP: Yes.

5 MR. KRICH: This is the one I was -- this is
6 the one I mentioned, I think, earlier today. It
7 sometimes seems to us -- and it hasn't happened
8 recently -- but early on in the initial implementation
9 we had situations where a plant condition existed that
10 the inspector may think was not a good condition. And
11 so, rather than -- there was an event that then kicked
12 off the STP process.

13 What would happened is, he had come to us
14 with, well, I've done a quick STP on this and it looks
15 like your in the white, and so I think we have a
16 problem here. And then we'd go back and look at the
17 condition and do our assessment. Rather than there was
18 something that kicked off the STP process, he was just
19 looking at -- if this is the condition of the plant,
20 this is the way we operate the plant.

21 MR. TRAPP: So there's no performance issue.
22 He's just looking at plant configurations.

1 MR. KRICH: Exactly.

2 MR. GARCHOW: The STP, of course -- the fire
3 protection STP would sort of steer you and say, okay,
4 now that I know there might be this one issue, now the
5 STP is telling me that, you know, the difference
6 between green and white. And I want to steer the
7 inspection to say, okay, what's a good inspection,
8 what's a good detection, what's a --

9 MR. TRAPP: I think that's good.

10 MR. GARCHOW: It is using the STP as sort of
11 steering the inspection instead of trying to find --

12 MR. TRAPP: We encourage people to do that.

13 MR. KRICH: We want people to look. I mean,
14 the inspectors have to look. But I think, as I
15 understand the process, what kicks off an STP is that
16 there is some event.

17 MR. TRAPP: Right. Should be a performance
18 issue, and then you've still got --

19 MR. PLISCO: Here's what we're trying to say
20 too. You don't have a problem. I think what we do
21 tell our inspectors, actually our hopes for this
22 program is they learn the STP and will drive what they

1 look at. Knowing what is important to look at is what
2 I'm, you know -- based on using the STP over a period
3 of time. Maybe Jim can answer this.

4 Our expectation was that after they had gone
5 through a number, they're going to know what's
6 important and what could fall out. Intuitively, that
7 will drive back to their same selection and what things
8 they look at is our expectation.

9 MR. MOORMAN: That's exactly what we do.

10 MR. FLOYD: Why do we have this one the way
11 it is. The original intent was, it was an attempt by
12 NRC folks and the RP people in the industry to try to
13 come up with a performance measure for a regulation
14 ALARA that has no performance measure. So they're
15 trying to put a box around it and say, well, if you're
16 doing this, then you're doing a pretty good job. And
17 that was their attempt and hadn't got it.

18 MR. KRICH: The objective was to minimize the
19 dose to workers.

20 MR. FLOYD: That's the objective obviously,
21 yeah.

22 MR. KRICH: And so you're trying to find some

1 STP that measures how well you are doing it.

2 MR. BORCHARDT: And the STP in these areas
3 are really not much more than deterministic rationale
4 that's laid out in some kind of form. And maybe that's
5 the bigger issue. Whether or not it's appropriate --

6 MR. GARCHOW: I don't agree with that in the
7 LRP area because that was the case far before it got
8 jazzy to be risk informed from at least a healthier
9 standpoint. The LRP regulations actually in the limits
10 and ...actually have a risk basis to it. It's not a
11 core melt risk. But it was a risk that a basis and
12 risk of radiation to individuals. So it had a risk
13 basis already long before the rest of the regulations
14 did.

15 MR. BORCHARDT: Had some basis. Right.

16 On your comments are you suggesting re-
17 evaluating the feasibility of a STP for these areas or
18 just --

19 MR. KRICH: We would on the STP that is now
20 in the procedure to see if it's going to -- first of
21 all, we think it needs to accommodate readjustments as
22 you learn what the dose fields are. Within reason.

1 I've never missed a revised due date. I
2 understand that concept. But you have to allow for
3 some adjustment as the learn what the conditions are.
4 That's number one.

5 I guess the second part was -- there were two
6 things. You just think the STP needs to be looked at
7 if its' -- oh, the abuse part. In other words, the STP
8 has potential consequences of causing you to over
9 estimate your alaratives.

10 MR. FLOYD: Bill, I can tell you that I know
11 the effort right now between the NRC and the industry
12 task force on this is to try and turn this STP into a
13 PI instead.

14 MR. KRICH: Than it does an STP.

15 MR. FLOYD: Yeah. I don't know how well
16 they've --

17 MR. TRAPP: So there's a group working on it.
18 Did I answer your question?

19 MR. KRICH: Yeah, pretty well. I should
20 mention we did have a situation where at one of our
21 plants an issue was identified as potential white
22 condition. We had our regulatory conference; went

1 through our analysis. In fact, NRC concluded that it
2 was a green situation. So the process works. I mean,
3 we went right by the book and it worked. It was very
4 satisfying.

5 MR. GARCHOW: As his company grows, I mean,
6 they're us, and then he's like representing 22 percent
7 of the industry requirement. So when he's giving an
8 experience basis -- how many plants now?

9 MR. BORCHARDT: Quad City is all the issues
10 we're talking about.

11 MR. GARCHOW: I mean, you've got 17 or so.
12 It's not just an isolated experience.

13 MR. KRICH: Actually this reflects both of
14 the plants as well as the Mid-Atlantic plants.

15 MR. GARCHOW: So the people that don't know
16 who he's representing, he's representing 17 reactors.
17 So there's a lot of experience in --

18 MR. KRICH: We have Peach Bottom which was
19 the example of where you had a willful act that then
20 caused a white.

21 On assessment and enforcement, the only
22 comments we have there really are, we think that the --

1 and, Bill, this is for your benefit -- because we think
2 that the discretion will be considering that
3 discretion.

4 And the other thing is that there's just a
5 lot of regulatory activity going on in the beginning of
6 2001. And there's just going to be a lot of activity
7 all coming together at the same time, and something we
8 think needs to be carefully watched. And at the same
9 time allow licensees to adjust to new life under 5059.

10 MR. GARCHOW: Pilots for this and pilots for
11 that.

12 MR. KRICH: Right.

13 MR. GARCHOW: So I'm just counting on Steve
14 to do his job, because he's the one central form
15 following all of this.

16 MR. KRICH: So to wrap up, I want to make
17 sure -- at least I'm clear -- that we think that the
18 overall process is a tremendous improvement over the
19 last process. We have found it to be much more
20 objective and much more scrutable from our perspective.
21 However, as we go forward, there are things that we've
22 come across that we think are shortcomings or areas

1 that need attention, and that's what we've come up.
2 And that's what I'm offering here. To use this then to
3 come to some conclusion. But overall the program, I
4 think, has been successful.

5 MR. PLISCO: Any other questions?

6 MR. BLOUGH: On that last comment, you have a
7 lot of comments there on the PIs, and I just thought a
8 whole lot of them. And if you added them all up and
9 made some drastic fix, you know, the PIs may look a
10 whole lot different than they are now. You know, I'm
11 trying to think about everything you've said here about
12 the PIs, because I think the PIs have been of great
13 value. They've highlighted good things.

14 The plants that have significant equipment
15 challenges, you know, those are showing up in the PIs
16 to some degree. Some of the emergency planning PIs
17 have been of great value. For example, in "A" they had
18 a design problem with the sirens, single barrier
19 susceptibility. Went through years of broke/fix,
20 broke/fix. And the PI went back and actually got to
21 root cause.

22 Likewise, these PIs being somewhat arbitrary

1 as they are with thresholds. They require once a
2 threshold is tripped that you go back and actually get
3 to root cause, even if you have a collection seemingly
4 unrelated issues on the surface. So from my viewpoint
5 there's been great value so far having the PIs.
6 There's a threshold there, and once it is tripped, you
7 know, something has got to happen.

8 MR. KRICH: There's so many comments on PIs
9 is that's where we spend a tremendous amount of time.
10 That's also where we think that there is the best most
11 benefit to gain if we get it right. And we think
12 there's a lot of room for improvement there.

13 We have four different definitions for the
14 same indicator that we have to deal with. You only
15 have to deal with -- as NRC, you only have to deal with
16 one definition. We have to deal with four different
17 ones. That causes us a lot of problems.

18 We have what we call "data stewards" at the
19 plant who collect all the PI data. But depending on
20 the definition, they have to calculate that number
21 differently. It is a recipe for a mixup. Especially
22 with 50-point-9 hanging over our heads, we get very

1 nervous about that.

2 What we'd like to see is PI data that's one
3 time for everybody. Is there any NEI/NRC group working
4 on that? Also PIs that are truly meaningful, so the
5 issue of T over two, for example. Is there something
6 in there that causes that to divert attention from
7 useful information. So we want to fix that. And
8 that's the type of stuff listed there. So I agree with
9 you. PIs are great. We like the idea. We just want
10 to make it better.

11 MR. FLOYD: If I could offer perspective.
12 The unavailability of the PI is the one I think he's
13 got most of the comments on in there. And that
14 accounts for about 60 percent of the frequently asked
15 questions, as infrequently asked as they may be
16 individually. But collectively the 60 percent of them
17 are on the unavailability PI. So fixing that one would
18 take most of the pain away from the PIs.

19 MR. BLOUGH: Okay. Thanks.

20 MR. PLISCO: Why don't we do Jim's issues and
21 then take a break.

22 MR. MOORMAN: I think most of these we've

1 already talked about, particularly the first one this
2 morning "avoidance of a white PI." That's something
3 where the program is contrary to human nature.

4 MR. GARCHOW: Jim, I think we all agree that
5 it's an issue, but few of us in here were involved in
6 this since the first work shop in November, whatever
7 year it was. And it is really unfortunate how that
8 came to be, and that was the only issue I had, because
9 the intent was not to -- the green/white threshold was
10 set thinking there was going to be white's, and that
11 the NRC would then go in. And if it wasn't a very big
12 deal, or it wasn't an issue, it could be very simply
13 closed out in the following inspection report and
14 disposition, and then went away.

15 But to use the PIs as a screening tool in the
16 STPs, they sort of took a life of their own. But the
17 original construct was to use as a screening tool just
18 to determine if further allocations or resources were
19 needed. And somehow in the implementation of it, with
20 the language, the communication or human nature, that
21 objective was not achieved.

22 And what we thought was going to happen in

1 the framing of it, at least in the discussions early on
2 with the NRC, what we're doing at the green/white
3 threshold is what we envisioned would happen with the
4 white/yellow threshold. But we never get to the point
5 because all the energy is consumed at the green/white
6 threshold.

7 It really wasn't in the NRCs initial framers
8 minds. And I don't think if any eyes in the industry
9 as we were working on. We expected there to be more
10 whites. You didn't necessarily have to like them, but
11 it was recognized the white being just to steer a
12 closer look as opposed to something to avoid at all
13 costs.

14 MR. BROCKMAN: That is the fact as to the way
15 it has evolved to.

16 MR. GARCHOW: And that's unfortunate.

17 MR. FLOYD: I think -- and, correct me, if
18 I'm wrong. I think that comment mostly goes to the
19 unavailability and the unplanned power change PI.

20 MR. MOORMAN: That's correct. The unintended
21 consequences of those. And now with the ALARA PI.
22 There's some unintended consequences there.

1 I think as the individual PIs are looked at,
2 this will probably be addressed. I will be willing to
3 withdraw that as a state of issue.

4 MR. HILL: One thing I'm trying to figure out
5 was what Dave suggested needs to be done. You said we
6 need to kill something. I'm not sure what you're
7 suggesting or asking we do.

8 MR. GARCHOW: We weren't going to get into a
9 fix. I think it is going to be a very tough fix. I
10 mean, if you look on the action matrix we were very
11 clear in our working together with the NRC. And it got
12 to a common place that there really was no difference
13 on the action matrix between green and white. And that
14 consumed a lot of converse. So, really, if you think
15 about the action matrix having a single, white finding
16 does nothing really on the action matrix.

17 MR. PLISCO: It does some things but not
18 significant.

19 MR. GARCHOW: When you move from left to
20 right -- and I remember having those conversations --
21 it's a --

22 MR. PLISCO: There's an inspection.

1 MR. BROCKMAN: Yeah. There's a follow-up.
2 Does it have to be a team? There's a 95001 inspection.
3 But what it does is it makes that particular site plant
4 utility look different.

5 MR. GARCHOW: And that's the unintended fee.
6 And we didn't play out like what would that really look
7 like in practice. The behavior you wanted was to have
8 all that behavior be at the white/yellow threshold.
9 That's where you were really crossing the risk
10 threshold; that's where there was a clear -- anybody
11 could stand up in public, like Jim, and say, I can tell
12 you that the plant has degraded in this manner. And it
13 is based on risk, and you could have the intellectual
14 conversation in public. That all has started to happen
15 now at Green Lake, which I think undermines the
16 process.

17 MR. HILL: Well, is that something then we
18 need to capture as an observation?

19 MR. PLISCO: I think that's in our report. I
20 think that's the one we captured this morning. Relates
21 to how we communicated and what the different
22 perceptions are of what a white issue is.

1 MR. CAMERON: What's white?

2 MR. GARCHOW: That was just a restatement.

3 MR. CAMERON: I rewrote this. I haven't put
4 it up yet. There's different perceptions to the
5 utility NRC stakeholders of what white means, what
6 green means.

7 MR. PLISCO: What means clear? The issue
8 that Bob raised earlier, too, about how that's
9 communicated.

10 MR. HILL: But I don't see that it is that
11 much different in perception. I mean, Ken even said
12 that's the way he sees this evolve to. When we got two
13 whites and one cornerstone, we were told we were
14 getting increased attention from commissioners because
15 we were not -- NRC is seeing it the same way as
16 utilities are.

17 MR. BROCKMAN: You get two whites that's
18 different than one white.

19 MR. GARCHOW: When you get two unrelated
20 whites, I mean it is and it isn't.

21 MR. BROCKMAN: You've got several issues that
22 are associated with this. One, as Jim mentioned

1 earlier, is the communications issue.

2 Two, is the use of the data by others, not
3 necessarily as closely related stakeholders, and the
4 pressure that that has placed on the utilities.

5 Three is the perceptual issue. The
6 performance has gotten to the point where the 9598 data
7 does not indicate 5 percent, it probably indicates one
8 percent or less. And therefore the standout is
9 significantly more.

10 MR. PLISCO: Another factor is the one we
11 talked about is, from a risk perspective the white PIs
12 is not equivalent to the white finding, inspection
13 finding. And that also contributes that --

14 MR. GARCHOW: Then we shape that with the
15 language. You can be a significant outlier and still
16 have no significant change in the risk profile,
17 relative to the public health and safety. I mean, of
18 104 plants someone is going to be 104. Everyone of the
19 104 could be very safe. But by definition somebody --
20 when you start taking objective criteria-- is going to
21 be 104. Doesn't mean there is a 104 -- that one person
22 is any less safe than the first person. And as the

1 industry performance continues to improve, as the data
2 suggests, I mean the difference between top and medium
3 in most of the WANO indicators now is starting to be
4 less than one or two percent.

5 I mean the whole industry is coming together
6 like in a shotgun pattern, and the difference between,
7 you know, medium and top core tile in some cases is one
8 percentage point of a hundred percent scale. So it
9 starts to become irrelevant. And then that language
10 starts shaping the public perceptions.

11 In some cases there are real outliers with
12 risk significance. When that occurs, the process
13 adapts to it. But that's down in the yellow/red, not
14 just an aggregation of a couple of whites. Which two
15 whites just mean on two separate indicators you're in
16 the bottom five percent. Doesn't mean anything about
17 risk significance.

18 MR. TRAPP: Performance indicator threshold.

19 MR. GARCHOW: I mean that would be a whole
20 separate discussion.

21 MR. HILL: But it is not just the threshold,
22 it's how you determine the threshold, like

1 unavailability problems. The problems associated with
2 how you determine it.

3 MR. TRAPP: I mean, there is an effort out
4 there to make reliability and unavailability and risk
5 based and based on your plant.

6 MR. FLOYD: The problem is they depicted a
7 one size fits all threshold.

8 MR. SCHERER: The difference is we have a
9 different logic on the PIs. Green to white than we do
10 for the white to yellow and yellow to red. That
11 philosophy at some point is going to come back. There
12 is no rationale reason for having a different
13 philosophy, and eventually we're going to have to
14 rationalize it or the staff will have to rationalize
15 why is it a different philosophy from green to white.

16 I heard all of the discussion here as to what
17 wasn't the intent, and I understand that. I was part
18 of that process it wasn't the intent. But realize is,
19 not the NRC and the industry, but the other
20 stakeholders are taking it in different context.

21 I heard a good comment just now that I think
22 is very valid. We treat findings differently, ah, STP

1 findings differently than we do the PI. Green means
2 something different for a STP finding than we do for a
3 PI. White means something different for STP finding
4 versus a PI. And yellow and yellow, and red and red
5 tend to line up.

6 So in my mind all of that is an artifact of
7 the fact that we used a different definition for green
8 and white than we used for white to yellow and yellow
9 to red.

10 MR. GARCHOW: They looked the same in the
11 action matrix.

12 MR. FLOYD: Can you explain the green to
13 white threshold issue that you just said the criteria
14 we use is different?

15 MR. FLOYD: The green and white PIs was based
16 upon a 95-5 breakdown, based on 95 to 97 data across
17 the industry.

18 Whereas, in the STP it was based upon having
19 a risk significance greater than 10 to --

20 MR. GARCHOW: We got to that sort of funding,
21 because if you took reactor trips and you said you were
22 going to do a risk base -- if you were really going to

1 be risk informed of the threshold green to white, using
2 the STP it would be 12 reactor trips a year.

3 MR. FLOYD: Well, that won't fly.

4 MR. GARCHOW: We said, well, it'll never
5 stand up in public. The plant is okay, even though
6 everyone else is running breaker to breaker. So
7 literally a little reality crept into that PI, and had
8 some other influences not related to statistics or
9 risk. It was more based on the public perception.

10 MR. PLISCO: Do you want to finish up?

11 MR. MOORMAN: Sure. The second one is the
12 RPS activity PI. It can linger at a very low level
13 during plant operation. If you've got a few leakers
14 after a reactor trip, possibly with tube rupture or
15 activity spikes. And I'm not so sure that's the best
16 measure.

17 MR. FLOYD: Was that fixed, Steve?

18 MR. SCHERER: No. But I don't think the
19 original purpose of the RCS spike was --

20 UP: The RCS was to provide an indicator potential off
21 site release. It was really there to measure how
22 effective our quality assurance program a licensee has

1 for buying fuel that was --

2 MR. MOORMAN: ...and as such, in my opinion,
3 it was intended always to be a very low number, and one
4 that -- if people were not meeting the safety
5 significance to losing one of the three. The intent,
6 my recollection, was to capture all three. Now we
7 couldn't do the containment for other reasons, but we
8 did the fuel and we did the RCS to try to capture at
9 least two of the three.

10 MR. MOORMAN: That is something that is
11 measurable. But a plant with a few leakers can
12 actually take a trip and activity goes way, way up.

13 MR. GARCHOW: I think there's an FAQ on that
14 or something that talks about the intention wasn't to
15 capture the spike; that it was steady activity.

16 UP: Yeah. Wasn't it said at 50 percent of the text-
17 spec?

18 MR. SCHERER: Which will only get you
19 somewhere in the neighborhood of 500.

20 MR. BROCKMAN: He's absolutely right. The
21 industry has found several decades of one percent that
22 we --

1 MR. SCHERER: And the data you chose that
2 everybody's well, well, well within that.

3 MR. BROCKMAN: The unintended consequence of
4 this, irrespective of what it is designed to do, a lot
5 of people are looking at this as an indication of a --

6 MR. MOORMAN: ... especially if you've got a
7 direct primary to secondary and secondary to the
8 atmosphere release, which we've seen some of those
9 recently that have an impact on health and public
10 safety in a false message. That's the unintended
11 consequence. The potential of a false sense of security being
12 sent by these PIs need to be looked at for that potentiality.

13 MR. MOORMAN: Let's move on to significance
14 determination process. We've already talked about the STP work
15 sheets not being issued. That's causing the inspectors some
16 issues.

17 For inspection, some of the inspectors see that the
18 fire inspection protection like the walkdowns done by the resident
19 staff as not our best use of resources. There may be other issues
20 out there.

21 MR. BROCKMAN: I was wondering who this "many" was;
22 now I know.

23 (Laughter)

1 MR. MOORMAN: The next one, the threshold for raising
2 and documenting issues related to the assessment of the corrective
3 action programs by the resident staff is not commensurate with the
4 overall program assumption that a healthy corrective action
5 program exists in each facility.

6 We've got about, I guess, ten percent of our time
7 allotted for each inspection module, but no really good way to get
8 information into the inspection reports at a level that would, if
9 trended, indicate a possible breakdown in the corrective action
10 program.

11 We spent a lot of time during that PIR inspection
12 early in looking at a snapshot of the PIR program. But the PIR
13 program is, as I see it, more of a rather than just a program.
14 So I think we can be more effective in our assessments.

15 MR. BLOUGH: And when you say "be more effective," do
16 you think it involves changes in documentation or changes in
17 inspection?

18 MR. MOORMAN: I think it involves changes in
19 inspection. And I guess what I'm looking for is a way to capture
20 issues, the threshold issue again, but a way to provide
21 information that would indicate a possible breakdown in the
22 program with issues that may not rise.

23 And for public confidence, changes to our inspection
24 program are not updated on the website with any frequency. I

1 think if we're going to communicate our inspection program to the
2 public, it should be timely.

3 And as a consumer of that information, the example
4 there is 0610 star was out for a couple of weeks before we had a
5 count. So in general it's just a communications.

6 MR. PLISCO: Any more questions for Jim?

7 MR. LAURIE: Education. You take some of
8 these issues, referring maybe to some of Rod's issues.
9 Who has the authority to make changes? Is it the
10 commission? Is it a division? Is it the commission as
11 a division so when --

12 MR. PLISCO: Depends on what kind of change you're
13 talking about.

14 MR. LAURIE: Well, okay, when you look at these, the
15 changing authority is not necessarily the same person or the same
16 body.

17 MR. KRICH: There is a fixed process to go through to
18 make changes, for example, to the PIs. That's all agreed upon
19 that's all part of this whole Reactor Oversight Process that we've
20 all adhered to to make changes to the PIs, for example. It's very
21 methodical process, step by step.

22 MR. PLISCO: Actually all processes I think are part
23 of what we have as the formal change process. It's different
24 levels of what can be changed. And it depends on if it's an

1 internal process issue or if it's a policy issue, obviously now
2 those would go up in the Commission. If it's a --

3 MR. REYNOLDS: Those are pretty clear. So to identify
4 these issues and say, yeah, we want to change this, 1-87.
5 Everybody in this room would know which category those fall in and
6 there's a process, pretty much.

7 MR. REYNOLDS: They all could go through
8 these special program branches in the office of the
9 branch of regulation in our headquarters, Bill Dean's
10 group, as we always call it. That special program
11 branch is responsible for developing the program.
12 Everything goes through them, whether they make the
13 change themselves, they or another group. To change
14 the PI will need to go up to the Commission.

15 MR. LAURIE: Okay, the Commission does sign off on
16 changes or not necessarily?

17 MR. PLISCO: Not individual-like process program, more
18 like policy and the overall philosophy of the program. They
19 reviewed it initially when it first went through last year. Some
20 of these issues -- we're talking a lower level are handled out of
21 a special program branch.

22 For example, enforcement issues Bill here, he can
23 change some of these things at a certain level, right? Some
24 enforcement policy issues have to go up to the Commission

1 depending on what we're talking --

2 MR. KRICH: So, Bob, if you see us -- if you see Dave
3 and me, kissing up to Bill Borchardt, you can understand --

4 (Laughter)

5 MR. BLOUGH: I am a Division Director of the region,
6 and I wouldn't necessarily know for each issue we discuss here who
7 has change authority. I know generally that Sam Collins can
8 change pretty much anything with a program that doesn't conflict
9 with previously provided Commission policy or regulation.

10 And I know there's some level change that can be made
11 probably without Sam's permission but -- without his concurrence
12 because it's an operational type thing. But that's actually a
13 complex question, you know, so we have to have experts --

14 MR. LAURIE: We don't have to get into that now.

15 MR. PLISCO: Yeah, specifically as we go along if we
16 could try to answer those. I know we handed out at the last
17 meeting the draft manual chapter on how performance indicators
18 would be changed, because that's a special process now since it's
19 a voluntary initiative by the industry. And the NRC are working
20 with NAI to develop this process. That has some special processes
21 that are put in place that are in that draft manual chapter.

22 At the last meeting we talked about how interaction
23 will occur if you get those changes for specific performance
24 indicators.

1 Ready for a break? Fifteen minutes?

2 (Off the record at 3:36 p.m., and reconvened at 4:23
3 p.m., this date.)

4 MR. PLISCO: I think we have two more inputs with the
5 red marks. We'll walk you through those and then try to get into
6 our last item on our work planning session.

7 My input is the last one in this packet that was
8 stapled together. I went ahead and did include a couple of
9 positives, and I want to go through those. We talked about the --
10 this is just the work shops we've had and the feedback we got from
11 inspectors overall, from high level viewpoint on things that have
12 been working.

13 I'll try not to duplicate some issues we've already
14 talked about because a lot of these we've already talked about.
15

16 Performance indicators, first issue really
17 gets to unavailability. I term it as I think we're
18 reaching a plan of some perspective, a credibility
19 issue: so many caveats and so many changes. What that
20 indicator really means, I think, is cause for confusion
21 even among our inspectors. What is the indicator even
22 tell us anymore with all these caveats and exceptions.

23 Consequently we talked about making sure
24 we're mindful that -- and again the definitions we

1 talked about that too, making sure there's just one
2 common set of definitions.

3 MR. KRICH: Do you have an example of where someone, a
4 licensee, has modified their practice?

5 MR. PLISCO: We have examples where licensees have
6 modified practices. There's different perspectives on whether it
7 was the right thing or the wrong thing to do, but there have been
8 practices.

9 MR. KRICH: And it was strictly to affected
10 performance?

11 MR. PLISCO: Yes.

12 MR. MOORMAN: Stacking maintenance. Would
13 you explain what he said?

14 MR. PLISCO: He said "stacking maintenance."

15 MR. GARCHOW: Stacking maintenance? What does that
16 mean?

17 UP: Taking "A" train, alpha train, as
18 opposed to taking component by component to minimize --

19 MR. FLOYD: Take "A" train now, work on
20 everything simultaneously, take "A" train back. That
21 way your unavailability for "A" train, you could say,
22 is all lumped together.

23 From a risk profile that's not the right

1 thing to do. We consider that a negative; actually we
2 won't allow it because ... smaller availability,
3 because once you take the whole train out, take it out
4 and put it back, take it out and put it back the
5 individual --

6 MR. HILL: But then availability is a majored on a
7 train, for example.

8 MR. FLOYD: Mostly looking at the part system impact.

9 MR. HILL: Right.

10 MR. FLOYD: It takes personalized system out
11 separately. You put the frontline system still in service, and
12 take unavailability on the "A" --

13 MR. HILL: Exactly.

14 MR. FLOYD: hen we have to take diesel down and we
15 take another hit on unavailability. So if you take your service
16 water at the same time and only get one hit.

17 MR. HILL: And that's an example again of what --

18 MR. FLOYD: Statute.

19 MR. HILL: I know, but that's the example for
20 what?

21 MR. FLOYD: Modifying practices to manage the PI
22 results.

23 MR. PLISCO: I don't think anyone is saying at this
24 point whether it's good or bad practice, but it's got to be

1 evaluated yet. But I'm saying overall every instance. This one
2 maybe. My question was more generic.

3 MR. FLOYD: And I think it's important to
4 understand why that happened. The stations that that's
5 happening at is because their maintenance role
6 performance criteria availability on that system is
7 less restricted than it is under the NRC oversight
8 process. So they kind of distance that. So in order -
9 - in either case they're fully in performance with
10 their maintenance role performance criteria.

11 MR. PLISCO: And we've had cases where
12 something happened in the plant, say it's on the BOP
13 side, and it appeared to us they were waiting 72 hours
14 to do the maintenance.

15 We asked them the question: "Are you waiting
16 72 hours because of the performance indicator?"

17 And the answer was, "Yes." They normally would have come
18 right down and fixed it.

19 MR. REYNOLDS: Just to be clear, we're talking about
20 the "A" train. We're talking about all systems on the "A" train,
21 not just "A" train and its systems.

22 MR. FLOYD: Well, no, you've only got four systems
23 that are on unavailability. There are only four that you really

1 have to worry about it.

2 MR. REYNOLDS: Right. When you take "A" train out for
3 maintenance, it's not just that system.

4 MR. FLOYD: Right.

5 MR. REYNOLDS: Once you stack it; you do everything.

6 MR. FLOYD: Right.

7 MR. REYNOLDS: But it's all those systems.

8 MR. SHADIS: But your grading for unavailability is
9 not the only thing that would be driving people to want to apply
10 that practice. I mean you got --

11 MR. GARCHOW: I can't think of any other reasons why -
12 -

13 MR. SHADIS: Well, you've got complex risks -
14 -

15 MR. GARCHOW: Unless you're somewhere like
16 South Texas, where you've got an "A" train system where
17 --

18 MR. SHADIS: Well, at the risk of opening a big
19 conversation, where you have companies consolidating and they want
20 to accomplish economies by synergies, they want to send a team in
21 to do stuff. You can go in and swamp the situation with personnel
22 to take care of everything at once. It's a way to save bucks.

23 And that would be a temptation to take out an entire
24 system also. Although you might find yourself in a hard place

1 trying to get it all back together if you needed it in a hurry.

2

3 MR. PLISCO: Inspection program, first thing is really
4 an internal process. At issue for the NRC, we should make sure
5 there is the infrastructure to properly process procedure changes.
6 That hasn't been a complete success story in terms of getting
7 procedures revised as we identified changes that we needed.

8 There is a balance that begin back about the same time
9 we were in workshops about the FAQs and the change to the PIs.
10 You can make too frequent changes, so people don't know what
11 they're doing. There is a balance there.

12 MR. GARCHOW: Did you say anything about the
13 procedure again?

14 MR. PLISCO: No, we really haven't had any procedure
15 adherence issues. We've had more -- it's really the opposite
16 question from a number of inspectors, relatively inexperienced
17 inspectors, the newer inspectors.

18 The level of detail in our old procedures had a lot
19 more detail; more like what I would term lessons learned from
20 things in the past or best practices on how to do the inspection,
21 ways to do the inspection. Now it's gone to two procedures and
22 now it says just look at two of these. And that's all it says.

23 In the old procedures there was a lot of detail in the
24 back. Here are some things you can look at to get some

1 perspective that had been developed over the years. And that was
2 removed from procedures. There's been some comments from our
3 inspectors. They said that some ought to go back into the
4 procedures. But again that's like this last comment: getting
5 that back in needs to be done, you know, on a nationwide basis,
6 make sure of consistent application of inspectors across the
7 country doing it the same way.

8 The second one is -- actually this is a new one we
9 haven't talked about this -- is the PIM and the inspection report
10 are kind of merging as far as purposes. In the inspection report,
11 we've reduced the level of detail.

12 I want to focus the discussion on the important issues
13 and that's sort of what the PIM is, or was before. And now the
14 inspection report has only the more significant issues in it.

15 They are almost the same issues there was in the PIM,
16 even though the PIM is a shorthand or a concise description of
17 what the issue is. They're keeping them kind of close. The
18 report obviously does have a little more context, a little bit
19 more detail.

20 But we've asked the question, especially in the
21 electronic age when you can go to the web page and you click on
22 the box, why not just go click right to the report? Why do you
23 need the little PIM in the middle?

24 Because we've had a couple of issues because of its

1 conciseness, the PIM -- you don't have the right word; you can be
2 taken out of context or not completely understood until you go
3 look at the report. Once you read the report, you understand it.

4

5 It's even worked the opposite effect; we've seen in a
6 couple of cases, causing confusion about what the issue was,
7 trying to get the brevity of the PIM entry.

8 So why even have the PIM is some of the
9 question I consider. It's the electronic age. You can
10 go right to the report, right from the yellow block
11 right to the section report. I'm not sure what the
12 purpose of it is any more.

13 MR. SHADIS: There's something about having
14 the immediacy of the first version that if there's
15 consistency it's reassuring. I think you can eliminate
16 potential problems by doing it.

17 MR. PLISCO: That's part of a public communications
18 issue, I think. In effect of its efficiency obviously as a matter
19 of practice, we have to create PIM. You go to the inspector's
20 report and write separate PIM. It's a shorthand version. You
21 always lose something in that translation.

22 MR. MOORMAN: Although if we go back to just using the
23 report, then the licensee identified non-site violation is going

1 to back your report now, not in the summary but also in the PIM.
2 So that may also be a matter of confusion.

3 MR. PLISCO: Problem identification and *resolution
4 inspections really had mixed results, and I think we have reasons
5 to talk to this, too. It's not really clear from what we've seen
6 that this broad base inspection approach is the most effective and
7 efficient use of our resources to try to cover a lot of territory.

8
9 And I'm not sure we're getting the biggest bang for
10 the buck with that inspection. We have had some that have gone
11 well and others, I think, the inspectors weren't satisfied that
12 they really covered the area and come up with a good conclusion in
13 the area.

14 Because of the procedure, *drives have been looking
15 things in all the cornerstones. And if you have a plant that we
16 know probably has more issues in one cornerstone than the other,
17 this gets some of these earlier discussions we had about
18 objections in the program.

19 Based on things we already know about problem areas,
20 maybe that flexibility ought to be in that procedure, rather than
21 spend our resources in the area that we know is doing well.

22 MR. GARCHOW: This is part of the same discussion we
23 had with PSA. There's really no standard out there to go develop
24 PSAs. And there's no standard out there for utilities to go

1 develop corrective action programs with criterion 16.

2 Certain vendors got them favors, so you'll find a lot
3 of similarities since different companies use the same vendor. So
4 you'll see a lot of similarity. But other than that, you know, I
5 mean there's many ways to meet the * criterion and that you suffer
6 a little bit. Because when you go in that plant, you're not
7 always looking at the same general process.

8 MR. PLISCO: And the other problem we've had, as Jim
9 mentioned earlier -- I don't know if everyone caught it -- is the
10 threshold of the low level problem identification issues that come
11 up during the year.

12 I think the original intent of the program was to
13 capture those in the report. So when we get ready to do the
14 problem identification inspection, they can look back at the last
15 year and try to connect the dots and decide what they're going to
16 focus on for inspection.

17 Because the threshold is not clear, some of those
18 issues may not be in the report. So they can't connect the dots,
19 so they may not have the background information to do that
20 inspection. That's the cause of the problem. I mean we work
21 around that.

22 And if it's in practice, what the team leader does is
23 call the senior resident and say, "Okay what would have been the
24 issues on it last year? What should we focus on?" That's how

1 they do it. But it really ought to be all laid out in the
2 documentation

3 MR. BROCKMAN: The 0610 concern right now
4 really -- the issue has to percolate up to a certain
5 level on that PI or the ongoing before it would even be
6 documented.

7 MR. PLISCO: The last one is something I
8 think we've already talked about. Two is we've heard
9 in workshops. Again is there flexibility in the
10 program where there's an area where the utility is
11 performing well.

12 They've done a detailed self-assessment of an area,
13 and it's really wasting NRC resources to reinspect that area just
14 because it's part of the baseline program.

15 The old inspection program had some of that in it and
16 currently the new program does not.

17 MR. GARCHOW: That's going to be a bigger problem as
18 time goes on. As this industry right now through Remco is really
19 focusing on self-assessment and the quality of self-assessment, I
20 think you're going to see a lot more sophistication in the
21 industry in the quality of self-assessments.

22 MR. SCHERER: I know a parallel discussion going on with
23 the NRC between the combustion engineering onus group and NRI

1 because the combustion engineering onus group has a equivalent of
2 a SSFI, or whatever it's called now, a program where we go around
3 from plant to plant doing that as a self-assessment with a team of
4 people.

5 And there's been a dialogue going on for well over a
6 year as to whether the NRC would or would not credit that.

7 MR. PLISCO: It's been asked internally but there's no
8 answers yet.

9 MR. GARCHOW: In fact, some of the same consulting
10 experts that you bring in to hire for your SSFI expertise are
11 working with the onus groups and utilities. So in some respects
12 it's the same pool of experts that's coming in and passing
13 judgment.

14 MR. BROCKMAN: It gets into the interesting question
15 of what is the purpose of the baseline inspectoin program.

16 MR. PLISCO: Yes.

17 MR. BROCKMAN: That's really what it gets down to, is
18 that exactly. Is that the dominimus program that has to be done
19 at every site?

20 Is it the dominimus independent inspection that has to
21 be done at each site because it has a verification capability to
22 it. And the reason that we've gone from the core program is
23 because we know it's a given.

24 The licensees were doing self-assessments and

1 corrective actions had moved on to that. And that's sort of the
2 ground rules by which it evolved to this. That whole definition
3 of and really philosophical confirmation of where the program is,
4 I think, is going to find a lot of the answers to this.

5 MR. PLISCO: There's a spectrum, too, it's in the old
6 program. It's not that we didn't do any inspections. But if we
7 lower the level and actually went in and look at what the self-
8 assessment did and look at the results of that. So it wasn't no
9 inspection.

10 MR. BROCKMAN: Uh-huh (affirmative).

11 MR. PLISCO: I've heard that question raised a number
12 of times. I think the answer from the program office that we've
13 heard is we're going to get through this first year and evaluate
14 the program and then come back to this question.

15 MR. REYNOLDS: I would comment that I think Bill Dean
16 would say that, if he was here, that the inspection program is
17 performance based. But the baseline is the minimum independent
18 inspection that the NRC thinks they need to do to assure safety.
19 And so you're making a good distinction here.

20 The baseline, which was designed not to be performance
21 based, may need to be modified. You may want to reduce the
22 baseline. The baseline, I think, in philosophy needs to be that
23 minimum that we're going to do independently. Now what that is
24 may be changing.

1 Now that's what you're really saying, right?

2 MR. PLISCO: Yeah, I think there's a number of
3 aspects. Another part of this is, I mean, it's a program that
4 can't be fixed; it's got to -- we've got to move it along as time
5 goes by.

6 My Regional Administrator, one of his favorite
7 examples is, you know, say we we're going to looking at the most
8 recent significant system in the SSDI, (Safety System Design
9 Inspections) and we decide that system is off feed water. We look
10 at it four times in a row, you know, over ten years. And we don't
11 find -- you know, it isn't a time to stop looking at feed water
12 and pick up something else.

13 MR. KRICH: Because it's gone through the inspection.

14 MR. PLISCO: Yeah, that's what I'm getting at. So
15 from the big picture the program has got to be able to make those
16 decisions and assess is it time to change the program. You know,
17 either change the resources or change the scope of program.

18 Significance determination process, timeliness. We
19 talked about -- I think I talked about most of those issues during
20 the day, about the pencil sharpening exercises.

21 Another fallout of this we didn't talk about
22 specifically is expertise. And we have some concerns in the
23 regions about having sufficient expertise. If a lot of these
24 extensive dialogues are going to continue to occur as the program

1 goes on, we're not sure if we have the resources to do that; at
2 least the way it's structured now.

3 The Phase II worksheets we've talked about.

4 MR. GARCHOW: That's an interesting question internal
5 to the NRC, is we've moving to deregulation and the industry is
6 changing, the reallocation of what our resources on-site are
7 working on are changing.

8 And I would say as the oversight process is
9 changing and even some of the work load with life
10 extension and other things, you may have the right
11 number of people but maybe not the right mix of people.

12 The challenge is going to be how you can get more
13 workers. We suffer the same thing every day.

14 MR. REYNOLDS: As Loren points out here, the
15 effort are underway to make improvements.

16 MR. PLISCO: Right, we've got things underway, but
17 it's still a concern.

18 MR. REYNOLDS: His point is in the interim. That's a
19 very valid point. We have already taken steps to try to improve
20 that, so.

21 MR. PLISCO: In that response we talked about in
22 management directive, performance issues that Bill talked about
23 earlier today. The non-STP issues. We talked about the no-color
24 issues. Assessment enforcement.

1 MR. GARCHOW: I guess I don't understand the
2 enforcement nexus because unless it's 50.7 or 50.9. In the
3 regulatory process there really isn't much enforcement basis to a
4 green-white conversation. I've been in a couple of those and I
5 guess there's really no one really talking about enforcement.

6 MR. PLISCO: Right, and that's --

7 MR. BROCKMAN: It's not advertised like it used to be,
8 but apparent violations still go out associated with issues. And
9 especially if you're yellow or higher level. It becomes very
10 interesting at that stage of the game as you're looking at the new
11 process what different stakeholders receive direct conference,
12 regulatory conference now becoming. A lot of people just like out
13 at it: oh, it's just precision conference with your name on it.

14 MR. PLISCO: I had a conversation with a Mr. Misary
15 the other day. He had a regulatory conference. If you look at
16 the table and if you look at the presentations, it's very much the
17 same as what the enforcement conference used to be.

18 We can say it's not an enforcement conference. We can
19 say it's supposed to be focused on a risk. But the way our
20 presentation is set up, our Regional Manger starts the
21 presentation, and the first person he turns to is our enforcement
22 officer. And they do the introductions; say, well -- because I
23 think it's got to be a paradigm shift.

24 MR. BROCKMAN: If it's a regulatory conference, and

1 usually the licensee has gone a great deal down the path to
2 totally characterize it. They've got corrective actions that they
3 want to come in and share with us and everything. And it just
4 evolves to a lot of the topics that used to be the topics de jour
5 in enforcement conferences.

6 MR. PLISCO: And this is a change in management issue
7 --

8 MR. BROCKMAN: That's right.

9 MR. PLISCO: -- that I think a lot of people have to
10 work on.

11 MR. KRICH: Our first regulatory conference was a
12 complete surprise to us. We saw the enforcement officer there.
13 You know, everybody called back to me and said, "What was the
14 enforcement guy doing there?"

15 MR. BORCHARDT: The real reason is because we're
16 serving a function for that agency as facilitators.

17 (Laughter)

18 MR. KRICH: I understand your reaction to
19 seeing the enforcement guy at conference was, "Gee this looks a
20 lot like an --

21 MR. BORCHARDT: What you need to do, I think, is train
22 yourself that I can attend a meeting and not be the enforcement
23 representative. I could perform another function as well. That's
24 what these people are taught.

1 MR. GARCHOW: It looks like the IRS facilitating my
2 financial planning.

3 (Laughter)

4 MR. PLISCO: ... cause confusion and also a focus on
5 the meeting as far as meeting the meeting objectives. I know our
6 experience has been difficult because we weren't sure where we
7 were going in the first couple of ones we've had.

8 The other issue I wanted to talk about is allegation.
9 We have some problematic issues as far as how we handle
10 allegations because the new program is very discreet, well planned
11 out.

12 We give you our schedule a year in advance now. The
13 old program had a lot of flexibility, a lot of what we call
14 initiative inspections.

15 Sometimes if we did follow up on specific allegations,
16 we could do that within the body of that program and still have at
17 least some hope in protecting the identity of the allegor (sic)
18 by, you know, not telegraphing what we're looking at and why.
19 It's a lot harder in the new program.

20 We sent a paper up to the Commission, I guess, during
21 the summer explaining what the pros and cons were OF ways to go.
22 They simply decided to stick with the same program, go with the
23 old program, understanding that there are these potential
24 problems.

1 MR. FLOYD: Back up, I'm sorry, the one on assessment
2 process information.

3 MR. PLISCO: Yes.

4 MR. FLOYD: You've got down a, I guess, a negative
5 impact would be in effect on the Commission, but it was a positive
6 impact, I think, on predictability.

7 MR. PLISCO: Yes, it has been very
8 predictable --

9 MR. FLOYD: This is some misleading criteria in here.

10 MR. PLISCO: And again this may be more internal as
11 far as change in management with our staff. We used to have these
12 big meetings and people would work for weeks and weeks and get
13 ready for them and do a lot of detailed analysis. You know, and
14 now you look at the web page. And if there aren't any non-green
15 issues, you're done almost, except for looking at some potential
16 cross-cutting issues.

17 That's why I put in there if you've done everything
18 right during the year, followed the action matrix, and taken the
19 action, the assessment part of the process is really anti-
20 climactic.

21 MR. FLOYD: Yeah, but was that Region IV or Region II
22 workshop? This was discussed at some length as to whether or not
23 you even needed the annual assessment cycle because they basically
24 execute the action matrix on a quarterly basis?

1 And I think the final outcome of it was that well that
2 may be fine for, you know, NRC licensees but there's another
3 audience for the annual assessment report.

4 MR. PLISCO: Yes.

5 MR. FLOYD: And that's an opportunity for the
6 public to demand and be able to raise issues. Maybe
7 what you needed to do is change the characterization of
8 the annual assessment.

9 You're right, you know, to discuss issues that are in
10 the action matrix. Everybody already knows about those. And
11 maybe you ought to think of a new structure on it.

12 Was that Region II or was that IV?

13 MR. BROCKMAN: It was at ours. We did a lot of
14 brainstorming on these things that even maybe that meeting should
15 -- the annual meeting should have a significant -- a training
16 component to it, where we're describing the new process, trying to
17 just more and more inoculate, if you want to say, the local public
18 and especially the local decision makers and what-have-you which
19 can have a very short half-life. They turn over very quickly on
20 the aspects of what is the process, what data can we get, where
21 can we get it, what does it mean, along those lines.

22 MR. GARCHOW: Kidding aside, on Bill and his staff
23 ...our regulatory conferences...In our case we were a pilot plant
24 and we probably had as good an understand at that point in time

1 our conferences.

2 But the issue was with the papers that came and some
3 of the external people that came to the public meeting. When they
4 saw it open up in the same way that they had been to enforcement
5 conferences before with the enforcement action, I mean, their mind
6 was already made up in what kind of meeting they were in;
7 independent of what was said afterwards.

8 So even if I made a joke, I wasn't trying to, you
9 know, insult Bill or his staff. But the impact of introducing the
10 enforcement officer, I mean, from that point on, the people that
11 don't know the process very well, the people from the newspapers
12 and maybe some of the state reps who don't attend all the
13 meetings, I mean, what do they take away? What do they hear?
14 They're at an enforcement conference.

15 MR. SHADIS: Did they manifest that understanding
16 somehow? Did they say something about it?

17 MR. GARCHOW: I mean we've had articles in the paper,
18 you know, after those that -- because the meetings, you know, they
19 announce the meeting. It's to discuss the performance issue. I
20 mean from an outside perspective who doesn't know the intricacies
21 it sort of, you know, walks like a duck and looks like a duck.
22 And they come to the meeting thinking it's going to be a duck.
23 And it really wasn't outside of the introductions and going.

24 But still the newspaper reads the utility was called

1 to the region to talk about the performance issue and, you know,
2 there was a violation discussed. And so, I mean, the article in
3 the paper it doesn't look a lot different than it used to look.

4 I don't know if we had the same writers, the same
5 local press interest. It sort of looks the same to them. At
6 least it does around our plant.

7 MR. KRICH: We didn't get a whole lot of attention on
8 the one that we had. But everybody who was there came back saying
9 it looked an awful lot like an enforcement conference.

10 MR. GARCHOW: So I think your change management is
11 just changing of the structure of the meeting and the language and
12 how it looked would make it look like a regulatory conference to
13 discuss the risk significance, as opposed to the rituals that
14 really look the same as the rituals that we used to do in trying
15 to --

16 MR. PLISCO: I think the rest of the issues on there
17 we talked about, unless you've got specific questions.

18 MR. SHADIS: One thing that would help to offset that
19 would be to open the exit meetings as I tried to get them to do at
20 Main Yankee, which they decided not to open the conference calls
21 for those that have a demonstrated stake or interest.

22 MR. GARCHOW: Is that like the routine inspections,
23 your routine resident inspection exits and those kind of exit
24 meetings?

1 MR. SHADIS: Right. The more you understand
2 of what's going on, the more you can put in perspective
3 how serious or not serious these different things are.
4 Then you finally get all the way down to where you
5 finally get it in an enforcement conference or a
6 regulatory conference. It's too late to get a
7 perspective on it. All you can get in the information
8 right there. I'm just making a pitch for it, you know.
9 The cure for a lot of problems in communications is
10 more communication, more openness.

11 MR. TRAPP: If you could add some data on that, too,
12 because I know we had a lot of teams would have open exit
13 meetings. And it was rare, if ever, if anybody of the public
14 would come. It was like it would be a lot of fanfare and then all
15 of a sudden nobody would show up.

16 MR. FLOYD: Steve, you want to go through this?

17 MR. FLOYD: Yeah, I can be very brief. Everyone
18 should have a sheet on it. I didn't put my name on it.

19 MR. GARCHOW: Is that so you could distance yourself
20 from it?

21 MR. FLOYD: I'll just hit the ones that I don't think
22 have been covered in the interest of time. On page 1
23 "understandable support system cascading" and the rules for that

1 are pretty nebulous.

2 We have a number of frequently asked questions on how
3 do you cascade. What are the rules of cascading? When can you
4 say a support system -- how much analysis can be used to say a
5 support system is actually available and if we're not impacting
6 the frontline system? How much recovery time could be credited?

7 And there seems to be a different set of rules in the
8 manual for a support system unavailability and its impact on the
9 frontline system. And it is confusing to folks.

10 MR. GARCHOW: And can you credit engineering judgment?

11 MR. FLOYD: Right.

12 MR. GARCHOW: And all that's river, 40 degrees matter?
13 In any event obviously it should.

14 MR. FLOYD: Scratch the Boston heat removal. This is
15 one that is going to be -- in fact, it is being repiloted right
16 now to remedy this. But right now the ground rules are confusing.
17 Some people are not reporting the instances where the loss of
18 normal heat removal initiates the event. After the scram occur,
19 did they have a loss of normal heat removal? There's a disconnect
20 out there right now that this will work with.

21 The rest of the issues on that area have already been
22 talked about.

23 Under "inspection" on page 3, no new issues there.

24 Page 4 under the "SDP" under "predictable," we're

1 getting a number of concerns; some of them coming out of the IP 2
2 event, but some other ones as well
3 about what's the ground rules for changing the frequency of
4 initiating events, and for care and on the action matrix -- not
5 the action matrix but the SDP, sheet No. 1.

6 You have an assumed event frequency class on there.
7 If that's going to be deviated from and adjusted, what's the basis
8 for adjusting that? And do we need some clearer criteria for
9 doing that?

10 In the case of IP 2, it moved two orders of magnitude
11 in terms of event frequency. And I think a lot of people are
12 confused. How could that possibly be, you know, two orders of
13 magnitude change? There may be a good reason for it, but it
14 hasn't been well communicated.

15 And on the last page under "assessment process," I
16 guess that's just a place hold for you, Bill.

17 We have enforcement guides. It says, "Memorandum for
18 enforcement discretion expires the end of January 2001 for the
19 base system." But there are a number of performance indicators
20 that are likely to be revised during the second year of the
21 program. And we're already getting the question, you know, would
22 there be any consideration of extension of that discretion if
23 there is significant changes in PIs and guidance?

24 And the other issues that are in here you can read

1 them. I think they've already been addressed by other people, so
2 I won't keep up any longer.

3 MR. CAMERON: I think you also noted positives.

4 MR. FLOYD: Yes, that aspect of positive line, also.

5 MR. PLISCO: Any other comments on those or any other
6 issues you want to throw out now?

7 MR. SCHERER: Yes, I had two that I didn't hear
8 specifically mentioned. One we touched around. And that is
9 unintended consequences setting up a process. Not just addressing
10 individual unintended consequences, but setting up a process,
11 continuously monitoring Reactor Oversight Process to identify and
12 resolve the issue of unintended consequences. The examples we've
13 spoke of here are just examples.

14 But we need to have a close-loop process for
15 identifying and resolving those issues. An example of where the
16 process worked is one that was mentioned earlier. We have a
17 diesel generator allowed outage time which at least for sending,
18 we justify to the staff as an improvement in safety.

19 And because there are more systems available to back
20 up the diesel generator at power, doing it at power was actually
21 safer. Yet we would have tripped -- as Dave pointed out before
22 NRC agreed to the change, we would have tripped the green-white PI
23 threshold just by going into that fourteen-day ALT.

24 Another process issue to me that I don't

1 recall being mentioned is, we talked a lot earlier
2 about false positives coming up with, finding something
3 that trips the white when it has no safety
4 significance. The fault exposure hours was an example.

5 I think we need to set up a process to be as
6 concerned, or more concerned, about false negatives.

7 The biggest thing that would undermine this entire
8 process is to have a plant with all green PIs that everybody would
9 agree is degrading in performance, that the PIs don't show.

10 I don't have examples of false negatives, but we need
11 to worry about that. Maybe the nearest thing was: Well, I'm
12 green on my reactor or I'm green on my failed fuel; and,
13 therefore, I'm okay. And I've got 300 failed watts.

14 I think you're paying for it elsewhere in
15 your indicator or those others would be off scale. But
16 are there, in fact, false negatives?

17 And I think we need to have a process
18 continuously looking at it and trying to identify those
19 and not assume that the process is okay and working
20 okay.

21 MR. LAURIE: That was the point of mine in a previous
22 question. And what I thought I heard was there is an ongoing set
23 of mechanisms designed to address issues and modify issues. Is

1 that something different than what you're talking about now?

2 MR. SCHERER: I'm open to hearing it. But I haven't
3 heard a discussion that in my mind it satisfies a process.

4 We're looking at the performance indicators and
5 looking at the SDP process and looking at those results, and
6 satisfying ourselves that as we screen the process and we screen
7 the findings and we screen the issues, that we aren't coming up
8 with false negatives. This looks green, but, in fact, is an
9 underlying issue here if we -- and the SRAs are missing and, in
10 fact, is risk significant. Only in 20/20 hindsight do we find out
11 that we've been looking at that issue and missing the issue.

12 I think public credibility, our own competence in the
13 process would be undermined to the point where this entire process
14 would --

15 MR. FLOYD: If you would expand it to not just PIs but
16 PIs and inspection process.

17 MR. SCHERER: Oh, I'm sorry. If I didn't make it
18 clear, it was all --

19 MR. FLOYD: Because some of them could be all green in
20 the PIs because that's just a sampling. But the combination of
21 the PIs and the inspection --

22 MR. SCHERER: If I didn't make that clear, it was the
23 PIs and the SDP process and the cross-cutting issues. I leave no
24 area out from that concern of the false negatives.

1 MR. BROCKMAN: The NRR off plan and the inspection
2 program branch assessment has at least one criteria that starts
3 looking at that.

4 And that's the aspect of going back and having the "S"
5 reviews and what-have-you independently done by research where
6 they just look at events per se and go back, and then to see were
7 they characterized right. So, I mean, that would be done
8 independently.

9 If the Oversight Program hadn't bubbled that issue up
10 at all, the question would get asked. I don't know if it fully
11 addresses it. There's the beginning of the thought there that
12 comes to my mind off the top of my head.

13 MR. PLISCO: Now we had one area, one practical
14 example of a potential problem area. One had to do with one of
15 the press releases that you read about this summer, the ox feed
16 water pump. What we found in that issue, we went to the SDP
17 process; right now it's preliminary that we just had reg in for.
18 It's still a preliminary issue but it's preliminary; it's a
19 yellow. If you take that same 48 days and you plug it into
20 availability, it's still green.

21 Once we researched that, we found there's a number of
22 issues. One is the ox feed water threshold is a generic
23 threshold. Looking at motor-driven and ox feed water, some plants
24 -- the turbine-driven is much more significant and that threshold

1 is not recognized. I mean that's the answer to the question.

2 And obviously those thresholds are not site specific
3 risk-informed thresholds. But that's hard -- try to explain that
4 to somebody. When you plug the numbers in the unavailability,
5 it's still green. But those inspection findings are yellow for
6 the same issue. That's a good example of that.

7 Once we researched it and after we had some
8 discussions -- when you read those press releases, we had some
9 discussions with Region I on what are the differences between
10 these two issues in Region I and Region II: why one is yellow and
11 one is white. And that was easy to explain, but this other one is
12 a little more difficult to explain.

13 MR. SHADIS: That's a consistency issue, you know, but
14 I'm glad to hear you say that because history has us getting
15 plants with very good scores all the way around. And stuff
16 happens, and it turns out that things were missed.

17 And from a public confidence perspective, you know,
18 we're looking for assurance that that doesn't happen in this
19 program.

20 And when you talk about allocating inspection
21 resources and potentially not covering all the bases because you
22 have some confidence that, you know, that's all right. That's a
23 judgment that you have to place on it, and there's a certain
24 amount of potential for misjudging.

1 And then as you begin to assess the safety
2 significance of each of these things and pour it out, you've got,
3 you know, room to compound that judgment to where you really, you
4 know -- from our side you've got it and you say: There's room
5 here to be missing stuff. And I think in the best of programs you
6 have to admit that's got to be case.

7 And it's not a question of whether or not this is the
8 best program or the worst program. But if you're depending on it
9 being a hundred percent successful in preventing any incidents,
10 unplanned outages, whatever it may be, it ain't going to happen.

11 MR. KRICH: Let me go to the other side of the coin
12 because that is a good question; it's a good comment. The other
13 side of that also needs to be looked at, which is, you have
14 situations where a plant may have not a good operating history but
15 show up all green in the performance indicators and inspection
16 findings or non-color for inspection findings.

17 But there's kind of a lingering doubt or desire on
18 people's parts to say that can't be right because we know that's
19 not a good performing -- wasn't a good performing plant in the
20 past. There must be something wrong going on here; there must be
21 some playing with the numbers going on here.

22 MR. SHADIS: Well, not even playing with numbers but
23 are you missing something. Middlestone would be an example. As
24 soon as you have an incident and it's scored, and people remember

1 all the problems of the past and they go, well, have they really
2 reformed their operations?

3 MR. KRICH: And again, yeah, exactly the point. But
4 remember that the indicator is what we're looking at in terms of
5 performance indicators or lagging indicators. They are not going
6 to tell you what direction you're headed in necessarily. It's
7 going to tell you what you've got from the way you've been
8 managing the plant

9 MR. SHADIS: Uh-huh (affirmative).

10 MR. KRICH: And also to go back to your point about
11 the indicator for summer that I just put in there. If it'd been
12 for more than 48 days, they still would have gotten a green.

13

14 We got a reverse situation that was in here, but I
15 didn't mention it. We shut down the Sal Station unit one for
16 refueling -- unit two for refueling outage. And during this
17 shutdown we got...had tagged out the SRVs.

18 And your inspection procedure said, you know, "Go and
19 check the SRVs are still operable and look for operation." Well,
20 they don't need to be operable for operation.

21 So the inspector questioned what's going on
22 here. And we wound up going through a back and forth
23 with the Region as to what was going on. One of the
24 comments we had was that we think there needs to be

1 better peer review appendix "G" of that inspection
2 procedure.

3 My report being that there's both sides to
4 each one of these issues that needs to be looked at.

5 MR. REYNOLDS: If you go back to Ed's final point, I
6 think he's right on it. You can do more damage to the industry --

7 MR. KRICH: Absolutely.

8 MR. REYNOLDS: -- by false negatives than you can by
9 false positives. False positives are going to cost time and
10 effort for that particular licensee and NRC people, but too many
11 false negatives, we all lose. I think that was Ed's point.
12 That's why I took away

13 MR. REYNOLDS: False negatives where you're way off, I
14 mean, you can be off a little bit and there's no harm done. But
15 false negatives where you're way off is something you have to be
16 worried about

17 MR. FLOYD: Like Ray said there's no program that's
18 perfect. It's not going to prevent an event.

19 If you go back in history, the plants that had good
20 grades across the board and did have good performance were just as
21 likely per the analysis to have a significant event at the plant
22 as a plant that found themselves in trouble and had a number of
23 issues associated with it. It's not going to be perfect; it's
24 just a sampling.

1 MR. SCHERER: As I recall, we went back and
2 when we were conceptualizing this process, we went back
3 and looked at the "problem plants" that had been on the
4 watch list. And sure enough they showed one or more
5 degraded PIs; they showed findings that would have been
6 classified other than green as white or yellow or red.

7 So there's some competence that I feel very strongly
8 we need to institutionalize this questioning attitude involved in
9 the process to make sure we constantly question this process, not
10 be satisfied we've got a perfect process; question ourselves to
11 make sure that we're validated, that we're not giving false
12 negatives as a result of this process.

13 Just for completeness I'd like to list four issues
14 that have already been -- somebody addressed. I don't need to go
15 into them.

16 I strongly feel that we need as a group to address the
17 unavailability issue that more than discuss coming up with more
18 robust SDPs, particularly other than the Morris machine, SDP that
19 seems to be going in the right direction.

20 The issue that has been discussed a lot: the green
21 light threshold versus the other threshold.

22 And a concept that I've become more and more intrigued
23 with, which is a variable time line on the race against time for a
24 finding. Having a

1 white finding have a relatively short half-life, and a yellow and
2 red finding have longer periods where they remain in effect ought
3 to be looked at.

4 MR. CAMERON: I just wanted to point out too that Ed's
5 issue on the false negatives shows the value of the parking lot,
6 too, if you go back to revisit it, because this is a parking lot
7 issue if you see the attachment to the Plisco to Collins, December
8 5, 2000 memo. And I would just urge you don't forget to at least
9 revisit these other parking lot issues to see if they're still
10 viable for consideration. But No. 12 on there was the false
11 negative issue.

12 MR. SCHERER: I raised it.

13 MR. CAMERON: And you raised it then. So you didn't
14 forget it.

15 MR. SCHERER: Thanks for pointing that out.

16 MR. PLISCO: Any other comments on that? Randy?

17 MR. BLOUGH: I didn't provide anything written on
18 this. So I just wanted to provide two --

19 MR. PLISCO: We're still accepting, Randy, between now
20 and next meeting.

21 (Laughter)

22 MR. BLOUGH: I'll read it to you. Now just to
23 reinforce one and add another one. On the question of risk
24 informing the program and making it efficient, we really need to

1 have a way of making sure we're spending less time on both the
2 SDPs and appeals of disagreements when we're down in the
3 green/white area. If the agency spends a whole lot of time
4 determining the significance of something that's in the
5 green/white, that's taking away time from other activities that
6 the agency could be doing.

7 The other one is in the area of risk informing the
8 program and maintaining safety. If you look at the program if you
9 want a risk informant, you have a spectrum of plants out there and
10 we've got a process here. The process has to be really, really
11 good at dealing with the plants that have significant problems or
12 the plants that have more significant problems.

13 For example, degraded cornerstone, multiple degraded
14 cornerstone has to be really good also at defining what's
15 acceptable and unacceptable performance because those colors, at
16 least where they have risk significance, there's a order of
17 magnitude change with each color. So the program to be risk
18 informed has to be really good at dealing with plants that are in
19 those categories.

20 And plants that are licensee response band or
21 regulatory response band, the program can be more quick and
22 approximate for those. I mean, there's a chance you could be a
23 little off over there and it's not as big a deal.

24 We're running a full-scale initial implementation

1 here, and almost all the data we're getting is on those plants
2 that, you know, have very little problems of risk significance.
3 The experiment, although it's being done on a grand scale, is
4 getting very little data on how the program works with the plants
5 in the degraded cornerstone or multiple degraded cornerstone and
6 none unacceptable, so.

7 MR. GARCHOW: It's hard to get volunteers for pilots,
8 too.

9 MR. BLOUGH: Yeah, it's hard to get, right. So far
10 we've only had one for the multiple degraded cornerstone. That's
11 just an aspect we have to be aware of. If we're trying to risk
12 inform the program, it's got to be really good in the area for
13 which we have very little actual data.

14 MR. GARCHOW: Of course, differently in those areas,
15 it ought to provide the most flexibility, so you don't end up with
16 being too rigid in an area that hasn't been well defined. I mean,
17 to a point, it ought to be flexible out there where you can use
18 some of the judgments of your previous experience as opposed to --

19 MR. BROCKMAN: This is probably a good segue to one of
20 the comments I made to yours, just to make sure we really got it
21 down there and that's going to be getting an exact definition of
22 what is the base-line. What's it for. Again, is it again the
23 dominimus?

24 If it is, and you fully encumbered the inspection

1 staff to accomplish the dominimum capability of adjusting and
2 diverting into those areas where you've got a more risk informed
3 need, how to get that proper balance. I think it's a key thing to
4 make sure the program's got adequately defined because there's
5 still is reactive inspection.

6 I mean, event response, which is listed as a base-line
7 inspection by definition, is still reactive inspection because if
8 you don't have an event you're not going to get an event-response
9 inspection. So by definition you haven't done the dominimus. At
10 least one event, no more, no less.

11 MR. PLISCO: Anything else?

12 (No response.)

13 Well, we'll move on. It may look like we're a couple
14 of hours behind but we're not. We already had one hour of this
15 discussion this morning.

16 MR. SCHERER: So we're ready for lunch now?

17 MR. GARCHOW: So you're going to accept the other
18 feedback in some detail?

19 MR. PLISCO: Yes, What I was hoping is if you heard
20 his issues. If you would think it got captured, you don't need to
21 recapture that one. If there's other issues or a different
22 perspective on the same issues, we want to hear that too, to get
23 all these angles captured.

24 Yes, we'll pull this list together.

1 MR. SCHERER: Before we -- one of the issues that was
2 raised was enforcement discretion ends January 2001. Is there a
3 position -- already issues that are good faith efforts to comply
4 with PI or FAQ in the process. Does that extend beyond January
5 2001? I'm just asking it as a question.

6 MR. BORCHARDT: I'd have to go back and read the *HEM,
7 but I don't think it addresses a period after 2001. I mean
8 there's some guidance...scheme for... significant incorrect
9 statement and what its impact would be and then have that
10 correlate to what the Agency's response is. But I don't believe
11 we addressed post-2001.

12 MR. SCHERER: So it may be an issue we would
13 separately have to address.

14 MR. PLISCO: Just to start off the conversation, I
15 took a cut fixed on looking at the previous report and some of the
16 conversations this morning in a general outline. We talked about
17 some of this earlier this morning, about how we want to format and
18 present the results of the panel's conclusions.

19 And also this will help us decide what else
20 we need to talk about and who else we need to hear
21 from, and whether we need help with the planning
22 process. And actually we'll do that somewhat tomorrow.

23 Tomorrow we'll do some agenda planning as far
24 as what for January and March -- what topics we want to

1 hear about to help us reach our conclusions.

2 MR. LAURIE: What's our time frame on the agenda?

3 MR. PLISCO: We need to get our report out by the end
4 of April. I think we have a tentative milestone laid out for
5 April 29th, or something like that time frame. Because we talked
6 about earlier this morning, in reality what's going to happen is
7 we want to make sure the staff sees our report before they put
8 their final report up to the Commission, so they have the benefit
9 of what our views are before they --

10 MR. LAURIE: In order for us to get our report out by
11 the end of April, when do we have to have our work done by to
12 allow time for the report to be written and then shared, or draft
13 shared, in order for rewrite?

14 MR. PLISCO: I'd say by the end of March we better be
15 in pretty good shape. I know the last panel went through a couple
16 of processes trying to get a report.

17 MR. GARCHOW: It's actually done fairly efficiently
18 now. Much in the same way you might talk to Frank Gilepsie and
19 get his learnings on how to herd the cats at the end --

20 MR. PLISCO: He told me he took all your input; he
21 wrote the report.

22 (Laughter)

23 MR. GARCHOW: He threw some drafts out --

24 MR. PLISCO: Yeah.

1 MR. GARCHOW: -- and it was much easier to manipulate
2 something that existed, than to try to create something.

3 MR. SCHERER: Is that our report, do you know?

4 MS. FERDIG: Yes.

5 (Laughter and lots of background talking.)

6 MR. BROCKMAN: Well, they said you read them your
7 report.

8 MR. PLISCO: But I think as far as getting our
9 consensus positions then we're -- especially for this front-end
10 information we need to have I'd say in by the end of March.

11 MR. LAURIE: Do we need to give thought to the scope
12 of the report? Are you looking at -- do you know what your
13 audience needs? Are you looking at a hundred-page report, a
14 fifty-page report, or a twenty-page report?

15 MR. PLISCO: The last one was a fifteen-page,
16 thirteen-page --

17 MR. LAURIE: Fifteen, one-five?

18 MR. PLISCO: Fifteen. And you'll see on here what
19 they did, and I think it's a good idea, is what the previous panel
20 did is the final report from the panel is fifteen pages, but they
21 also attached all the input from every member, put everything in
22 context. That's why this is so thick because it has every
23 individual member's input.

24 MR. GARCHOW: With some minority we couldn't agree in

1 the sense that we allow one or two individuals to write a minority
2 couple of paragraphs, so the reader of it could see some of the
3 diversity of the thinking where it wasn't in agreement.

4 MR. SCHERER: Having seen the context of this
5 outline what do you think is short term and long term?

6 MR. PLISCO: That's what we talked about this morning,
7 and I think we gave some prioritization to things. These are the
8 bigger things you need to do now. Here are some things --

9 MR. SCHERER: These are the things you need to do
10 before you put it into operation. And here are the things you
11 need to do, you know, over the first year.

12 MR. PLISCO: Right.

13 MR. SCHERER: That's sort of easy. Here, as we
14 discussed earlier...it's implemented and all the operating plants
15 are using it. So when we define a short-term action, I think we
16 need to put a common focus with it. Is it 30 days or is it 90
17 days --

18 MR. PLISCO: I thought these terms may not be the
19 right terms, in the sense I think we need to give some priority --
20

21 MR. SCHERER: I think it's a right thing to do. And I
22 personally agree. I just want to get everybody sort of thinking
23 of what is short term. Is it 90 days or is it six months or is it
24 --

1 MR. REYNOLDS: That implies we're going to try to
2 solve the problems. We might go back to what Bill said earlier
3 this morning. I think is prioritize, what he called block
4 prioritization. Is that what you said?

5 MR. BORCHARDT: Uh-huh (affirmative).

6 MR. REYNOLDS: Because we may have a very important
7 issue, but it's going to take a long time to fix it. But we may
8 want to focus on that with a lot more effort than deal with a
9 short term that gives not as much gain.

10 MR. CAMERON: Did you mean, Loren, when you talked
11 about short term and long term, were you meaning to really
12 emphasize the priority of the issues, as Steve was suggesting,
13 rather than focusing on the temporal aspect, in other words when
14 they should be solved? Is that --

15 MR. BROCKMAN: Well, it could be either. You could
16 have an issue that's very important, that needs to be worked on.
17 But if it takes time, getting it right is more important than
18 getting it done quick.

19 You could have another issue that says this one you
20 need to change right now. At least an interim change needs to
21 made if the long-term vision is...you've really got the two
22 options and both would be priority issues either way.

23 If I were to look temporally at some of this, right
24 now there's discussion going as to the planning cycle -- not the

1 planning cycle, starting in April that --

2 MR. CAMERON: Starts in April.

3 MR. BROCKMAN: Of course, that's a logical time to
4 start something in April, the 2nd of April, excuse me. Should it
5 be set on the fiscal year? Should it be set on the calendar year?
6 If the Commission meeting is not going to happen probably until
7 summer and get final confirmation on that, you've somewhat of a
8 disconnect already.

9 You know, I would almost say if we're looking at the
10 temporal aspects, are there changes that need to be made by the
11 end of calendar 2001, which may be where this thing winds up
12 kicking off its next cycle and going on to an annual cycle? That
13 to me would be a sort of temporal aspect.

14 This needs to be done very quickly while it's still in
15 that transition aspect before the concrete starts setting on this
16 which will be the final guidance If the Commission comes out with
17 respect to the wisdom they share with us on this aspect.

18 MR. BORCHARDT: I would hesitate to schedule
19 on...Number one we have no idea what the full load of activities
20 is that's already on the plate of the people that are going to
21 have to do this work. If I can be an optimist for a second, and I
22 assume that we are going to conclude that the program is okay and
23 can continue, then that's our conclusion.

24 Now we can identify some ways to make it better and

1 prioritize that, I think, to some degree. But if we're going to
2 say it's okay, then we ought, I think, given the level we're
3 operating from, just stay out of the schedule.

4 MR. SCHERER: I tend to agree with that. The reason I
5 kept coming back to this is I think that rather than short term or
6 long term, I tend to think in terms of...And it may be, as several
7 people have said, that the more important issue, the more
8 immediate issue is to spend a little more time and get it right,
9 as opposed to looking at the short term and making a fix.

10 There may be other areas that we say but you need to
11 look at this in the short term, but it's not that critical.

12 I think that the value of our recommendations would
13 be, and the importance we attach to the issue, as opposed to time
14 frame we necessarily say that the Commission ought to address the
15 issue or result. I wouldn't hesitate to -- or preclude us from a
16 time frame.

17 MR. PLISCO: That's what I was saying earlier. I
18 think I probably picked the wrong -- when I said short term, what
19 I was thinking was that these are things you should work on first.
20 That's the way I look at it, not that you got to get it done in
21 three weeks.

22 MR. SCHERER: Sort of like line items. It's really
23 more like a prioritized list of recommendations or whatever we
24 call the advice and recommendations areas --

1 MR. PLISCO: Right.

2 MR. CAMERON: Anybody want to offer a dissenting
3 opinion? It seems like a lot of people agreeing on or shaking
4 their heads.

5 MR. PLISCO: There's a better choice of
6 words.

7 MR. CAMERON: You're into this high priority
8 rather than --

9 MR. PLISCO: Yeah.

10 MR. CAMERON: All right.

11 MR. BLOUGH: I think the only time we talked
12 -- the short term determined -- was like if the overall
13 conclusion was kind of a conditional conclusion. Then
14 you might want to say those things -- MR. PLISCO:
15 If there's a specific issue we may say --

16 MR. BLOUGH: We can address that when we get there.

17 MR. PLISCO: And as we talked about this morning
18 really on the front end of -- or overall conclusion that's what we
19 talked about a while this morning. We should continue or not or
20 within any specific caveats that we had. And overall it doesn't
21 meet the iscycles.

22 And if not in specific areas, we should spell that
23 out. If there's a specific goal, we --

1 MR. GARCHOW: The question is not whether it should
2 continue or not, the reality is it's going to continue. So, I
3 mean, even if we say it shouldn't continue, the reality is the
4 Commission got into the right stuff. There's no interest. It's
5 just not going to stop. It's like turning an aircraft carrier.
6 So it's not should it continue.

7 I think we've all pretty much agreed it's out of the
8 pilot stage; maybe continue with a tremendous amount of
9 significant high priority issues. I mean, I'm not sure of what
10 they -- I'm just trying to think if I was a Commissioner or Sam
11 Collins, what I would do with this esteemed report that completely
12 stop doing his agency function.

13 MR. SCHERER: I think what he would do is look at
14 these reviews and stop. And that's all we would --

15 MR. GARCHOW: I think a stop work order to the NRC.

16 MR. SCHERER: Yes.

17 MR. GARCHOW: I mean I'm not sure what --

18 MR. SCHERER: I think a back switch

19 MR. GARCHOW: I don't know what that means back up
20 handle...looking at to stop.

21 MR. SHADIS: If you would have told him the program
22 shouldn't go forward, it could be that it would evolve over time
23 into something quite different, and it has all the potential for
24 doing that.

1 MR. GARCHOW: I just find that interesting that we
2 would entertain -- I'm not sure what they would do with it

3 MR. PLISCO: But I think the words Randy was reading
4 this morning out of our charter. And again this is cryptic
5 evidence: "Continue as is or reformed or with the following
6 change." And there's more to that sentence. Randy would probably
7 tell what the words were; he read them this morning.

8 MR. CAMERON: You can revise your words to say should
9 the program continue as is? And that's certainly a question that
10 we would be answering.

11 MR. KRICH: In its present form.

12 MR. CAMERON: In its present form, as is, right.

13 MR. GARCHOW: The pilot panel, limited as it was, took
14 a little different approach. Is the basic framework sound? So
15 then you'd be saying, okay, now that we've got a hundred plants'
16 data. We had an idea it was sound. We did it with nine plants.
17 A group gets together and says based on some limited data, no
18 clunkers; still sound; go ahead; 104 plants. Well, now we've got
19 104 plants for a year.

20 I'd say the question should be: Is the general
21 construction framework sound? And does it meet the objectives?

22 So the idea of PIs and then the inspection reports and
23 the way the activity has all played out with one year of operation
24 to still be a sound construct, because this is a pretty radical

1 construct when you proceed to shift from south to this. If the
2 answer to that question is no, you'd have to take some pretty
3 significant action. So I think you get to the same spot.

4 MR. CAMERON: You can draw the conclusion, does the
5 ROP framework meet the Agency's goal?

6 MR. GARCHOW: Right.

7 MR. CAMERON: And that's really, I think, the question
8 that we're being asked.

9 MR. GARCHOW: Right. So the idea of PIs and
10 inspectable areas and how this all fits into the action matrix,
11 all of that is what's on the table.

12 MR. CAMERON: As we're moving, it seems funny --
13 should the program even continue or should it continue as is to
14 some statement about is the framework sound and does it meet the
15 Agency objectives?

16 MR. SETSER: I think that's -- remember there are
17 powerful macro driving forces that created the Agency's souls in
18 the first place. And those are beyond the scope of this group
19 here. So to assume that we come up with anything to negate those
20 would be a pretty big assumption. I don't think it's within our
21 scope to do that.

22 MR. SHADIS: The key word is evaluate, and this cover
23 page ought to be written after you get done evaluating. When you
24 get done evaluating, if you've honestly evaluated, you may run

1 into some humongous show stopper you might say yeah or cease or
2 whatever. Trying to work through what kinds of recommendations
3 you might make at this point is getting ahead of the game

4 MR. CAMERON: But you're suggesting, I think, that
5 should the program continue is not necessarily synonymous with is
6 the framework sound. In other words you --

7 MR. SHADIS: What I'm saying, Chip, is that the cover
8 page is the last thing you want to talk about.

9 MR. CAMERON: All right.

10 MR. SHADIS: I mean, granted you may have a list of
11 contents included with your cover, but that too needs to be
12 developed after you've completed your basic mission, which is to
13 evaluate this interim implementation period.

14 MR. GARCHOW: Wasn't an interim just corrective
15 language? Wasn't --

16 MR. SHADIS: Excuse me. Let me correct myself,
17 initial compliance. So the question I have for you is, have you
18 all gotten enough information and are we done with information
19 now?

20 We're going to move on to clearing up what we're
21 going to say. Or are we still in the process of --

22 MR. GARCHOW: We're still fact finding.

23 MR. SHADIS: Do we need more information and what kind
24 of information do we need in order to evaluate the program?

1 MS. FERDIG: It seems to me that that's what this is
2 about. What extent does the ROP framework meet the NRC
3 objectives? That becomes our criterion for evaluation and the
4 results will be whatever they are. So we're not determining that
5 now. We're simply saying that's our objective.

6 MR. PLISCO: That's why we're going through this
7 exercise, not to come up with the answers, but to come up with the
8 questions that we might answer at the end to help us decide what
9 information we need, and who we need to talk to and where, we need
10 to go in our work planning to get ready for that. That's all it
11 was, really not to answer any questions. Just what questions do
12 we need to ask.

13 MR. SHADIS: I'm just a country boy. All I know is it
14 says right here: "Overall conclusion: Should the program
15 continue?"

16 And then up there it said: "Should the program
17 continue?"

18 And that is conclusionary. It's not definitive of
19 what you're going to look at or how you're going to look at it,
20 the extent to which you're going to look.

21 You know, you could look for two minutes and decide
22 the program should or should not continue, or you could spend the
23 next year and a half doing it. That's not what -- coming to that
24 conclusion.

1 MR. CAMERON: If the policy is the same, would you
2 still feel that way? What I think the panel -- the other people
3 on the panel are suggesting it's not should the program continue.
4 But the question that's going to be asked is, is the framework
5 sound and does it meet the objectives?

6 Now that's not a -- no conclusionary yet, as Mary
7 points out. I think it's the question that the panel is trying to
8 answer.

9 MR. SHADIS: The next question that could and should
10 be asked within the framework of evaluating the program, sure.

11 MR. CAMERON: And does anybody have anything to say
12 about Ray's statement? I think the answer to his question is, got
13 to be done in the framework of evaluating --

14 MR. SHADIS: I just don't see any one of them as
15 determining what the rest of the conversation is going to be
16 about. Contributing to it; Flush out where the rest of your
17 evaluation has to go, you know. Maybe we're not coming to the
18 first need.

19 MR. FLOYD: This is just an outline of what the layout
20 --

21 MR. SHADIS: I understand that; I understand that. I
22 just bridle with starting with a conclusion.

23 MS. FERDIG: It's a question --

24 MR. HILL: Starting with a conclusion that have to

1 determine whether you can reach or not.

2 MS. FERDIG: Yeah.

3 MR. HILL: That's a potential, I mean, that's a
4 question to ask.

5 MR. SHADIS: Fine, but then the process becomes from
6 that point if you get a tree, it spreads. If you say it shouldn't
7 go forward, then one must also presumably say what do you want
8 then? The old process some other process?

9 If you say it should go forward but, then what are the
10 conditionals that you are going to attach to it? And so it sort
11 of builds on that. And I have no problem if that's where this
12 process is going.

13 MR. HILL: I guess I'm not sure what you're suggesting
14 as an alternative to what's been presented up there.

15 MR. CAMERON: The alternative being the second phrase:
16 "Is the framework sound and does it meet the objectives?" Is that
17 what you mean, Richard?

18 MR. HILL: No, I'm suggesting what would he want? If
19 he has a problem with that, what do you suggest? You said we
20 shouldn't go back. What other alternative is there that you
21 suggest we go?

22 MR. SHADIS: I understand your question. What I --

23 MR. HILL: You don't have an answer

24 MR. SHADIS: I do; I really do. I think you should

1 proceed along the line of asking what information is necessary
2 before you can evaluate a program. And you've gone a long way
3 toward doing that because you've had the regional reports. You're
4 building on that, but I can't see where you're done with that end
5 of the process.

6 MR. PLISCO: Yeah, we're not.

7 MR. HILL: Let me suggest something here then. I
8 don't think anybody would suggest we could look at enough
9 information that we could form an absolute yes, it is; no, without
10 a doubt, it should continue. What we're looking for is anything
11 and everything we see that it should not. So it's kind of like is
12 there something there that says it should not. But we're not
13 going to go try to evaluate everything that's been done to be able
14 to prove that it should. Is that --

15 MR. GARCHOW: We put this panel together on purpose
16 with intentional biases. That's the strength of the panel. It
17 wasn't like we went and hired six academicians or, you know, the
18 guy from the corner garage.

19 We put together a panel, immerse them in this for six
20 months, and come up with a completely independent position. I
21 mean, we hired them -- hired them chiefly, the people to be on
22 this panel because of diverse opinions and probably the inherent
23 biases.

24 MR. LAURIE: I don't understand the question. I

1 thought the question was -- or Ray said that he felt we don't have
2 enough data to start filling in the blanks. And we all agree on
3 that. We have another couple of months and another ex-number of
4 hours to go through that.

5 I think we're just talking about formatting. Is that
6 right?

7 MR. FLOYD: Yeah. Well, the question on the table is,
8 should the report start out with a conclusion statement, saying
9 today what the conclusion is because we haven't done the
10 evaluation? But should the format of the report on page 1 state
11 the overall opinion of the panel? And that's what we're talking
12 about; that's all.

13 MR. CAMERON: Is that the only thing you're talking
14 about?

15 (Lots of background talking all at once.)

16 MR. SCHERER: My concern is -- what I think I've heard
17 is "Wait a minute. Are you starting with conclusions and trying
18 to find facts to support it?" And I don't think that's what we're
19 doing.

20 What we're doing is we're collecting facts and we're
21 saying what is it we're trying to conclude so that we can collect
22 the information. What question are we trying to answer. Not pre-
23 judging the answer. We're not starting with the conclusion and
24 working backwards. We're not using deductive logic. We're trying

1 to collect all the information and make a decision.

2 But in order to be efficient, because there's a lot of
3 data in this world on a lot of things, what we're trying to define
4 and that's what we had discussed at our first meeting. Figure out
5 the question you're trying to answer. I think the question is,
6 you know, is the framework sound and does it meet the
7 objectives(?) is a reasonable question.

8 MS. FERDIG: Do you feel the question is framed in a
9 way where it's leading to the response. Is that what I'm hearing?

10 MR. SHADIS: I think you just destroyed the last
11 neuron in my brain.

12 (Laughter)

13 What happens is, you have an outline for a report.
14 And my concern was that if you're discussing how a report is going
15 to look that's one thing. If the outline for the report begins to
16 drive how you're going to conduct the rest of your proceedings,
17 then I become very concerned.

18 And if the rest of your proceedings go forward on the
19 basis of, is the first question go/no go, you know, are we doing
20 that kind of analysis, then I'm really bothered by that.

21 If the question is the one you've already got in your
22 outline: Does it meet these eight objectives that you have? I
23 think that's a good way to proceed because that dictates what kind
24 of information you need, and you can work from that.

1 MR. PLISCO: And actually the process is going to work
2 from the bottom of this sheet; it's going to work its way up.
3 That's how it should work

4 We're going to collect information and get the
5 individual views of the panel members and work our way up to these
6 individual comments and concerns and hopefully work our way up to
7 the cover page.

8 MR. SCHERER: Hopefully Ray, he still has a few
9 neurons left.

10 MR. SHADIS: Neurons or morons?

11 (Laughter)

12 MR. SCHERER: I'm a little concerned about some of the
13 discussion that occurred here for those members that weren't at
14 the first meeting because of the quick jump to dissenting
15 opinions. I want to emphasize at least my expectations.

16
17 We'll spend a sufficient amount of time trying to
18 reach a consensus and try to have a majority, a unanimous opinion
19 in the report to the extent that we can, with the last alternative
20 being dissenting opinions, and not jump to dissenting opinions so
21 that everybody can sort of write their report already based on the
22 prejudices they come in with.

23 We all have biases in personal experience. But I
24 think that, based on what we hear here, we spend a lot of time

1 discussing it. I'm really saying it for the record and for those
2 people who weren't at our first meeting, that we allow and commit
3 ourselves to spending as much time as possible trying to reach
4 unanimous agreement on the points that we can, and only use a
5 dissenting opinion as a last resort, where it's clearly no longer
6 cost effective and everybody's no longer willing to do that.
7 Fine. That's a last resort.

8 MR. CAMERON: And those are in your by-laws or
9 whatever we call them. Okay? For the panel. I mean, that
10 statement is in there. Although Jim and Mary and Ray and Bill, I
11 don't think that I would offer them -- I don't think the people
12 who were here last time would disagree with what's in those by-
13 laws in terms of that trying to strive for consensus. But that's
14 a real good point.

15 MR. KRICH: I have to ask at the risk of causing all
16 kinds of problems here. I'm not sure that I agree with what
17 you've written down. The charter that we are here for says that
18 we will "monitor and evaluate information in order to recommend to
19 the Commission whether to reform or revise the program." That's
20 our charter.

21 The first meeting we got together on it we said, well,
22 one of ways that we can meet that charter is to determine if the
23 process of achieving the NRC's goals, to determine whether the
24 more significant problem areas have been identified, and determine

1 whether the NRC is developing a sound self-assessment process for
2 the ROP.

3 MR. CAMERON: These three --

4 MR. KRICH: Right. Has something changed? Maybe I
5 missed something. Did we modify based on what you wrote down?

6 MR. CAMERON: I don't want to modify anything. I'm
7 basing this on what I'm getting feedback for --

8 MR. KRICH: Like, Shadis, I'm running out of
9 neurons also.

10 (Laughter)

11 MR. CAMERON: Maybe you hit on a key. We
12 started off talking about maybe format, but we were
13 phrasing what question is the panel trying to answer.
14 Maybe we've already stated in the past what question
15 the panel is trying to answer. Does it meet what you
16 just read us?

17 MR. KRICH: To my mind if you have a charter, the
18 first thing you start off with in your summary statement of your
19 report is, the answer to the question in the charter is "X."

20 MR. LAURIE: Do you determine to answer this question
21 by doing follow up?

22 I think Rod is actually correct. You answer the
23 question posed to you in the charter.

24 MR. BROCKMAN: There are key words in the charter that

1 we don't want to forget, and we're to evaluate the ROP results.
2 Our written report will contain an overall evaluation of the ROP,
3 which, I think, certainly is an overall statement.

4 I think what we're talking about here is the question
5 we see as appropriate to determine the overall evaluation of the
6 ROP is, should the program continue? If we can say should the
7 program continue, yes/no(?), that is that capstone evaluation
8 statement of the ROP. And then we got a whole lot of detail; we
9 go in there and all that stuff

10 MR. KRICH: What I'm asking about is, at the first
11 meeting, and maybe I misunderstood -- but at the first meeting we
12 went through all the words of the charter. And we said, "Okay,
13 what does that look like? How do you translate that into what are
14 we going to come up with?"

15 I thought what we agreed to was these three things.

16

17 MR. SHADIS: That's correct.

18 MR. KRICH: If we went through these three things, we
19 would answer the words of the charter. Is that -- did I miss
20 something?

21 MR. BROCKMAN: What were the three things again?

22 MR. CAMERON: That's correct. We've already changed
23 one of the three things. Maybe what you said, Rod, "Does the
24 program meet the objectives of the NRC?" Maybe that should be the

1 question you're trying to answer. Maybe the question you're
2 trying to answer is already in the charter and you don't need to
3 worry about it.

4 MR. BLOUGH: My thinking is we ought to have a -- this
5 is just a report outline. We ought to have an overall conclusion.
6 And probably we shouldn't start out with this questioning should
7 the program continue, but maybe just call that an overall
8 recommendation.

9 And that would be a short statement to the extent that
10 we can come up with one that talks on, you know, should the
11 program be substantially reformed? Does it need to be revised?
12 Should we think a whole new way?

13 Just for now we'll call it an overall recommendation
14 and try to come up with something that once we're done with it we
15 have all the information. His advice and recommendation on --
16 general one on the extent on which the program would need
17 reformed, revised, or not. So just call that overall
18 recommendation for now.

19 And then an overall evaluation -- and the overall
20 evaluation, I think, we agreed would be the one that answers the
21 question, does the ROP meet Agency goals?

22 And then a prioritized list of recommendations and so
23 on.

24 MS. FERDIG: And from the conversation this morning,

1 in keeping with what you're just saying, I think I heard a
2 suggestion that the language in Point 2 about what you agreed to
3 last time, which was determine whether or not the more significant
4 problem areas, or if it's long term, short term, so on, could be
5 re-languaged as priority areas --

6 MR. CAMERON: Absolutely.

7 MS. FERDIG: -- to pay attention to continue success
8 and allow ourselves to prioritize in a way that Bill suggested.

9 And someone then also -- which I wanted to check with
10 -- suggested we might organize it according to the four main
11 areas.

12 MR. PLISCO: And the reason I proposed that was it's
13 just easier for the staff to take actions and look at them because
14 that's how they structured the program. It's easier for them to
15 communicate those issues, assign actions, or whatever.

16 MS. FERDIG: And when I did emerge that might be
17 quickly of further consideration, we include them throughout the
18 report where --

19 MR. BROCKMAN: Are we talking about a separate
20 attachment? What's listed on here, we have suggestions,
21 recommendations for improvement, --

22 MS. FERDIG: It really is in the language.

23 MR. MONNINGER: I think a part of No. 2 is -- some of
24 it is the panel, but part of it was the staff is in the process of

1 identifying significant problem areas. Was this panel agreed that
2 for all your evaluation and everything that you have, that the
3 staff has to identify them? Have you identified something that
4 the staff hasn't?

5 MR. BROCKMAN: We will not be able to answer that
6 question. The only question we will be able to address at that
7 stage of the game is, does the staff have a process in place for
8 identifying them?

9 And here's some stuff that we want to make sure you
10 throw onto your platter when you're doing that because their
11 evaluation is going to be going on at the same time ours is.

12 And our report will probably be running almost
13 parallel with theirs. And having their data review and analyze
14 reflected to include in our report, the timing is just not going
15 to be right. We'll see various drafts.

16 MR. MONNINGER: I mean, they're going to report --

17 MR. BROCKMAN: As I say, we'll have some insights.
18 But I don't think we'll be able to stay the same with all the
19 issues captured. I just have the feeling we will be very
20 fortuitous if the timing works out for us to be able to do that.

21 MR. CAMERON: That may turn out to be true, and we'll
22 have to deal with that. But where are we now?

23 MR. FLOYD: First of all, a statement of the overall
24 conclusion of the panel.

1 Second one was the results of our evaluation as to how
2 well the overall program meets the eight performance criteria.

3 Third one, what were the high priority issues we
4 believe should be addressed?

5 MR. GARCHOW: Works for me.

6 MR. REYNOLDS: Yeah, that's what I got out of it.

7 MR. SCHERER: We can refine and make suggestions.

8 MR. PLISCO: We can refine obviously the language
9 later. The thought is just to get a general outline.

10 MR. BLOUGH: Since I said that I was looking at the
11 sheet and the fourth thing there states regarding adequacy of
12 staff self-assessment program controls.

13 If we're going to include that, that probably should
14 go before the prioritized list of recommendations, because then we
15 would be addressing major deltas in that area as well.

16 MR. CAMERON: So you're putting self-assessment in
17 there before the priorities?

18 MR. BLOUGH: Yeah.

19 MR. PLISCO: Anything else we need to do today?

20 MR. GARCHOW: As a housekeeping thing -- are you
21 wrapping this up?

22 MR. PLISCO: Yes.

23 MR. SHADIS: As a housekeeping item, is there a server
24 list, e-mail server list for this panel?

1 MR. PLISCO: Would this be for all the members?

2 MR. SHADIS: I was thinking you could very quickly in
3 a few minutes set up a list with a server that would simply give
4 us one address. Every panel member would then get a copy of the
5 e-mail. I'm just thinking about communicating.

6 MR. PLISCO: The way we suggested at the first meeting
7 is send it to John. John has a list he set up.

8 MR. GARCHOW: He's our server.

9 MR. PLISCO: Yeah, he takes care of interface issues.
10 Some people only use WordPerfect; some people only use Word. He
11 can also handle that as far as whatever document you need. He can
12 give you the right --

13 MR. GARCHOW: Hey, John, you know your business better
14 than I did. In the first panel when we were briefed by OGC on what
15 the rules were, the backup, they were pretty clear that the
16 business of the backup could not be conducted via e-mails or phone
17 mails amongst members not out in the open. We had to sign on -- I
18 mean, Federal law is a good motivator to me. I know we had to
19 sign on to something.

20 MR. PLISCO: That's another reason why we send it to
21 John. He makes sure --

22 MR. GARCHOW: So you've just got to be careful with
23 that. Interfacing with some parts of the people between me -- I
24 mean I'm not -- that was just one of the rules we had to sign on.

1 MR. SCHERER: They made it clear at the first session.
2 We can talk to each other, just not reach conclusions.

3 MR. GARCHOW: I'm not that smart.

4 MR. PLISCO: The solution is you send it to John. It
5 does two things: He can send it out; and he's the repository to
6 get things in the public data base. He can take care of that too.

7 MR. SHADIS: Just a comment. I really appreciate a
8 lot of the thoughtful comments that went on. It's like given me a
9 lot to chew about. I appreciate the viewpoints of the people
10 that's trying to work with this.

11 MR. PLISCO: See you tomorrow morning.

12 (Whereupon, at 6:00 p.m., the meeting was adjourned to
13 reconvene on December 12, 2000, at 9:00 a.m.)

14