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Implementation Evaluation Panel
Meeting

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UNITED STATES OF AMERICA
 NUCLEAR REGULATORY COMMISSION
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 REACTOR OVERSIGHT PROCESS
 INITIAL IMPLEMENTATION EVACUATION PANEL
 MEETING

+ + + + +

TUESDAY,

JANUARY 23, 2001

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BETHESDA, MARYLAND

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

PRESENT:

LOREN R. PLISCO	Chairman
A. RANDOLPH BLOUGH	Member
R. WILLIAM BORCHARDT	Member
KENNETH E. BROCKMAN	Member
MARY A. FERDIG	Member
STEVE FLOYD	Member
DAVID F. GARCHOW	Member

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1 PRESENT: (CONT.)

2 RICHARD D. HILL Member

3 ROD M. KRICH Member

4 ROBERT A. LAURIE Member

5 JAMES H. MOORMAN III Member

6 STEVEN A. REYNOLDS Member

7 A. EDWARD SCHERER Member

8 JAMES L. SETSER Member

9 RAYMOND G. SHADIS Member

10 JAMES M. TRAPP Member

11 FRANCIS X. CAMERON Facilitator

12 JOHN D. MONNINGER Designated Federal Official

13

14

15

16 ALSO PRESENT:

17 JOE BRADY

18 SONIA BURGESS

19 STEVE CAMPBELL

20 JEFF CLARK

21 STEVEN JONES

22 WILLIAM JONES

23 JILL LIPOTI

24 DENNIS ZANNONI

25

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

(8:14 a.m.)

1
2
3 CHAIRMAN PLISCO: Good morning. Welcome
4 to the second day of our third meeting of the Reactor
5 Oversight Process Initial Implementation Panel. This
6 is a public meeting. Again, anyone that is observing,
7 I request that you sign-up on the sign-up sheet. The
8 meeting will be transcribed. Today's agenda -- this
9 morning, we have three groups of invited stakeholders.
10 The New Jersey Department of Environmental Protection
11 and we have a group of NRC Senior Reactor Analysts and
12 Inspectors.

13 The first presentation is the New Jersey
14 Department of Environmental Protection. We do have
15 copies of the letter -- I think it was in December,
16 Jill, you sent that to us?

17 DR. LIPOTI: December 11.

18 CHAIRMAN PLISCO: And we provided it to
19 the members last month. We do have copies on the table
20 too for anyone else. Any administrative business,
21 John, before we start?

22 MR. MONNINGER: No, I don't think so.

23 CHAIRMAN PLISCO: Jill?

24 DR. LIPOTI: Well, I had the opportunity
25 yesterday on the train to read all of your comments

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1 that you submitted. And I was really pleased at the
2 diversity of comments that were raised, and I think
3 this is a really good group.

4 I want to comment on a few of the
5 comments. I thought Mr. Borchardt's comment about
6 needing an independent review by people not involved
7 in the development or the implementation of the ROP
8 was a very significant one. And if I could make a
9 suggestion, I know that the Department of Energy has
10 called on the National Association of Public
11 Administrators, NAPA, to give them some feedback on
12 regulatory structure and changes in regulatory
13 programs. And since they are all public
14 administrators, it is a very good group and
15 independent group to get that sort of feedback. DOE
16 used them on the stewardship issue. So that might be
17 a suggestion for that kind of independent group.
18 Because I do see redundancy among the people who have
19 developed the program and are now called on to
20 implement it.

21 I thought Dave Garchow made a good point
22 yesterday when he said you need to make sure the
23 process can gauge performance and that the process is
24 accurate. And that is what you need to keep in mind as
25 you develop your report.

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1 Ray Shadis's comment about a regulatory
2 oversight program is more than just maintaining
3 adequacy. It is about encouraging improvement. It is
4 about rewarding excellence and not rewarding
5 mediocrity. Absolutely important and excellent
6 comment.

7 Commissioner Laurie's comment about
8 investing in an open process. An open process is what
9 will inspire the public confidence. Because really in
10 this program, the public, the regulators and the
11 utilities are all partners in ensuring safety of the
12 facilities.

13 Loren Plisco's comments. He honed in
14 right away on the PRA as a very important issue, and
15 I am sure you will hear from experts today. Because
16 without those common standards and methods and
17 requirements in the PRA, there is always going to be
18 some refiguring of the PRA. Some what I call
19 negotiations, which I guess is blue. You don't say
20 negotiations. But there is some challenging of the
21 scientific basis because you don't have common
22 standards, methods and requirements.

23 It is similar to what I think of when we
24 are trying to clean up a contaminated site and there
25 are multi-agencies involved. Those agencies got

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1 together and they wrote a Multi-Agency Sampling
2 Manual, MARSM. And a laboratory analysis manual,
3 MARLAB. And they may someday work on a modeling
4 manual, MARMOD. And maybe someday there will be a
5 multi-agency PRA description that gets to a consensus
6 on what goes into the PRA and how it is done.

7 Both Loren Plisco and Bill Dean talked
8 about cross-cutting issues, and that is extremely
9 important. I understand the dilemma you are in with
10 the problem identification and resolution inspection
11 and whether that inspection should be annual or at
12 some lesser frequency. But I think that that
13 particular inspection is relevant to the leading
14 indicator. I think Randy Blough made that comment
15 yesterday.

16 Without some check on the system, without
17 some check to make sure that PIs and inspection
18 reports are capturing all of the issues, then you can
19 get a false sense of security. And that particular
20 inspection, problem identification and resolution,
21 gives you a kind of check on the total system. So I
22 think it is a good idea. And inspection frequency is
23 something states wrestle with a lot.

24 I can give you an example from a totally
25 different regulatory arena, mammography. The

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1 Mammography Quality Standards Act initially required
2 that facilities which provide mammograms must be
3 inspected annually. It said so right in the law. But
4 in the reauthorization of that Act, there was a
5 requirement for a pilot program for inspect at a
6 lesser frequency and to determine if the inspection
7 itself is important to maintaining quality or whether
8 the facilities can maintain quality without that
9 inspection oversight. It came to the states to figure
10 out metrics for determining whether annual inspection
11 was as important as many of us believed.

12 So I am sure that you can work out a
13 similar kind of thing with inspection frequency, where
14 you have some level of inspections or some number of
15 inspections which are performed at a lesser frequency,
16 and you compare the data.

17 I thought Loren Plisco and Bill Dean's
18 staff member -- I can't remember which one talked
19 about risk-based PIs -- really had an important point
20 where NRR and research are examining the feasibility
21 of risk-based PIs. I think they are critical to the
22 success of this program.

23 I'll say a word about thresholds. I keep
24 saying a word about thresholds. I really think the
25 colors only work if crossing a threshold has some

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1 deeper meaning and a risk-based meaning. Otherwise, if
2 the process really doesn't produce any colors other
3 than green, why don't you drop the colors and just
4 report the absolute value. I think the colors remain
5 a deterrent to encouraging excellence and are in fact
6 a way of encouraging mediocrity.

7 I will answer any questions that you may
8 have on the letter that I sent in. I took your matrix
9 of issues and I matched them against all of the issues
10 that I raised in my letter, and I think you got them
11 all. So I noted which one matched up with P5, O4, P8,
12 P4, and I believe that you captured everything that I
13 was trying to tell you. So in your deliberations, I
14 am sure that you will discuss that. But if you have
15 questions, I am certainly open to that.

16 What I am interested in is what happens to
17 your work as a committee. And what kind of time frame
18 are you working in. I see a real disadvantage in the
19 fact that you have so little data at this point to
20 look at trends or draw any conclusions from. I think
21 in particular when I look at your ROP performance
22 metrics, M01, you are going to need a statistician.
23 You are going to need statistics. You are going to
24 need some results in order to work the statistics
25 before you can come up with something. So you may need

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1 more time to draw conclusions than is your time frame
2 in the FACA Register Notice. But I really think you
3 shouldn't rush your conclusions and try to be
4 meaningful. You have an opportunity to really improve
5 this process. You should take the time.

6 And speaking of metrics, there are two
7 metrics that I believe are insufficient in this
8 metric; U01, where it discusses whether the ROP is
9 understandable. And C01, where it discusses whether
10 the ROP enhances public confidence.

11 Now when I use the words focus group, I
12 have a completely different meaning than Bill Dean's
13 focus group. To me a focus group is a group of
14 private citizens who are convened by a facilitator,
15 who are paid for their time and asked to give an
16 opinion on a product. That product could be
17 deodorant. That product could be a suite of
18 performance indicators, that product could be a
19 voluntary plan for siting a low-level rad waste site,
20 that product could be a reactor oversight process. A
21 focus group is not bringing a whole bunch of people
22 from one agency together and focusing on an issue,
23 although that is a very important thing to do. A
24 focus group has a specific meaning in social science,
25 and I fear that it hasn't been utilized properly. I

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1 think when I look at these metrics and I say that the
2 way that you are going to tell us something is
3 understandable or enhances public confidence is based
4 on the replies you get to the Federal Register Notice.
5 It really skews the results, and Dave Garchow picked
6 up on that yesterday. You are just relying on the
7 stakeholders that choose to respond, and those are the
8 people that aren't sick of responding already and
9 sending in letters. For utilities, you could
10 certainly skew it by having 100 top executives in 101
11 plants sent in letters that say everything is fine and
12 public confidence is great. That isn't going to tell
13 you what the public is really thinking. You need to
14 look to a focus group in my sense of the word.

15 Having even environmental groups who
16 respond to the Federal Register Notice send in
17 comments is not going to get to everyone. The person
18 at CVS who waited on me, the school teacher, the -- I
19 don't know, the dry cleaners. You need -- what is the
20 public's confidence in NRC and their ability to
21 regulate nuclear power plants?

22 The other area where I differ a bit from
23 Bill Dean's impression of what this group is chartered
24 to do is where he says he is going to give you the
25 results of his focus groups, which are comprised of

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1 NRC people, and if there are discontinuities in the
2 recommendation, he is hoping you will help them work
3 it through and help find a consensus. Because as he
4 sees it, you represent all of the stakeholders. I
5 represent my state, but I would not -- I would not say
6 I represent all states. I am sure each of you
7 represents your agency or your group or your role, but
8 you can't possibly represent all stakeholders. I look
9 around the room and I say, okay, who is representing
10 my mother? Would you please stand up? You are not a
11 representative sample.

12 So what you need to do -- you have to
13 integrate the reactor oversight process with the
14 values of society. That is what your role is. But you
15 can't do that without some better communication. You
16 need some tools for providing the technical
17 information to a non-expert audience. And you need to
18 listen to what they have to say.

19 The last point that I am going to make is
20 one that I think can help you look at the overall
21 process. It is a recommendation for each of you to
22 participate in an inspection, one inspection, from
23 beginning to end. Now I know that I have an inspector
24 here, so obviously he has done this. To verify that
25 the indicators and the SDP and the inspection findings

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1 all match the reality that you get when you walk
2 through that utility. To determine if the resource
3 allocation in your own mind is adequate for doing a
4 good job of inspecting. And then for you to try
5 communicating your findings to the public and see if
6 you can do it with the restrictions that are placed on
7 you through the ROP. Try it. I know that some of you
8 have staff that have done this or you have watched
9 other people do it or you have supervised people who
10 do it. Try it once on your own and see how you feel
11 as part of the process. And I think you will find
12 some interesting insights, particularly in the
13 resource allocation area.

14 My colleague, Dennis Zannoni, has sat
15 through all of your meetings and listened.

16 MR. ZANNONI: Well, just yesterday.

17 DR. LIPOTI: So if you have anything you
18 would like to add. We independently wrote down
19 observations.

20 MR. ZANNONI: Thanks, Jill. Before I
21 comment, does anybody have any questions to Jill
22 directly or also about the memo that we wrote, so we
23 could talk about that and maybe that will trigger some
24 more thoughts that I wanted to bring up as well.
25 Because I am not a morning person, so I am just kind

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1 of getting wound up. But I don't want to take up too
2 much time.

3 MR. TRAPP: I was curious of your
4 objection to colors. I mean, I think we have related
5 colors to numbers, and if you have that correlation,
6 I guess I don't understand. If I say it is 10^{-6} to 10^{-7}
7 delta CDF and that is going to be a white, then I just
8 -- if you could expound on your objection to calling
9 it.

10 DR. LIPOTI: I would like you to explain
11 10^{-6} or 10^{-7} CDF to a dry cleaner.

12 MR. TRAPP: I agree it is impossible.

13 DR. LIPOTI: It is just -- it is so far
14 from experience that it is just -- people in the real
15 world don't always make decisions based on core damage
16 frequency. So I think you need to explain a bit about
17 how you chose those colors. And as far as I can tell,
18 there are some of the performance indicators that have
19 a risk-based threshold, and then there are some that
20 are just based on the metric 95.5 percent. And that if
21 you try and compare a PI green to an SDP green, you
22 are not comparing greens that are the same. And so
23 the green -- the colors are misleading to the public.
24 It seems to me also that if your threshold between
25 green to white is the real threshold that gets to the

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1 economic issues about how well your utility is seen on
2 the stock market and so forth, that you are going to
3 be very careful about crossing the threshold from
4 green to white. And that the thresholds for any other
5 color, white to yellow or yellow to red, become
6 almost meaningless because the green to white is so
7 clearly important.

8 We are embarking on a regulatory program
9 for medical doctors to look at their image quality and
10 their radiation dose in administering x-rays to
11 people. And there are bell-shaped curves that describe
12 how much radiation a doctor gives to a patient, a
13 typical patient for a typical examination. We could
14 have chosen thresholds that say 95 percent interval.
15 We want to take all of the people who give more
16 radiation than that and tell them that they have to
17 bring it down. We chose not to. We chose to give the
18 physician their information on that examination and
19 say, here is what your colleagues can do and you are
20 over here. By not giving them a threshold, it
21 encourages them to excellence. It doesn't make them
22 stop right at the 95 percent level. And what I am
23 worried about is that the thresholds will encourage
24 what I call not a continuous improvement. And I think
25 Ray Shadis picked on this in his comments. It is a

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1 maintenance of adequacy floor is what you come up
2 with, although it is very difficult for you to
3 describe maintaining adequate in terms of numbers. And
4 you have not given the utilities the ability to excel
5 and to be rewarded for that excellence.

6 There is also not in my mind a clear path
7 to red or to shut down.

8 MR. ZANNONI: Column 5, yes. It is not
9 talked about very much, but it is one of those things
10 that is out there.

11 MR. TRAPP: It just seems to me, though,
12 if I have given my 13-year-old a green matrix and
13 said, here is one plant and here is one with reds,
14 whites and yellows, which do you think is the worst
15 performer, I am sure she would probably choose the one
16 with the reds, yellows and whites. Where if I gave her
17 just -- you know, this is a 10^{-6} or this is a 10^{-5} and
18 stick numbers in each one of those slots, I am sure
19 she wouldn't --

20 MR. ZANNONI: Well, you need to separate
21 out the two. I mean, we have got the performance
22 indicator thresholds we are talking about in SDP.
23 Getting to the performance indicator thresholds, we
24 heard yesterday that there is a lot of uncertainty.
25 We are talking about redefining some of the

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1 performance indicators and maybe changing the
2 definitions or dropping some and adding others. So by
3 you making or determining the threshold, you guys are
4 making judgments. While we are more prone to look at
5 the data because the data could reveal something about
6 performance, and that is helpful because it is
7 something new to the utilities. Supplying data that
8 may or may not be helpful. But we interpret that data
9 on our own. We don't think the thresholds really have
10 any meaning and the colors then are just kind of a way
11 to fit the program and make it look nice in the big
12 picture. But quite frankly, it really doesn't add
13 anything to assessing performance at the plant. The
14 data itself is a good start. I think that they really
15 have to move toward -- if you want to go to sensible
16 thresholds, you have got to really engage research to
17 come up with some risk-based performance indicators
18 that are more appropriate. But until then and all the
19 changes that I see occurring now, I could argue just
20 as strong not to have the colors in the performance
21 indicator world. Now SDP, again the question is, okay,
22 the colors work in the system, but I think that is a
23 different discussion for using the colors in that part
24 of the program.

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1 DR. LIPOTI: And I think one thing that
2 you have not talked about is the uncertainty with
3 which you have named those risk numbers. And the
4 uncertainty bars are not shown on any of the diagrams
5 that I have seen, and I think you need to do a
6 sensitivity analysis and uncertainty analysis on how
7 you came up with the CDFs.

8 MR. SCHERER: I have a question for you.
9 Could you explain the process that you used to come up
10 with appendix B to your letter?

11 DR. LIPOTI: Yes. Appendix B --

12 MR. ZANNONI: What is appendix B, just to
13 remind us. Are they the grades of the plants?

14 MR. SCHERER: Yes.

15 MR. ZANNONI: It was pretty simple. You
16 take the mid-cycle plant review and you read the cover
17 letter and then you say, all right it says this plant
18 is licensee response band, that is column A in the
19 interpretation. And if it added a little of
20 inspection, even though it was designated A, then I
21 would say, you know, it is maybe A to B. I mean, it is
22 self-explanatory. What is your question?

23 MR. SCHERER: I'm trying to understand the
24 process. You were making the point pretty strongly
25 that you don't agree with green and white and yellow

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1 and red, but you seem to be trying to develop a
2 process here of giving grades. I am trying to
3 understand the difference between the process you used
4 and --

5 MR. ZANNONI: Well, what is the difference
6 between column designation and grade designation? I
7 mean, I was just -- that is just the data that was
8 produced by the Nuclear Regulatory Commission.

9 DR. LIPOTI: Yes, we are just looking at
10 your data.

11 MR. BLOUGH: It is just columns -- he has
12 just given a letter to each column. We have this
13 slide from, I think, Alan Madison yesterday that
14 showed which plants were in which -- I guess that was
15 Bob Pascarelli.

16 DR. LIPOTI: Yes, this slide.

17 MR. BLOUGH: Which plants were in which
18 column. That is all they have done. And then they have
19 given minuses and pluses depending on whether there is
20 some qualifier on whether they are really in that
21 column.

22 MR. GARCHOW: What was your purpose in
23 doing this? Just to try to give your own self another
24 pictorial way of discriminating plant X from plant Y?

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1 MR. ZANNONI: No, I just -- well, I think
2 it is common sense. I mean, the first mid-cycle review
3 came out. This is a global look at what the NRC had to
4 say to the public about the performance of nuclear
5 power plants at their first cut. So this is what it
6 said. You know, maybe some of them are wrong. But
7 this is a little easier for me to understand and the
8 people that I discuss this with than the columns. I
9 mean it is just -- I think it is pretty self-
10 explanatory. But the point, though, that I think I am
11 hearing between the lines is are we making the
12 judgment about the state of nuclear power in the
13 United States. And I am saying, no, this is just NRC's
14 data that we interpreted that is outlined on here. And
15 then we could see, well where do the plants fit.
16 Obviously, we would like to have -- it just provides,
17 I guess, a baseline on where the first results of the
18 mid-cycle review by the NRC is. I mean, I don't -- is
19 there another question that --

20 DR. LIPOTI: Remember, we wrote this
21 letter on December 11 before you had the presentation
22 that put them in columns for you.

23 MR. ZANNONI: And we did say that the NRC
24 should confirm this data because this is just a small
25 staff trying to get a handle on what is the NRC

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1 communicating about the nuclear power plant
2 performance in this country. This is the NRC
3 statement to the country about how the power plants
4 are performing. So this is just one way of looking at
5 it. I mean, that is the purpose, I think, of the mid-
6 cycle review, unless it isn't.

7 MR. BROCKMAN: Just one more question.
8 Let's start on the document we are talking about right
9 here. When we put out the mid-cycle reviews, I am
10 interested in your all's perception as a stakeholder
11 there in your state, are those documents adequate in
12 communicating a semi-annual state of the health of the
13 utilities in your area of concern? Do they meet the
14 needs of you as a state and do you feel they meet the
15 needs of your constituency?

16 DR. LIPOTI: I have to answer that by
17 saying that I do not rely on them solely for the
18 information that I receive about nuclear power plants
19 operating in our state. We have a staff and they
20 supply me with much more information than is in the
21 mid-cycle review. And so I am probably not a good one
22 to ask that question of because I don't only have that
23 piece of data. I have people come into my office and
24 tell me, well guess what happened last night, Jill.
25 This happened and this happened and we got a 50.72 and

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1 here is what happened and here is how we are going to
2 ask questions and this is the kind of thing we want to
3 know and is there a problem with failing to follow
4 procedures and do we need more retraining. There is so
5 much more depth to the information I get. It isn't my
6 only point --

7 MR. ZANNONI: If you are asking me if I
8 just read the inspection reports and the mid-cycle
9 review and went to the Website would that be enough
10 for me, the answer is no. I mean that is it.

11 MR. BROCKMAN: Okay. Now let me try to
12 separate this. You have got a different job and a
13 different need and I have got to ask you to do
14 something that I am going to apologize that you said
15 it would be very difficult for you to do. But you are
16 the one who can help me here. Try to put yourself --
17 you are now the guy that runs the dry cleaning shop,
18 which is one of the people you are saying we need to
19 be able to reach out and communicate to. This would be
20 the vehicle. You are going to get the couple of
21 reports that come out, be they on a six-week or
22 quarterly basis or what-have-you. Semi-annually you
23 will see this and be able to get to the Web. One of
24 the key things we are trying to do is provide an
25 adequate amount of information for those people to

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1 stay informed. But then the converse to that is
2 quickly you can send someone an information overload
3 and they just turn it off because you have just
4 overwhelmed them. And finding that balance is the task
5 we are striving for.

6 MR. ZANNONI: It is a challenge.

7 DR. LIPOTI: It is a challenge. And that
8 is why you need to have a focus group where you talk
9 to the folks at the dry cleaner instead of talking to
10 me. I can't represent that position.

11 MR. GARCHOW: So, Jill, can you compare
12 and contrast? I mean, I can understand where you are
13 coming from and I agree with a good portion of it. I
14 guess the dichotomy that exists for me, especially in
15 the State of New Jersey, is that, you know, the
16 dichotomy of the standard that we hold for nuclear
17 power versus the standard we hold for other industries
18 that have as significant or close to as significant
19 potential impact to the public. Especially in our
20 area I am referring to some of the large chemical
21 complexes that are within miles of the plant. I mean,
22 the dry cleaner -- I mean, they are living in
23 ignorance in that industry. There is no standard. They
24 have no information. So I think we should try to get
25 as best as we can and reach out. So I agree with you.

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1 But relative to the standard that is applied and then
2 what society expects in general, this far exceeds
3 anything that I see in a regulatory arena that has
4 been attempted. I mean, I was cruising through the FAA
5 site trying to say, okay, how would I find out about
6 American Airlines. There is nothing that is as easy
7 -- you know, five clicks and you are right into an
8 inspection report on maintenance of an aircraft.
9 Where we have struggled a little bit, but we got to
10 that point in this industry through some of the
11 information. So I would like you to comment a little
12 on why -- the differences that you see. And I would
13 say given that balance, maybe your position would be
14 a little different.

15 DR. LIPOTI: I understand the idea of
16 balancing chemical risks and radiation risks and to
17 find some sort of harmonization between those kinds of
18 risks. And certainly that is something that many
19 federal agencies and state agencies are working on is
20 harmonization of chemical and radiation risks. And,
21 no, we have not achieved that yet. But I also think
22 that society does not make decisions based solely on
23 risk. That they consider many other factors and they
24 have many other values that they use. And so I don't
25 see it as a fair judgment to say that nuclear power

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1 plants have to strive for a different standard than
2 airplane safety as long as we keep making the
3 comparison to airplane safety. I think Ray Shadis had
4 an interesting one. Would you allow a fire watch on
5 an airplane. So you are sitting in the airplane and,
6 excuse me, I am the fire watch and there is a fire
7 under your seat, please move. It is just not the same
8 kind of thing. It is comparing apples and oranges.
9 You want to try to draw these conclusions and it
10 doesn't work. There is plenty of data on chemical
11 risk that is much different from the data on radiation
12 risk. Right to know data, toxic catastrophe
13 prevention data, those kinds of things.

14 MR. GARCHOW: I was more coming from the
15 fact of -- I was going back to your mother or the dry
16 cleaners.

17 DR. LIPOTI: Right.

18 MR. GARCHOW: Living in the vicinity and
19 the attempt to reach out and the public outreach. I
20 wasn't more going onto the technology, although that
21 would be an interesting discussion for another day.

22 MR. ZANNONI: We don't think that that is
23 happening in the chemical community in New Jersey. I
24 mean, the state is much more involved with the large
25 chemical companies on a state level because they have

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1 a lot more regulatory authority than we do with the
2 nuclear regulatory -- with power plants.

3 MR. GARCHOW: I was just trying to look
4 for a compare and contrast.

5 DR. LIPOTI: Yes.

6 MR. GARCHOW: We need to get as good as we
7 can. I think everybody recognizes that. But I think
8 we lose sight of the big picture on how far we came
9 relative to what is available in other industries and
10 even what was available in this industry three years
11 ago or five years ago.

12 DR. LIPOTI: And all of the other
13 industries have come also.

14 MR. ZANNONI: Dave, what would you
15 suggest?

16 MR. GARCHOW: I was just trying to get
17 your insight on how the recommendations for this
18 panel, whether they -- you know, whether you are
19 drawing from what is happening in your other worlds.
20 You bring an insight because you regulate numerous
21 industries in your position. And we don't see that
22 necessarily on this panel. You know, somebody doing
23 something better or different. I mean, how are they
24 reaching out to your mother or the dry cleaner? That
25 was where I was sort of going with the question.

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1 MR. ZANNONI: Okay.

2 DR. LIPOTI: All right.

3 MR. KRICH: Could you give me an example
4 of --

5 DR. LIPOTI: Ray had his hand up.

6 MR. KRICH: I am sorry, go ahead.

7 MR. SHADIS: That is all right. I just --
8 we are also way ahead of the Russians when it comes to
9 our regulation, but so what? It is sort of not the
10 charge of the agency to compare itself to other
11 agencies. Every time that you talk about
12 communicating to the public, the only thing you talk
13 about is communicating your idea of comparative risk
14 levels. And I am speaking to everyone. I am not just
15 picking on David here. It is the way it falls in, you
16 know, from the NRC and also from the industry. Let's
17 compare risk numbers. Well, the fact is your risk
18 numbers are not very good. And I think that if you
19 take a very hard self-assessment on the risk numbers,
20 they are not good. I am wondering in communicating to
21 -- as you see it, your experience with your
22 constituency if you will in New Jersey -- is
23 communicating a clear idea of how the process works
24 something that would be of value to people in being
25 able to accept what is being done to protect them?

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1 DR. LIPOTI: Yes. In some ways, yes. But
2 whenever I try to communicate process to groups like
3 Norm Cohen and Unplug Salem, he gets the impression
4 that I am saying, well, the Federal Government does
5 this and, you know, they get the information from the
6 utilities and the state only has this portion. And he
7 feels that I am neglecting my responsibilities for not
8 giving a well-rounded viewpoint. So I find that in
9 communication that the process has to include a broad
10 range and a wide range of individuals and not just my
11 responsibility begins here and ends here. Because
12 actually I have very little authority and it begins
13 here and ends here.

14 MR. SHADIS: My -- I raise this because my
15 experience in talking to different members of NRC and
16 its various compartments is that many of them are
17 confused about the process within their own agency.
18 How is this generic issue now going to be handled.
19 When and how are we going to issue guidance and on
20 what basis for something that is cutting edge, dry
21 storage of fuel or whatever it may be. And that of
22 all of the things that gives me pause with respect to
23 the ROP, it is that I really, even after reading the
24 material and interviewing any number of NRC people, I
25 still don't have a very clear idea of how the process

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1 works. Where do we step from identifying an issue to
2 its resolution? I guess what I am offering is that
3 may be as important as trying to communicate some very
4 subtle risk levels. The guy that is up to his elbows
5 in trichlorethylene every day probably isn't
6 interested in knowing that there is only a one in a
7 million chance that you are going to have a reactor
8 core damage. It doesn't carry over. I am offering
9 that and maybe at some point you might reflect
10 something back on that.

11 DR. LIPOTI: Yes. I think if we can
12 communicate about the reactor oversight in the
13 broadest possible terms and relate it to the
14 individual situation, that is the best of all worlds.
15 It is a very difficult task and it is taking technical
16 information and making it accessible to a non-expert.
17 It hasn't been done yet, but that makes us strive for
18 excellence.

19 MR. KRICH: What I was going to ask was if
20 you could give us an example of an agency, a federal
21 agency, that regulates excellence as opposed to
22 regulating meeting a certain standard so that we could
23 maybe look into it and get some idea of how that is
24 done.

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1 DR. LIPOTI: I think that perhaps the
2 Mammography Quality Standards Act is a good example of
3 the way that they encourage excellence. And the two
4 performance indicators that they have chosen to
5 measure in that case were entrance skin exposure and
6 image quality as measured by a phantom. And in doing
7 that, they collected data from 1992, 1995, 1998 and so
8 forth. So you can see an improvement in image quality
9 -- a dramatic improvement in image quality, which gets
10 to the fact that you could have had misdiagnoses
11 because the images weren't of quality where you could
12 see a cancer. And so that is one area where you can
13 really -- yes, there are violations and, yes, there
14 are enforcement actions. But in general, they
15 encourage excellence.

16 MR. KRICH: Which agency is this?

17 DR. LIPOTI: It is the Food and Drug
18 Administration, Center for Devices and Radiological
19 Health. But if I think of other agencies, I --

20 MR. KRICH: Yes, I would be interested.

21 DR. LIPOTI: Yes. Because that agency
22 also has to deal with there is not unlimited funding
23 and there are a lot of constraints on the agency,
24 similar to the constraints on NRC. I guess all
25 government has to deal with that.

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1 MR. BROCKMAN: You mentioned that each of
2 us ought to try to get out and accompany an inspection
3 and reach our own decision with respect to resources
4 available and then the ability to communicate the
5 results and what have you. I am interested if you
6 could share some insights. Obviously, you have
7 developed this off of a couple of examples and what
8 have you where you feel that some have been adequate
9 and some have been inadequate. We didn't communicate
10 what we should. We gave them data overload. I don't
11 know which direction. So I am interested in getting a
12 little more clarity on that.

13 DR. LIPOTI: Right. A number of our staff
14 members have participated in inspections. And when
15 they come back, they write me a report about it. And
16 I am thinking of the inspection that Ariadne went on
17 recently where she said, well, we didn't exactly stick
18 to the inspection procedure because we ran out of time
19 and they felt that the resident could do some things
20 to fill in instead of this particular inspection. She
21 had a number of comments that were -- well, they
22 tried. They tried using the inspection procedure, but
23 it didn't exactly match what they needed -- they felt
24 they needed to do her impression was. In other cases,
25 the exit interviews have been excellent. I have gotten

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1 feedback that there was a lot of communication at the
2 exit interview. But then when I read the inspection
3 report, that communication, of course, was not there.
4 And although the public, I guess, is invited to go to
5 the exits, it is not always possible for them to be
6 there. So the information that is provided for the
7 public is the documentation in the inspection report,
8 and it lacked the give-and-take that occurred at the
9 exit interview.

10 MR. BROCKMAN: And that is an excellent
11 insight as to what should the role of regulators'
12 communications be. Addressing those issues that are
13 the regulatory thresholds that you deal with? Or
14 should the report carry itself on into suggestions or
15 enhancements and what have you? Especially with your
16 role where you all do it at the state. I am interested
17 in your thoughts there as to what should that
18 threshold of the official communication be.

19 DR. LIPOTI: When our inspectors -- and
20 this is in x-ray again, I will use that as an example.
21 When our inspectors are at a facility, they provide a
22 field notice of violation to the physician who is in
23 charge of the facility. It is a checklist that shows
24 where the violations have occurred. KVP is off or what
25 have you. Timer accuracy is off by 110 percent, minor

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1 things like that. And that way, the physician can
2 call in service and get it fixed right away. They
3 also have an opportunity to put down recommendations.
4 It is kind of a free-form part of the form where they
5 can say, look, I noticed that one of your problems is
6 development of the film. It isn't taking the film, it
7 is the development. You have a dirty darkroom and you
8 have light leakage and your safety light doesn't work.
9 And, yes, that is outside of the radiation protection
10 purview but, you know what, it is affecting the
11 quality of that image and I am going to tell you about
12 it. I think that that is essential. And in our bottom
13 line, which is to protect public health.

14 MR. BORCHARDT: Jill, do -- going back to
15 the striving for excellence idea, I take it you would
16 take issue with the Agency goal of maintaining safety?

17 DR. LIPOTI: Yes. I agree with Ray on that
18 comment where he said maintenance. The problem with
19 maintaining safety is it is very hard to maintain
20 something. It is easy to improve. And when you wind up
21 trying to just maintain, sometimes you decrease.

22 MR. BORCHARDT: Now there were a lot of
23 faults with the previous assessment programs, which
24 this new program attempts -- and I think in a lot of
25 respects does a good job of improving on those. But I

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1 think one of the criticisms of the old process, SALP
2 and others, was that it was an ever-changing standard.
3 So from that narrow aspect, you would prefer the old
4 process over the current?

5 DR. LIPOTI: From that narrow aspect, yes.

6 MR. BORCHARDT: Okay. Can I switch
7 subjects and go to your idea of focus groups?

8 DR. LIPOTI: Yes.

9 MR. BORCHARDT: The idea of trying to
10 relay information to the average citizen -- I am not
11 talking about the activist or the nuclear industry
12 insider, but the average citizen in the vicinity. I
13 would suspect they don't have the time or really the
14 interest to go to our Website and read inspection
15 reports and all the rest of that documentation. But
16 what they do get is -- what they will do is read a
17 newspaper article or listen to the radio news clip. So
18 would it be in your view a reasonable surrogate as a
19 focus group to focus on the press? Because they are
20 really the vehicle with which the average citizen --
21 in my view of the average citizen -- gets their
22 information?

23 DR. LIPOTI: It is funny that you
24 mentioned that because I serve on the New Jersey's Low
25 Level Radioactive Waste Disposal Facility Siting

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1 Board. And we have similar kinds of things. How do we
2 get to the people who are going to vote? We are going
3 to a voluntary siting process. And we determined that
4 the press was a very key audience for us. And so we
5 convened -- we went to a number of editorial boards
6 and talked to the editors of the newspapers saying
7 this is what we are trying to do and what do you think
8 and can you give us some feedback, and they were very
9 open and honest and gave us feedback. And then the
10 stories that ran in their newspaper written by the
11 reporters really bore no resemblance to what we had
12 heard when we went to the editorial staff. So I offer
13 that as an example of perhaps failed communication. It
14 doesn't always work when you choose your audience like
15 that. I think you need to try for a broader
16 categorization of audience. And the reason that I am
17 suggesting focus groups is that those individuals are
18 paid to come participate and give you feedback. And so
19 they give you good feedback.

20 MR. SCHERER: I'd like to get your input
21 in a couple of areas that I have been struggling with.
22 The surveys that I have seen on public perceptions of
23 risky industries -- not just nuclear, but airplanes,
24 toxic waste facilities, et cetera -- is that the
25 public has been interested in receiving simpler

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1 answers to complex questions. Is that airplane safe?
2 Is that nuclear plant down the road safe? Is that oil
3 refinery safe? Is it or is it not safe? And I am
4 trying to struggle with the comments in your letter in
5 giving more details. Going away from the green/white
6 to numerical numbers. How does that respond to the
7 dry cleaner that may say, well, what I want to know is
8 is that plant safe or is it not safe? The example I
9 use is my mother, who wants to know should I get on
10 that airplane, yes or no. Is the plant that you are
11 working at, is it safe or is it not safe? And 10^{-6} is
12 just not an answer I would ever give to my mother and
13 try to be able to explain to her in terms of core
14 damage frequency.

15 DR. LIPOTI: Right. There are two kinds
16 of surveys that I have seen done of the general
17 public. One of them is a survey based on what kind of
18 confidence do you have in the regulators of those
19 facilities. Are federal regulators good? Are state
20 regulators good? Do you trust your local government?
21 And trust in government kinds of things. And the feds
22 generally come out on the bottom and states don't come
23 out much better, I am afraid. So we have a long way
24 to go in building trust. And one of the first places
25 that we have to do that is with better communication.

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1 Not only -- it is very hard for a scientist to say
2 anything is safe. Even answering a parent's question
3 about should my child have this x-ray. It is very
4 difficult to say that is safe. Yesterday a Columbia
5 University professor came out and said CT scans of
6 kids will add 1,000 deaths to our population, and it
7 is very important that you minimize radiation
8 exposure.

9 So, okay, now you want to answer the
10 question that the person has in their mind. Not
11 necessarily the survey question. And that is the
12 difference between a survey or poll or focus group and
13 talking to a person. And your mother wants to know
14 should I get on the plane. But is she visiting her
15 other son and that is so important to her and she
16 needs to see those grandchildren? You know, the plane
17 is minor compared to her desire to live as a part of
18 the family. Every single risk has to be placed in
19 perspective, and that is the difficulty.

20 MR. SCHERER: A second philosophical
21 question. I appreciate your input. I think everybody
22 will be in favor of excellence and moving to
23 excellence. And the analogy I made at the last meeting
24 was I want to make absolutely sure the airline I take
25 when I fly back home not only had a mediocre pilot,

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1 but the top in his class. And I wanted the mechanic to
2 be the best. But when we look --

3 DR. LIPOTI: At least they weren't
4 drinking before they got on the plane.

5 MR. SCHERER: Absolutely. My question is
6 one of where does the Nuclear Regulatory Commission or
7 the state or any other regulatory agency -- I fully
8 understand their authority in their acts to prevent
9 unacceptable performance.

10 DR. LIPOTI: Right.

11 MR. SCHERER: Where do they get -- and
12 where do they find that underpinning that says they
13 are to encourage excellence? I am certainly in favor
14 of excellence. But where do you -- it is sort of a
15 derivative of Rod's question that I was going to ask,
16 which is where do I find a model or even the
17 underpinning in a regulation that says the Nuclear
18 Regulatory Commission is charged or has the authority
19 to cause utilities and operators of plants to move
20 towards excellence. Once they have demonstrated that
21 they meet the test of the Act, the reasonable
22 assurance of the protection and health and safety of
23 the public. Where do they get that authority?

24 DR. LIPOTI: I understand the difference
25 between an enforcement authority -- you have crossed

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1 a regulatory barrier and we must now take enforcement
2 action -- and a recommendation. You could improve
3 your operation with this recommendation. And the
4 Nuclear Regulatory Commission must take enforcement
5 action when you cross the regulatory line. But an
6 oversight program is much more than simply checking to
7 see that you have obeyed that law. An oversight
8 program is a partnership with you to protect the
9 public and to bring efficiency and effectiveness to
10 the operation. Enforcement is a different animal.
11 Enforcement is you've crossed that -- you have broken
12 that law. You have crossed that regulatory line. I
13 think the Agency would be remiss if it did not give
14 you the benefit of its inspectors who have been at
15 numerous plants and told you what they know about
16 operations and how it could be improved. Similar to
17 having my inspectors tell a physician that he has got
18 to change his safe light. It means something in terms
19 of public health. And that is the NRC's real
20 requirement, it has to protect public health.

21 MR. SHADIS: Just on the issue of trust in
22 the regulator. When your department went after loose
23 radioactive sources in New Jersey, it went after
24 radioactively lit -- lit is the wrong word, but in any
25 case, signs and so on.

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1 DR. LIPOTI: The exit sign issue, yes.

2 MR. SHADIS: Yes. That was pointing to a
3 problem. It was saying that there was risk involved.
4 Did that -- do you think that lent to the credibility
5 of your Agency in terms of the public perception of
6 your agency?

7 DR. LIPOTI: To those people who were
8 interested enough to follow it, I think it did. And
9 it lent to our credibility in coming before the
10 Commission and testifying as to our thoughts. I think
11 it lends to our credibility, yes. And probably has
12 consequences beyond the ripples that I know about.

13 MR. SHADIS: I have never heard NRC -- any
14 of its officials or spokesmen -- ever advise people
15 that a situation is worse than the licensee has
16 represented it or worse than their perception of it
17 might be. It has always been a statement that would
18 mollify and minimize any potential perception of risk.
19 And I just -- I am again offering that. If there were
20 ever a statement going in the other direction, it
21 might improve the credibility of the NRC. Do you
22 think that is a possibility?

23 DR. LIPOTI: I am not going to speak for
24 the Agency.

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1 MS. FERDIG: Jill, I have a question about
2 your experience of this process. And since the
3 initiative began several years ago now and your
4 interest and involvement in this process and that of
5 your colleagues. To what extent have you felt hurt
6 and how does that -- is that similar to or different
7 from your experiences that might have occurred prior
8 to the initiation of this process? What can we learn
9 from your experience?

10 DR. LIPOTI: I think we felt frustrated at
11 times that maybe our message wasn't getting through --
12 we weren't being understood. I think we felt tired at
13 times because we would keep bringing the message.
14 There is a different group of people in the room, that
15 is true. But we keep saying it. But I think we feel
16 that it is so important that we can't give up. That
17 this change in the way we regulate is a much broader
18 question than just the NRC or FDA or EPA or DOE. It
19 is the way that government does business. In our
20 state, our commissioner of the Department of
21 Environmental Protection put an emphasis on a goal for
22 open and effective government. And I support that
23 entirely and have striven to incorporate those goals
24 in the way that we conduct our public meetings, the
25 way that we react to e-mails, letters and

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1 communications from representatives of the community.
2 And we found that we can improve our program if we
3 listen to the public. And I think the NRC can improve
4 also if they listen to the public. And so we keep
5 trying to bring that message. But I don't think I
6 feel hurt. I just get tired of that message after
7 awhile.

8 MR. ZANNONI: I mean, there is decisions.
9 We can attend many different meetings at different
10 locations and we have to decide where to spend our
11 time. We have given this a lot of attention. Jill
12 asked me to come. Personally, I didn't want to come
13 to the panel meeting because I have attended other
14 meetings. And our message is different and it may not
15 be incorporated and we understand that. But we feel
16 that, you know, there are certain things that have to
17 be looked at in a different way that may improve the
18 process longer term. Jill was very effective in
19 communicating, I think, our current sentiments. It is
20 not about being hurt, I don't think. I think it is
21 about doing your best and maintaining a commitment
22 that this is very important. Power plants are going to
23 be around for a long time. Management comes and goes,
24 but those plants stay in that state and that location
25 maybe 40 or maybe 60 years. So the decisions made now,

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1 I think, are going to bear fruit long term. So if you
2 keep -- in my opinion, if you keep out there
3 improving, because technology changes and different
4 management comes in. I have seen it because I was
5 there long before Dave was there and I will probably
6 be there after Dave. And that is constant. Okay, why
7 select the nuclear industry? Well, until the
8 perception or the reality changes that the
9 consequences aren't going to be as big as what a lot
10 of people think if an accident happens, I mean this is
11 what we are going to live with. And I will continue to
12 get hundreds of calls a year from citizens who aren't
13 sure whether or not they want to live near a power
14 plant. Or letters from legislature or letters from
15 Senators or referrals from the Governor's Office.
16 Because right now that is just the way it is in our
17 state. And it is different in other states. So, again,
18 I don't speak for other states, but that is the
19 reality that we are dealing with. So I am thinking
20 longer term. And we are here because of the
21 commitment. We believe that it has got to be always
22 out there and the constant improvement is kind of part
23 of it. I don't know, we talked about the regulatory
24 foundation. I think the industry should just say that

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1 is their -- they should demand it of themselves. It
2 shouldn't be a regulatory requirement.

3 MR. BORCHARDT: I think I understand your
4 comment that the assessment program would be optimized
5 if it had an element in it that strove toward
6 excellence. But to challenge that just for a second,
7 is it -- would it be as effective to have an
8 assessment program that was structured the way this
9 one is, which is more toward some adequate protection
10 level, and then have a separate regulatory aspect of
11 the Agency's activities that strove towards
12 excellence? Because frankly I think part of this is
13 a reaction to the criticism from previous programs.

14 DR. LIPOTI: I understand.

15 MR. BORCHARDT: So there has been a very
16 -- it was a very difficult decision to come up with
17 this maintain safety goal that the Agency has. I
18 mean, it went through a lot of debate. It wasn't a
19 frivolous decision. So with that in mind, could you
20 see an effective regulatory scheme that was more
21 separated?

22 DR. LIPOTI: I don't see an effective
23 regulatory scheme that is separated. Because as soon
24 as you separate the recommendations from the
25 enforcement, you are subject to budget cuts from

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1 Congress on the recommendation side and you are left
2 with enforcement. And I think that that makes your
3 Agency extremely vulnerable as soon as you separate
4 those. That is a personal opinion. Simply a political
5 musing perhaps and not a regulatory answer.

6 MR. SCHERER: I am particularly interested
7 in that answer. Could we pursue it just a second?
8 Because one of my job functions is to do oversight
9 interim to the utility, independent of the NRC. But
10 we are still independent of the line organizations. So
11 if you eliminate the budget issue, do you still see an
12 answer to Bill's question? Because that is always a
13 challenge that we have.

14 DR. LIPOTI: Right.

15 MR. SCHERER: I have stop work authority,
16 which is the regulatory part.

17 DR. LIPOTI: Right, yes.

18 MR. SCHERER: But I am also trying to
19 encourage excellence, but encourage excellence by the
20 line organizations that are independent of my
21 oversight function. Do you see a role to accomplish
22 Bill's goals independent of that budget?

23 DR. LIPOTI: You are asking me, though, if
24 I see a role of a private sector independent analysis
25 versus a regulatory agency independent analysis. And

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1 I am afraid that I have to separate private sector
2 from regulatory agency.

3 MR. SCHERER: I am not talking about
4 private sector versus -- excuse me. Not private
5 sector versus regulatory -- it is how do you regulate
6 to excellence as opposed to regulate to prevent
7 unacceptable performance? Taking out the constraint
8 of, well, that would become a budget issue. If I took
9 out that constraint and Congress passed a law that
10 said you will get the funding. Now how do -- I am
11 still struggling with how do you regulate to
12 excellence as opposed to regulate to prevent
13 unacceptable performance.

14 MS. FERDIG: Or do they need to be
15 separated? It gets back to the question initially of
16 how are they integrated.

17 DR. LIPOTI: Yes. I don't think they
18 should be separated because the individuals take their
19 regulatory experience and build upon that. I don't
20 think it is a separate function. I have difficulty
21 separating them in my mind because I would expect that
22 the inspector sees the larger picture and doesn't just
23 see .05 or .06. That they see more than that. And to
24 restrict them to only talk about is it .055 is really
25 constraining that inspector, and I don't think that is

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1 a good idea. But you will hear from the inspectors
2 later this morning. I fear I am taking up too much of
3 your time. But it is a fascinating discussion. Your
4 group are just wonderful.

5 MR. BLOUGH: Yes, I just did have a
6 question. And I don't think you are taking up too much
7 of our time. This is very interesting. You spoke,
8 Dennis, about the calls and letters from the public
9 and stakeholders, and I wanted to ask really both of
10 you how that interaction has changed based on the
11 changes that we have made to our program. In other
12 words, has -- you know, has that demand on you or the
13 way you go about servicing it changed since we have
14 changed our program?

15 MR. ZANNONI: Very little. I mean, I have
16 a concrete example of a very practical thing that
17 occurred, and that was what Jill was inferring about
18 the steam generator inspection that occurred down at
19 Salem Unit 2, and the limited information that was in
20 the inspection report didn't do justice to the amount
21 of effort that the -- that PSE&G put into that
22 inspection for two reasons. Number one, it was an
23 important inspection. But number two, there is very
24 close similarity between those steam generators and
25 Indian Point 2. So there was fallout from that. And

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1 I don't think the process was sensitive enough to pick
2 that up. So the outcome was, New Jersey, what are you
3 doing? Where is the information? And I was in the
4 position where I had to write a response as oppose to
5 I believe the NRC's responsibility was to take that
6 issue up. But that is just one example.

7 I think -- no phone calls about the
8 process. This is a very difficult process for people
9 to understand. And as I told Bill Dean at the last
10 meeting at the region, like SALP, it is going to take
11 years before people understand the nuances and
12 understand what is really taking place and
13 understanding, I think, what is really happening and
14 what the process really means. We are a little ahead
15 of the curve, even though I still find it very
16 difficult to understand that. I have been to all the
17 training. I have some kind of capacity to figure out
18 some of the SDPs, but boy they are tough when it gets
19 right down to it. But, no, not a whole lot of
20 additional calls or interest based on the new process.

21 MR. BLOUGH: But I guess you are implying
22 that it was more difficult to answer questions about
23 the Salem steam generators because there was less
24 information on our inspection report?

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1 MR. ZANNONI: It wasn't difficult for me
2 to respond because I had all the information that I
3 needed based on what I do. But it was difficult for
4 the public to understand what was being done because
5 it wasn't communicated effectively in a report that
6 should have covered that information in more detail.

7 MR. BLOUGH: Okay. And I know that you
8 were also involved in the case at Oyster Creek where
9 the new fuel bundles fell over and there was a lot of
10 interest in that. Is there any insight from that one
11 as well?

12 MR. ZANNONI: Well, that did make it to
13 the press and we did get some inquiries and we had to
14 also respond to that in a separate letter. Because,
15 again, if you looked at the inspection report, the
16 risk was green from that. But we took it -- we have
17 just a different viewpoint. When you have a staff that
18 is handling such an expensive commodity as new fuel
19 and it is not secured properly and it happens to fall
20 and almost injured an individual, number one, and
21 number two, it is a very expensive commodity, and
22 number three, there wasn't proper supervision. And
23 so, yes, it is a green per the process that the NRC
24 has established, but it is to me a very valuable
25 indicator of are there some things not being done.

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1 You know, there is a new management that has taken
2 over which are doing a very effective job. But to me
3 that is more of an indicator and more of a valuable
4 piece of information than a lot of other things. So we
5 had to follow up. We responded and the utility was
6 very aggressive in handling the event. The NRC was
7 very aggressive in doing what they needed to do. all
8 I am saying is that there is some stuff lost. And
9 applying it generally across the country I think is
10 difficult and it is going to be a challenge. But I
11 think we have a pretty good process in place to handle
12 those deficiencies -- information deficiencies if they
13 pop up or if people want further and more detailed
14 information. So I think we are doing what we need to
15 do.

16 MR. BLOUGH: Okay, thank you.

17 CHAIRMAN PLISCO: Any more questions? We
18 appreciate you coming.

19 DR. LIPOTI: Thank you very much.

20 CHAIRMAN PLISCO: And giving your
21 thoughts. Thank you.

22 MR. ZANNONI: Thank you.

23 CHAIRMAN PLISCO: Let's take a 10-minute
24 break.

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1 (Whereupon, at 9:22 a.m., off the record
2 until 9:37 a.m.)

3 CHAIRMAN PLISCO: Our second group of
4 stakeholders that we have invited is a group of NRC
5 senior reactor analysts. Jim Trapp has been kind
6 enough to organize a panel, and I will turn it over to
7 Jim. He changed seats now from being a panel member
8 now to --

9 MR. TRAPP: Now you can grill me. I am
10 Jim Trapp and I am an SRA in Region 1.

11 MR. JONES: Bill Jones. I am a branch
12 chief in Region 4, formerly a senior reactor analyst.

13 MS. BURGESS: Sonia Burgess, an SRA in
14 Region 3.

15 MR. TRAPP: And what I did here is just
16 put together a couple of quick slides. And this is a
17 collective thought of the SRAs. And certainly if Bill
18 or Sonia have any comments, they can speak up. But I
19 wanted to give you some of the strengths and what we
20 perceive as some of the weaknesses or some of the
21 areas that need improvement from an SRA perspective.
22 This is kind of a point/counterpoint to what you heard
23 last time.

24 We think the significance clearly
25 articulates significance of inspection findings. And

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1 we find -- as I stated before, I find the colors kind
2 of a useful way to express what the significance is.

3 Repeatability of the process. Previously
4 with the enforcement process, it wasn't as clear and
5 repeatable. It was harder to articulate the
6 significance. We feel that the process is repeatable
7 and we think that is a real strength. In that what
8 Region 4 does with an issue is the same thing as
9 Region 1 does for an issue. Inspection reports now
10 clearly articulate how we reach the significance of
11 the issue. And now we sort of have a nationwide common
12 understanding of what is significant and what isn't.
13 And it also gives the opportunity of the reader of the
14 inspection report to see how we reached our
15 conclusions.

16 The Phase 1 screening tool -- we talked a
17 little bit yesterday about the three phases. Phase 1
18 would be the widest mesh screen of issues. And that is
19 a very simple tool, as was stated yesterday.
20 Inspectors can use that, and they do. At least in
21 Region 1 -- speak up if I am wrong -- but we haven't
22 found a lot of problems with the application of the
23 Phase 1 screening tool.

24 We talked yesterday a little bit about
25 Phase 2. Phase 2 really hasn't been implemented

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1 because we haven't had the worksheets. So that is kind
2 of a big gap right now. We have three phases and a
3 third of the program really hasn't been tested. And we
4 think there is going to have to probably be some
5 changes when we do get the Phase 2 worksheets. But
6 right now we have had a limited number of Phase 2 and
7 Phase 3's, and that is probably a positive that Phase
8 1 is really screening out the majority of the issues.

9 And the other advantage of the new program
10 now is that certainly inspectors are getting more
11 risk-informed, and they are focusing their inspections
12 on the more risk-significant systems. It is rare that
13 a team -- in Region 1, anyway, no team goes out
14 without discussing with the SRA what systems they
15 should be looking at and what components are
16 important. And we see a real focus on risk.

17 So those are the -- certainly you guys can
18 add any --

19 MR. JONES: Yes, I would agree with that.
20 We should add in all of our problem identification and
21 resolution inspections and the engineering application
22 inspections, for outage work and so forth. So we have
23 seen that across the board.

24 MS. BURGESS: The one comment I did want
25 to make on the bullet of Phase 1 is a simple screening

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1 tool. Region 3 is running into some challenges with
2 the engineering inspections. What do you do with
3 findings that deal with inaccurate calculations. That
4 screen out as being minor, but you have numerous
5 examples of inaccurate calculations. And we are
6 finding that those are screening out as no color. And
7 right now we are struggling with well is no color
8 really an assessment that we want to give? Should
9 there be -- should they be characterized as green?
10 And so right now we are struggling with that aspect of
11 the ROP.

12 MR. BORCHARDT: Are you going to talk
13 about performance issues? The definition of what is
14 a performance issue? Does that weigh into your
15 application of Phase 1?

16 MR. TRAPP: I can give you my opinion.
17 That is that we are not really struggling anymore in
18 the region. Inspectors are fairly clear. And the
19 senior residents are probably another good group to
20 ask. But I don't find a lot of problems with
21 inspectors not coming to me with things that aren't
22 performance issues. They know that that goes into the
23 process. In the beginning we had a lot of stuff where
24 lightning would hit an off-site power line and the
25 guy would go, oh, well that is going to be a risk-

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1 significant issue. And they would bring it to us as,
2 well here is your issue, here is a white issue. And
3 now I think through going through that process, the
4 inspectors really understand that they develop the
5 issue and then they come into the SDP. And we
6 haven't visioned that as a problem.

7 MR. SCHERER: In this slide are you
8 talking about all the SDPs or just reactor operation?

9 MR. TRAPP: Well, there is another --
10 there is a follow-up slide that will get into -- it is
11 kind of a good thing that our weakness is that there
12 is a lot of weaknesses that are similar to what we had
13 talked about yesterday on our list. And I think we
14 will get into more fire.

15 MR. SCHERER: I am talking about the
16 strengths. Did those apply to all the SDPs or just
17 the reactor operating event SDPs?

18 MR. TRAPP: I think the strengths would
19 apply to all of them. I mean, we are having problems
20 with say, for instance, fire. It is a struggle. It is
21 hard to do. Yet, I think the strengths when we
22 actually get the whole thing worked out or hammered
23 out, the strengths of the process are still there.

24 MR. SCHERER: To you these are strengths
25 for all the SDPs? That is just my question.

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1 MR. TRAPP: Right.

2 CHAIRMAN PLISCO: And I have one more
3 question. I just wanted to make sure I understood what
4 you are calling success and strength in a limited
5 number of Phase 2 and 3. This is my interpretation.
6 Here it is. That you see the success as really an
7 effectiveness and efficiency. It is effectively
8 screening out things that aren't risk significant, so
9 we are not expending resources doing Phase 3? That is
10 what you are saying?

11 MR. TRAPP: That is correct.

12 MR. JONES: I think we are comfortable
13 with the Phase 1 screening process at this point.
14 Where we have the concerns is with the Phase 2, the
15 worksheet aspect of the significance determination
16 process. That is requiring a lot of involvement by
17 the SRAs. Because right now those worksheets are
18 draft. They have not been validated. And so although
19 the inspectors can use them in the field to kind of
20 assist them in their inspections on where they need to
21 focus and kind of give them an idea up front as to the
22 risk significance, those worksheets still need to come
23 before an SRA for review. So that is an area that
24 looks like it is still several months away before we
25 actually get the next revision to those worksheets out

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1 and then whatever verification or validation we do of
2 those worksheets that follows from that.

3 MR. TRAPP: And that is the first bullet
4 up here on weaknesses. And it has almost been a
5 detriment for me. Because licensee -- we have some
6 worksheets out there for loss of off-site power.
7 These are rev zero minus maybe. But we have a loss of
8 off-site power worksheet that doesn't include diesels.
9 So licensees will go through this worksheet and they
10 will have a diesel problem and say, hey, it is green.
11 You know, your worksheet doesn't even include diesels.
12 So what is out there is extremely a rough draft that
13 really can't be applied. And at some points we are
14 even almost wasting time on explaining that we have
15 something that is not useable out there. And the next
16 rev is significantly different. So I think to us that
17 is key. Because every time we get through Phase 1 now,
18 we are into Phase 3. And we really can't apply the
19 worksheets. And some of the other aspects of the
20 weaknesses in the program with PRA quality and that
21 kind of thing, you know this is one of the stop-gaps
22 that we can point to when we have them.

23 We talked -- and this was one of the
24 questions that popped up yesterday that I know you
25 said you wanted to talk to the SRAs about. But the

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1 quality of PRAs and the NRC PRA tools currently
2 available to us. And there is a variability. I think
3 I mentioned yesterday that we would have possibly a
4 similar plant in the region to another plant in the
5 region and the baseline CDFs are considerably
6 different. Some of it certainly can be attributed to
7 plant design. But in this case, a lot of it is
8 contributed to the assumptions that are made and that
9 such things -- you know, there is a procedure to do a
10 step that the human has no error probability. So, I
11 mean, there are just some significantly different
12 assumptions. So there is a couple of things here.
13 One is that the NRC has only asked for the IPE
14 information. So technically what we have available to
15 us is 10-year-old IPE information. It is not current
16 PRAs. So oftentimes when you engage with a licensee,
17 they will say, well, that was 10 years ago. This is
18 what we have got now. Yet, the NRC and the docket
19 doesn't really have what they have now.

20 MR. JONES: There has been a lot of effort
21 by the different senior reactor analysts in the
22 regions to obtain the more recent PRA information. I
23 know Region 4 and the other regions have gone out to
24 the sites and obtained that updated information. As
25 Jim was speaking, we have a stop-plants, where the

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1 original IPEs that came out, the core damage frequency
2 and the important action sequences in there differed.
3 And part of it was due to the human reliability
4 analysis that was done and so forth. If we look at the
5 updated information, those PRAs fall more in line with
6 each other. And you start to see the same type of
7 things fall out. The information that is currently
8 available to the public through the IPE submittals and
9 the IPEEE submittals would indicate that there is a
10 vast difference in the analysis techniques. Where at
11 this point it really doesn't speak to some of the
12 change and where they actually come together and some
13 of the techniques that have improved. I think that is
14 an area that has improved but is transparent to the
15 public because of this. And our SDP worksheets don't
16 bring that out.

17 MR. KRICH: Let me ask a question. Have
18 licensees been generally cooperative in providing the
19 updated PRAs? I know we have.

20 MR. JONES: In Region 4, they have all
21 provided updated information to us.

22 MR. TRAPP: I think it is probably more of
23 a public -- it is more of a process issue in that
24 technically we shouldn't be requesting PRAs for the
25 SRAs. You know, it should be more of a policy issue.

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1 And the other disadvantage is that it doesn't offer
2 the public -- you know, it is not on the docket. There
3 is no way that the public can access the information
4 that we would need for Phase 3's.

5 MR. BORCHARDT: I am sorry, why do you say
6 we shouldn't be asking?

7 MR. TRAPP: Well, I have been -- I mean,
8 this is a personal thing, but I have been criticized
9 personally going out and asking licensees for their
10 PRA documentation because of the Paperwork Reduction
11 Act, which I am not all that familiar with. But
12 evidently it is something I was informed that I
13 shouldn't be doing.

14 MS. BURGESS: Many of the utilities
15 licensees that I have run into are very hesitant to
16 give us anything that is not on docket. Or afraid that
17 now we have something that could be FOIA-able. So in
18 our region, it has been a mixed bag of what we get --
19 what kind of detail we get. We get some licensees who
20 have just sent us their entire updated PRA system,
21 notebooks, the whole thing, just by e-mail. Other
22 licensees who are just only willing to give us
23 summaries. Other licensees who aren't willing to give
24 us anything.

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1 MR. BORCHARDT: Well, their concern, I
2 guess, in a way is valid. If we have it, it is FOIA-
3 able.

4 MR. TRAPP: That is correct.

5 MR. BORCHARDT: There is no doubt about
6 that.

7 MR. TRAPP: Right.

8 MR. BORCHARDT: But I think there is also
9 no doubt that if they want us to use it in our
10 assessment, they have to be willing to give it to us.

11 MS. BURGESS: Right.

12 MR. GARCHOW: So I come at the question a
13 little differently from yesterday, Jim. And I think
14 this is an important distinction that we got into a
15 little bit yesterday. These quality of licensee NRC
16 PRE tools vary. I don't think anyone would argue with
17 that as a factual statement. Right? I mean, let's
18 take it for what it is. The impact of that to this
19 process, which is I think important for the panel, is
20 is it an efficiency, time-intensive, you know adds to
21 the delay in making a decision? Is it more towards
22 that is the impact? Or is it causing you to believe
23 that you are coming up with -- I hate to use this --
24 I'll say the wrong answer after you get through the
25 differences in the PSA. So the question is are you

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1 still able to get to the right answer -- right being
2 technically defensible, you know well within a good
3 risk assessment, at the expense of just efficiency, or
4 is this causing a quality in the output of the level
5 2 and level 3's?

6 MR. JONES: Well, clearly there was a
7 quality problem with the first revision of the SDP
8 worksheets in that it required all of the SRAs to go
9 out to each of the sites and with assistance from
10 headquarters to go out and essentially do an initial
11 validation -- or at least to pick up on the additional
12 equipment that had been installed -- blackout diesels
13 and things of that nature, gas turbines. Those are --
14 for somebody that has station blackout sequences,
15 those additions that have occurred since the IPEs came
16 out are very important. And without that -- without
17 considering that type of information, we do have a
18 problem. And, of course, that plays later into the PRA
19 analysis as to what sequences or what action classes
20 are important and so forth. So it changes the whole
21 core damages frequency profile as to percentages and
22 the overall CDFs. So those things, I think, did play
23 to the overall quality.

24 MR. GARCHOW: But you worked through them,
25 right? So when you got engaged with the licensee, it

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1 wasn't like somebody was hiding a gas turbine and it
2 came out in the conversation. Eventually, you worked
3 through --

4 MR. JONES: No. Clearly those type of
5 things -- improvements helped to improve the core
6 damage frequency. Those are the kinds of things that
7 need to be considered. Because when you do your
8 maintenance activities and so forth, that is pertinent
9 to what type of equipment you can take out and for how
10 long and so forth. So all that plays into areas
11 outside of our -- just the significance determination
12 process -- risk-informed tech spec changes and so
13 forth. All of that plays in there.

14 MR. GARCHOW: Was it relative to when you
15 were evaluating an issue that may have came up in an
16 inspection? Were you able to work through those given
17 that it took time and it was resource intensive? But
18 in the end, when you worked through an issue to get to
19 its significance determination, do you believe that
20 the process allowed you to get to a technically
21 defensible answer given the shortfalls of bullet 2?

22 MR. JONES: I would have to say -- I need
23 to qualify this because the inspectors, the senior
24 resident inspectors and others, would send in their
25 worksheets because of the state that they were in.

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1 The senior reactor analysts would then -- at least in
2 Region 4 -- would take that information and look at
3 the worksheets and then also look back to what the
4 changes were in the plant and the licensee's PRA and
5 understanding how that was all determined. And to
6 make sure that the assessment that was performed was
7 correct. And this is even for green issues. Because we
8 wanted to make sure that we didn't have any findings
9 out there that were coming out green when in fact they
10 would have been a white or yellow type issue. So we
11 had to use that type of backstop. And we have found
12 cases that are being addressed in later revisions
13 where had we relied on -- these were examples that we
14 kind of made up just to see if we took this component
15 out for this period, what would the Phase 2 SDP have
16 come up with? We found cases where they would have
17 been non-conservative. We would have had green
18 findings when in fact they should have been classified
19 as white, at least initially by the worksheet process.
20 So those type of findings have been incorporated into
21 the next revision. But to say that the IPEs and the
22 SDPs as they were initially developed were adequate,
23 I would say no.

24 MR. GARCHOW: You had a process in place.
25 It sounds like you are sensitive to the shortfall and

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1 therefore you were working through those shortfalls in
2 a way to make sure that the final -- the final
3 determination was technically defensible, although it
4 may have taken a long time to get there due to that
5 shortfall. I mean, that is what I -- I don't mean to
6 put words in your mouth, but that is what I think I am
7 hearing you say.

8 MR. JONES: I would say for the findings
9 -- the SDP worksheets that came in as green -- as a
10 green finding -- we were able to actually work through
11 those fairly quickly. Some of the other non-green
12 findings or potential non-green findings have taken a
13 lot longer. And that is just part of the give-and-
14 take. The Phase 3 evaluations can become quite
15 extensive. No two are exact or alike, so you can't
16 fall back on one that you did last week to try and do
17 an evaluation for a different site.

18 MR. TRAPP: In Region 1, I think one of
19 the interesting things is that the licensees with the
20 more detailed PRAs that have done external events,
21 done fire, you know put a real effort into their PRAs
22 have given me feedback that they are feeling penalized
23 now. Because obviously the more you model and the
24 more you put into the model, the higher your numbers
25 are going to be. And if we are basing our colors on

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1 numbers, obviously their number is -- they are going
2 to come out a little higher. And we are getting some
3 feedback now that if you go down the street and look
4 at their PRA, which is in their opinion of less
5 quality -- came up with a lower number. So I think it
6 is interesting that there is some feeling now in the
7 licensees that the PRA can impact how we assess
8 issues.

9 MR. REYNOLDS: I don't know if I can ask
10 leading questions as well as Dave can, but I can try.
11 For your two plants in Region 1 that have similar but
12 have, the way I understood, different PRAs by orders
13 of magnitudes, would it be in your opinion correct to
14 say that when they operate their plant if they use
15 those PRAs that one plant may be putting their plant
16 in a more risky situation based on that PRA if they
17 did it differently? Do you understand what I mean,
18 Jim?

19 MR. TRAPP: Do you mean with like
20 maintenance rule, that kind of A-4 kind of --

21 MR. REYNOLDS: Say they are taking -- they
22 are doing on-line maintenance and they use their PRA
23 to determine what systems they can take out at one
24 time or not.

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1 MR. TRAPP: Sure. I don't think that is
2 out of the realm of possibility. A vague answer for a
3 leading question.

4 MR. GARCHOW: You did a good job too.

5 MR. REYNOLDS: I was listening to you very
6 intently, sir.

7 MR. GARCHOW: As a follow on yours just
8 ask the Rod question, right? Because we are dancing
9 around it. We talked about it at length yesterday,
10 right? I mean, is this in your mind a significant
11 issue relative to the difference in using the
12 oversight on different licensees?

13 MR. TRAPP: You know, I think Phase 2 is
14 going to help us a lot. Because with Phase 2 now you
15 have a standard -- sort of a standard approach. And
16 if it comes out in Phase 2 as white, now you are going
17 to have to do a lot of explaining in Phase 3 to make
18 it green. So I think that is going to sort of
19 standardize risk assessment, I think, better than what
20 we have now. When you get into Phase 3, we have a
21 couple of choices. We can use licensee information. We
22 can use NRC PRA information. And the second, I think,
23 is under development. We have two different revisions
24 of models. Some are very rudimentary and others are

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1 getting pretty sophisticated. So as we get better
2 models, our models have standard failure probability
3 -- standard human failure probability, standard
4 equipment failure probabilities, and I think that is
5 going to give us a lot of information when we get
6 that. The plants -- and research has been very
7 responsive to us. The plant that I really have
8 problems with their PRA, they have bumped that one up
9 to the front of the list to do the rev 3. So now we
10 will have our own tool that will give us a lot of
11 information. So I mean there is a lot of cooperation
12 with NRR and with research and with the regions. And
13 I think we are moving in the right direction. For this
14 little -- the last year maybe, the program got a
15 little ahead of the availability of the tools to do
16 the job.

17 MR. JONES: I think it is important to
18 point out that the licensee's PRA is not the final
19 answer. Because there is a lot of analysis that goes
20 in and understanding of how they came to the results
21 they did. And we have found cases where we did not
22 agree with the licensee's analysis. This is
23 particularly earlier on before we got to the ROP or
24 actually got into the revised oversight process. But
25 we had examples where we disagreed with the licensees

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1 and how they took into account human reliability and
2 so forth that caused us to come up with a higher delta
3 CDF than what the licensee did and we stuck with our
4 analysis at that point. Because we will consider the
5 information. It takes the risk training to really
6 understand the kind of information you are getting.
7 But the NRC is the one who comes down with the answer.
8 And we have had cases where we have differed.

9 MS. BURGESS: And I don't think that has
10 changed from our old process. In all cases when a
11 licensee had come in say for a red conference or an
12 enforcement conference and presented an engineering
13 calculation and the NRC has simply not agreed with it.
14 So that has never changed from the old to the new
15 process. As Bill stated, the NRC evaluates a
16 licensee's analysis, whether it be a PRA or
17 engineering calc or what have you and makes a
18 determination on its acceptability.

19 MR. BORCHARDT: What criteria do the SRAs
20 use for verifying the accuracy of the licensee's PRA
21 or being the basis for whatever disagreements may
22 arise? You know, in the purely design basis aspect we
23 have branch technical positions, we have SRPs, new
24 regs. But there is a well documented regulatory

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1 foundation for those. What do the SRAs use as the
2 basis of a foundation for a disagreement?

3 MS. BURGESS: Well, I think it comes from
4 experience. There are many new regs that talk about
5 reliability of equipment and of certain components and
6 things like that. As Jim said, we have a tremendous
7 pool of NRR staff, research staff, regional other SRAs
8 to bounce off ideas and questions and concerns. So I
9 think that is how we get a lot of the information and
10 just give a sanity check to a licensee's calculation
11 or PRA assumptions.

12 MR. BORCHARDT: Well, would you agree then
13 -- I mean, I think the short answer of what you said
14 is you use your professional judgment as a group
15 relying on other experts. And would you agree that
16 until there is an industry PRA standard that there
17 will always be a vulnerability?

18 MR. JONES: Yes.

19 MS. BURGESS: Yes.

20 MR. TRAPP: I think there will be a
21 vulnerability after the PRA standard. But I think it
22 is a step in the right direction.

23 MR. JONES: But we did rely on -- during
24 the initial IPE reviews, there were staff evaluations
25 that were performed by specialists -- human

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1 reliability, equipment reliability and so forth. And
2 those reviews are actually beneficial in seeing what
3 kind of conclusions they came to and what they felt
4 the licensees needed to address and to see whether or
5 not those issues were actually addressed. We talked
6 about the two SNUPPS plants. If you go back to the
7 staff evaluation reports that were developed, it
8 speaks clearly to some of the human reliability
9 problems, and those are areas that we focused in on
10 when we have looked at analysis regarding those two
11 SNUPPS plants.

12 MR. KRICH: Let me just go a little bit
13 further then on the vulnerability. Maybe I missed
14 this, but how would you quantify that? Or what would
15 you say about that vulnerability? This is a difficult
16 question. In the State of Illinois, they were
17 executing people who they found out were in fact not
18 guilty of the crime, and so they stopped executing
19 people. Do you have a vulnerability that you think
20 should cause us to stop using the SDP or the PRA? Or
21 is this a vulnerability that if you take it together
22 with the uncertainty -- because we have raised the
23 question of uncertainty here also. Is it understood
24 enough that you feel comfortable going forward with
25 this?

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1 MR. JONES: I think that the PRA provides
2 us sufficient insight and is sufficiently accurate
3 that we can come up with essentially a range. In
4 other words, this is the kind of issue that falls into
5 this order of magnitude. You know, you start getting
6 into three significant figures and then clearly that
7 is not something that I would even try to defend. But
8 I think that we are to the point now where we can sit
9 down and say this is a 10^{-6} type issue, 10^{-7} or 10^{-4} ,
10 those type of things. And I think that we are now to
11 the point where we can make those kind of assertions,
12 recognizing the fact that we need to go into certain
13 areas and validate or at least look at some of the
14 important assumptions that drive that number. So I
15 would say, yes, we can use it. We have, of course,
16 our own -- as Jim was mentioning, our own internal
17 models that we are continuing to develop. We have the
18 safeness determination process worksheets that are
19 being developed that also are licensee. And those do
20 actually mesh together fairly well.

21 MR. KRICH: Sonia, has that been your
22 experience also?

23 MR. JONES: It -- oh, I am sorry.

24 MS. BURGESS: Yes.

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1 MR. FLOYD: Jim, for these two plants in
2 Region 1 that you say have a similar design but widely
3 different PRA results, is that at the IPE stage or is
4 that at the current stage?

5 MR. TRAPP: Well, it has --

6 MR. FLOYD: It has narrowed?

7 MR. TRAPP: Yes, it has come together a
8 bit.

9 MR. FLOYD: I guess the bigger question
10 would be do you think you have a good understanding as
11 to why the results are different and are you able to
12 factor that into your analysis?

13 MR. TRAPP: Definitely. And like I said,
14 where we do have questions, that is the top of the
15 list for developing our own models. So we are getting
16 additional information. But there is other aspects.
17 You know, some people will give you internal events
18 only. Some people will always give you internal and
19 external events. The internal/external event people
20 are obviously -- you know, they are saying, hey, how
21 come you are giving these guys a break. And the guys
22 with just the internal models say, well, we can't
23 really run the external event model. We did screening
24 fire and we did screening seismic and we don't really
25 have numbers, so we can't give you a number. I mean,

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1 there are issues out there that people are aware of
2 and we are aware of. I mean, if we have to -- if you
3 are not considering external events, then when we do
4 our evaluation, somehow we have got to factor that in
5 and that process and how to do that isn't all that
6 straightforward sometimes.

7 MR. FLOYD: That was really going to be my
8 next question. For those plants that have a more
9 complete PRA with more modeling like external events
10 and shutdown and low power and whatnot, if a licensee
11 doesn't have that and you think that is a relevant
12 issue, do you think you have adequate tools at this
13 stage to at least put it in the ballpark, or do you
14 think there are some really big gaps out there right
15 now?

16 MR. JONES: Let me answer that in two
17 parts. First is the guidance that is provided
18 internally to the inspectors when they enter into the
19 worksheets, into the Phase 1 and Phase 2 worksheets,
20 as to does your finding potentially affect an external
21 event? Is it a fire? Could it affect seismic and
22 things of that nature? Once you determine that, then
23 of course you can either stick with internal events
24 through the SDP worksheets and analysis. But in many
25 cases, it does involve some external aspect. And we do

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1 get into difficulty in trying to analyze those. Take
2 the San Onofre station, where seismic is clearly an
3 issue, but they have a detailed external events
4 evaluation that is factored right in up front with
5 their internal also. So you have those together. I
6 would say that from my experience, where the external
7 events do play -- are a significant contributor, that
8 we have seen that those events have been incorporated
9 in. But I can see -- I could see where there would be
10 a fair amount of difficulty trying to consider
11 external events given the current state of the SDP
12 guidance. Because you do have to go out and look at
13 other plants for similarities and try to rely on other
14 PRA calculations that have been performed. I know that
15 we have had Mr. Trapp down for a couple of weeks to
16 assist us in Region 4. He had to look at an external
17 aspect to an issue we had. And it required him looking
18 at several other plants to pull together those
19 aspects. To pull it all together to make sure that we
20 appropriately considered internal and external events.
21 So they are being considered and some of them do take
22 a fair amount of time to try to get through.

23 MR. TRAPP: For instance, for this one
24 what we would say is well Diablo is maybe on a fault,
25 so I am going to take -- and they have a pretty good

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1 -- this is just throwing out names. I am not sure --
2 I don't think we can use these cases. But if they had
3 a good external event model, then we might apply that
4 risk to you. That is the best we can do and too bad.
5 You know, unless you give us something better, you get
6 Diablo's higher seismic probability. So these are the
7 kind of things we have to do.

8 MR. JONES: But at least we have bounded
9 it that way. Did it push us over into another area
10 where we need to look further? Or can we say, yes, we
11 have taken an area that we know it is important and
12 now how does it apply to an area where it is not as
13 significant?

14 MR. TRAPP: But you know as a risk analyst
15 deep in your heart that there is a lot -- you know,
16 you are adding a lot of uncertainty when you are
17 making those kinds of assumptions.

18 MR. KRICH: But typically -- I mean, I
19 understand about that. But you try to get certainties
20 on the positive side.

21 MR. JONES: Yes.

22 MR. TRAPP: Hopefully.

23 MR. KRICH: I may be asking leading
24 questions.

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1 MR. REYNOLDS: One thing that Jill Lipoti
2 mentioned this morning was that the PRAs and the SDPs
3 don't include error bars or error bands.

4 MR. JONES: Yes, uncertainty.

5 MR. REYNOLDS: Uncertainty. She said
6 error bars, I believe.

7 MR. JONES: Either way.

8 MR. REYNOLDS: Could you comment on the
9 extent of that? For example, would it be -- do we
10 have errors out there or error bars or uncertainties
11 for a plant that has a baseline core damage frequency
12 of 10^{-6} , the uncertainty would go from 10^{-2} to 10^{-6} ?
13 How significant are those uncertainties?

14 MR. TRAPP: One thing you have to
15 understand -- you know, we are kind of the rubber
16 meets the road kind of people. But uncertainties are
17 developed -- I will just give you a simplistic
18 approach. I am sure there are people that can do a
19 better job. But there is an assumed distribution on
20 failures, and that is an assumed distribution. You
21 know, everybody gets a here is your distribution for
22 failure of diesels and here is your distribution for
23 failure of pumps, and they all look pretty much the
24 same. And then when you go through the PRA, you take
25 those distributions and you multiply them together

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1 based on the number of components in your failure
2 sequence. So there is -- this is a kind of stupid
3 thing to say, but there is a lot of uncertainty in the
4 uncertainty. You know, it is a pretty simplistic
5 method to determine the uncertainty. So when you get
6 the bands, you can take them for what they are worth.
7 There would be variability. But on CDF, they are not
8 all that significant. They are not all that broad. On
9 LERF, they can be huge.

10 MR. JONES: You take the external events
11 on LERF and so forth. Those uncertainties do become
12 or can become fairly large. And we really don't have
13 a good way of analyzing that uncertainty at this time.

14 MR. REYNOLDS: Because I have heard
15 unsubstantiated that you may have a plant that has a
16 higher baseline risk of CDF, let's say 10^{-5} , but their
17 uncertainty is less than maybe a plant that has a 10^{-6}
18 core damage frequency, but their uncertainty is much
19 larger. So they may in fact have -- it may be worse or
20 better, whatever way you look at it. Is that true or
21 is that not true, that statement? Or do you know
22 enough to --

23 MS. BURGESS: Yes, I would say that it is
24 true. And it is going back to the quality of the PRA,
25 what is used, generic data and sometimes specific data

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1 and things like that. And I don't think we have a real
2 good idea as far as the uncertainty factors for every
3 plant or every plant's PRA. Certainly when a plant
4 gives a core damage frequency number, they do not have
5 an uncertainty band. And in our SDP process it is the
6 same way.

7 MR. REYNOLDS: Okay.

8 MR. TRAPP: Yes, we use means. When we do
9 it, it is wherever your mean falls out. Sometimes you
10 do get that uncomfortable feeling when you are at 1.2
11 e to the mine or 1.1 e to the mine of 6 on the mean,
12 and you know if you put the distribution around it,
13 you are either green or you are white. Certainly, I
14 think what we have been doing is we have been using
15 the means, so we haven't considered that.

16 MR. FLOYD: Of course the SDP is not
17 looking at baseline numbers. It is looking at delta
18 changes and core damage frequency. Do the
19 uncertainties become more or less important if you are
20 looking at deltas as opposed to baseline or no
21 difference?

22 MR. TRAPP: Well, using the baseline is a
23 big part of the equation. You know, to figure out the
24 delta. It is the delta from the baseline. So if you
25 are at 10^{-5} , a 10 percent change would be 10^{-6} . So the

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1 higher your CDF is, the easier it is for you to get a
2 delta -- I mean, if you are a plant -- we have a plant
3 that is nearly 10^{-7} , so for them to get a delta CDF of
4 10^{-6} would be a considerable -- you know, a huge
5 amount of risk.

6 MR. JONES: That is where our internal
7 worksheets and so forth, understanding those, are
8 important. And being willing to challenge the
9 licensee's results in some cases. Do we really
10 believe what drives that number up to 10^{-7} . So those
11 are clearly challenges.

12 MR. HILL: Do you have some ability then
13 to modify your answer based on how valid or how much
14 inaccuracy you believe there is in the licensee's PRA?

15 MR. JONES: Yes. Clearly the NRC's
16 determination, although there is appeal processes
17 involved, if it were to be determined that the
18 licensee said this was a green issue and the NRC said
19 this was a yellow or white issue and we had an
20 opportunity to review the licensee's calculations and
21 still thought it was a yellow or white issue, then the
22 final determination as we would present it would be
23 either yellow or white. I know that we have had some
24 cases or at least we have been working on some that
25 that may actually be a case. We have got some

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1 potential -- we have got a potential yellow issue out
2 there right now where the licensee initially doesn't
3 -- believes it is a green issue. So that is one that
4 we are having to work through.

5 MR. REYNOLDS: And that is based on their
6 uncertainty or just that difference in number between
7 the --

8 MR. JONES: It has to do with the
9 assumptions used and so forth. There is a --

10 MR. REYNOLDS: That is not their
11 uncertainty. It is the different numbers they come up
12 with? You are comparing --

13 MR. JONES: It has to do with -- well, it
14 certainly, of course, plays a role in any of the
15 calculations. But it is driven by the assumptions that
16 are used, the analysis process. In other words, we
17 used our SDP, which considered both our internal
18 models as well as the licensee's models. And then also
19 looking at what their specific plant models provided
20 for also. And like I said, our process is assumption
21 driven. You have to clearly identify what are the
22 assumptions going into the process. So just
23 differences in that can lead to difference in answers.

24 MR. TRAPP: And I guess I don't want to be
25 too negative. I mean that is an area -- this should

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1 be nothing new. The industry is putting together
2 standards and PRA quality has improved and the SDP is
3 coming. The NRC has got models that are being
4 developed as we speak. So there is really a lot of
5 effort. I mean, our complaints have been heard and I
6 think there is a lot of stuff going on in this area.
7 So I think it is just going to improve.

8 MR. KRICH: Jim, so let me ask you. Is
9 there anything that you are not getting from the NRC?
10 And that may be a difficult question for you to answer
11 with NRC management in the room.

12 MR. TRAPP: Yes, we always want more.

13 MR. KRICH: I understand. But is there
14 anything that you are not getting that you feel really
15 impacts your ability to do an objective or an
16 independent job on the licensee's PRA?

17 MR. JONES: Right now we have some SDP
18 worksheets still in development that are very
19 important to us -- containment, fire -- what is that?

20 MS. BURGESS: Shutdown.

21 MR. JONES: Shutdown. I mean, there are
22 several worksheets out there that speak to risk,
23 external, that are still being developed. And those
24 are important. So those are -- any findings that
25 reflect on those areas kind of take away from the

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1 inspector's ability to analyze and put it into the
2 realm of the senior reactor analyst and we end up
3 relying on headquarters for a lot of help also. But
4 I have to say that we have had excellent support when
5 needed from headquarters. If you have an issue that
6 speaks to questions with human reliability -- you
7 know, how did they do this analysis, how did they come
8 up with their numbers. We have clearly resources
9 available to us at headquarters to review that. And
10 what that also does is it provides consistency. If
11 you have one analyst looking at an issue and then you
12 go to the same type of resource at headquarters, then
13 you are working through the same thought process. So
14 that speaks to the ability to have consistency and
15 addresses to some degree uncertainty, because at least
16 we are working through the same process.

17 MR. KRICH: Good. Thanks. I noticed that
18 you didn't include security in that and you have it
19 included on your slide.

20 MR. TRAPP: Yes, I had that. And Sonia is
21 probably the best one to talk about the security.
22 Because a lot of the issues are in her region. But I
23 had it.

24 MS. BURGESS: And I think it probably is
25 not up there because I think the SRAs internally have

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1 agreed that we disagreed that the internal events SDP
2 should be used for security. We had our say. I mean,
3 we had our position heard from NRR and I think the
4 outcome is that we are still going to use the internal
5 events. So that is probably why it is not up there.

6 MR. HILL: At one of the workshops I heard
7 a comment that there is now an expectation coming up
8 that if you had an event that to have an evaluation
9 done within about four hours to know how the NRC
10 should respond. Is that something you are seeing
11 across all the regions?

12 MR. TRAPP: It is a desire. I mean, yes,
13 we have moved toward risk-informed. Everybody likes
14 numbers because you can sort of say, well okay, I've
15 got the number now and I can run. It is kind of an
16 interesting thing because usually when events come up,
17 the information is vague. And the reason you send a
18 team out is to collect the information you need to do
19 the risk analysis. So there is a cart and a horse kind
20 of thing. It is like, well, if you give me the
21 information, I will give you a number. But what they
22 want is well we want the number so we can go out and
23 see what kind of information we should collect. So we
24 are trying to do that, but it is a challenge and we
25 usually default conservatively.

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1 MR. JONES: I'd like to speak to that one
2 just for a minute. I think it is important for the NRC
3 and a licensee to understand when you have an event
4 what are the things that -- what are the components
5 and what can go wrong and what mitigation system
6 barriers are still in place that are very important.
7 Those are the kind of things that I think that we --
8 that get recognized up front. When you speak to the
9 four-hour analysis, what we are doing in Region 4 --
10 because I have been involved in a couple of events
11 where I have had to provide that type of information
12 within about three to four hours, just to get an
13 initial assessment of what is the significance of the
14 event and what barriers are in place and mitigation
15 systems are important because of the ongoing event.
16 What we utilize is to really just get kind of a rough
17 idea of where we think the event is going to fall out
18 from a conditional core damage probability. In other
19 words, do we think it is a 10^{-2} or do we think it is
20 a 10^{-6} type event. Just to have an idea of where this
21 falls out. Is this something where we need to be
22 providing additional assistance to the resident
23 inspectors immediately, or do we have time to sit back
24 and evaluate it further? And that is really where
25 that four hours -- three or four hours comes in. It

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1 is not our intent to involve licensees up front when
2 they are trying to deal with an event. I mean, we are
3 not going to call up somebody in the control room and
4 tell them, hey, we are reviewing this event as it is
5 ongoing and we want to understand this. What we do do
6 is try and make contact with the cognizant risk
7 people, problem risk assessment people, to kind of get
8 a feel for are you doing any kind of analysis, and if
9 you are, what kind of significance are you applying to
10 it. And then it is really an iterative process and
11 understanding that occurs over the next several days.
12 We are not trying to come to this is a $3E^{-4}$ event
13 within four hours. That is not our intent. This falls
14 in the -4 area or this falls in the -5 area and things
15 like that. And that is really what we are trying to
16 do up front. And it plays into our -- we have a
17 management directive, 8.3, that speaks to the NRC
18 response to events. And that speaks to whether or not
19 we look at like an augmented inspection team going
20 out, a special inspection, or if we decide it is going
21 to stay within the realm of the resident inspectors.
22 And the risk is an input into that. But we are not
23 trying to, one, come up with a final determination or
24 really what is the absolute number within the first
25 four hours. And we are not going to try and draw the

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1 licensee in within the first four hours to take them
2 away from their assessment and response to an event to
3 come up with a number.

4 I have heard that before and I could see
5 how that may have gotten out that way, but that is not
6 our intent and I will speak -- we had that event at
7 Diablo Canyon, and actually the process worked
8 exceptionally well. We were able to come up with a
9 bounding idea of what an event was. We got involved
10 early-on with their risk analysis. He was actually
11 looking at the event also. And then over several days
12 we actually kind of worked through where we actually
13 thought it fell out, after the event had been
14 concluded.

15 MS. BURGESS: I would also add though that
16 in our region, we have had experience where the
17 licensee has called us first, within the first two,
18 three or four hours, telling us what they are doing.
19 Telling us what they are looking at and that they are
20 doing an assessment and things like that. So it has
21 been in some cases very beneficial that they have just
22 contacted us.

23 MR. HILL: I think the way I heard it was
24 along the lines of the licensees would be expected to
25 have input like within 24 hours, but that you were

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1 going to be asked for the first -- to have something
2 within the first four hours is kind of a strain.

3 MR. JONES: And that is -- I think that is
4 true. We are asked to provide what risk insights we
5 can. And they can be qualitative and they can be
6 quantitative.

7 MR. TRAPP: That is a key. Sometimes we
8 have risk ranking of systems. So if the diesel is the
9 number one system risk-wise and it is a diesel issue,
10 you might just -- that might be your risk insights at
11 that point. That is an important piece of equipment at
12 that plant.

13 Moving on, containment and shutdown. We
14 talked about that a little bit yesterday. Containment
15 -- you know, you are trying to determine large early
16 release frequencies, LERFs. You are now at the next
17 level of complexity and certainly there is more
18 diversion, I would say, in models and licensees'
19 abilities when it comes to LERF. So that is an area
20 that is still being improved. The SDPs that we have
21 now, as Doug mentioned yesterday, there is a lot of
22 efforts now to improve those. And security, I guess,
23 we would throw in the same bin. Fire -- difficult to
24 apply. We talked about that a bunch yesterday. I don't
25 know if you guys have any experiences.

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1 CHAIRMAN PLISCO: Jim, I'd be interested.
2 I know we have heard your view. But for Bill and
3 Sonia. I know we wrestled in our discussion yesterday
4 on these other SDP, shutdown and containment in
5 particular. Relative to priorities and how important
6 it is to get those out and corrected. Do you see it
7 as something you have to have today or do you have
8 work around someplace now that you can get an answer?
9 What kind of priority -- you know, if you were the
10 director of NRR, what kind of priority would you place
11 on getting those out?

12 MS. BURGESS: I'll start. Yes, I would
13 put a priority on these SDPs. We are seeing -- these
14 issues are being addressed during this implementation
15 phase of the ROP, but they are going from a Phase 1
16 screening directly to Phase 3. So there is more
17 guidance that is needed. There is more guidance in
18 understanding exactly what we are looking for and what
19 the inspector should be looking for to get a better
20 screening tool. A shutdown -- I know in our region
21 and in the other regions, shutdown risk is extremely
22 high on our radar screen. And I think that the
23 shutdown SDP, of course, lacks guidance and we need to
24 do a better job and we need to do a job in improving
25 this guidance on a more timely basis.

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1 On containment issues in our region, we
2 have had a few of them but they have taken less
3 priority as far as being significant and realizing
4 that they really aren't significant, but we do have to
5 work through the Phase 3 process to make sure that our
6 assumptions and that our initial cut at the issue is
7 truly accurate.

8 MR. JONES: I would couch it to say that
9 from a priority standpoint to develop those SDPs that
10 are integral to each other. In other words, we have
11 the internal event SDP and we have to go outside and
12 consider the external events in addition to that to
13 really evaluate a finding. With the containment and
14 the shutdown SDPs, we have essentially a barrier type
15 review that we can look at. And then if we meet those
16 certain thresholds, then we go on to a Phase 3. At
17 least that way we know what the boundaries are. We
18 haven't left out an integral piece of an analysis up
19 front that the inspectors are trying to use. So my
20 wish would be to -- or if I could have it would be to
21 develop the one internal/external modeling together.
22 Get that piece done so that that can be used by all
23 the inspectors and then we will fall back onto the
24 Phase 1 reviews that we do for the containment and the
25 shutdown, for example, and then continue to rely on

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1 the SRAs. Otherwise, we are going to have the SRAs
2 involved in all aspects of the SDPs for whatever time
3 it takes to get them all developed.

4 MS. BURGESS: Yes, I think it is very
5 important, like Bill said, to get a product that is
6 useable by all inspectors and get out of this black
7 box magic type thing. That doesn't give a lot of
8 credibility for the inspectors and it doesn't give
9 them a lot of comfort. I think with any new process
10 like the internal events, the inspector is learning
11 and is getting more comfortable and understands that
12 they are able and have the capabilities to do that
13 kind of assessment. With these containment shutdown
14 issues, it has given the appearance of I don't even
15 have the capabilities and you just take care of it.
16 And once we get the tools in place and give them the
17 confidence and the credibility of I can do these
18 things and I do understand what is important, I think
19 the process will move on much better.

20 MR. JONES: We currently have a SPAR
21 models users group development that is out there to
22 help prioritize the development of shutdown risk,
23 containment, large early release frequencies and so
24 forth. I haven't quite seen, at least from my
25 perspective, a total integration of the model

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1 development with the revised oversight process and so
2 forth -- a total integration with some of the work
3 that has been ongoing between research and the NRR. I
4 think that when those priorities actually get melded
5 together and get all the risk expertise working
6 towards -- at least from my perspective working
7 towards the same goal and focused in on the same
8 areas, they will be able to get through some of these
9 areas maybe a little quicker.

10 MR. TRAPP: Yes, I think this is key. I
11 mean, when you look at the old program and the new
12 program, we inspected before and we wrote reports
13 before. What is the key difference? The key
14 difference is now we are doing the SDP. We are
15 assessing risk findings. In my opinion, scrutable,
16 good quality information in doing this part of the
17 process is key to the success. You know, if we don't
18 do this right, then we really haven't changed
19 anything.

20 MS. FERDIG: In getting it right, are
21 there conversations that are taking place not only
22 between you folks, NRR and research, but also taking
23 knowledge that the utilities have that have developed
24 some of the more sophisticated -- those that are more
25 developed?

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1 MR. TRAPP: I would say at least in our
2 region we are on a first name basis with risk analysts
3 and there is constant communication with lots of
4 parties. You know, we use the national labs. If we get
5 into a hot short issue, we use experts from all over
6 -- anybody we can get.

7 MS. FERDIG: You cross over regions as
8 well?

9 MR. TRAPP: Oh, definitely.

10 MR. JONES: Yes. And we have had the
11 contractors who have been doing a lot of these model
12 developments for us out at the sites looking at how
13 the licensees have performed their modeling techniques
14 and so forth to consider that aspect also. And these
15 contractors go to all the regions and all the sites,
16 so we are getting that cross-fertilization all the way
17 through. We take experiences that they may have gained
18 in Region 1 for certain licensees, and in talking with
19 them and going out to the sites, we have been able to
20 pick up on that also.

21 MR. KRICH: Do you have a process where
22 the contractors are, as you say, going out and
23 developing models -- do you have an internal process
24 for checking that? Like we have -- in the industry,
25 we now have a certification process that some of us

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1 use in the owners' groups. Do you have some process
2 internally?

3 MR. TRAPP: There is.

4 MR. KRICH: So it is not just the NRC
5 doing NRC work without somebody else looking at it?

6 MR. TRAPP: Well, it is a national lab
7 doing the work. I don't know the explicit part of how
8 they are going to benchmark, but there is a
9 benchmarking versus the licensee's model and then
10 there is benchmarking internally. I know they have a
11 -- you know, they are working on a whole process to do
12 that.

13 MR. JONES: I think you hit on a very
14 important aspect of the SDP process. Some sort of
15 benchmarking that takes the licensee's results that we
16 would get and what we come out with on our SPAR models
17 as well as the SDP worksheets. And that is not to say
18 that the licensee's answers are correct. What it says
19 is we need to understand any differences and come to
20 resolution on that. And when they show up, to me that
21 is an important benchmark that we need to work
22 through.

23 MR. KRICH: Right. So you go back and look
24 to see what was the cause of that?

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1 MR. JONES: You have to understand -- when
2 there are differences, you have to understand why
3 those differences occurred. And that doesn't -- and
4 like I say, the licensee's model may be better or it
5 may not be. They may have considered a human
6 reliability that skews the results. Those type of
7 things are important.

8 MR. TRAPP: The other positive thing is
9 the model is publicly available. And when we get the
10 models done, most of the PRA folks are very interested
11 in getting access to that. So there is some sort of a
12 peer check, I imagine, going on there as well.

13 MR. FLOYD: I've got a question on that.
14 I would be interested in your perspectives on what you
15 see as maybe a checklist of the things the industry
16 could do better on their PRAs, when you do see
17 differences and you disagree with the way the industry
18 has done something. Do they fall in any broad
19 categories, like you have mentioned HRA a few times,
20 common cause and initiating events? Is there anything
21 that you see as any pattern?

22 MR. JONES: I think you have mentioned a
23 couple of the key ones right there. Some of it just
24 has to do with the extent of modeling.

25 MR. FLOYD: Extent of modeling.

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1 MR. JONES: There are a lot of
2 certification groups out there. I know that GE has
3 one. Westinghouse has one. Combustion Engineering is
4 working with two different groups. We have been
5 fortunate to work with a lot of the people who have --
6 who are leading up those efforts. So there are a lot
7 of efforts out there to bring out the quality of the
8 PRAs. And I think the industry is actually doing
9 themselves a disservice by not bringing that
10 information forward. Because the IPEs are what is on
11 record. And although we see it, from a public
12 perception you don't see the effort anywhere where the
13 work is ongoing. Where you have individuals from
14 multiple utilities coming out and from the different
15 vendors coming out and looking at the PRAs and saying
16 these are areas that need to be improved. And those
17 groups are picking up on generic type issues that are
18 being addressed overall. But you just don't see that
19 from the public. And I could understand that just
20 looking back on the IPEs how you could be concerned
21 with some of the information that is out there.

22 MS. FERDIG: So what is the solution to do
23 about that?

24 MR. JONES: Personally I believe that the
25 latest PRA information should be updated and provided.

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1 Because it is integral to the decision-making process
2 by both the utility and the NRC. I think there is an
3 important element that is not available to the public
4 at this time.

5 MS. FERDIG: Do you think the assumption
6 is just the complexity of the nature of PRA methods
7 and all the --

8 MR. JONES: It has a lot to do with the
9 control. I mean, it is an engineering calculation and
10 so forth. We are putting out information and you've
11 got all the control issues associated with it. There
12 are groups of -- a relatively small group of people in
13 some of the utilities that are dealing with the PRA.
14 That may be somewhere between 4 to 8 people. And they
15 are the ones who are doing the PRA updates. And then
16 you have got the is it treated as an engineering
17 calculation or is it treated as an information
18 document. All those type of things I think need to be
19 addressed.

20 MR. TRAPP: I think up to recently too the
21 economic benefits of keeping your PRA up-to-date
22 really wasn't there. There wasn't really -- you know,
23 they spent a lot of money to do the IPE and then there
24 wasn't -- I am not sure how you -- I mean, the
25 utilities could speak better for themselves, but there

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1 didn't seem like there was a lot of economic benefit
2 to keep funneling a lot of money into the PRA. And
3 when the new program came along, now there is a good
4 reason. So I think that is why we are seeing things
5 changing.

6 MR. JONES: Clearly, I have seen the PRA
7 staffs have increased by several people at several of
8 my utilities.

9 MR. TRAPP: We have PRAs that they didn't
10 bother modeling feedwater. You know, they just didn't
11 think it was necessary. They went through the IPEs.
12 So that could make a huge impact on their risk. They
13 might be a lot higher because they just didn't bother
14 and until recently they saw no real reason to go back
15 and revise it.

16 The next bullet was Phase 3 evaluation --

17 CHAIRMAN PLISCO: One more question.

18 MR. SHADIS: Well, it may fit at the end
19 of this, I don't know. Please forgive me if this is
20 simplistic. But I have heard the criticism that the
21 design basis issues and aging issues are given short
22 thrift or glossed over in the PRAs. Could you speak
23 to that?

24 MR. TRAPP: I mean, I can tell you what I
25 know about it, which is limited. I mean Dave Lochbaum

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1 issued a letter, and maybe that is what you are
2 referring to, where if your plant isn't operated in
3 accordance with tech specs and if your plant isn't in
4 accordance with the design basis, then the PRA is no
5 longer valid. And I guess in my opinion, I agree with
6 that. I mean the whole basis of the PRA is that you
7 are going to operate within the rules and that your
8 design basis is valid. I think there is a position out
9 there that most of the design errors that are found
10 really probably wouldn't have a huge impact on the
11 PRA, and I don't have any firsthand knowledge of that
12 being the case. I haven't personally evaluated it. I
13 know there have been some efforts at Cook -- I think
14 there is a new reg out on Cook that looked at a number
15 of design basis issues and reflected that on PRAs. So
16 I think that is something that is being developed.
17 But certainly if you are at Cook and certain things
18 were never working, then obviously the PRA is just
19 wrong.

20 MR. SHADIS: And I am just wondering if in
21 the initial implementation of the ROP if there has
22 been some movement or initiative on the part of NRC to
23 concentrate on those shortcomings or incorporate them.

24 MR. TRAPP: By the inspection program? I
25 mean, there is a design inspection to go out and

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1 specifically make sure that they are operating within
2 the design. But I don't know if I am answering your
3 question.

4 MR. SHADIS: Yes. You know, we have been
5 talking here about the quality of the PRAs. So I am
6 just wondering if within the system, you know, if some
7 group has been assigned -- so me focus group or
8 whatever has been assigned to look at that aspect of
9 the PRAs. Does that question make sense? I am trying
10 to replay it in my own mind here.

11 MR. JONES: Yes. You touch on a very good
12 issue. And it is -- having grown up in the senior
13 reactor analyst process for five years or over five
14 years, you know coming from somebody who was a field
15 inspector and then trying to apply PRAs to the risk,
16 I have seen that the design basis is important in the
17 development of the PRA. In other words, that is what
18 gives us a lot of the redundancy and the margin that
19 has resulted in the kind of core damage frequencies
20 that we have seen because of all the things that are
21 going through the design basis. There are design basis
22 issues that come up that truly don't reflect on the
23 risk of the plant. I mean, they just aren't important.
24 But yet when you start to take those away, you start
25 to take away at the foundation of how that PRA was

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1 developed. So you start to have to question what is
2 the real validity of the PRA now, given that you have
3 started to pull away some of the basics. You look at
4 environmental qualification. That is one of those
5 basic assumptions that you use to build -- you build
6 equipment reliability on given an accident. So now
7 you take a little bit away from that, so where are
8 you? Those type of things are very difficult to
9 analyze -- to try to really sit down and quantify.
10 Those things offer challenges. I don't know if I
11 caught all your questions or not.

12 MR. TRAPP: The other thing is there is a
13 degree of accuracy necessary for the job, and I think
14 you have to kind of look at that. If we are hitting
15 the right decade, then we are probably putting the
16 right colors on it. If we are uncertain in that
17 decade, it really doesn't make any real difference. So
18 you kind of have to look at the application of the PRA
19 and say, hey, it is not perfect. I mean, as engineers,
20 we like perfection and we like getting into every
21 little sequence and getting down into the dirt. But
22 when it really comes down to it, after we do all of
23 this effort, are we in the same place anyway? And if
24 the answer is yes -- you know, oftentimes it is yes,

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1 and I think in this case, it would probably be, yes,
2 that it really doesn't matter.

3 MR. SHADIS: Our experience in New England
4 -- now we have got four plants under decommissioning.
5 Three of them just prior to the decision to
6 decommission, we had a flurry of design basis
7 considerations that surfaced and aging issues that
8 surfaced. The design basis things, there were many of
9 them that were in the mitigating system. Questions as
10 to whether or not these things would have worked. Big
11 questions in LOCA analysis is one of the things that
12 popped up. Yankee Rowe, there was a great deal of
13 stir about aging issues and reactor vessel
14 embrittlement and so on. And if these kinds of things
15 -- this is just our local perspective -- but if these
16 kinds of things are really not being addressed and
17 integrated into the PRAs, then we would have to say
18 that the overall risk levels being assigned have got
19 to have a huge band width -- you know, error band
20 width.

21 MR. JONES: Right. The basic PRA analysis
22 techniques takes into consideration aging and so
23 forth. You've got these bathtub curves, they are
24 called and so forth, that look at the life of
25 components and so forth and how they degrade. But

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1 when you start to speak about aging issues as they are
2 actually affecting components that are in the field
3 and their reliability and availability, that really
4 speaks -- in my opinion that is a finding. And that
5 is the kind of thing that you can evaluate. If you
6 are starting -- if you see conditions that are coming
7 out due to aging or whatever and they are affecting
8 reliability, then that is something that you can and
9 need to analyze. So my answer without knowing the
10 specifics on it would be that if I have a high
11 pressure safety injection pump that is failing because
12 of aging, then clearly I am not sitting with the same
13 reliability of that component that I assumed earlier
14 on. And that subsequent analysis needs to reflect
15 that. So I would say that with that respect just very
16 superficially that you would need to look at that and
17 that would have to be considered. Because you miss
18 something very important.

19 MR. SHADIS: I am sorry I interrupted you.

20 MR. JONES: That is all right.

21 MR. SHADIS: Have there been any recent
22 trends in component failures that have played into the
23 program concurrent with, you know, the initial
24 implementation?

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1 MS. BURGESS: I think the only thing I can
2 think of is the new regs that come out with component
3 reliability and there is comparisons of different
4 turbine-driven pumps and things like that. And I think
5 the numbers or the results of their studies is showing
6 that it is either -- you know that somewhere within
7 the band of all the licensee's PRA numbers on that
8 component in their particular PRA. I don't think we
9 have seen too much of a difference.

10 MR. SHADIS: One of our correspondents was
11 tracking LERS and other notices on motor-operated
12 valve failure. And he was drawing an accelerating
13 curve here. Over the last several months this is what
14 he has been looking at. And I don't know the accuracy
15 of that and I won't stand behind what he brought to
16 us. It is an example of the kind of thing and I am
17 wondering if you are tracking that sort of thing and
18 if it is feeding into --

19 MR. TRAPP: Yes, the NRC really has a lot
20 of effort in that area. And motor operated valves is
21 probably one I can give you because I think they
22 recently completed a study.

23 MS. BURGESS: They just came out with a
24 draft, yes.

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1 MR. TRAPP: Yes. But they look
2 historically and they look versus the PRA. And almost
3 every component now has a reliability study that is
4 ongoing as well. It is a living study. So there is a
5 lot of work in that area. Most of the trends have
6 shown improving reliability. I don't think I have seen
7 anything to the contrary.

8 MR. SHADIS: So with implementation at
9 some subtle level that is going to show up in scoring
10 these things?

11 MR. TRAPP: It won't even be subtle. I
12 mean, that is the whole idea of the PRAs. You update
13 the data with the reliability of your equipment and it
14 goes right in there. I mean, that is part of the whole
15 living PRA idea. That if the component keeps failing,
16 the reliability goes down and it goes right into the
17 PRA and it is reflected.

18 MR. BROCKMAN: One of the key things you
19 have got to realize must go into those is sometimes a
20 component could go -- its number could go out in the
21 garbage and your PRA final number, your CCDF or CCDP
22 or whatever may not change because of the other
23 backups and what have you and the assumptions you wind
24 up going in there. Just when you get some component

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1 or two that go bad doesn't necessarily when you get to
2 the integrated plant response have an impact.

3 MR. JONES: But we have seen examples, and
4 I was personally involved in evaluating one where the
5 reliability of a component had slightly degraded, but
6 because of its importance it did affect the overall
7 delta CDF. And that was an area that was picked up by
8 both their maintenance rule process. It was
9 incorporated into their PRA. And then of course their
10 corrective actions were addressed to address that. It
11 does show up in the better PRAs that those type of --
12 that failure information is picked up quickly and its
13 importance is recognized. And it is important. I think
14 motor operator valves, pumps or whatever, if their
15 reliability is not what is stated in the PRA, then the
16 PRA needs to somehow reflect that or at least it needs
17 to be recognized.

18 MR. FLOYD: Our plants were, of course,
19 licensed on the basis of deterministic safety
20 analysis, where we credited certain systems that were
21 in the design with the assumption that those systems
22 would work. I know a lot has come out about the
23 importance of maintaining the design basis for the
24 PRA. But do you think it is more important that the
25 design basis -- are the impacts of having weaknesses

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1 in the design basis more significant to PRA than they
2 are for the deterministic analysis, or are we really
3 just saying it is something that is important for both
4 areas? But is it really more important in one than
5 another? I mean if a system is not available for your
6 deterministic analysis that is credited in your
7 accident analysis for a LOCA response and it doesn't
8 work, is it more significant for the deterministic
9 analysis or for the PRA analysis? I don't really
10 know.

11 MR. JONES: That is yours, Jim.

12 MS. BURGESS: It is different for
13 different situations. And a lot of -- that is a big
14 struggle that our inspectors have is the design basis
15 says this and then you are telling me it doesn't
16 matter. And in many cases, I say it is like comparing
17 apples and automobiles. Not even apples and oranges.
18 It is apples and automobiles. And, yes, the design
19 basis clearly needs to be maintained -- the rules and
20 regulations -- so that you will maintain it. Certain
21 aspects of it are important to the PRA and certain
22 aspects of it are not. If your design basis says you
23 need two out of three pumps but your PRA can show that
24 one pump is sufficient, you still need to maintain two
25 out of three. But in an analysis in a PRA of how risk

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1 significant is it, one pump has demonstrated that it
2 is capable and is able to perform the safety function.
3 So I think it is a mixed bag. Some things are very
4 important. Reliability of components or availability
5 of components. In other aspects, though, it was
6 deterministic and not risk-related. And so sometimes
7 they don't just -- they don't fit. There are
8 different rules and different rules apply. But in
9 other cases, the same one feeds the other.

10 MR. TRAPP: And the deterministic
11 architecture of the whole process hasn't changed an
12 iota. If you violate tech specs, we don't care what
13 it is. You still get a violation and you still have
14 to fix it. So I don't think that part of the program
15 has really changed. It is just that our response to
16 those violations is now based on the significance.

17 MR. JONES: Clearly large break LOCA, from
18 a design basis, there was a lot of margin established
19 as one of the assumptions and it shows up when you do
20 the PRA analysis. But then you look at station black-
21 out. That turned out to be a very important risk. So
22 that was a benefit of PRA is the addition of
23 additional diesels and back-up batteries and those
24 type of things. So I think it depends on what type of
25 issue we are really talking about. One design basis

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1 gave us a large margin in some areas and didn't pick
2 up on others. PRA has said, hey, you have a large
3 margin in large break LOCA, but station black-out,
4 that is an area that needs to be addressed and they
5 were.

6 MR. SHADIS: Can you give some sense of
7 the time that it takes for either a given event or a
8 series of events to feed in to be incorporated in the
9 PRAs as you are working on them? Have you had
10 anything in this implementation period that has
11 happened that has caused you to readjust your PRAs at
12 any point?

13 MR. JONES: I guess if we talk about our
14 PRAs, I would say how we -- we would take a finding.
15 And that is real time as the findings occur. Our SPAR
16 models that we have, those are long-term actions. They
17 are based a lot on generic type information,
18 reliability and availability numbers. That is really
19 the reason for the SPAR is to really provide a
20 consistent approach across all the plants. Using their
21 design but using generic HRA, human reliability
22 numbers and so forth. So from that standpoint, when
23 the studies are complete and they appear in the new
24 regs and so forth, that type of information is
25 incorporated in ours. From a plant-specific model, it

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1 is really the SDP process that looks at the importance
2 of a specific finding and then questions, has this
3 been incorporated. For example, you have a concern
4 with the availability of a component, of an important
5 pump, and is that reflected in your PRA. And
6 questions like that. And I would say there are cases
7 we have seen. I will go back two years. We have seen
8 that those numbers were put in fairly quickly. And a
9 lot of it had to do with the timing of their PRA
10 update.

11 MS. BURGESS: The maintenance rule also on
12 the licensee's standpoint accounts for reviewing
13 reliability of equipment, of a component, and
14 factoring that back into their PRA. Does it make a
15 difference? Should we adjust our numbers?

16 MR. SHADIS: I guess I was asking if under
17 the new regime here if that feedback loop, if you will
18 -- the feedback of information into your probabilistic
19 risk assessment, if there are any signs that you see
20 that it is accelerating or improved.

21 MR. JONES: I would say that we get the
22 updated PRA information -- that that will reflect
23 those new numbers. But there is a time lag from when
24 failures do occur. And they look at whether or not
25 they are maintenance preventable functional failures

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1 and how they affect. It takes time to evaluate each
2 of those. A single failure may not change the
3 reliability of the components appreciably. It is
4 evaluated over time. So I wouldn't say that the PRAs
5 are updated in a real time manner based on just single
6 failures because there is a lot that goes into it.

7 MR. TRAPP: Phase 3 evaluations I think we
8 kind of discussed a bit. But, you know, resources are
9 limited and these are pretty big efforts and some of
10 them have dragged on for long durations. So because
11 of the complexity of the issue and the developing of
12 the science, I think we have discussed that a bit.
13 Public availability of information -- we talked a
14 little bit about negotiating findings. And I guess
15 from my point of view, we don't really negotiate. We
16 have an exchange of technical information. But in my
17 opinion, anyway, negotiation is really the wrong word.
18 And the other part is we really need to document our
19 basis for our conclusions. So it is certainly not a
20 negotiation at all. You have to -- you end up by
21 writing down the facts of why you reached the
22 conclusion you reached. But it is kind of a new
23 process where we do solicit input from several areas.

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1 MR. BORCHARDT: Is there any difference in
2 your interactions comparing pre-inspection report
3 issuance and post-inspection report issuance?

4 MS. BURGESS: Could you clarify what
5 that --

6 MR. BORCHARDT: Well, I mean, up until the
7 inspection report is issued, you could argue that you
8 are really part of the inspection process. You know,
9 that you are interacting with the licensee and trying
10 to get information. And once the report is out and
11 you are getting ready to go to a regulatory conference
12 or even post-regulatory conference, is there any
13 difference in the way you interact with the licensee
14 between those two segments in time? The analogy would
15 be for licensing activities. You know, at some point
16 all of the exchange of information is on the docket
17 like for a licensing amendment or something like that.
18 And some would suggest that that point in time ought
19 to be the issuance of the inspection report. From
20 then on, if the licensee wants to submit something for
21 your consideration that could impact the
22 determination, the significance determination, that
23 that ought to be on the docket. While others would
24 argue that really it is just an extension of the
25 inspection program. Like Jim said, as long as the

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1 final basis for your determination is in whatever the
2 final document is or the document set that that is
3 okay. So what I was asking is now as we have
4 established some practice and some experience, is
5 there any difference between how you interact with the
6 licensee depending where you are in the process?

7 MR. TRAPP: I think yes. I think the wall
8 goes up a bit when the inspection report goes out. I
9 think there is more free-flowing information in the
10 beginning because there are more unknowns. And then
11 as you reach a decision, you know there is just a
12 natural tendency that now we have decided and now
13 there is a higher degree of proof.

14 MR. JONES: Because once that inspection
15 report goes out and there has been a -- we have
16 determined it to be a green finding, which is in the
17 licensee's band, and that is the issue as it goes out,
18 or it is a non-green finding, white potential --
19 white, yellow or red or whatever -- then there is the
20 SERP panel that is the significance -- or excuse me,
21 the Safety Enforcement Review Panel that comes up, the
22 Significance Enforcement Review Panel that comes up.
23 And that is clearly a definitive line. I mean when
24 the inspection report is being developed, all that
25 information is being incorporated into the basis for

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1 the finding in the inspection report. You know, any
2 calculations that are reviewed and all that is
3 included in there. Then we go to what is referred to
4 as the SERP. Once that occurs, then the letter to the
5 licensee is issued and so forth and subsequent
6 correspondence is on the docket. I mean, their
7 response and so forth appears on the docket. So the
8 answer to your question is, yes, there is -- there is
9 a definite change in how we do business from the time
10 we issue the inspection report with a potential non-
11 green finding up to the evaluation that goes into
12 making that determination in the report itself.

13 MR. BROCKMAN: One of the things that I
14 know we are trying to deal with, especially in the
15 public communications aspect or public confidence
16 aspect is the dilemma you've got between timeliness
17 results and accuracy of results. And the SRAs
18 definitely get involved with that, especially since
19 the practice is becoming basically anything that is
20 above a green gets to a Phase 3. I am interested in
21 your all's insights as to where the challenges are
22 with respect to being able to strike that balance.
23 Are they internal things that we need to look at
24 within the agency that are the dialogue that goes back
25 and forth over an extended period of time between the

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1 SRAs and the licensees? What are the key drivers that
2 are pulling this -- the timeliness of this out?

3 MS. BURGESS: It is a very difficult
4 balance to come to resolution with. And I see the
5 biggest dilemma is credibility. Do you try to get the
6 most -- the best information during the Phase 3, which
7 perhaps means a longer time period, but to come up
8 with a conclusion that is not going to be overturned
9 or the licensee is going to come up with additional
10 information later on, and take that time to do that.
11 Or do you come up with what the NRC feels is the best
12 information given the time constraints and issue that
13 and then the licensee comes back with better
14 information that the NRC agrees with and then we
15 change from a white to a green because of that better
16 information and the time constraints when we did our
17 analysis.

18 Some of the challenges are simply that
19 some of these issues are very complicated. I can think
20 of during the pilot program an issue came up at
21 Prairie Island. And it required the licensee to redo
22 their high energy line break analysis. It took a
23 tremendous amount of time. The NRC couldn't do it or
24 didn't do it, and so we waited for the licensee's
25 evaluation to be complete, which threw the timeliness

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1 numbers right out the window. I think that was the
2 right thing to do in that particular case. But I
3 think we do struggle with that as far as credibility
4 from the public's perception, the licensee's
5 perception, our own inspectors' perception. What do
6 we do? Do we get the best that we can and have the
7 process do its job and the licensee come back with
8 their rebuttal to our answer? Or do we try to do and
9 take the time to do the best analysis so we know that
10 the licensee will have similar analysis and that it
11 won't change colors? I don't know. And we have
12 struggled with that in our region. Every issue has --
13 we have come out different. Some of our issues have
14 taken a tremendous amount of time and some of them we
15 have turned around in 30 days.

16 MR. TRAPP: It is kind of a fear of the
17 bar chart for me because when you look at the bar
18 charts, you see data and management reacts to data and
19 they don't necessarily know the issue behind that blip
20 on your bar chart that says Region 1 is higher than
21 everyone else. It might be the Indian Point tube
22 rupture that required a new state of the art PRA that
23 caused a delay, but they don't much care. Every bar
24 chart should have a whole slew of footnotes.

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1 MR. GARCHOW: But on that, what we talked
2 about at the last meeting when we were in Atlanta, do
3 you think there is a disproportionate amount of effort
4 by the utilities and the NRC in resolving green to
5 white threshold issues and what would your
6 recommendation be? I mean, to some extent you spend
7 days or weeks or months where the only thing that
8 would happen in the action matrix is maybe the senior
9 resident would follow up on the corrective action that
10 the licensee took. So we just spent all this gnashing
11 over something that the end result of or the impact
12 is, besides the public impact of having a white, which
13 is a whole other issue, but the real regulatory impact
14 is really whether you are going to decide to have
15 somebody follow up on a corrective action.

16 MR. TRAPP: Yes, there is a whole public
17 perception -- avoid whites at all cost. Just white is
18 the end of the world. And we see it from our
19 counterparts, or at least I do from PRA analysts.
20 They are just told, we don't want them and it is your
21 job to get rid of them. If you want to bring in
22 experts from England or whatever you've got to do, do
23 it. And you are right, I mean that first one is hard
24 to swallow. And hopefully as this program goes on,
25 people will realize the dollars they are spending to

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1 fight down a white that is -- like we are talking
2 uncertainty, there is a lot of uncertainty and you are
3 never going to really get the definitive answer. It
4 just isn't worth the effort.

5 MR. JONES: I think one of the things we
6 have seen is that we have had some cases within the
7 last two years that would have been potentially white
8 issues before we got into the oversight process
9 outside the pilot program, where all that analysis,
10 had it been performed during the oversight process, we
11 would not have accepted. We had one case involving a
12 low pressure pump where there were numerous technical
13 experts brought in to analyze the risk. And bottom
14 line was -- and it appeared in the cover letter of our
15 report -- was there is a large uncertainty involved
16 and we don't believe the analysis. So you can have
17 cases where you could come out and spend a large
18 amount of dollars and still not accomplish what you
19 think you are going to accomplish, even though you
20 come up with what would be a green finding. It does
21 not have to be accepted. And you can look back in
22 cover letters where you will see that some of those
23 issues may have come out the other way even after
24 spending all that money.

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1 MR. TRAPP: Because you come to regulatory
2 conferences and we just get hit with these volumes
3 sometimes of, well, we have done all of this and they
4 have this Bayesian analysis and all this stuff that
5 they are throwing up on charts and everybody is sort
6 of sitting there blurry-eyed by the time it is over
7 and it is just not very -- you are asking my opinion,
8 but it is just not very useful resources on either
9 side.

10 MR. GARCHOW: So how would you propose
11 fixing that if you were king for a day?

12 MR. TRAPP: I guess it is -- like I said,
13 I think it is education. I think you have got to
14 realize that a white can be as little as 16 hours of
15 inspection. And if you feel -- you know, if you have
16 a diesel break and you think the NRC -- you know, you
17 don't have an SBO source, you have a diesel break and
18 you think it is reasonable that the NRC come in and
19 look at that issue for 16 hours, don't get caught up
20 into the 10^{-6} . Just say, yes, that seems reasonable
21 to me. They are not looking at my hydrogen
22 recombiners, I am happy, and move on. So I think it is
23 an education thing.

24 MR. JONES: It is a business decision. If
25 you think that your analysis can be well supported and

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1 that the individuals that come in can truly offer an
2 argument that speaks to the issue and that the
3 equipment was operable in all cases and that the issue
4 is green or should come out as green, that is fine.
5 But if it is based on -- you know, if there is a
6 potentially large uncertainty band in there and you
7 are arguing at the far end of it, you may be spending
8 money that is going to be wasted.

9 MR. BLOUGH: I tried to explore this same
10 question at our public meeting in December and also at
11 our inspector seminar in Region 1 earlier in December.
12 And I guess my theory was that one of the reasons
13 licensees are so adverse to having a single white
14 issue, be it a PI or a finding, is not it in itself,
15 but the fact that if you have two white issues in a
16 cornerstone, that constitutes a degraded cornerstone.
17 So I tried to explore that with our inspectors and
18 with people at the public meeting. I guess the message
19 I got back is, no, that really hasn't hit home with
20 the senior management of most companies yet. So we
21 could expect that once that is a realization and that
22 becomes a factor, we could expect maybe this problem
23 to get worse, where there is even more of an effort to
24 spend time avoiding the first white issue, knowing
25 that now you are right next to one other in the

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1 cornerstone would call a degraded cornerstone, which
2 I think people would very --

3 MR. TRAPP: But that response isn't even
4 very excessive. If you read the procedure and you
5 understand what we do for a degraded cornerstone. You
6 know, it is not loading up the bus with 15 inspectors
7 and putting the light on the roof and coming out. You
8 know, it is a limited inspection that focuses on the
9 corrective actions and it focuses on extended
10 conditions. So it is kind of a reasonable response.

11 MR. BLOUGH: Right. But that is the real
12 -- a degraded cornerstone is a real name tag, though.
13 If you are wearing that, that sticks out, I think.

14 MR. SCHERER: Before we lose the panel, I
15 have a question to pose in a somewhat different
16 direction. We have been talking a lot about false
17 positives. An overly conservative call and the process
18 for dissolving it. I would like to reverse that and
19 ask your individual opinions as to how robust a
20 process you think exists today to identify false
21 negatives, that is, something where the current SDP
22 process, Phase 1, Phase 2 or Phase 3 might miss or
23 non-conservatively interpret the safety significance
24 of a finding. And the question is really a process
25 question. How robust a process do you feel exists in

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1 identifying it, recognizing we will never prove the
2 negative. You will never be absolutely sure something
3 won't slip through the process. But how robust a
4 process do you feel exists. And to the extent you are
5 willing to, each member of the panel, I would like to
6 get your individual opinion.

7 MR. TRAPP: I guess I would have less fear
8 for the -- I mean, there is different levels of SDPs.
9 I guess I would have a more -- I think there is
10 probably a higher probability of missing a containment
11 fire or a shutdown issue that would -- I mean, the
12 thresholds are extremely low. And I would think where
13 we have less information there is obviously a higher
14 chance. I am pretty confident, I think, in the reactor
15 SDP that I don't think we are going to have false
16 negatives. I think we are going to catch everything.
17 And given that the thresholds are -- I mean, it is one
18 in a million. You know, if you increase your CDF by
19 one in a million, that is a white finding. So the
20 thresholds are sufficiently low that the catastrophic
21 event of missing one of those that is right at that
22 threshold really isn't the end of the world. I mean,
23 we missed those kind of things in the old program.

24 MR. JONES: Yes, I agree with what Jim
25 said. Right now clearly the senior reactor analysts

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1 are serving as the backstop to the process in the
2 regions. They have got a lot of help from headquarters
3 when we need it. I think that right now there is a
4 fairly good backstop, recognizing that the inspectors
5 out in the field need to fully recognize that some of
6 these SDPs aren't fully developed yet either. And in
7 some cases, we actually have additional assistance
8 from the licensees who evaluate each of the condition
9 reports and findings as they come up. And that is not
10 true across the board but in several utilities that I
11 have dealt with, they do do that function. And that is
12 -- and we have been fairly consistent with at least
13 the initial cut on an issue and then of course it
14 requires further review. But we haven't seen where
15 they have come up with one finding and we came up with
16 -- for example, they had a white and we had a green
17 type issue. But there is vulnerability in particularly
18 those other areas as Jim mentioned.

19 MS. BURGESS: I think that there is always
20 a chance of vulnerability. But we do have a plan to
21 benchmark the SDP worksheets. I think it is imperative
22 that we do do that benchmarking. I do know that in my
23 region there are PRA staffs at the utilities who are
24 doing their own benchmarking and calling me and saying
25 where they think some of the vulnerabilities are. Or

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1 feeding it back to the process, back to the program
2 office at NRR. So I think that has been a very
3 positive input up front before the SDP worksheets even
4 were issued. But I do want to make sure that we do do
5 the benchmarking to make sure that we have done
6 everything that we can up front to make sure that we
7 haven't missed something. And then the process, I
8 think -- like Jim said, if we do find something, I
9 don't think that it is going to be so catastrophic
10 that it is going to make that big of a difference.

11 MR. JONES: But I think the credibility of
12 the revised oversight process lies on our ability to
13 detect those. We need to be thorough and diligent to
14 make sure that we evaluate each of these issues
15 thoroughly. Until we have confidence in the process
16 we have, we need to use all the resources available to
17 us -- licensee PRAs, the PRAs that we have developed
18 and the SRAs. Because the way I perceive it is it is
19 only going to take one example where we miss what I
20 consider to be an important finding. And even if we
21 caught 100 others, if we miss the one, then our
22 credibility is seriously in question as to whether or
23 not the oversight process really can work. So I think
24 that is an important message, at least from my
25 standpoint, that we need to consider when we are doing

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1 all this benchmarking and so forth. The public's
2 perception of do they have a process in place that is
3 viable. Can I believe it? Can they make risk-
4 informed decisions based on this?

5 MR. TRAPP: I guess in summary too -- one
6 of the things I think is really positive about this is
7 the interaction between the regions and headquarters.
8 Doug Coe and Bill Dean are sitting back there and
9 there is nothing on this list that they haven't heard
10 before and there is probably a few things that Doug is
11 biting his tongue saying, you know, I am doing this
12 for you and I am doing that for you. And I am not
13 aware of anything on our list that isn't on his list
14 and I am not aware of anything on our list that he
15 isn't diligently working on. As an end-user, we are
16 obviously never happy with the progress and the speed
17 of getting the product that we want. But that is just
18 the way of life.

19 CHAIRMAN PLISCO: We appreciate it. We
20 have got to move on. I hate to cut off on a good
21 discussion, but we have another group and they have
22 planes to catch and I think we want to talk to them
23 too. Having the advantage of having Jim on the panel,
24 we can keep asking him questions. But I appreciate,

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1 Sonia and Bill, both of you coming out. Thank you.
2 Let's take a five minute break while we change chairs.

3 (Whereupon, at 11:12 a.m., off the record
4 until 11:25 a.m.)

5 CHAIRMAN PLISCO: Our next invited
6 stakeholders -- we have a panel of senior resident
7 inspectors that Jim has pulled together, and we have
8 asked them to provide their perspectives and
9 viewpoints on how the reactor oversight process is
10 going and answer some of the panel's questions. Do
11 you want to give introductory remarks, Jim?

12 MR. MOORMAN: Well, I was given an excuse
13 not to go up there. Yes, we are very fortunate to
14 have this group come talk to us today. Steve Jones
15 from Millstone at the far left, Joe Brady from Plant
16 Harris in Region 2, Steven Campbell from Fermi and
17 Jeff Clark from Cooper representing each of the
18 regions. And prior to this, I sent these guys some
19 topics to talk about and they picked out the
20 particular areas of interest that they could provide
21 the panel some information on. Things like does the
22 ROP get to the important issues? Does the ROP allow
23 identification document of cross-cutting issues at the
24 proper level? Do we adequately assess the corrective
25 action program? Do we adequately interpret the groups

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1 1, 2 and 3 questions? Does the ROP blend well with the
2 enforcement policy? Is the time allotted for
3 conducting inspections and plant status, is that about
4 on target? And are we getting value from our
5 inspection effort? And each of these guys has kind of
6 gone through and taken some of those areas, and they
7 are going to bring you their perspective on that based
8 on their inspection experience. So if you want to
9 start, Steve? They all have some pretty short
10 deadlines for flights today, so we have got to move
11 through that. They will be crisp.

12 MR. JONES: My name is Steve Jones. I am
13 the senior resident at Millstone Unit 2. Just by way
14 of introduction, we have had a few issues at Millstone
15 Unit 2 -- four that involved Phase 3 SDP analyses in
16 addition to about 10 or so other findings that ended
17 up green. Right now, Millstone Unit 2 has a white
18 performance indicator for high pressure safety
19 injection and a white inspection finding related to
20 inadequate corrective actions for turbine-drive
21 auxiliary feed water. That placed them in the
22 degraded cornerstone for mitigating systems.

23 Currently, we are going through the
24 problem identification and resolution inspection. And

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1 separate but concurrently, supplemental inspection for
2 the degraded cornerstone. That is all I have.

3 MR. BRADY: I am Joe Brady. I am the
4 senior resident at the Harris Plant, as Jim said.
5 Harris was a pilot program plant, and I was personally
6 involved in the writing of the inspection procedures.
7 So I kind of predated the pilot program. Naturally,
8 I think all the procedures work just fine.

9 Harris, because they were in the pilot,
10 were coming up on completing the entire inspection
11 cycle. And out of all of the inspections, there is
12 one issue related to fire protection, which has been
13 pending since the identification of it during the
14 pilot program. It has been about a year and a half
15 related to fire barrier issues. There is currently
16 one white -- potentially white inspection finding, and
17 there is one white PI that is associated with that
18 finding. The inspection finding is not finalized.
19 There is a regulatory conference that is yet to be
20 accomplished.

21 MR. CAMPBELL: I am Steve Campbell. I am
22 the senior resident at Fermi Plant outside Detroit.
23 The licensee is basically a green plant that receives
24 baseline inspection. The reactor oversight process was
25 implemented on April 2. We had an outage April 1, so

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1 we had the opportunity full bore to get the shutdown
2 SDPs and use those several time. They lost shutdown
3 cooling on two occasions. They had MSIVs and drywall
4 purge valves leaking. They had put the wrong oil in
5 the emergency diesel generator. They also had some
6 failed linear transformers on their emergency diesel
7 generator. So we had some opportunities to run the
8 SDP in the early phases of the outage. Those
9 basically screened out to be green. But, however, what
10 is important to note is that all those issues were
11 attributed to basically human performance problems.
12 That would be my concern coming here to talk to the
13 panel at least, is human performance, and also issues
14 that you had talked about in age-related equipment.
15 That is the concerns that we have out at Fermi right
16 now.

17 MR. CLARK: I am Jeff Clark, senior
18 resident at Cooper. Just to give you a perspective,
19 Cooper also was a pilot plant. We have been working
20 now for approximately a year-and-a-half in this
21 process. During that time, there have been numerous
22 identified issues. Things that are out there on the
23 docket already. Cooper has been through a problem
24 identification and resolution inspection already.
25 During that inspection, it was identified that there

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1 were numerous systemic problems with the problem
2 identification and resolution activities at Cooper.
3 Cooper also has a white finding on the docket in
4 emergency preparedness. It also has a preliminary
5 yellow finding in the area of mitigating systems.
6 This is this issue that you have been hearing about a
7 little bit in the panel, the environmental
8 qualifications issue. That is going forward toward a
9 regulatory conference next month. So we have had the
10 chance to let's say stretch the envelope a little bit
11 with the inspection process. We have also had to work
12 with Bill Dean's group. We were one of the first
13 plants to actually do a special inspection for the
14 environmental qualifications issue outside of the
15 Revised Reactor Oversight Process but meld the
16 inspection process in with it. So my particular
17 aspects to talk about in the group are going to be
18 more if you would like to ask us questions about it.
19 We have been involved in the cross-cutting issues.
20 Again, human performance as Steve is addressing and
21 how we can get to those types of issues that are not
22 strictly routine in the Revised Reactor Oversight
23 process.

24 MR. BRADY: At this point, I guess we
25 would open up for questions. We had kind of decided

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1 because of the short time not to give lengthy
2 presentations. So we will respond to what your
3 concerns are.

4 MR. HILL: I have got a question. I guess
5 it was at Fermi where you said you had a number of
6 shutdown events that screened out green, but they were
7 all related to human performance and that concerned
8 you. What do you think should be done different that
9 would have been done previously that is not now? What
10 do you see as the different effects or the end result?

11 MR. CAMPBELL: The human performance items
12 that we have reviewed for since the outage has
13 decreased quite a bit. That is based on part that
14 they recognized that there are human performance
15 issues at Fermi. And also the NRC being on them quite
16 a bit about the issues that came up during the outage.
17 What I show the licensee a lot is a page out of my PRA
18 training manual that says that human performance has
19 the highest -- is the greatest risk to core damage and
20 plant risk. And that is what is of concern to me.
21 Because you could have a good piece of equipment and
22 good programs, but if they don't implement it right or
23 if there is errors, then the plant will put itself at
24 more of a risk. What I believe should be done is to

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1 probably develop some type of PI tracking on human
2 performance itself.

3 MR. MOORMAN: Steve, would it be
4 worthwhile to capture human performance issues at a
5 different threshold than the inspection report so that
6 -- or provide them feedback in some way so that
7 whatever human performance numbers that the licensee
8 would use in their PRA could possibly be adjusted?

9 MR. CAMPBELL: Well, generally this new
10 inspection process is more indicative rather than
11 predictive. And what we would be doing is reacting to
12 a number of human performance errors. If they did
13 something on a HPSI system risk significant, we would
14 have to react to what they did. I think basically we
15 need to really pick and choose what we are going to be
16 looking at. See if there are any indicators. If there
17 is a threshold that they meet on the number of human
18 performance errors that are occurring, then that would
19 be a performance indicator hit for human performance.
20 But it would have to probably be restricted to a risk-
21 significant system.

22 MR. JONES: I had a comment. We have just
23 experienced several findings that ended up being green
24 but that involved actual failures of safety systems.
25 And from that perspective, it seems like we could

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1 develop like a hybrid performance indicator based on
2 human performance or problem identification and
3 resolution type issues that result or that manifest
4 themselves as failed trains and use that as some type
5 of little bit indicative indicator of performance.
6 Rather than waiting for just the right system to have
7 the problems, which is the case at Millstone.
8 Eventually, the problems did manifest themselves with
9 high risk systems, but we had indicators early on that
10 we were having problems dealing with their systems,
11 maintaining them operable due to either maintenance
12 practices or just not addressing degraded conditions.

13 MR. HILL: Let me ask you a question
14 following up on the human performance. Over the last
15 number of years, there has been a significant emphasis
16 on getting equipment reliability and dependability up
17 such that almost everything that is left is just human
18 performance. So how do you see that fitting in that
19 if you get the equipment reliable, most of the events
20 you are going to have are human performance issues.
21 Because you will never get the humans perfect or as
22 reliable as you want.

23 MR. CAMPBELL: Yes, it is a hard subject
24 to really deal with. I have been grappling with it for
25 a long time. Not only trying to think of it

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1 philosophically, humans will be humans and they will
2 make mistakes. I guess what we have to do is monitor
3 management and see how they react to human performance
4 errors. Do they have stand-downs? Do they have event-
5 free clocks, which is what they have implemented at
6 Fermi? Putting the wrong oil in the diesel, which did
7 happen, was a human performance. It probably was a
8 good piece of equipment, very reliable, but they
9 degraded the equipment and now it was inoperable for
10 over a month. So they had unavailability time that
11 they racked up because of the human error that they
12 had. You can say that the equipment is reliable, but
13 it is really two separate issues there.

14 MR. HILL: Is there any way to tie the
15 consequences to the human performance? In other
16 words, if you accept that you are going to have human
17 performance problems, but you build your system so
18 that the human errors that you have don't result in a
19 consequential event, then that would be the area you
20 would want to go in and kind of tracking by the level
21 of or how much of a consequence did it have or was it
22 mitigated because you have systems in place.

23 MR. CAMPBELL: But the lower level human
24 performance issues that are occurring could be
25 indicative of a cultural problem, which is a precursor

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1 to -- I mean, if you could look at a plant, it could
2 be really good equipment and really running well, but
3 if the culture is not there to be correcting problems,
4 then the plant can go down. You can look at all the
5 plants that have been shut down, Clinton and Cook --
6 Cook was a lot of equipment issues there. But if the
7 managers aren't paying attention to the problems that
8 they are having or the culture is bad, then you can
9 take a plant -- you know, the plant will be shut down
10 if there are enough safety issues that arise.

11 MR. HILL: I guess that depends on whether
12 they are self-identifying these personnel errors and
13 doing something with them at a low level or not.

14 MR. CAMPBELL: Well, a lot of them are
15 self-revealed too.

16 MR. HILL: Yes.

17 MR. CLARK: Let me also chime in on what
18 Steve's comment is. Another perspective, there is a
19 broad spectrum on human performance. There is
20 everything from BUPS clear down to a failure to follow
21 procedure type of thing in performance there. And we
22 currently in our process identify those as cross-
23 cutting issues. And we generally identify it with a
24 particular issue and you give a, yes, this is cross-
25 cutting. It involves problem identification

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1 resolution. It involves safety conscious work
2 environment or something like this. And we make a tie.
3 So now there is a nexus to human performance along
4 those lines. But I still don't think we have either a
5 policy decision in place or the mechanisms in place,
6 i.e., the SDP, to say what does that involve. If you
7 start seeing, as we have seen in several instances at
8 Cooper, repetitive problems in failure to follow
9 procedures or repetitive problems in training issues
10 which manifest themselves in not translating design
11 basis information out into the facility itself and
12 systemic type of human performance issues which now
13 impact those mitigating systems. Now do you go back
14 and say, well, yes we have numerous issues here. Do we
15 bound those together? Do we look at the underpinnings
16 and say that we have a number of green issues here,
17 but those also have ties to more significant issues?
18 Are there cross-cutting themes, so to speak? So there
19 is a broad spectrum there when you start talking about
20 human performance.

21 MS. FERDIG: Jim, I have a question -- and
22 I get to ask ignorant questions because I am the non-
23 technical public here. So bear with me. But one of
24 the things that I am confused about with regard to
25 these cross-cutting issues is the extent to which you

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1 and others who are aware of this program and its
2 application are confident that the concerns that are
3 implied in some of the cross-cutting issues that you
4 mentioned will show up in the reactor oversight
5 process in other ways, or does there need to be an
6 added element of the program to get at those things?
7 And I guess I am right now assuming that they will
8 show up one way or another and that we want to try to
9 stay within what are the defined parameters of the
10 program. Would you agree?

11 MR. CLARK: I guess to answer your
12 question, Mary, right now we are within defined
13 parameters of the program. We are identifying them as
14 the program has us do so. I guess at the same time I
15 express to you a concern that what does that present.
16 Again, docketed information with Cooper. We have
17 already documented several substantive, which is a
18 grouping of like cross-cutting issues. So you have
19 information there that you have substantive cross-
20 cutting human performance issues already in inspection
21 reports. What now do you do with that information? In
22 the policy and in our performance, we tend to gear
23 that towards problem identification and resolution
24 type inspections. Which again already at Cooper, we
25 have identified that again as systemic problems in the

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1 problem identification and resolution. So it is almost
2 a spiral type effect. And the question comes out or
3 the concern on my part is where is there a threshold
4 like the SDP that says where does that become a
5 concern agency-wide and when does that predicate
6 initial inspection or activities?

7 MR. BROCKMAN: Jeff, would it be safe to
8 say that thus far issues which have reached final
9 resolution at Cooper on problem identification and
10 resolution have not been associated with an event of
11 a white or higher significant color thus far?

12 MR. CLARK: That is safe to say, Ken, but
13 I guess that brings up another concern that I have.
14 You are feeding good questions. The other concern that
15 I would have is we have a meshing philosophy program
16 here in that we identify that as long as the items are
17 below a threshold that they are in the licensee's
18 control band. We have identified that as the green
19 area and that is the licensee's control band. But on
20 the other hand, if you are identifying that the
21 licensee is not incorporating those things properly or
22 performing those things properly in a problem
23 identification and resolution or is missing particular
24 aspects of it or has human performance characteristics
25 with that, I guess the fundamental assumptions that

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1 the well-working problem identification and resolution
2 program is going to take that through is questionable.
3 Do you have that there and is that fundamental
4 underpinning going to manifest itself when they come
5 up with a more significant condition or more
6 significant finding? And that would be my concern.

7 MR. GARCHOW: So how would you -- what
8 would you recommend if you were king for a day on how
9 you might aggregate -- because what you are talking
10 about is how you can aggregate maybe some of these
11 diverse human performance issues in a way that has
12 some scrutability and some process base so it is
13 predictable. How would you suggest that we would
14 aggregate those issues?

15 MR. BRADY: Well, one of the things that
16 I commend Bill Dean for that they have done with the
17 new 0610 is that they have allowed us to use licensee
18 identified violations in the report under 40A7 to
19 capture those things that the licensee identifies as
20 well as those things that we identify. When we went
21 through the pilot program, we were essentially
22 limited. And when we talk cross-cutting issues, we are
23 really talking trending. That is what we are doing.
24 But we were limited to those issues which we
25 identified. We have now added this aspect where we can

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1 look at the licensee's program, capture those issues
2 that we have identified along with those issues that
3 they have identified, and then identify that trend.
4 The trend is going to tell you if you don't fix this,
5 here is where you are likely to hit. Now in our
6 particular case and in the case of Harris, we had a
7 trend going when we went into the pilot program. And
8 we thought it had stopped. But this current
9 potentially white issue has the exact same aspects as
10 the previous trend. So it will eventually manifest
11 itself if the opportunity is given with the particular
12 risk-significant equipment.

13 MR. GARCHOW: So that would be the do
14 nothing --

15 MR. CLARK: Potentially.

16 MR. GARCHOW: That would be the basis of
17 the current program, which is it will pop out
18 somewhere else and then you will go white or yellow
19 and you get the Agency response. I mean, that is the
20 assumption that we are operating under today. I am
21 saying to your concern, how would you construct
22 something where you could aggregate those if you -- as
23 your examples at Cooper, so that you would somehow get
24 into a different Agency response. Because I sense
25 that is what you are frustrated with.

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1 MR. CLARK: To go back to your comment,
2 king for the day, and that is the only way I would
3 predicate this -- I am in favor of aggregation under
4 certain circumstances -- certain controlled
5 circumstances. Part of my background is PRA as well
6 as that, and I also have had a significant amount of
7 time with the licensee doing PRA type analysis. One
8 hundred independent green findings -- totally
9 independent -- should mean that that is just 100
10 findings out there. One hundred that have a
11 collective theme or a collective significance to them
12 presents themselves as instead of 10^{-6} , 10^{-4} or 10^{-5} ,
13 you know it is an aggregate effect. You do see
14 increased numbers. If the theory is that they are not
15 connected, so you just see a partial dispersion, low
16 significant findings, so be it. You know, you
17 shouldn't say, well they had three human performance
18 issues over the last year. One in the maintenance
19 group and one in operations or whatever. Those are
20 totally disconnected. When you start seeing common
21 themes running through operations and maintenance as
22 recurring human performance issues in that they don't
23 follow procedures and they don't have proper training,
24 which are manifesting themselves in these number of

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1 identifications, I would be a proponent for a
2 collective significance of those.

3 MR. BLOUGH: And how would you accomplish
4 that? Would you go to the -- an SDP or would you
5 rewrite the action matrix to accomplish it. Because
6 it sounds like basically what you are saying is you
7 are in a position where you believe that probably the
8 collection of human performance issues sums up is at
9 least a white threshold, but you have got to wait for
10 the single issue that trips the threshold right now.
11 What would be your next step now that you are
12 proposing? Is it the SDP or the action matrix or
13 something else?

14 MR. CLARK: I'd like to see an entry into
15 the SDP. As I said, you see a common theme approach.
16 You have seen -- and let's say it manifests itself in
17 mitigating systems. And you are saying there is a
18 commonality because of the cross-cutting nature of it.
19 You sum those together and now see if you have a
20 significant issue.

21 MR. CAMPBELL: I recommend a performance
22 indicator. I keep going back to the PRA statement
23 where human error has the most contribution to plants,
24 and I think that this is something that needs to be
25 addressed and it needs to be somehow put into our

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1 program. And the way to do that, to be more proactive
2 about it, is to put a little bit of pressure on the
3 licensee to perform well. That would be through a
4 performance indicator. If they cross a number of
5 errors on risk-significant equipment or if there are
6 so many minor errors, then it is indicative of a
7 cultural concern. If they cross that, then they are
8 in another response band with us.

9 MR. JONES: At Millstone, I guess we were
10 -- it did eventually -- performance issues did
11 eventually propagate to white findings or a white PI.
12 But I think we certainly could have had an earlier
13 indicator based on inspection findings from the old
14 program and also the new program where there were --
15 these issues were showing up in actual inoperable
16 equipment in one way or another that could be tracked
17 by some kind of PI. Now I grant that that would be
18 difficult to extrapolate to some type of risk
19 perspectives in terms of yellow and red, but it seems
20 certain that you could develop and identify outliers
21 such as a lot of the white levels on the performance
22 indicators are based. Just looking at situations
23 where licensees accept that this condition existed,
24 they didn't correct it and it recurred and that
25 resulted in an inoperable train of equipment. Right

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1 now that doesn't get captured anywhere other than a
2 green finding typically in the inspection report.
3 Unless it happens to be one of a very select set of
4 components that has high risk value at a particular
5 site. At Millstone 2, it happens to be a pretty small
6 set for conditions that last up to a week. Typically
7 only when you get out to a month or so or more do you
8 get a large number of systems that can actually drive
9 a white -- that can go to a white SDP finding.

10 MR. SCHERER: I have a question. Somebody
11 mentioned that, you know, we will always have human
12 performance issues. And certainly as long as we staff
13 the plant with humans, we are going to have that. But
14 I am trying to get a grasp on the issues that you are
15 raising. How has the new reactor oversight process
16 versus the old process that was in effect before --
17 has that exacerbated or frustrated your ability to
18 address the issues that you raise? Because that is
19 what I am trying to get a handle on. With the new
20 oversight process -- we had problems before -- we had
21 human performance problems and cross-cutting issue
22 problems, PINR problem. Those issues need to be
23 addressed. But how has it changed between the old
24 process and the new oversight process? Has that in
25 some way frustrated your ability to address these

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1 issues? And if so -- that is what I am trying to
2 understand.

3 MR. JONES: I guess early on, like I
4 mentioned, we had several green findings during the
5 first two quarters of the inspection period. And that
6 -- the licensee took note. They have a PI tracking,
7 even NCVs and things like that. And they were noticing
8 that that was at a very high level. However, it
9 wasn't until -- when you start getting a white PI and
10 then followed shortly thereafter by a white inspection
11 finding. Then at that point there is a dramatic change
12 in licensee perspective. I guess I unfortunately don't
13 have a lot of background under the old program in that
14 Millstone was an 0350 plant for most of the time I was
15 there and then shortly thereafter came into the
16 revised oversight process. But I would think that it
17 would be a little bit easier to feed those type of
18 issues that were green findings into the SALP process
19 and in that way get a little bit earlier attention
20 from site management.

21 MR. SCHERER: What about the other plants?

22 MR. CAMPBELL: I think it has limited us
23 more because we don't document it. And we have had to
24 end up doing it more informally during a plant manager
25 meeting after we have finished our formal exit and

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1 told them the observations that we have had. We couch
2 it with it is low level items that we have found but
3 it is a concern because it could be indicative of a
4 cultural concern at the plant. However, we have
5 documented the ones that we discussed from the
6 refueling outage as a no color finding, and the
7 licensee has come back to us and asked us what does
8 that mean. So there was no real clear meaning. We
9 gave them something that was -- it really wasn't
10 described and we came up with a new process of what a
11 no color finding is. It has been asked to me a couple
12 of times and also to my managers. I think -- so in
13 short, I think it has limited us more than what we
14 used to do. But I really believe that we need to be
15 more proactive and not so indicative on how they are
16 performing. We need to get to a point where this
17 could be a problem coming up and tell them somehow.
18 We used to be able to document this stuff and we are
19 not doing it because it is screening out. That is the
20 difference I have experienced.

21 MR. CLARK: The only other thing I would
22 add is we did in the old regulatory process aggregate
23 some common findings together for making an issue or
24 even going to escalated enforcement for some issues.
25 We particularly saw that again, as Cooper was a pilot

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1 plant. We closed out many of the old inspection
2 activities that were out there. One of the processes
3 that we went through for that aspect was to look at
4 the open items and put them through the SDP. It was
5 both surprising and later understandable. Some of the
6 previous escalated enforcement actions screen out as
7 green. It is because of the way that you looked at
8 them before, packaged some of them together, and again
9 some of the assumptions on past SDPs. But I would say
10 that what it has done is narrowed our focus on what we
11 look at for the findings.

12 MR. KRICH: Is that -- I'm sorry, go
13 ahead, Steve.

14 MR. FLOYD: The inference I am getting is
15 that if you can document it in the inspection report,
16 the licensee pays more attention to it. Because I
17 presume if you find these issues, even if they are
18 green, you are still telling the licensee about them.
19 That you think human performance is contributing to
20 this issue. Is the sense that I am getting right that
21 you think the licensees are blowing it off if it is
22 given verbally? There is a difference between verbal
23 response and written response?

24 MR. CAMPBELL: No. We have two audiences,
25 though. I mean, actually three. We have the NRC, the

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1 licensee and also the public. Us and the licensee
2 know what they are doing about human performance
3 errors no matter what level they are at. But how does
4 the public know? I mean, we are just screening them
5 out as green.

6 MS. FERDIG: How does what the public
7 knows in your view affect what the licensee is doing
8 to fix the problem? I guess what I am hearing you say
9 is that you feel restricted in being able to identify
10 early enough to perhaps prevent what is a problem that
11 emerges later that shows up through the system with
12 the color change and so on. If you were able to
13 identify it sooner, that may be -- or if they were
14 responding to it sooner, that may change. So how does
15 the public knowing that or not affect the licensee's
16 decision about action around your identified concern?

17 MR. CAMPBELL: Well, it probably doesn't
18 matter, but still we have customers out there. And we
19 still have to -- I mean, they pay us to inspect the
20 plant. And they are part of what we need to inform on
21 how they are performing. If you give them a mid-year
22 review saying everything is fine and you get the
23 baseline inspection, there is no real justification
24 for what you are saying.

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1 MS. FERDIG: But what about Steve's point
2 that -- I mean, is it a question then of the licensee
3 not acting?

4 MR. CAMPBELL: At my plant, they are
5 acting. I don't know what is going on at the other
6 sites partly because I haven't read the other reports.
7 But I think in part it is also that we are not putting
8 down on paper what is going on.

9 MS. FERDIG: And what would be different
10 if your observations were aggregated and somehow
11 factored in?

12 MR. CAMPBELL: I think I am trying to
13 shoot more for being more predictive and proactive
14 than being indicative. There could be a lot of minor
15 problems going on from a human performance level and
16 then all of a sudden the plant is a trouble plant on
17 a trouble list.

18 MR. MOORMAN: Steve, that is a good point.
19 Isn't there a concern that a lot of inspectors have
20 that, well, these issues will show themselves with
21 some color, but it may not be white. It may be yellow
22 or red. And then at some point the question gets
23 asked where were we.

24 MR. CAMPBELL: Right.

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1 MR. BRADY: Let's see if we can back up
2 just a little bit. I want to go back to the question
3 that was asked over here. What is different between
4 the old program and this program? If you go back to
5 the old program, there was a level 3 violation on
6 programmatic breakdown and that is basically where we
7 aggregated this stuff. And when you looked at those
8 things that each of them individually probably
9 wouldn't have been a level 3 or a level 2 violation --
10 they were probably down in the level 4 space. When we
11 moved into the new program, what we had from a cross-
12 cutting issue standpoint limited us, the inspectors,
13 from the standpoint of we had to use only those
14 findings which we had identified. That has recently
15 been fixed. In allowing us under 40A7 to use those
16 things that are in the licensee's program along with
17 those things that we have found to now identify in the
18 report those things. So there may be a different
19 flavor to this in the months to come. That has been
20 only recently implemented in the October revision of
21 0610*. So some of this may change, but a lot of it
22 has been in response to the concerns that the
23 inspectors have had in relation to cross-cutting
24 issues, problem identification and resolution. What
25 do these things really mean? Are you going to let us

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1 really look at them? Are you going to let us trend
2 them? So things are changing. But going back to
3 what's -- where were we, where are we, we lost
4 something, we kind of got it back but there is no
5 level of significance associated with this trend in
6 this program. That is what is different.

7 MR. BLOUGH: And that is where I sense a
8 little different slant from Steve Campbell than say
9 from Jeff. Where Steve is finding that there is a
10 level of frustration about the level of documentation,
11 but there is not a level of frustration regarding what
12 the licensee does with the information. Whereas --
13 and he would like to be more predictive. Whereas I
14 think Jeff is telling us that he believes if we had a
15 good measure of significance of the human performance
16 area that it might be driving us to a different
17 indication -- you know, a white indication on human
18 performance. Whereas right now, you have more of a
19 situation where you have either green findings or no
20 color findings. And then if those are -- if the
21 licensee's corrective action doesn't deal with those
22 well, you have more green findings but you never have
23 really an escalation out of that cycle, if you will.

24 MR. CLARK: I think there is also a tie
25 back to Steve's comment on the documentation that I

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1 have a concern as well. It was brought up by Jim. And
2 that is in the old process, we used the inspection
3 report as a police keeper. The inspection report would
4 document what the inspector saw throughout the period
5 and it is like everything that the inspector saw
6 throughout this period. Then you would use that as a
7 reference for any kind of future activity or future
8 findings. Here, we may be placing ourselves in a
9 situation where in August I see an item that is a
10 finding and I say and oh yes, by the way, we saw
11 precursors to this in March, but those weren't
12 documentable. Those were not -- you know, they
13 screened out in the SDP and were not in the inspection
14 process. And that leaves -- I would say it leaves the
15 Agency, it leaves the licensee and it leaves the
16 public in a position where you have undocumented
17 issues out there.

18 MR. BORCHARDT: Are you keeping two sets
19 of books now?

20 MR. CLARK: Officially or unofficially?

21 MR. BORCHARDT: Well, the one that is not
22 in the report is -- I mean, it would be your own
23 personal inspection notes or whatever you would want
24 to call it. But it is not something that goes on the
25 docket.

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1 MR. CLARK: That is correct. And that is
2 what I am concerned with the use of.

3 MR. HILL: There seems to be a little bit
4 of a disconnect too on the fact that you talked about
5 you were glad that you could now start documenting
6 findings that basically were licensee identified. I
7 know there is a feeling -- I just heard it a few days
8 ago. There is a terminology of inspectors mining the
9 corrective action programs for findings just to have
10 findings. So there seems to be some disconnect with
11 what is the purpose of what you are doing with them
12 and what the view is, I think.

13 MR. CAMPBELL: What is your question?

14 MR. BLOUGH: The only use of those is part
15 of developing a trend. For example, if you see a
16 trend in a cross-cutting area, then you can -- as I
17 understand it, the inspector first has to have green
18 findings that are NRC identified. And anything below
19 a green threshold cannot be brought to bear on trying
20 to evaluate a trend. But licensee identified issues
21 can be used to fill in part of that trend. So,
22 therefore, if you have a licensee who is very good at
23 identifying everything and gets it into the corrective
24 action system but nonetheless there is still a trend
25 there despite their ability to identify just about

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1 everything, the inspector can at least make -- use
2 that as part of the pattern mixed in with at least
3 some NRC identified green findings.

4 MR. CAMPBELL: We have an opportunity
5 being independent to be able to see the forest while
6 the licensee sees the trees. They just see one human
7 performance error, but we can stand back and see the
8 whole picture. That is a benefit to both the public,
9 ourselves and to the licensee. We point out, hey, you
10 have got a number of these. Our SDP doesn't mean
11 much, but to us it is a concern that maybe the culture
12 may be starting to dip here.

13 MR. FLOYD: And you communicate that to
14 the licensee, I hope.

15 MR. CAMPBELL: Yes, we have to. And I do
16 keep a separate inspection notes. What we have is an
17 H drive on our computer where both me and the
18 secretary or anybody who accesses our computer -- we
19 keep observations of every inspection period. And
20 what we do is we sit down and print them out and throw
21 out the ones that don't mean anything and then tell
22 the ones that mean something to the licensee and pull
23 that 0610 and see what can make it to the report and
24 put them in the report.

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1 MR. GARCHOW: So when you say informally,
2 it is informally relative to not being in the
3 inspection report. But at least the practice is, at
4 least at the three units I go to routinely, all of
5 those are formally discussed both in pre-exit meetings
6 with our licensing folks and then in our formal NRC
7 senior management exit. So it is at least formally
8 discussed with the licensee.

9 MR. CAMPBELL: Our resident meetings give
10 the -- what we are going to put in the report. We
11 finish that exit and say now here is our observations.
12 So it is -- you finish with the formal and then you
13 tell them what the observations are. These aren't
14 going to make the report, but these are what our
15 concerns are. This is what we saw during this
16 inspection.

17 MR. GARCHOW: So from the viewpoint of the
18 licensee -- I mean, I don't split that meeting into
19 compartments. To me it is the whole package that I am
20 getting from the insight from the residents.

21 MR. CLARK: Let me bridge over here too.
22 I mean, a lot of comments you hear from inspectors, we
23 are kind of paid to be critical, right? We are also
24 -- I want to emphasize a positive aspect here as well.
25 I think an important feature that was lost was the

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1 positive comments in the inspection report. I
2 continually hear that it was an industry request that
3 those positive comments not be shown in the inspection
4 report and it is now our policy that those positive
5 comments do not show up in the inspection report. I
6 would have to say for a strong performing licensee
7 that those comments probably don't do a whole lot.
8 But for a licensee that has some issues or that has
9 some struggles, that actually shows improvement. And
10 I think that can actually instill public confidence in
11 both our inspection process with them and the
12 licensee's performance with the public. I recently had
13 a member of the public -- you know, actually I was
14 surprised. They were looking through the Website and
15 they were reading the inspection reports. And they
16 said we have noticed that there has not been anything
17 positive come out about Cooper in the last like six
18 months. So I had to go through the process to explain
19 to them that there is a reason for that. That we
20 don't do that anymore. And that member of the public
21 actually stated to me that they thought that was a
22 great disservice.

23 MR. BORCHARDT: Earlier this morning there
24 was some discussion about the sensitivity to white
25 findings and I suspect there is a sensitivity to even

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1 some green findings, but we talked about white
2 findings. Now on the panel, you represent plants that
3 were both pilot and non-pilot. Do you have a sense
4 amongst yourselves that have the pilot plants -- has
5 their sensitivity lowered because they have been with
6 the process longer or is this likely to be a long-term
7 issue?

8 MR. BRADY: I'll go ahead and answer for
9 the plant that I am at. I don't think the sensitivity
10 has lowered. In fact, I think it has continued to
11 increase. The comments that we have gotten from the
12 management at this utility are we continue to be ahead
13 of their staff in risk -- being risk informed. One of
14 the things that we have done because the Phase 2
15 sheets were not in the usable form that we thought
16 they were going to be is we have gone back to the
17 thumb rule that we have gotten from the SRAs that say
18 take the risk achievement worth minus 1 times the base
19 CDF and you can come up with a rough figure of what
20 delta CDF is. And the licensee where we are has a
21 table of those risk achievement worth values. And what
22 we, the residents, did is we solved that equation
23 backwards to say what does a raw value need to be to
24 get greater than 10^{-6} . What does a raw value need to
25 be to get greater than 10^{-5} . And so we have those

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1 laid out on our board. You know, 1.02 is -- above
2 that is white. Above 1.2 is -- and so forth. So by
3 doing that, we are continually -- as issues come up,
4 we can make a rough estimate of, hey, this is a
5 potential something or other. Now obviously those
6 things don't factor in recovery. But it gives you a
7 quick idea of where does this thing fall from a risk
8 standpoint. So we see things that happen and we can
9 quickly say, hey, this looks like a potential so-and-
10 so and we need to follow that. I notice one of your
11 concerns in here was about plant status. That is
12 where you pick those things up. That is the reason
13 that plant status is so important in doing this
14 inspection program. Because when you plan all of these
15 inspections out in advance and you go in to do them,
16 if you are doing plant inspections looking for
17 hypothetical problems and ignoring the real problem
18 that is right there while you are at the plant, you
19 are not doing the right thing. So we are continually
20 looking from a plant status standpoint at what are the
21 real issues that are going on and do we need to move
22 over from the planned inspection program -- break our
23 plan and do the risk significant item. Because of
24 that, we focus on risk significant issues quickly,
25 identify the risk significance a lot faster than what

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1 the licensee does. I don't know if that answers your
2 question, but for us that is what we do.

3 MR. CLARK: I would say at Cooper the
4 sensitivity is increased. I recall early in,
5 especially in the pilot process, we were explaining to
6 the licensee why we were inspecting. And we would walk
7 them through the SDP and we would say because you had
8 a diesel out or because you had HPSI out or whatever.
9 We see this as potentially a risk significant event,
10 so we are going to inspect this on this attachment.
11 And then we get an okay. As the inspection program
12 has progressed, it is now the relationship of we give
13 somewhat the same explanation. You know, you just had
14 HPSI fail because of this, therefore we are going to
15 inspect it. And we get an immediate response back and
16 it is green because of this. So we are getting that
17 immediate argument up front now as to why the licensee
18 views it as green.

19 MR. BRADY: The other thing that I have
20 seen is when the licensee begins to focus on the risk
21 significance of the issue, the words that are
22 beginning to come out is as the delta CDF goes up,
23 their staff need to recognize that the level of
24 uncertainty needs to go down as far as how they
25 analyze what is going on in that particular item. So

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1 that has changed the licensee's approach to things by
2 early on attempting to do the same thing that we are
3 doing. Saying, hey, this could be a potential green,
4 white or yellow, and therefore, if it is a potential
5 yellow, we need to have this thing really nailed down.
6 If it is a low level green or something like that, you
7 may use more engineering judgment and make more
8 assumptions and so forth because the risk isn't as
9 high.

10 MR. CLARK: Steve, I think we are going to
11 have to take off. We are going to abandon these guys.

12 MR. BRADY: Yes, Steve and I will stay for
13 whatever additional questions you have.

14 MR. CLARK: Thank you.

15 MR. GARCHOW: Is there anything in the
16 program from -- I'll say you are right at the point of
17 attack, right? So from right at the point of attack,
18 is there anything in the program that you see causes
19 it to be unworkable or causes you to question its
20 ability to move forward? Or are the issues able to be
21 identified and are they being worked and you see
22 improvements in the process? What concerns you the
23 most?

24 MR. BRADY: I don't see anything that
25 prevents me from getting to what I think needs to be

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1 gotten to. Maybe four or five months ago, I was
2 asking myself the question, well, how important are
3 the new procedures versus the old ones? And the
4 conclusion I came to was we could go back to the old
5 procedures and not miss a beat, but please don't take
6 the SDP away from me. That is the thing that when you
7 talk about the new program and you talk to the public,
8 those risk-informed decisions are based on the risk to
9 the public. It used to be you would see the clipping
10 in the paper that said we have fined so-and-so
11 \$50,000.00, and your neighbors would say should we
12 evacuate or what should you do. And we would end up
13 saying, no, we are just mad at them. And when you now
14 look at this new program and you look at, okay, you
15 had a white finding, what does that mean? Oh, well,
16 that is a decade increase in risk to you. That means
17 something to those folks as opposed to we are just mad
18 at them. And that is the real positive, I think, of
19 this new program. So when you look at where do we go
20 from here, I think it is more and better SDPs. There
21 are still some areas such as spent fuel. You know,
22 there is potentially four or five cores sitting in a
23 cool. There is four or five cores sitting in an
24 independent spent fuel storage facility. There is risk

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1 associated with those. I don't know what they are
2 because the SDP doesn't cover that.

3 MR. REYNOLDS: I have to say one thing. I
4 don't think the NRC takes action on a licensee just
5 because we are mad at them. We don't do that. We
6 never have. I disagree with you there, Joe. And I
7 think -- that is fine, Steve. I am just telling you
8 the Agency's position on that. And I think if you talk
9 to Bill Borchardt in enforcement -- enforcement
10 doesn't let us -- that office doesn't let us take
11 actions because we are mad at people.

12 MR. GARCHOW: I think I heard his response
13 in the spirit he gave it.

14 MR. SETSER: But it helps ease the pain.

15 MR. KRICH: Joe, let me ask you something.
16 I may have missed something. I'm sorry, did you have
17 more, Steve?

18 MR. REYNOLDS: Me or this one?

19 MR. KRICH: You.

20 MR. REYNOLDS: No, I am fine.

21 MR. KRICH: Let me make sure I understand.
22 Can you reconcile -- and I may have missed this. I was
23 out of the room and I apologize. You like the SDP.

24 MR. BRADY: Yes.

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1 MR. KRICH: But you said just before that
2 that the licensee is using risk significance before
3 you even have a chance to get into something. They
4 will come to you and say well MT is out of service but
5 it has low risk significance.

6 MR. BRADY: Potentially.

7 MR. KRICH: Yes. How do you -- I mean,
8 using SDP as well, how do you rectify --

9 MR. BRADY: That is fine. I don't see a
10 problem with that.

11 MR. KRICH: Okay.

12 MR. BRADY: I think it is important that
13 they look at risk just like we do and decisions should
14 be based on risk. And that is one of the things that
15 we look at when we go to do the PINR inspection. Are
16 they properly prioritizing corrective actions in
17 accordance with risk to the public.

18 MR. KRICH: Okay. I misunderstood. I
19 thought you were looking at that as that was not a
20 good way to use the process.

21 MR. BRADY: No, I think that is good.

22 MR. CAMPBELL: I think the program has got
23 us more focused. It is more structured. But there is
24 -- it limits you. That is what I feel about the new
25 program. And I think it is risk-based, but I think

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1 there is always room for improvement. I will give you
2 an example. I was going through 0609, appendix G,
3 which is a shutdown inspection manual where they had
4 issues, and we found that that inspection manual said
5 that there was four diesels for every site in the U.S.
6 And that is just a blatant error. But there is always
7 need for improvement. And I think that residents have
8 to continue to use PRA and that should be second
9 nature to them. We have good courses on taking PRA and
10 using it, but we have got to make sure that our
11 residents are out there using it frequently.

12 MR. KRICH: And if I understand, the
13 limiting part of it is that as you explained you are
14 unable to put down what you see as a trend or some
15 performance issue that --

16 MR. CAMPBELL: Latent issues that can't
17 make it to the report.

18 MR. KRICH: Right.

19 MR. CAMPBELL: But we can discuss it with
20 them and monitor and see if they are putting it in
21 their corrective action program.

22 MR. SHADIS: I would think that would be
23 of value to your successor should you leave that
24 position and move on to another position. Your
25 professional discretion or observations under

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1 professional discretion are preserved to the benefit,
2 whether they are discarded or not for the next person
3 that steps in to look at that plant. And I just would
4 have to presume you agree that that is the case.

5 MR. CAMPBELL: Yes. There is always -- I
6 think when we had TMI, we went one way in terms of the
7 way we inspected. It was very hard and a little bit
8 more conservative and had a lot of TMI action items.
9 Now there is a request for a change in our program,
10 which is good too. But we have to be balanced. We
11 can't go the other direction all the way. We need to
12 get -- we need to find a happy middle where we can
13 still identify problems that are risk significant and
14 make sure that the licensee is fixing them and not be
15 so much indicating how they are performing real time.
16 We have to have the ability to be able to say you look
17 like you are going this way and if you don't fix it,
18 you will be in more problems than what your
19 performance indicators say. Because you can actually
20 have a plant in the green and all of a sudden end up
21 in the red. How did they cross all those thresholds?
22 If you don't have some way of, you know, feeding it
23 back to them on how they are performing.

24 MS. FERDIG: As I understand this program,
25 one of the characteristics used to describe it is that

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1 it is more objective, risk informed ways of
2 identifying problems. And so what that implies to me
3 is that it tries to narrow out some of the
4 subjectivity or the kinds of things that went into
5 what were perceived to be inconsistent judgments from
6 plant to plant across regions and so on that
7 ultimately began to encroach upon what many might
8 refer to as management kinds of issues outside of the
9 regulatory space. So given what you have said and
10 given what seems to be the obvious advantage to have
11 someone from your perspective offer what it is you see
12 that might have an impact on how things get done to
13 avoid problems down the road, what are some ways to
14 think about how to do that that keep it as objective
15 as possible? To keep it from getting out of control?
16 To keep it from enabling you with well-intentioned
17 efforts to encroach upon what would be management
18 space in running its utility?

19 MR. CAMPBELL: Particularly after our
20 report in the outage -- I keep talking about that
21 report because since then we have screened out all
22 issues to be no findings. But even during that time of
23 the outage, they spent our inspection reports for
24 review. And NRR would actually sit down and see were
25 we actually implementing the program consistently and

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1 then take out issues that they don't feel to be
2 consistent with the way other plants have been doing
3 it.

4 MS. FERDIG: NRR would be kind of check
5 and balance?

6 MR. CAMPBELL: Yes. There was a time when
7 they were screening reports to see if we were
8 implementing the program consistently. We even had one
9 issue that was taken out where an operator didn't
10 perform a surveillance correctly. We thought that that
11 was a human performance issue, but they took it out
12 because they didn't feel it reached the threshold for
13 being risk significant, which is true. But they don't
14 have the advantage of being at the site and
15 understanding what our concerns are. And we have told
16 -- we have relayed to them that our concern here is
17 not so much risk significance, but it is a human
18 performance error that is recurring. So I think to
19 answer your question would be the screening is
20 probably good. It opens up a pretty healthy dialogue
21 between us and NRR to make sure that we have
22 consistent reports. It seems like the process,
23 although it is good for being structured, tries to
24 narrow it down where the rubber meets the road, right
25 at the inspector office. We are trying to whittle --

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1 you know, get rid of them now. If we put them in our
2 report and send them to NRR and they screen it and
3 they say, well, these aren't risk significance but we
4 see what you are saying because it looks like you have
5 a trend here. I mean, we will keep it in. So I think
6 the screening part is a good idea. Because we don't
7 have the advantage of knowing what is going on at the
8 other sites. We are only at Fermi. We don't know what
9 is going on at say Hatch, for example. Whereas NRR
10 has that advantage. They read all the reports and then
11 they put out reports that are trying to be consistent.
12 But we are trying -- I think we are kind of limited
13 where we are at in the field. We are just getting rid
14 of the issues on the field instead of presenting it to
15 NRR and let them screen it out. I don't know if that
16 is going to be a way to make it objective.

17 CHAIRMAN PLISCO: Last questions?
18 Resources. We have heard -- we have got a lot of
19 input all over the map. Some people think that there
20 is too much in the program. Some people think there is
21 too little in the program. Some of those comments are
22 specific to specific parts of the program. But if you
23 can speak to the inspection procedures that you
24 complete. In general, how do you feel about the

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1 estimated resource allocations and what you are given
2 to do the program.

3 MR. BRADY: Let me try and answer it this
4 way. When we originally put the procedures together,
5 the numbers that were there were based on performing
6 the procedure and not finding a problem. Now if you
7 start adding in problems, that runs the numbers up.
8 And a problem at his plant may take longer to resolve
9 than a problem at my plant or vice versa. So when you
10 begin to mix those in, it skews the numbers. And how
11 do you average those. But if you took performances of
12 each of these procedures where they were done without
13 a problem being found and you averaged those, I think
14 that would be a reasonable number to say this is how
15 much -- this is how many resources it should take
16 without a problem. Okay, now what happens if you have
17 a problem? Okay, you go longer. The idea being you've
18 got to complete the procedure. Everybody gets the
19 same amount of inspection. That doesn't mean hours.
20 That means completing the line items of the procedure.
21 Now a plant that is having a lot of problems is going
22 to end up with more inspection hours. A plant that
23 doesn't have many problems is going to have less
24 because it is going to take less time to do the
25 procedure. So if you are talking about the hours,

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1 estimated hours in the procedure, you have to be very
2 careful in what you are putting in to calculate those
3 hours. You can raise the hours or lower the hours.
4 But based on accomplishing every line item in the
5 procedure, it is going to depend on the performance of
6 the licensee to a certain extent.

7 CHAIRMAN PLISCO: Have you felt any
8 constraint as far as your resource allocation and
9 getting the inspections you think that need to be done
10 at the site?

11 MR. BRADY: No, I haven't felt any
12 restraint.

13 MR. CAMPBELL: To be more specific, I
14 think the inspection procedures that really doesn't
15 mean too much to me personally would be probably the
16 operator workarounds. We found issues where they
17 weren't putting in operator workarounds, but it didn't
18 mean anything, at least from an enforcement
19 standpoint. We said okay and they wrote a card and
20 that was it. I am not really -- I don't know why that
21 one is there. I know you probably get that from a
22 plant status point of view. Temporary mods is another
23 one. One hour for fire protection. How thorough a
24 fire protection inspection can you do in an hour?
25 What I do is mainly to try to get more out of that

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1 inspection would be to spend several hours preparing
2 for it, reading the USAR and reading the fire
3 protection plan and then going out and looking and
4 then charging all those hours I did for preparation
5 under baseline prep. I think it is just right. You
6 have to do the accounting on it. You have to say to
7 do a thorough inspection, I need to prepare for it
8 very thoroughly and then charge the hours I need to do
9 to fulfill the inspection program. But like I said,
10 operator workarounds I can't justify. I do it, but I
11 just really don't see any benefit in that.

12 MR. GARCHOW: So do you have a process
13 where -- how robust is the process from your
14 perspective of that kind of feedback getting rolled up
15 and acted upon and communicated back to you that, you
16 know, we got it and here is what we are doing about
17 it? I mean, is there a process for your feedback to
18 impact the process?

19 MR. CAMPBELL: For us at the NRC or the
20 licensee?

21 MR. GARCHOW: No, you as the senior
22 resident. You just had a concern to say, hey, this
23 doesn't quite make sense, an operator workaround. I
24 am using your example.

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1 MR. CAMPBELL: Yes, we use a feedback
2 form.

3 MR. GARCHOW: So you use the feedback
4 forms. And how timely is your -- do you get feedback
5 that somebody has got it and they looked into it? I
6 mean, is that satisfactory in your opinion?

7 MR. CAMPBELL: Specifically for me it has
8 been effective.

9 MR. BRADY: It has been slow, I think, to
10 a certain extent, and I think that has been
11 recognized, both by the regional management and by
12 NRR. To a certain extent, when we went through the
13 pilot program, some of the forms were accumulated. So
14 it -- I think it is changing. I think Bill is staffing
15 to try to get the backlog down. But we are, yes,
16 beginning now to hear, yes, we have got the forms and
17 we are doing something with it and it will be in the
18 next revision and you get an e-mail back in not too
19 long a period of time that says, yes, they got it.

20 MR. CAMPBELL: One last comment I want to
21 make I think would be we have good SRAs in the region
22 and I think they are a good idea. I think we should
23 use them as much as we can. But we need to give them
24 the tools to be really effective. The issues that I
25 call them up about, they like to know what the

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1 licensee -- how the licensee is coming up on their
2 assessment in terms of risk. We need to be able to be
3 independent of them and not ask them how you came up
4 with where you are on risk in terms of this issue. We
5 need to have our SRAs with the right tools to be able
6 to independently come up with their own risk numbers.
7 There has been a couple of occasions where I called
8 the region and talked to them about an issue and the
9 first question is did you find out what the licensee
10 has in terms of risk. I think we are lagging there to
11 give the SRAs what they need to do their job to be
12 effective and independent.

13 CHAIRMAN PLISCO: Any more questions? We
14 appreciate your time coming to talk to us.

15 MR. BRADY: Well, thank you for having us.

16 CHAIRMAN PLISCO: I think everyone is
17 ready for a lunch break. Let's go ahead and take an
18 hour until 1:30. We will start at 1:30.

19 (Whereupon, at 12:31 p.m., the meeting was
20 adjourned for lunch, to reconvene this same day at
21 1:41 p.m.)

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

(1:41 p.m.)

1
2
3 CHAIRMAN PLISCO: What we have left on our
4 agenda is to do some additional initial prioritization
5 of issues and then do some agenda planning this
6 afternoon. I think our practice at the last couple of
7 meetings at this point is let's talk dates for our
8 meetings so that during our next break if people need
9 to check back on calendars and things like that then
10 we can confirm those this afternoon. We will do that
11 first.

12 MR. GARCHOW: Didn't we put the same date
13 for that last meeting? Didn't we go two ahead?

14 CHAIRMAN PLISCO: Yes, that is what I was
15 going to do this time. We have got February 26 and 27
16 for our next meeting. After that, there is a couple
17 of options. One that has been proposed, because I know
18 a number of people here plan to go to the External
19 Lessons Learned Workshop, and one option is just to
20 tack on to the Thursday and Friday of that week and do
21 it. That makes a long week.

22 MR. KRICH: When was that?

23 CHAIRMAN PLISCO: That is the last week in
24 March. The External Lessons Learned -- the 26, 27 and
25 28 is the External Lessons Learned.

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1 MR. GARCHOW: Where does that fall in
2 relative to the Reg Info Conference? Is that the week
3 prior?

4 CHAIRMAN PLISCO: Two weeks later. The
5 other option is to go ahead and do it the week after
6 that. That is the first week in April. We could do
7 it like ACRS and do a Saturday. No.

8 MR. FLOYD: I vote week after. That is a
9 bit much, five days of this.

10 CHAIRMAN PLISCO: I thought so too, but
11 that was proposed and I just wanted to put it on the
12 table. That is a long week.

13 MR. GARCHOW: Prior to April 7 I need
14 because we go into a refueling outage in that early
15 April, so I need to be there for that.

16 CHAIRMAN PLISCO: I have to plan on two
17 full days.

18 MR. BROCKMAN: In some ways getting out of
19 the second half of the retreat is not necessarily a
20 bad deal.

21 MR. SCHERER: No, I can't do that. Sorry.

22 MR. GARCHOW: What does that Monday and
23 Tuesday look like the first week in April? What dates
24 are those?

25 CHAIRMAN PLISCO: Second and third.

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1 MS. FERDIG: Second and third.

2 MR. GARCHOW: That seems to work. I mean
3 it would work for me. I don't know if everyone else --
4 Monday and Tuesday is probably the least impactful for
5 me.

6 CHAIRMAN PLISCO: What do the 2nd and 3rd
7 look like?

8 MR. REYNOLDS: The 3rd and 4th are bad for
9 me. And I already told you I am going to miss
10 February.

11 CHAIRMAN PLISCO: Anyone else have a
12 problem?

13 MR. SCHERER: The beginning of the week is
14 difficult for me.

15 MR. SETSER: If we make it more attractive
16 to you depending on where we are going to have it,
17 would that make a difference on your retreat or not?

18 MR. REYNOLDS: It makes it more attractive
19 for me, but my ability to go is still the same -- or
20 lack of ability to go is still the same.

21 MR. BROCKMAN: What are we backing up
22 against? When are we --

23 CHAIRMAN PLISCO: Our original target to
24 try to get our report out is April 29. Now based on
25 looking at some ability in schedule, we have a little

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1 more flex than I thought we had initially because they
2 backed their date out now to the 29th.

3 MR. BROCKMAN: Is the 5th and 6th a better
4 option? We didn't look at the last two days of the
5 week. And that is still before the 7th.

6 MS. FERDIG: That would work for Steve.

7 CHAIRMAN PLISCO: But it sounds like it is
8 a problem for Dave.

9 MR. BROCKMAN: No, Dave is okay. He has
10 just got to be back the 7th. Is the 5th and 6th okay?

11 MR. GARCHOW: Is that a Thursday and
12 Friday?

13 MR. BROCKMAN: Thursday and Friday.

14 MR. GARCHOW: That probably won't work for
15 me. I mean, if I am not there I can catch it from
16 Steve or plug in later. Earlier in that week is
17 better than later. I mean Monday and Tuesday, I could
18 commit to, but I can't commit to Thursday and Friday.

19 MR. BLOUGH: Should we look at -- did we
20 -- the External Lessons Learned is Monday, Tuesday and
21 Wednesday of the previous week. It sounds like we
22 have problems that next week. Did we eliminate the
23 Thursday and Friday of the same week?

24 MR. GARCHOW: The week before you are
25 talking about?

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1 MR. BLOUGH: Wiping out the whole week.

2 MR. BROCKMAN: There are a few who said
3 that their productivity may be limited.

4 CHAIRMAN PLISCO: Yes, after three days of
5 the workshop.

6 MS. FERDIG: And a few who can't come.

7 CHAIRMAN PLISCO: Mary can't come on the
8 30th.

9 MR. BLOUGH: So we did eliminate the week
10 before?

11 MR. KRICH: What about the week of the
12 21st? The 19th and 20th of March?

13 CHAIRMAN PLISCO: I thought there was some
14 benefit to having it after the External Workshop too.
15 Hopefully by the end of our February meeting, we will
16 have at least put on the table most of the issues, and
17 I think it would be worthwhile to hear those at that
18 external workshop and the other discussion of similar
19 issues I think will help us.

20 MR. TRAPP: If we move it up a couple of
21 weeks too, we are getting real close to the February
22 one.

23 CHAIRMAN PLISCO: Yes, and that runs into
24 practical problems for John as far as getting his
25 minutes out and meeting notices out and Federal

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1 Register notices out because of the timeliness
2 requirements.

3 MR. GARCHOW: I think if one or two of us
4 are not going to be able to make it is just going to
5 be a fact of life. We are trying to herd 17 diverse
6 people that have other jobs besides supporting this
7 one. So I would not feel offended if you had it that
8 end of that week in April and I wasn't there. I will
9 just catch up. I have got contacts.

10 CHAIRMAN PLISCO: But it sounds like the
11 2nd and 3rd -- I thought what I heard is all we have
12 is Steve on the second day.

13 MR. KRICH: I for one think Steve is very
14 important.

15 CHAIRMAN PLISCO: We'll just let him do
16 all his talking the first day.

17 MR. SCHERER: Kissing up always pays off.

18 MR. FLOYD: Ed, is Thursday and Friday any
19 better for you than Monday and Tuesday? It is?

20 CHAIRMAN PLISCO: Say it again?

21 MR. FLOYD: I was just asking Ed if
22 Thursday and Friday is better for him than Monday and
23 Tuesday, and he said it was.

24 MR. SCHERER: I might be able to -- I'll
25 make some calls. I might be able to move some things

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1 around. But right now, the 2nd and 3rd is a tough day
2 and the 5th and 6th is better for me. But I can make
3 some calls to see if I can move some things around.

4 MR. GARCHOW: So it sounds like a good
5 executive decision opportunity for the chairman and we
6 can move on to a meaningful discussion.

7 CHAIRMAN PLISCO: Why don't we look at
8 those two and we will revisit this later this
9 afternoon. Ed is going to check and see if he can
10 shuffle things around. We are looking at April 2nd
11 and 3rd or the 5th and 6th.

12 MR. BROCKMAN: And Ed holds the keys.

13 MR. SCHERER: What was that, Ken?

14 CHAIRMAN PLISCO: Anything else on that?

15 MR. GARCHOW: Did we finalize the location
16 of the February meeting?

17 CHAIRMAN PLISCO: We didn't, but John and
18 I were talking last night. I know some of the
19 attendees that we had talked about --

20 MR. MONNINGER: The past meeting we talked
21 about for the February meeting hearing from public
22 interest groups such as UCS and Public Citizen, NEI,
23 representatives of the press and/or media,
24 representatives of the financial community and members
25 from PPEP.

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1 CHAIRMAN PLISCO: 90 percent of that list
2 are located here. I was going to get to that later
3 this afternoon. But based on that list --

4 MR. MONNINGER: I guess you could ask if
5 it is still a good list?

6 CHAIRMAN PLISCO: And if we invite them,
7 obviously the likelihood of them coming would increase
8 if we have it here in this area. So that was going to
9 be my proposal to stay in the D.C. area. Any other
10 suggestions? I guess we don't know if it will be this
11 place. We give it to our contracts people and they
12 bid it out. We can't ask for a particular location.
13 Anything else on that?

14 MR. GARCHOW: As long as it is close to a
15 Metro stop. That is helpful to some of us in here.

16 CHAIRMAN PLISCO: Yes, we can put some
17 criteria.

18 MR. MONNINGER: Is this close to a Metro
19 stop?

20 MR. GARCHOW: Not as close as I thought.
21 But it was okay.

22 MR. MONNINGER: Because we clearly put in
23 close to it and this is what they got back.

24 MR. GARCHOW: Well, close is a relative
25 term, John.

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1 CHAIRMAN PLISCO: Okay. And we'll talk a
2 little bit more about some of the agenda items later.
3 But for the rest of the afternoon, what I would like
4 to do is continue through our prioritization of the
5 issues with Chip's assistance. What I was going to
6 propose in the order that we do this is to do the
7 assessment and enforcement area and the inspection
8 area.

9 MR. SCHERER: Before we do that, we ran
10 out of time when we were doing the significance
11 determination process and I don't think we went back
12 to that to revisit. And one of the issues that at
13 least I had that I didn't see there yet was the
14 process for identifying and resolving false negatives.
15 So I feel --

16 CHAIRMAN PLISCO: That is captured in the
17 overall. We put that -- John and I have that under
18 the feedback and lessons learned process.

19 MR. SCHERER: Okay.

20 CHAIRMAN PLISCO: I think it is in an
21 overall --

22 MR. SCHERER: But until we get to the
23 overall, I would like to at least leave a place holder
24 in the SDP process where I think the vulnerability
25 lies more than any other area.

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1 MR. CAMERON: Maybe I should go through
2 these parking lot issues and see if that is captured
3 and add that on.

4 MR. SCHERER: If it is at least in the
5 parking lot, that would be find with me.

6 MR. CAMERON: All right. Let me just go
7 through these quickly. Is that okay with you, Loren?

8 CHAIRMAN PLISCO: Yes.

9 MR. CAMERON: These are just sort of a
10 reminder of things that may be outstanding that the
11 panel needs to agree on. And you may have agreed on
12 some of these but some of them are a little squishy
13 and some of them are still unsettled, I think.
14 Criteria for prioritization. First of all, you were
15 talking about are we doing the priorities against all
16 eight objectives or only against the maintain public
17 health and safety? The fact is that when we went
18 through the SDP area, we did it against all of the
19 objectives. So I guess by implication, that is what we
20 are going to be -- what you are going to be doing. But
21 that was one issue that was raised yesterday.

22 The second one in terms of the criteria
23 were criterion 1. We had the S word -- I think that is
24 the S word, showstopper. We had fatal flaw. We had
25 serious. There was a long-term versus short-term issue

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1 that played into this. And I think what we decided to
2 do there was to go through some of the specific
3 categories and see how that shook out and maybe
4 revisit these later. And if any of you think that
5 these have been solved, let me know.

6 We need to review the major categories and
7 the summary table of issues. I think Ed brought that
8 up after we are done to see if that categories still
9 make sense. Review issues in individual categories to
10 see what should be pulled into category 02, need for
11 public access to information, or category 05, need for
12 timely and clear public communications. We identified
13 a couple of those in the SDP area.

14 We talked about this. How much should
15 ongoing staff work to fix an issue, influence the
16 priority determination of the issue? Another
17 suggestion from Ed, a periodic and systematic review
18 of all SDPs should be reflected in the overarching
19 issues. I think we are going to make Ed the king of
20 the parking lot actually. He has come up with a lot
21 of these. Need to incorporate any new issues raised by
22 the presentations yesterday and today. And I imagine,
23 Loren, you and John will be looking at that for the
24 next time.

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1 And identify any other issues in each
2 category that need to be added. I don't know if this
3 goes to your point, Ed, or not. But we did add 10 and
4 11 onto the SDP category yesterday. Loren, do you want
5 to finish that out with other issues or do you just
6 want to jump into assessment?

7 MR. GARCHOW: I have a suggestion, Loren.
8 We had two issues yesterday on SDP. We specifically
9 said let's listen to the SRAs and then come back and
10 assign the score. And I think the questions we asked
11 -- I mean, the ones I asked were right towards those
12 because I knew we had to come back and close that out.

13 MR. CAMERON: And that was threshold and
14 use of colors, right? Those were the two issues?

15 MR. GARCHOW: It was the impact of the TSA
16 models not being consistent on the process. That was
17 the first one.

18 CHAIRMAN PLISCO: Right, S-6.

19 MR. GARCHOW: So those may or may not be
20 able to be closed out quickly, but while it is fresh
21 on our mind I suggest we at least talk about it.

22 CHAIRMAN PLISCO: Why don't we do that.
23 The first one was S-6 on PRA quality and consistency.
24 It looked like we were undecided between a 1 or a 2
25 where we were on that. What do we think now?

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1 MS. FERDIG: Part of our indecision had to
2 do with the fact that there were checks and balances
3 in place and they are working toward it, which gave it
4 a twoish sound. And yet others were thinking that the
5 degree to which it is consistent standards and so on.

6 MR. BROCKMAN: Until we deal with that one
7 parking lot issue, that action could affect things.
8 This is going to continue to come back and bugaboo us
9 all day long. Until we deal with the parking lot
10 issue concerning do we take into consideration as our
11 rating whether there are actions ongoing already.

12 MR. GARCHOW: Well, relative to the
13 inconsistent PSA, I was trying to get them to answer
14 the question. Even though it is an efficiency issue,
15 a lot more dialogue. Maybe it affects timeliness. I
16 mean, I didn't hear any of them tell me that that was
17 causing them to come up with whatever a wrong answer
18 would be when I asked them directly. So I think that
19 was -- at least for my personal money, the answer to
20 that was whether this was a very major issue that
21 would get a 1, or is it something we can allow to be
22 a priority issue and keep working on the level 2
23 action sheets and wherever the industry effort and NRC
24 effort is in standardizing PSA, can those trains just
25 sort of keep chugging along independent of this

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1 process. That is what I was trying to get them to talk
2 about.

3 MR. FLOYD: And I think the other thing
4 that I heard was that they felt like the differences
5 were narrowing in the PRAs. If you look at the IPE
6 results, then there are some significant differences.
7 But they talked to most of the licensees and got
8 updated information and the results are much more
9 consistent. And I also heard where there are
10 differences, they feel like they have a good
11 understanding of why those differences are there and
12 they are able to factor that into their decision such
13 that they are not reaching the wrong conclusions.

14 MR. SHADIS: Yes, but do you gentlemen
15 think that all eight of those objectives can be met if
16 these PRAs aren't trued up -- if this isn't taken care
17 of? I mean the statement for category 1 here is if it
18 is not corrected, it could threaten meeting one of the
19 goals of the ROP. So essentially if any one of the
20 goals of the ROP is threatened, that is the language
21 we have. If the issue isn't corrected. Does it meet
22 that?

23 MR. CAMERON: Someone did raise the issue
24 of is it understandable. In other words, has it been
25 explained and has it been articulated? Just a --

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1 besides the checks and balances and we are fixing the
2 issue business, this issue of is it a 2 because even
3 though the differences are -- the inconsistencies are
4 less and they know why there are inconsistencies, is
5 that being clearly communicated?

6 MR. SCHERER: Well, we are getting -- we
7 are mixing two subjects in my mind. The subject and
8 parking lot of what is a 1 and what is a 2. I tend to
9 have -- still from yesterday, I tend to have the
10 higher definition. Not a potential threat but a very
11 real and imminent and cause the program to fail. And
12 I have a problem giving it a 1 in my mind because the
13 SRAs indicated that they were comfortable that it may
14 be burdensome and it may be a problem and it may cause
15 them some extra effort until we get the process
16 further along, but what I was hearing is that they
17 were comfortable they were coming to the right answer.
18 They were addressing the issue and they were able to
19 address the issue in a clear and explainable manner
20 after the fact. So that they could justify what it is
21 they decided and clarify it for the public and for the
22 other stakeholders. So I believe it is a high priority
23 subject, but I don't see that the lack of that would
24 cause the staff to be unable to implement the program.

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1 MR. SHADIS: But what we have written down
2 -- I mean, the language that we have to work with is
3 whether or not it threatens meeting one of the goals.
4 So do you think that if one or two or three of the
5 goals were not met that that would threaten the
6 program?

7 MR. SCHERER: One or two of the eight
8 goals that we have?

9 MR. SHADIS: Yes. I mean that is what we
10 are coming to.

11 MR. SCHERER: Yes. But I don't think it
12 does. I can't find a goal that at the end of the
13 process we will fail to meet.

14 MR. FLOYD: I think a good example of
15 maybe what Ed was just talking about -- again, I would
16 urge people to go look at the Indian Point-2
17 inspection report. Because in there, it does talk
18 about how that was initially a proposed red. It talks
19 about the licensee came in and they had dialogue and
20 it explains the rationale for how the Agency factored
21 in the information from the licensee and concluded
22 that it was still a red finding. So I think it is
23 understandable. Now it does require a member of the
24 public to go to the inspection report level. But I
25 would think if they see a red on the Website and were

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1 concerned about it that they would go click on it and
2 read the inspection report, for those that get to the
3 Website.

4 MR. BORCHARDT: I think we have a problem
5 with the definition of 1, though, and it is that word
6 could. Because it places a bunch of hypotheticals
7 into play. And I think we need to agree on perhaps a
8 new definition for number 1, and then we can get to
9 whether or not the issue at hand impacts.

10 MR. SCHERER: I thought we did that
11 yesterday, but we didn't reach agreement.

12 MR. BORCHARDT: I think our official words
13 are as originally proposed. I don't think we actually
14 did --

15 MR. CAMERON: Yes, I don't think we closed
16 on that because we weren't really getting anywhere.
17 And so we said let's go through a bottom-up routine
18 and see if that helped us out any.

19 CHAIRMAN PLISCO: I think we decided to
20 come back to this after we tried out one area and then
21 see what we thought about the definition.

22 MR. MONNINGER: It would seem like a
23 starting point would be just to take out the word
24 could and throw an S on the word threaten -- it
25 threatens meaning. So it is more of a --

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1 MR. SCHERER: Well, threatens bothers me
2 too because that is a potential. Everything can be a
3 potential. I -- my suggestion yesterday was that we
4 take out the word "could threaten", and it has to pose
5 a real problem to the process. The process essentially
6 won't work unless this is fixed -- real and imminent
7 danger, not potential -- not threaten -- not could or
8 might.

9 MR. BORCHARDT: Would you go so far as to
10 put the word prevents?

11 MR. FLOYD: Right. That is what I would
12 say.

13 MR. SCHERER: Fine.

14 MR. FLOYD: That is a strong statement of
15 the goal.

16 MR. SCHERER: Yes.

17 MR. FLOYD: If the issue is not corrected,
18 it would prevent meeting one of the goals.

19 MR. SCHERER: And if I was king, would I
20 stop this process until that was fixed?

21 MR. SHADIS: That is a whole other ball
22 game.

23 MR. FLOYD: Yes, that is a different
24 question.

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1 MR. SHADIS: We were arguing yesterday
2 about whether or not all these goals had equal value
3 and what the weight of each goal was. People were
4 saying, well, you will never convince the public, et
5 cetera. So that -- you know, let's set that one aside
6 and deal with the remaining 7. I don't know how long
7 that process can go on before you are down to just
8 relieving regulatory burden or wherever it would go.
9 So I just would like to know -- you know, come to some
10 understanding of what the basic groundrules are here.
11 You know, where we are going. And then --

12 MR. CAMERON: Can we just put -- to get to
13 that point, can we identify what the major issues and
14 controversy are? One of them is this potential versus
15 real threat. Okay? Another is are all goals equal?

16 MR. SHADIS: What Ed introduced here was
17 the notion that that first category should be a -- I
18 can't use the word -- should be a something that would
19 prevent the whole process from going forward.

20 MR. CAMERON: That is the third issue. In
21 other words, there is two ways to read this. It would
22 prevent a goal from being met, which are one of those
23 eight goals. Or it would prevent the program from
24 being successfully implemented. Those may be -- I
25 mean, you might give a different priority to an issue

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1 depending on whether you said prevents a goal from
2 being implemented versus prevents the program from
3 being successfully implemented.

4 MR. SHADIS: Yes, but Chip, if you used
5 your terminology -- if this thing would prevent the
6 program from being successfully implemented, I can't
7 think of anything that would -- you know, it is of
8 course conditional, if it is corrected. Do you know
9 what I mean?

10 MR. GARCHOW: Let's fly up -- go up about
11 5000 more feet where you can get out of the details a
12 little bit for a second. We are hearing evidence -- I
13 won't say evidence. We are hearing getting information
14 and I think there are two standards. One, have we
15 heard anything that has a factual basis through the
16 first year of initial implementation that would
17 suggest that the issue, whatever it is we are talking
18 about, has actually caused one of the objectives not
19 to be met? So I think we have to answer that
20 question. If the answer is no, then that answer is no.
21 Then maybe another standard -- I think this group was
22 collected together because of its diversity. So I
23 think we do owe the NRC our collective judgment that
24 did we hear anything in our questioning or reading the
25 material that we at least could surmise that we could

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1 prioritize the issue saying that if left unchecked,
2 this issue has a greater potential impact than this
3 other issue. So that is two separate things. I mean,
4 if we haven't seen any indication after a year and we
5 have heard that and reviewed the data, I think we
6 -- I think that is valid. That is actually using facts
7 to help make the conclusion. And then use the second
8 test to be collective judgment of trying to prioritize
9 what are probably a whole sackful of open issues that
10 have surfaced after a year.

11 MR. BROCKMAN: Why are we prioritizing
12 these? What is our expectation from prioritizing them?

13 MR. GARCHOW: That is what Bill Dean asked
14 us to do when we asked him what would be the biggest
15 thing we could do to help. He said use your
16 collective judgment.

17 MR. FLOYD: Quite honestly we wanted to
18 establish -- I thought one reason was to see if there
19 were any S-word issues that would say, hey, we are on
20 the wrong track here and we ought to cease and desist
21 until we fix this stuff. And then the second purpose
22 was to help prioritize the issues for the staff to
23 work on on some timetable. I would say prioritizing
24 is strictly the latter. It is to give the staff our
25 insights as to in what order or how to group the

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1 allocation of their resources. It may be something
2 totally separate to say that is broke. This thing
3 can't go forward without that. It obviously gets
4 resources, but it is really a different thing than
5 giving a prioritization. And if we use that as our
6 overall thought -- we want to bend these, and you need
7 to work on it right now. And if you can't fix it, at
8 least get some immediate compensatory action in place.
9 This one is high priority. It needs to get fixed. You
10 need to work on it, but it could take a while. The
11 other one, when you get around to it, do it. And if
12 you just try -- we are trying to be engineers and
13 create a formula, and I would suggest maybe in this
14 thing if we just took a more global approach to that
15 philosophy, we might come into an agreement a lot
16 easier.

17 MR. GARCHOW: I would agree with you, but
18 I think there is a place for the facts to help make a
19 conclusion. So if we are going to say it is
20 significant or use any other word -- I mean, we have
21 chosen to have the NRC come in and tell us what they
22 are doing and working on. We had the seniors. We had
23 the State of New Jersey. So all these people are
24 coming in and giving their views to help us decide is
25 any of these issues right from the point of attack,

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1 the people that are dealing with it, causing any
2 concern. And I think if there is objective evidence
3 yes, we have to say that. If we couldn't find any
4 evidence, we ought to say that as well. Because I
5 think from my PPEP experience, we are going to get
6 asked that by the commissioners.

7 MS. FERDIG: What happens if we ask the
8 question, what is most critical for the continued
9 success of this program?

10 MR. SHADIS: We are going to fight until
11 we die. What about if we --

12 MS. FERDIG: No. I want an answer to that
13 question.

14 MR. SHADIS: Well, I am trying to answer
15 it. What about if we just get rid of priority 1 and
16 just do 2 and 3? High priority issue for
17 consideration or first and second priority or
18 something, and not try to scale something to the
19 absolute.

20 MR. CAMERON: You don't like the word high
21 or is there another --

22 MR. SHADIS: No. I am just suggesting that
23 we are going to be going around a long time about what
24 are the things that the staff should immediately jump
25 on. That is going to be -- in fact, I would just

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1 challenge the whole gathering here to go ahead and
2 pick one. I don't think if you comb through there all
3 day you could pick one that most of us would agree
4 needs to be addressed right away and is something that
5 can't be done without.

6 MR. CAMERON: Mary put a suggestion on the
7 table. Was there any -- you were reacting to that
8 saying that that is not going to work. Does anybody
9 else have an opinion on Mary's suggestion?

10 MR. SHADIS: Do you want to restate that,
11 Mary?

12 MS. FERDIG: Well, I don't know. I mean I
13 am just saying we are saying what are the things that
14 are going to keep it from happening. I am just saying
15 half glass full or half glass empty. What are the
16 things that are most critical to continue this program
17 to create the -- to achieve the goals?

18 MR. GARCHOW: So, Loren, can you read us
19 the charter again? I mean, not to bring --

20 MR. SCHERER: I have the charter. I just
21 finished reading it. And --

22 MR. CAMERON: You know, it is about this
23 time on the second day of every meeting that someone
24 says let's read the charter again.

25 MR. GARCHOW: It is kind of helpful.

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1 MR. SCHERER: What about Ray's suggestion?
2 I can go along with that. Just delete category 1 and
3 -- yes, high and low.

4 MR. GARCHOW: Just for the rule-based
5 people in here, can you read the -- the charter had
6 one paragraph which might be good to refresh what that
7 said.

8 MR. SCHERER: "The IIEP will function as
9 a course disciplinary oversight group to independently
10 monitor and evaluate the results of the first year of
11 the initial implementation of the reactor oversight
12 process and provide advice and recommendations to the
13 Director of the Office of Nuclear Reactor Regulation
14 on reforming and revising the reactor oversight
15 process." The next paragraph then talks about some
16 other issues. "The IIEP will evaluate the ROP results
17 against performance measures. The IIEP will provide
18 a written report containing an overall evaluation of
19 the ROP to the Director of the Office of Nuclear
20 Reactor Regulation."

21 MR. GARCHOW: So Ray's suggestion sounds
22 to me like it is well bounded by the charter.

23 MR. FLOYD: High priority reform issues
24 and low priority reform issues.

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1 MR. SHADIS: I don't know about low
2 priority. I just want to suggest that category 2, the
3 second category -- those that are of -- you know, we
4 see as a lower safety significance or lower immediacy,
5 let's call them valid for consideration. These are
6 valid items for consideration. And then take your
7 other category, the upper level category, and call it
8 either priority consideration or subject for focused
9 consideration or enhanced or --

10 MR. SCHERER: What about the current
11 definition? Issues that should receive high priority
12 and issues for consideration?

13 MR. CAMERON: Okay. You have 2 and 3 as
14 the only priority criteria now? Just let me ask you
15 so that we don't have to go back and do this again
16 perhaps.

17 CHAIRMAN PLISCO: I think the beauty of
18 keeping the same definition is that I don't think we
19 need to go back and redo the ones we have done already
20 because the definitions have stayed the same.

21 MR. SHADIS: I just sensed we were not
22 going to come to agreement about what were super
23 important.

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1 MR. CAMERON: So what is the consensus of
2 the group that you just reached now? Do you want to
3 restate it?

4 CHAIRMAN PLISCO: The consensus as I
5 understand it is category 2 is now category 1 and
6 category 3 is now category 2.

7 MR. SCHERER: For purposes of this
8 meeting, let's just leave everything as is. The
9 definition of 2 stays the same. The definition of 3
10 stays the same. And after we adjourn, everybody can
11 renumber it for the record.

12 MR. SHADIS: There is no 1. That is all.
13 One is gone.

14 MR. SCHERER: That way we don't have to go
15 back. What we called 2, afterwards you can correct to
16 be a 1.

17 MR. CAMERON: Are you still looking for
18 things -- forget the priority. Going back to Ken's
19 point about there is priorities for staff work and you
20 are looking for things that he called it are broken.
21 Are you still going to be looking for things that are
22 broken? Is that the broad fatal flaw, Bill's
23 showstopper or Jim's serious?

24 MR. SHADIS: I don't think we need to get
25 that particular. I think if the group senses that this

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1 is important and should receive some priority
2 attention, that is all that I think we need to do.

3 MR. GARCHOW: That is good.

4 MR. SHADIS: Without arguing about even
5 the eight goals or whatever they are -- the goals or
6 objectives or whatever they are.

7 MR. GARCHOW: Good idea, Ray.

8 MR. BORCHARDT: So S-6 is a 2.

9 CHAIRMAN PLISCO: So I hear S-6 is a 2.

10 MR. MONNINGER: I have already renumbered
11 them.

12 MS. FERDIG: And S-6 is a 1.

13 MR. GARCHOW: I'd say S-6 is a 2.

14 CHAIRMAN PLISCO: And S-9?

15 MR. GARCHOW: So we are saying S-6 is --
16 are we saying that --

17 CHAIRMAN PLISCO: S-6 is now a new 1.

18 MR. BROCKMAN: Okay. We agreed we have
19 gone from 1, 2 and 3 to 1 and 2. So we have got
20 terminology together. All right. We are all consistent
21 on terminology.

22 MR. GARCHOW: What was 2 is now 1 in this
23 standardization.

24 MR. BROCKMAN: Yes. Anything that was a 1
25 or a 2 is now a 1.

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1 MR. GARCHOW: Got it.

2 MR. CAMERON: But, David, do you agree
3 under the new priorities or new numbering, do you
4 agree with Mary's assessment of what it is or are you
5 saying it should be lower?

6 MR. GARCHOW: I still -- I see this as
7 something that isn't a priority -- that isn't a
8 priority issue for the industry to have the reactor
9 oversight process drive the industry to having a
10 consistent PSA tool. I heard nothing when talking to
11 the SRAs that said that this was not workable, even
12 though there is an efficiency issue, in the current
13 structure. And they have the final decision. The
14 licensee's PSA, if it is inadequate, they have ways
15 around that. And I think there is an effort separate
16 from the oversight process forcing this issue. But to
17 use the reactor oversight process to drive that on the
18 basis that it is a big deal in this process I think is
19 -- has -- no one has presented that evidence here.

20 MR. FLOYD: Can we hear from our one SRA
21 member on the panel? What is your perception up there
22 on this one, whether it would be a high priority issue
23 or an item for consideration?

24 MR. TRAPP: The high priority issue to me
25 is just that we need good tools in whatever form that

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1 is and make it broader. If it is a cover letter issue
2 or an overriding issue -- I think what you heard from
3 all three of us is you've got to give us good
4 worksheets or you've got to give us good PRA or you've
5 got to give us some models. You know, there is a need
6 for something to fill the void.

7 MR. GARCHOW: Now the worksheets we
8 already covered in S-3. So I was sort of splitting
9 those out in my conversation. So this was just the
10 licensee PSA consistency and quality. I think we rated
11 the S-3 as very high yesterday, correct Loren? So
12 that was --

13 MR. BLOUGH: Yes, we were arguing a 1/2
14 when there were three of them -- three priorities.
15 Now we are --

16 MR. CAMERON: We are still arguing a 1/2.

17 MR. BLOUGH: We are still arguing 1/2 when
18 there is -- but yesterday Jim said that one of the
19 things he is starting to get is licensees who have
20 done a more detailed PRA are beginning to say they
21 feel penalized because they have considered more
22 things and whatnot. And we also heard that Phase 3 is
23 resource intensive and we spend a lot of NRC time on
24 it. So it seems to me that this gets worse. If
25 progress isn't made, this gets worse. Because you

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1 start getting -- losing cooperation on the part of the
2 industry that has the better PRAs. And you start --

3 MS. FERDIG: From the point of view of the
4 public, if we assume that this whole new way of
5 monitoring power plants is based upon this new
6 methodology called PRA -- which is true, right? We
7 wouldn't be doing this if it weren't for that
8 capability not available to us and the data to get
9 here. Then it needs to be consistent, it needs to be
10 standardized and it needs to be understood by not only
11 the regulator but the licensee and the public. It is
12 like fundamental to the success of this program.

13 MR. CAMERON: And that is why you would
14 make it a 1, high priority.

15 MS. FERDIG: That is just a humble point
16 of view from not knowing anything about PRA
17 methodology.

18 CHAIRMAN PLISCO: And I would make it a 1
19 for a different. Looking at efficiency and
20 effectiveness and the resources that are expended by
21 the senior risk analysts. Because of the
22 inconsistencies, I think their time could be used in
23 a lot better places for more important issues than
24 trying to resolve some of these kind of discrepancies
25 that they have to deal with on a day-to-day basis.

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1 Because as we talked before, there is only 10 of them
2 and their input into the process is very valuable. And
3 I think a lot of times they are working on things in
4 the priority screen that aren't that important because
5 of these inconsistencies. I mean, Jim can answer that
6 question too as far as whether -- but don't you think
7 -- I mean, that takes a lot of your time to do those
8 kind of reviews where in the end there isn't anything
9 there and you could have been doing something else.

10 MR. GARCHOW: If you had the Phase 2
11 worksheets accurate, which was the previous one that
12 I heard you say when I asked you the question. That
13 mitigates a lot of the time you are struggling through
14 not so much the inconsistency in licensee PSAs,
15 although you were when asked. You are also struggling
16 with the fact that your Phase 2 forms aren't correct.
17 And in the conversation with the person that was
18 sitting in the middle, he was sort of arguing both
19 points. I mean, he is frustrated because the level 2
20 forms aren't out and up-to-date and is frustrated with
21 some of the licensees not having the most up-to-date
22 PSA tools in their own shop. But it was sort of a
23 mixture of both that I sensed was the frustration. And
24 I may be splitting hairs I don't have. I will move on
25 in the essence of time.

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1 MR. SHADIS: I can see your reasoning. But
2 what I am doing right now is I am contrasting. We
3 only really have two categories here. Stuff that can
4 really be put off or stuff that ought to be addressed
5 at some time soon. And I am contrasting it to our
6 findings for like S-4, which had to do with the facts.
7 And that was the bottom category. So this really
8 doesn't fall to that level. This is somewhere more
9 important than that. And I think if you look back
10 through the other findings that we made here -- not
11 findings but the prioritizations, my guess is you
12 would find it would fall on the high side of that
13 line.

14 MR. CAMERON: Ed, do you want to add to
15 this?

16 MR. SCHERER: Yes. I tend to agree that
17 it is a 1 to the extent that the PRA is used in the
18 regulatory process and is part of the public
19 discussion. And as it is used by the NRC. And I don't
20 extrapolate that to say that every plant has to have
21 an identical PRA for its own use. But to the extent
22 that it is used in the public process for deciding
23 findings, I tend to agree that just as we made the
24 determination in S-3, it is almost impossible in my
25 mind to come up with a different answer in S-6 as it

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1 is worded. So I tend to believe that it should be a
2 category 1 and I would support that.

3 MR. CAMERON: Keep in mind that yesterday
4 you said that this was going to be sort of a rough
5 idea and that you would be able to revisit these later
6 on when they were written up. And I was going to ask
7 if there is anybody -- is there anybody who could not
8 -- this is a different way of looking at consensus. Is
9 there anybody around the table, for example David, who
10 could not live with this being a 1?

11 MR. GARCHOW: Actually, I just went back
12 and carefully reviewed the words and listening to Ed
13 speak, it was talking more to the consistency of the
14 NRC tools as opposed to the licensee PSAs. I have my
15 own drivers driving me to keep my PSA up-to-date and
16 accurate and well-modeled. But that is different than
17 being driven into that point as a result of the
18 reactor oversight process, which I find sort of
19 contrary to the regulatory process. But given the
20 words of this as written, should the NRC have
21 consistent tools, and hearing Jim talk about the work
22 being done by research and those tools that are
23 provided for the SRAs are getting better every time an
24 update comes out, I could support a 1 in this category

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1 if the focus remains on the tools that the NRC is
2 utilizing, which is how it is worded.

3 MR. CAMERON: Anybody have a problem with
4 that?

5 MR. FLOYD: I agree with that. But I just
6 question, based on what I heard this morning, whether
7 all of the statements that are under S-6 are actually
8 still valid or not. That the variations could lead to
9 similar plants ending up with different significance
10 outcomes for identical findings. I thought I heard the
11 SRAs say pretty much that they go to great lengths to
12 understand the differences and make sure that that
13 doesn't happen and that they have reasonable
14 confidence in the outcomes.

15 MR. SCHERER: I would agree we would have
16 to revise these words to reflect what we heard today.

17 MR. BORCHARDT: I'm a little more
18 cautious. I think they have confidence in their
19 abilities. But to the extent that there are
20 differences, it introduces that possibility. I mean --

21 MR. TRAPP: It could. If you get a PRA
22 that is not of good quality, we could reach the wrong
23 conclusion.

24 MR. HILL: I think you'd be more likely to
25 when it is cross regions.

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1 MR. CAMERON: Can we add this to the
2 parking lot that we should revisit the narrative for
3 each of these?

4 MR. TRAPP: It already is a high priority
5 for the Commission too for the PRA implementation
6 plan. So we are not really -- we are not reaching way
7 out there.

8 MR. SHADIS: We are hearing now that this
9 already is a high priority in NRC. So it just
10 verifies our wisdom here.

11 MR. TRAPP: We could straighten the
12 Commission out and tell them that they should be
13 prioritizing this, but I don't know if they would
14 listen to us.

15 MR. SHADIS: The feedback loop is
16 complete. We are ready to roll.

17 MR. SCHERER: Is that equivalent to
18 drawing a bulls eye around a bullet hole?

19 MS. FERDIG: There you go.

20 MR. CAMERON: David, we were going to go
21 and see if anybody had issues. The question was
22 should we go ahead and see what issues people wanted
23 to add to S. David said there is two issues that were
24 undecided based on the presentations. We just spent
25 some time on that first undecided issue. I mean, you

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1 might as well close out the other undecided and then,
2 Loren, wherever you want to go from there.

3 CHAIRMAN PLISCO: Well, the other one was
4 S-9. Actually, we broke that into two parts. Let's
5 talk about the first part. It had to do with the need
6 for SDPs in other areas -- shutdown, containment and
7 external events are the specific ones that we talked
8 about. So S-9 --

9 MS. FERDIG: What was S-10?

10 CHAIRMAN PLISCO: S-10 was really a subset
11 of an issue that came out of that is having a feedback
12 process to relook at the SDPs.

13 MR. CAMERON: You were going to ask them
14 specifically -- we have in the parking lot this
15 systematic and periodic relook at all the SDPs. But I
16 think that the reason this issue was tabled was
17 specifically for the three examples that you had in
18 there. Did you get information on that that would
19 lead you to any conclusion?

20 MR. SCHERER: I didn't see anything that
21 they said that would expand that list of S-9. That is
22 what I think we were holding off to see if they raised
23 anything other than.

24 MR. CAMERON: Shutdown, containment or --

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1 MR. SCHERER: Well, fire security is
2 already on the list. Shutdown and containment and
3 external events we put on and we said we will wait and
4 see if they added any. Jim, I don't recall your adding
5 anything to this list.

6 MR. TRAPP: No. But I think from the
7 discussion, we thought that was pretty significant to
8 us to get those tools straightened out.

9 CHAIRMAN PLISCO: You highlighted the
10 external events as the most important. That is sort
11 of what I heard from Bill.

12 MR. TRAPP: Yes. You know what it is, it
13 is kind of the last problem you have had. If your last
14 issue was containment -- if you were Walt, shutdown
15 would be his -- the thing that would pop in his brain.

16 CHAIRMAN PLISCO: But your view is that it
17 is a high priority?

18 MR. TRAPP: Yes. And I know from our
19 experience in Region 2, we have had some difficulty
20 getting some answers on these issues through the
21 process.

22 CHAIRMAN PLISCO: And it has caused some
23 time and problems getting the issue characterized. So
24 we have a 1 for that piece of S-9? The other part was
25 the feedback process to look at SDPs, and we are

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1 calling that S-10. Can you expand on that a little
2 bit?

3 MR. SCHERER: That was I think mine. The
4 idea is to create a closed loop process to go back and
5 revisit the SDPs as we learn how to use them so that
6 there is a closed loop learning process. Because as
7 we gain experience with them, we will want to make
8 changes to the screening criteria.

9 MR. SHADIS: What do you mean the closed
10 loop process as opposed to just an institutionalized
11 learning process?

12 MR. SCHERER: A learning process that
13 actually affects change as opposed to going out and
14 taking data and not doing anything with it.

15 MR. CAMERON: Is that basically -- this
16 S-10, I guess -- if this is S-10, then we can take it
17 out of the parking lot. All right?

18 CHAIRMAN PLISCO: Yes. It is now S-10.

19 MR. SHADIS: As an author of this thing,
20 how would you rate it in terms of -- is that something
21 that needs to happen right away?

22 MR. SCHERER: No. I would say that is a
23 category 2.

24 CHAIRMAN PLISCO: Anyone don't agree with
25 that? S-10 is a 2.

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1 MR. KRICH: We can't hear a lot of what
2 goes on down that end.

3 CHAIRMAN PLISCO: All right. We will speak
4 up.

5 MR. CAMERON: Okay, S-10 is a 2.

6 CHAIRMAN PLISCO: S-11 was the ALARA SDP.

7 MR. FLOYD: The biggest concern that I see
8 in this one is the very likelihood of unintended
9 consequences of people making unrealistic dose
10 estimates so as not to trip the SDP. And I think that
11 is counter to safety. I think it is a 1.

12 MR. KRICH: I have to agree with Steve.
13 Since this issue came up at Qaud Cities, and in fact
14 we are going to the Regulatory Conference on it next
15 month. And one of the things -- the principle things
16 we want to point out to the NRC is the unintended
17 consequence. If in fact you follow the SDP according
18 to their interpretation, it is going to cause people
19 to overestimate dose, which is contrary to, I think,
20 what the objective is.

21 MR. FLOYD: It works counter to the
22 objectives of the SDP.

23 MR. SHADIS: Can you explain from your
24 point of view how does that happen?

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1 MR. FLOYD: Yes, the way that happens --
2 the way the criteria is written in the SDP is if you
3 exceed your ALARA estimate by a certain percentage and
4 you have -- then that turns into a white indicator. So
5 the way to prevent from doing that is to have
6 unrealistically high estimates so that you never
7 threaten the threshold.

8 MR. SHADIS: Which actually would
9 effectively allow higher doses?

10 MR. FLOYD: Yes, exactly.

11 MR. SHADIS: Okay.

12 MR. FLOYD: A job that I had great
13 confidence we could probably do in 20 RIM. But if I
14 go to 45 RIM, I would trip the threshold and I will
15 now set it at 45.

16 MR. SHADIS: So do you want to list that
17 as ALARA SDP unintended consequences? Would that do
18 it?

19 MR. FLOYD: We could. Yes, that is really
20 what it is. That is the bottom issue of it. There is
21 other issues associated with the ALARA SDP, but that
22 is the most significant one.

23 MR. CAMERON: We are not saying how to fix
24 it, but it would be a number 1?

25 MR. FLOYD: Right.

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1 MR. MONNINGER: Do you agree with the
2 characterization up there?

3 MR. FLOYD: Yes, that captures all of the
4 issues.

5 CHAIRMAN PLISCO: All right. You had one
6 more you wanted to add?

7 MR. MONNINGER: Was there a 1 score on
8 that?

9 MR. FLOYD: Yes. Does anybody disagree
10 with a 1 on that?

11 MR. SCHERER: The one issue that I still
12 had is -- and we can take it up later, but at least in
13 the parking lot I would like to put this concern that
14 I continue to have of a false negative. That is that
15 the process will somehow fail to conservatively or
16 accurately measure the significance of an issue or
17 underestimate the significance of an issue as it goes
18 through the SDP process. Since I believe the SDP
19 process is the most vulnerable part for missing it.
20 And I continue to have that as a high priority
21 because, one, you will never prove the negative. In
22 other words, you will never be sure that there is no
23 such thing as a false negative. And I believe that as
24 many false positives as we have, they will be irksome,
25 but the process will manage them out. There will be

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1 appeals and there will be discussions or there might
2 be extra inspections that occur. But it only takes
3 one false negative -- one even that occurs that become
4 self-revealing that the process underestimated the
5 safety significance that will cause the entire
6 oversight process to lose any credibility it has
7 earned over the way. So I think there needs to be a
8 robust process to keep looking for this false
9 negative. Now I asked the question --

10 MR. BROCKMAN: This was beyond what was
11 described to us yesterday.

12 MR. SCHERER: Well, beyond what was
13 described, which is anecdotal and screening and a
14 systematic review. But I think there needs to be a
15 formal, periodic, robust review. I had asked the
16 question of the SRA panel, and I got one answer. But
17 then when I questioned them after their presentation,
18 evidently my question wasn't clear because I was
19 getting a different reaction one on one that they --
20 the comments that I received off the record were that
21 there is no formal process that they see to
22 periodically review the SDPs to determine whether or
23 not there is a potential for underestimating the
24 significance of an event or finding.

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1 MR. FLOYD: I thought I heard them say
2 yesterday that what they would do -- and I don't know
3 if this scratches your itch totally or not -- but I
4 thought I heard them say that any event that exceeded
5 the accident sequence precursor criteria would be
6 evaluated to go back and see if there were issues that
7 should have been able to have been identified and run
8 through the SDP to help predict whether or not that
9 event should have occurred.

10 MR. SCHERER: That may be the answer, but
11 I didn't hear a formal process. What I heard yesterday
12 was, well, we have levels of review. We have the
13 inspector, the SRA reviews that, and then headquarters
14 reviews that. And to me --

15 MR. BROCKMAN: Research has the task to
16 review everything at an ASP threshold and will also
17 conduct the old AEODPIs, and that is part of the AARM.

18 MR. SCHERER: I am not trying to solve the
19 issue. I am trying to get --

20 MR. BROCKMAN: That is what I was putting
21 up. If that is not adequate and we have got an issue
22 that we don't think that is adequate, then it is most
23 appropriate to go forward.

24 MR. SCHERER: Well, I am not here to judge
25 whether or trying to judge whether I am saying that is

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1 adequate. I am saying that it is important that an
2 adequate and robust process be in place. It may be
3 that the staff is doing everything that it should.
4 That doesn't change my opinion that it is an important
5 element of the program that something like that be in
6 place and that tomorrow the staff doesn't stop doing
7 it because they have now checked it and they found --

8 MR. TRAPP: It is part of their ROP
9 performance metric to go in and do an audit. And that
10 is part -- it is the metric MS1 that they are
11 periodically going to go in and sample all the green
12 or sample greens and see if we underestimated risk.
13 That is one of the things they are going to try.

14 CHAIRMAN PLISCO: Yes, that is what Bill
15 Dean talked about yesterday. There is a formal audit
16 they are going to set up. It has not gone --

17 MR. TRAPP: Right. The purpose of that is
18 just to go out and hunt for false negatives.

19 MR. BORCHARDT: But if it is not underway
20 yet, and if this is a concern with the program as it
21 has been implemented to date and will be implemented
22 by the time that you get out a report, then I think --

23 CHAIRMAN PLISCO: It will. It is one of
24 their metrics that --

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1 MR. SHADIS: Well, then it is an issue
2 that needs to be addressed. I wouldn't -- we had that
3 question of whether, you know, the staff is working on
4 it and do we not include it? Do we presume that it is
5 going to be taken care of? But I think maybe we ought
6 to include all of these things and then later on
7 revisit them to see if you want to drop them out
8 because it is such an overwhelming evidence that this
9 is going to be taken care of or it is almost there or
10 whatever.

11 MR. CAMERON: At this point what you are
12 suggesting is to focus on the nature of the problem
13 rather than --

14 MR. SHADIS: The concern or the problem,
15 yes.

16 MR. CAMERON: From that standpoint, this
17 problem of false negatives, would everybody agree that
18 that is a serious concern?

19 MR. GARCHOW: I come at it a different way
20 going back to the consistency of the PSA. I get
21 concerned with our -- and I am speaking for myself,
22 not necessarily the industry and Steve. I get
23 concerned with forcing a consistency to where we all
24 agree on the same PSA model and the same terms, so we
25 are all working off the same code. To me, that

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1 introduces the possibilities of false negatives. I
2 mean, the PSA "expert" that I have who is well trained
3 from MIT, he believes that the value in working with
4 Jim is in the intellectual discussion and the fact
5 that Jim is coming at the problem if we have an issue
6 at Salem or Hope Creek from a different set of models
7 than our set of models. That the real value of the
8 process is in the conversation. And if we get into
9 the PSA meter where you just dial it in and you are
10 waiting for green or red, I mean I don't like that at
11 all. That is why I am opposed to this consistency that
12 was in that other diagram. I like the conversation.
13 And after the end of the day, even if it takes a
14 conversation. In some of the interactions we have had
15 with Jim, both sides benefit from that and the
16 collective understanding of the risk is probably more
17 deep and robust after the conversation than if we were
18 just plugging and chugging off of our identical code
19 that we agreed on some input parameters that we were
20 going to force to be the same so we always got the
21 same answer. So I come at it from a whole different
22 approach on why this difference between the NRC tools
23 and the licensee tools are actually very helpful. And
24 I think that ties in to preventing false negatives.

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1 Because in that conversation, both parties come up
2 with a much richer insight on risk.

3 MS. FERDIG: I am with you.

4 MR. FLOYD: The other problem perhaps even
5 more significant than that is suppose we all did use
6 exactly the same model and approach a data base for a
7 PRA and we all did them wrong, we would have no
8 differences upon which to challenge ourselves whether
9 who was doing them right.

10 MR. TRAPP: It is all in the word
11 consistency and how you interpret that. I was looking
12 at consistency more that some people external events
13 and some people model this sequence. And I think we
14 would all agree that that kind of consistency needs to
15 be resolved. I think what you are saying --

16 MR. SHADIS: It is going to render the
17 inspection findings -- the ultimate scoring
18 meaningless to the public -- to the general public.
19 Because you are going to wind up having plants with
20 identical problems getting way different scores. And
21 if your PRAs are --

22 MR. GARCHOW: I don't see that happening,
23 nor did I hear any evidence of that.

24 MR. TRAPP: Actually, the Region 2 ox feed
25 pump issue I believe is now consistent with Region 1.

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1 MR. SHADIS: From the public point of
2 view, that sucks. They leveled it up, you know. The
3 guys got on the phone and they said, hey, what is
4 going on.

5 MR. TRAPP: But you wanted consistency.

6 MR. SHADIS: The consistency should have
7 been there from the beginning. What that said -- the
8 message to the public at the beginning was there is
9 something wrong with this program. The fact that they
10 trued up the results doesn't cure the program in the
11 public's view. It only cures the symptom. It doesn't
12 say --

13 MR. CAMERON: Let me ask you so we can try
14 to move on from this. Does -- recognizing that there
15 is a potential for false negatives -- recognizing that
16 as a problem that needs to be addressed, is that
17 necessarily in conflict with the benefits of the
18 interchange that David was talking about? I mean, is
19 there any necessary conflict there?

20 MR. GARCHOW: No. I was supporting that.

21 MR. HILL: The only problem with the
22 benefit that David is talking about depends on the
23 ability of those two different people to be able to
24 communicate. You go and take Jim out and you put
25 somebody else in who is unreasonable and isn't willing

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1 to listen, now you are going to have a real problem in
2 that case if you have a different person there that
3 won't. Then it becomes people-dependent.

4 MR. SCHERER: Yes, but I would rather have
5 that -- I think David raised an excellent. That is a
6 common mode failure. If everybody is using the Mark
7 1 tool and therefore it is blind because it has some
8 defect or oversight or simplification in it and
9 everybody is using it, we as both the industry and the
10 regulator and the regulated and the other stakeholders
11 are all putting blinders on for some issue that no
12 matter how the communication works or fails to work.
13 At least if we are using diverse tools -- diversity
14 and redundancy is the way we design the plans. I would
15 rather see a diverse and redundant process with its
16 flaws and with its communication difficulties than a
17 standard Mark 1 tool that everybody is using and
18 therefore everybody gets similar results. I hear what
19 you --

20 MR. REYNOLDS: So you are okay with
21 different standards to how we give exams and different
22 standards to how we do enforcement? I mean that is
23 what you are saying.

24 MR. FLOYD: Not at performance criteria
25 levels.

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1 MR. REYNOLDS: But you are saying you
2 don't want to have a different standard --

3 MR. SCHERER: Who said different
4 standards?

5 MR. REYNOLDS: Well, you don't want a
6 standard so you can be inconsistent.

7 MR. SCHERER: No, I support the standard.

8 MR. SHADIS: It is understandable that you
9 get some variation in what the licensee comes up with.
10 But when you start getting out to the second order of
11 magnitude and the third, it begins to push credence
12 altogether -- it begins to push credibility.

13 MR. CAMERON: Can we make this a 1 and
14 have this discussion about what this formal process
15 might be or whatever revisited later on? So that you
16 can maybe finally move out of the S's?

17 MR. HILL: I guess I don't agree that that
18 is a 1. That if it is not corrected it could threaten
19 meeting one of the goals.

20 MR. SCHERER: That is not our definition.

21 MR. CAMERON: You might have missed it.
22 They have reordered the criteria. A 2 is a 1 and a 3
23 is a 2 and there is no more. The old one is gone. And
24 it is going to be like pornography.

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1 MR. SHADIS: We degraded the whole
2 prioritization.

3 MR. CAMERON: Are there any more S issues?

4 CHAIRMAN PLISCO: Periodically review SDPs
5 to evaluate for underestimation of risk. Is periodic
6 necessarily it? Can it be an ongoing process?

7 MR. SCHERER: Underestimated significance.

8 MR. SHADIS: How about develop a process
9 or develop a program?

10 CHAIRMAN PLISCO: The main bullet is need
11 for formal process to review for false negatives.

12 MS. FERDIG: Good eyesight.

13 MR. SHADIS: What about the periodically
14 part?

15 CHAIRMAN PLISCO: That is a sub-bullet.

16 MR. SHADIS: Does it have to be
17 periodically, though? Can it be an ongoing thing?

18 CHAIRMAN PLISCO: Yes, actually that is
19 almost giving them an answer -- again, trying to solve
20 the problem rather than --

21 MR. CAMERON: That is not really a
22 description of what the problem is. It is the answer.
23 So maybe the narrative, when you go back, can capture
24 that. Is there any more S issues that you want to put
25 up?

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1 MR. KRICH: Yes, there is. No actually,
2 I did talk with the panel afterwards, a couple of
3 people on the panel, and I just want to throw this
4 out. They mentioned something during the presentation,
5 Jim, about the fact that they had all agreed that
6 there should be -- that the core damage SDP should not
7 be used in security. They got overruled.

8 MR. TRAPP: That was Sonia.

9 MR. KRICH: Yes.

10 MR. TRAPP: Yes, she had an issue -- a
11 security issue.

12 MR. KRICH: And my question is should that
13 be something the panel should address or is that -- we
14 don't need to get into that?

15 MR. TRAPP: The only thing I would say is
16 maybe we could get more information about that. I
17 don't think that is a well understood issue.

18 MR. KRICH: That is fair enough.

19 MR. FLOYD: Right now as I understand it
20 -- I mean, they haven't shared the SDP with anybody
21 outside of the staff. It is up to the Commission. So
22 we don't even know what is at stake.

23 MR. KRICH: I agree, Steve. But at the
24 same time, if it is an issue that is appropriate for
25 this panel, we should address it.

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1 MR. SCHERER: I think -- didn't we cover
2 that by having a security SDP?

3 MR. KRICH: We have already captured the
4 thought.

5 MR. CAMERON: You have something on the
6 hot list --

7 MR. SCHERER: And getting into that level
8 of detail to me would be part of trying to engineer
9 the solution as opposed to identify the --

10 CHAIRMAN PLISCO: If you go back and look
11 at S-7, we said to relook at the interface between the
12 physical protection SDP and the reactor SDP.

13 MR. SHADIS: The one issue that a couple
14 of those --

15 MR. CAMERON: This was a number 2 last
16 time, so it would be a number 1 now.

17 MR. KRICH: That is fine. Okay. That
18 answers the question.

19 MR. SHADIS: Well, Chip, the one issue
20 that a few of those inspectors raised -- and I don't
21 know if it goes under this category or not. But they
22 were talking about those things that didn't meet the
23 threshold to be entered in as items for SDP that were
24 nonetheless things that caught their attention -- or
25 even items in the green where there was some trend

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1 that caught their attention, but there was no way at
2 this point for having them recognized or preserved or
3 put in the box for future reference. I don't know how
4 -- I don't know a short way to say that.

5 MR. FLOYD: Can I direct -- I think it is
6 captured if I can direct you to page 13, item I-4. I
7 think it has got all of the elements you just
8 mentioned.

9 MR. SHADIS: Let me just have a quick
10 look.

11 MR. GARCHOW: It is almost like they wrote
12 the words.

13 MR. FLOYD: If you identify an adverse
14 trend, what do you do? The threshold for raising and
15 documenting issues?

16 MR. SHADIS: Yes, I agree. My sense,
17 though, was that they were talking about something
18 that was before you really could nail a trend. They
19 were talking about those --

20 MR. GARCHOW: Aggregation.

21 MR. SHADIS: Yes, aggregations or
22 accumulations or whatever down in the green or even
23 stuff that didn't make the green.

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1 CHAIRMAN PLISCO: And that is under I-2 I
2 think as well, the threshold for documentation. That
3 is where those kind of issues fall.

4 MR. CAMERON: Are you going to go into I
5 next?

6 CHAIRMAN PLISCO: I was going to do
7 assessment enforcement.

8 MR. CAMERON: Okay. But Ray, you might --

9 CHAIRMAN PLISCO: Because there is some
10 linkage with SDP. That is why I wanted to do that
11 next.

12 MR. CAMERON: But, Ray, keep your
13 thoughts.

14 CHAIRMAN PLISCO: But it should be under
15 I anyway.

16 MR. CAMERON: Okay. All right.

17 MR. MONNINGER: Can I make a
18 recommendation? Up there is all your S's, if you want
19 to take one last look at them to see if overall they
20 look consistent.

21 MR. GARCHOW: Loren, while he is adjusting
22 that, it may be possible for this group, now that we
23 understand the categories, for what we don't get done
24 to actually provide -- we may end up having consensus
25 to our new categories without having a lot of

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1 laborious conversation. And then I think you would be
2 set up for the next meeting. To just talk about those
3 where it looks like you've got some 1's and 2's. And
4 many of these, based on our judgment, we could comment
5 on a little bit of the words and what our score is and
6 we could probably move this right along. Now that I
7 think our criteria got to be such that it becomes
8 much quicker.

9 MR. SHADIS: David, are you suggesting
10 that we could slam through the rest of these in the
11 next two hours?

12 MR. GARCHOW: No. I'm saying that if we
13 didn't that we could take a homework assignment and
14 provide them back to John so that those issues that we
15 all sort of agreed upon are sort of off the table with
16 maybe some clarification without spending hours going
17 through these. And then we might have five or six that
18 have some contention and we can maybe get some quality
19 air time or call somebody back in for more questions
20 to get some insight or whatever it might take to get
21 the consensus.

22 MR. SHADIS: I'd like to make a suggestion
23 and maybe add to that. I am not real tight certain on
24 the value, but we have these eight objectives or eight
25 goals. And if this list as we develop it were

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1 reformatted so that there were eight boxes or eight
2 columns down at the end in addition to -- or even
3 just --

4 CHAIRMAN PLISCO: John and I have talked
5 about that. That is why I am laughing.

6 MR. SHADIS: All I am saying is we could
7 then -- when we looked at this, we could say, now this
8 is a priority 1 or 2 or whatever it may be that we
9 have assigned it. Which ones of these objectives does
10 this affect or most affect? And if we just penciled
11 those in, it might be useful for whoever is going to
12 use this to see -- to get an idea of where we were
13 coming from. Some of these things may only be out
14 there in enhancing the public's confidence or
15 something. It may not be that tight as a safety
16 issue. So that may be of value to whoever is reading
17 it. And it would not add an awful lot of time if we
18 did indeed take these things home to go ahead and --

19 MR. GARCHOW: The reason I came to that is
20 we have heard the inspectors and we have heard the SRA
21 and we have heard the State of New Jersey and we went
22 through the PIs, limited as they were. We know what
23 were being collected. So we could probably take a good
24 first cut and then as a group just be refining that as
25 we hear from the rest of the stakeholders next time.

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1 The NRC will come back one more time now with two and
2 three data points on some of these PIs that either
3 will or won't change our impression. Some of them will
4 and some of them won't. And I think we could probably
5 then have a pretty clear path to the end if we took
6 this point in time to do the homework assignment and
7 make a commitment to get that back to John.

8 MS. FERDIG: But we are going to do a run-
9 through now before we leave?

10 CHAIRMAN PLISCO: As far as we can get.

11 MR. GARCHOW: I'm not saying to stop or go
12 now.

13 MR. CAMERON: It should go faster because
14 of David's reasoning -- his rationale for that. We
15 should be able to go fairly quickly.

16 MR. GARCHOW: But I'd rather have a chance
17 to ponder and think not in a rush mode. Because I did
18 get the PIs and I want to look at those. I did take
19 notes from the presenters. I think there is some
20 reflection. I am worried about the speed of just
21 trying to slam through these to get done as opposed to
22 -- you know, if we took a week where we could carve
23 out some time to reflect on these, I think we would
24 get to some broader insights from all of us and then
25 get them back electronically to John.

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1 MR. SCHERER: Plus, we are going to hear
2 some additional input at the next meeting that I would
3 like to be able to factor into it instead of making
4 the decision ahead of time and then listening to
5 the --

6 MR. GARCHOW: Right. That is what is
7 starting to bother me and just the methodology we are
8 using.

9 MR. BROCKMAN: You guys are saying we are
10 done?

11 MR. GARCHOW: Pardon?

12 MR. BROCKMAN: You are saying we are done?

13 MR. GARCHOW: I am saying I am worried
14 about going -- trying to slam through these.

15 MS. FERDIG: So slow down. Do what we do
16 well before we leave and then finish according to what
17 you have just suggested?

18 MR. GARCHOW: Or resolve the parking lot
19 issues. I mean, stop this process and make sure we
20 clearly understand beyond a shadow of a doubt what a
21 1 and a 2 is and what the deliverables are to get back
22 to John and get some clarity around that. Because I
23 think when we started on February 26, if we did that,
24 John could provide us then with a summary of where we
25 are at and we either will or won't be very far, but at

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1 least we won't be discussing in detail things that
2 there really is no disagreement if we buy into our new
3 rule that Ray put on about cutting these up into two
4 categories.

5 MR. CAMERON: Do you want to revisit -- as
6 suggested, revisit the parking lot to make sure that
7 we understand what the criteria are? How the fact that
8 it is being fixed relates to prioritization?

9 CHAIRMAN PLISCO: Well, I thought -- I
10 mean, this parking lot as to prioritization, we
11 settled that, I think. I mean John has got the new
12 words up there for the categories 1 and 2, and I think
13 we have agreed to that.

14 MR. CAMERON: Do you want to add in this
15 idea about this -- so that you capture -- whatever way
16 you want to characterize it. Ken said what is broken
17 and Rod said fatal flaw. Is that something we need to
18 be looking for as we go along?

19 CHAIRMAN PLISCO: I think let's stick with
20 these two criteria we decided on. I think once we have
21 gone through the whole list, if something jumps out
22 that everybody thinks is major, I think it will become
23 self-evident as we go through the discussion.

24 MR. CAMERON: Okay.

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1 CHAIRMAN PLISCO: And then that might
2 cause us to revisit that if that kind of issue comes
3 up. Let's stick with these criteria.

4 MR. GARCHOW: I am just worried about
5 premature finalization without hearing all of the
6 information. We could all probably go back and get
7 some general where we are leaning towards and get
8 those to John. But recognize if we are going to make
9 our decisions, then why would we even listen to the
10 next presenter?

11 CHAIRMAN PLISCO: That is why we have been
12 very careful to say initial priority.

13 MS. FERDIG: I do think there is a lot of
14 learning that goes on in this exchange. If we can get
15 as far as we can now before we break, I think there is
16 something to gain in this conversation.

17 CHAIRMAN PLISCO: Yes, I think there is
18 something to be gained. I think every time we have
19 discussed these issues, I think there have been other
20 pieces that have come out and I think a different
21 perspective that we all may not have heard before. So
22 there is that value in that discussion. Making sure
23 we understand what the issue is in the first place.
24 But the words on the piece of paper may not fully
25 describe.

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1 MR. CAMERON: But it does look like you --
2 David, you got your clarification. Everybody seems to
3 agree on these criteria.

4 MR. GARCHOW: I am just worried about --
5 I mean, I will go with the group. I mean, I said my
6 piece and I will consent and plow through these.
7 Because we are wasting time. If that is how we are
8 going to do this. I see an indication --

9 CHAIRMAN PLISCO: Well, I think we are
10 going to plow through, but I think we are really doing
11 both. We are going to plow through as far as we can
12 and what we don't finish today, we will send those
13 sheets out and collect that information and continue
14 the discussion the next time of what we didn't get to.
15 But use what you have already sent in to maybe save
16 time the next time. I think we are going to do both.
17 Does that sound good?

18 MR. GARCHOW: I wonder the value of what
19 we make -- whatever we are going to talk about
20 different in that format. Sort of particularly on
21 consistency, and maybe foolishly as Emerson would say.
22 But if we are going to slug through all of them, then
23 I say we slug through all of them. If we are going to
24 try to reach some other way of getting consensus, I
25 say we try to reach some other way of getting

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1 consensus. But slugging through and then switching to
2 another way sort of intellectually for me doesn't
3 quite work. I am fine slugging through all of them and
4 taking the meeting as necessary. I was just offering
5 up a way to get to a quicker consensus. But the values
6 of slugging through them, I say start slugging. Which
7 one are we on?

8 CHAIRMAN PLISCO: We are going to slug.
9 Assessment enforcement, A-1. This issue had to do
10 with the need for clear communications with the public
11 regarding the action matrix rigidity, flexibility and
12 adherence. I don't think there was any other
13 supporting information we got on that.

14 MR. SCHERER: That is an interesting way
15 to phrase it. Where did they come up with that?

16 CHAIRMAN PLISCO: We copied that from
17 someone.

18 MR. SCHERER: Rigidity and flexibility or
19 rigidity versus flexibility.

20 MR. FLOYD: Well, I think what the issue
21 is is to make sure the public understands when you are
22 allowed to take exceptions to the action matrix, so it
23 doesn't look like every time you don't get the answer
24 you want, you change it.

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1 MR. GARCHOW: That was actually Dave
2 Lochbaum's issue.

3 MR. FLOYD: Yes.

4 CHAIRMAN PLISCO: You say it's a 1?

5 MR. FLOYD: I'd give it a 1.

6 MR. GARCHOW: Did we see any -- we only
7 saw that one data point, right? Where there was a
8 deviation from the action matrix? That was a PI that
9 they brought forth yesterday. So then the issue would
10 be once you do that appropriately through the process,
11 how is it communicated? So we are saying it is a 1 to
12 figure that out quickly.

13 MR. FLOYD: I think it is more -- at least
14 my recollection was it was more making sure that the
15 process is defined up front. So when you exercise the
16 discretion, there is a basis for it that is well
17 understood and it doesn't look like you are playing
18 games with the action matrix.

19 MR. GARCHOW: That is not how these words
20 say --

21 MR. FLOYD: That was my recollection.

22 MR. GARCHOW: I heard there is a process
23 for taking the deviation and they exercised it once
24 and approved it and had that as a PI. Now whether the

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1 public understands that process, that is a different
2 issue.

3 CHAIRMAN PLISCO: Yes, and I think that
4 was this issue. There is a process now. There wasn't
5 in the beginning. But there is a process now. Now the
6 next piece is to make sure that that is communicated
7 and people understand how that process works. And then
8 when there are deviations that it is explained clearly
9 what happened.

10 MR. SCHERER: I guess if we look at the
11 facts, and there has only been one so far, and it
12 seems that it is a difficult and a high hurdle to make
13 changes, I am having trouble understanding why that is
14 a high priority if for 101 units there has been one
15 event so far. Why is it we think that is a high
16 priority?

17 MR. FLOYD: I guess in my view, the reason
18 why I would give it a high priority is because it only
19 takes once or twice to do it wrong and the public
20 loses all the confidence in the program. Because it is
21 only going to happen when you've got a non-green
22 finding. I mean, nobody is going to challenge the
23 action matrix if you are all green. So it is going to
24 happen when there is a "significant" issue. And if the
25 results start being different than what the program

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1 defines them to be normally and the public doesn't
2 understand that process and you mess that
3 communication up a couple of times, all the confidence
4 goes away. I don't know, Ray, I am probably speaking
5 for your constituency.

6 MR. SHADIS: I don't know. You
7 communicate with the public too, don't you?

8 MR. FLOYD: Just a different public
9 probably.

10 MR. SHADIS: Yes. I don't understand this
11 item at all. I was hoping the conversation would go
12 around enough so that it could be explained to me.

13 MR. REYNOLDS: I know one of the issues
14 that Mr. Lochbaum had as far as the action matrix was
15 concerning the regional administrator's attendance at
16 meetings that the action matrix were not called for.
17 For example, you have a plant that is in the licensee
18 response band and they do their end of cycle review
19 meeting and he attends, and Mr. Lochbaum said that is
20 confusing because it is not in accordance with the
21 action matrix. Why would a regional administrator
22 attend that if there is no regulatory response needed?
23 There is lots of reasons for why he may attend not
24 associated with the action matrix. But that was Mr.
25 Lochbaum's concern. And I think that is why he wanted

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1 some explanation on flexibility. But that said, I
2 still think that is a 2 and not a 1.

3 MR. CAMERON: Steve, do you want to -- can
4 you just briefly articulate what you said before?
5 Maybe that -- in terms of --

6 MR. FLOYD: What I thought David's concern
7 was we have said that the action matrix is what we are
8 really relying on to provide the predictability of the
9 actions that the Agency is going to take. And Dave's
10 early on concern was, all right, it is inevitable that
11 eventually some situation is going to come up where
12 you are going to deviate from the action matrix for
13 maybe good reason. But if you don't communicate what
14 that criteria is clearly to the public up front, when
15 you do it, you lose the credibility with the public.
16 Because they will read whatever they want into it.
17 That you took a different -- if you take a more
18 relaxed response than what the action matrix calls
19 for, then it looks like you are not really taking the
20 right action.

21 MR. GARCHOW: That is how I recall Dave's
22 concern as well.

23 MR. FLOYD: And he said it is okay to
24 deviate, but you have got to define up front what is
25 the criteria for it and make sure that that has been

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1 communicated so that you can defend it if and when you
2 need to use it.

3 MR. TRAPP: That sounds like a good
4 program enhancement. That sounds like a 2. It seems
5 like a good thing to do, but I don't see it being a
6 high priority.

7 MR. SHADIS: That looks understandable,
8 Chip.

9 MR. FLOYD: I can live with a 2. As long
10 as it doesn't receive a low enough priority that it
11 happens and we don't have it developed yet because we
12 haven't given it a high priority. Because it would
13 only take once to destroy it.

14 CHAIRMAN PLISCO: I think we are going to
15 revisit this when we come back to the overall
16 categories. There are some overall categories related
17 to some of these communication with the public on how
18 the process works, And this may fold up into that one.

19 MR. BROCKMAN: I think you have got a
20 point, Steve. With it being a 2, that could very
21 easily happen. That you could get an occurrence
22 before it has been corrected. I mean 2 is going to get
23 corrected, but I look at issues that are 2 issues that
24 are going to be resource driven, and a 2 could easily
25 be a year before you get to it.

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1 MR. GARCHOW: Looking at that, that would
2 be a good issue for what would be called the ongoing
3 implementation evaluation panel. The next panel could
4 pick that up.

5 CHAIRMAN PLISCO: Are we still at a 2?

6 MS. FERDIG: Were you bidding for a 1?

7 MR. BROCKMAN: I think we have got a
8 procedure there and everything. So I don't think it
9 needs to be. I am just challenging the statement of
10 using 2 to say when you are looking at it from the
11 aspect of you still have got to come to grips with it.
12 The 2's -- you are prioritizing things and they are in
13 the second bin.

14 MR. SHADIS: If you did a 2 and tagged it
15 in some way -- you know, we are going to take a look
16 at this as we get more information.

17 CHAIRMAN PLISCO: We are going to revisit
18 this to see how --

19 MR. CAMERON: A 2 with a vector moving to
20 1?

21 MS. FERDIG: Yes. I mean I could be great
22 if I sat with these two guys.

23 CHAIRMAN PLISCO: A-2. Reevaluate the
24 time period for an inspection finding being included
25 in the action matrix.

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1 MR. MONNINGER: You changed the definition
2 of the last one also, the write up, correct?

3 MR. GARCHOW: Yes.

4 MR. REYNOLDS: What did you say, Dave?

5 MR. GARCHOW: We didn't get to consensus
6 is what I heard, right? He said he was going to come
7 back to that. Because I thought I heard one --

8 CHAIRMAN PLISCO: In general, the majority
9 is for 2, but we can come back and revisit. Like I
10 said, I think when we get to some of the other
11 categories, this is one that could get rolled up into
12 one overall category on communications. A-2. There
13 is a couple of different spins on the issue here. One
14 had to do with whether there should be a graded time
15 for different colors instead of the fixed one year for
16 all colors as far as entry points into the action
17 matrix.

18 MR. SCHERER: If I recall correctly, this
19 was raised by a regional administrator at the Reg 4
20 Conference. And it was as a result of the discussion
21 on the push-back on whites and having a white finding.
22 And I thought it was an interesting idea and I added
23 it at least to my list because I thought that while I
24 wasn't in a position yet to support it, I think that
25 it ought to be at least looked at and given some

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1 thought as to its potential consequence. And it was at
2 least a unique approach that I thought was worthy of
3 further consideration by the staff as a relatively
4 high priority because it might resolve some of the
5 issues with everybody pushing back and arguing about
6 a white finding, if in fact it only stayed a white
7 finding for a relatively short period of time instead
8 of the one year that it now stays. And it was -- it
9 had the benefit of being a risk-based argument that a
10 red finding would have to have a longer period because
11 of its risk significance, a yellow somewhat shorter
12 and a white as somewhat shorter still.

13 MR. GARCHOW: I read that a little
14 differently. Because the white could be just around
15 until the NRC inspection comes in and says your
16 immediate corrective actions have got you safe or
17 mitigated whatever the immediate problem was. Your
18 corrective action plan is sound and committed to on
19 the docket. Once that was in place in the next quarter
20 and the NRC had assured themselves that the corrective
21 actions were sound, which was the intent of what
22 happened when you drove white, then it could go back
23 to green. I guess I would differ when you get up into
24 yellow and red. If it was graded, probably for red
25 you would have to pretty much have the corrective

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1 actions done. I mean, my brain would tell me if it is
2 significant enough to do red, just a review of your
3 corrective action and some we will fix it on the
4 docket probably isn't going to work for a red.
5 Whatever the issue is is going to have to be fixed.

6 MR. SCHERER: But that would make sense
7 and it would be better than an arbitrary one-year
8 period or whatever. Even if you haven't fixed the
9 issue or the staff hasn't been satisfied that the
10 underlying issue has been resolved.

11 MR. TRAPP: We are getting close to
12 solutions.

13 MR. SCHERER: I understand. I am not
14 trying to come up with the answer. I am trying to at
15 least outline the concept as I understood it. Because
16 for those of you that weren't at the Region 4 workshop
17 --

18 MR. TRAPP: It seems like a good thing to
19 look at.

20 CHAIRMAN PLISCO: The real point is to
21 reevaluate it and just look at it.

22 MR. GARCHOW: I propose this as a 1.

23 MR. SCHERER: I think it is a 1.

24 MR. GARCHOW: Because right now the whites
25 hang around until the corrective actions are complete,

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1 setting you up then for multiple whites degrading a
2 cornerstone which has no basis on real risk since the
3 initial white had an issue that probably in most cases
4 was corrected immediately, but there are longer term
5 corrective actions to get it to work through the SDP
6 process to come back out non-finding. We have an
7 example of that at our utility. And keeping the white
8 around, I think, is disproportionate to the real level
9 of risk.

10 MR. SHADIS: I can see the value in
11 removing whatever onus or burden there is to it. But
12 in the sense of presenting this as information to the
13 public or even for quick review by the regulators,
14 there is value, I think, to leaving it visible. I
15 don't know what that does when you put it up in that
16 matrix.

17 MR. GARCHOW: It has to stay for some
18 period of time. A quarter -- it has to stay until
19 that inspection occurs that validates the corrective
20 actions. Because that is all the action matrix was
21 intended to drive when it went from green to white.
22 But now it is being interpreted as the corrective
23 actions have to be totally completed, so the white
24 hangs around until the issue is completely resolved,
25 which was never the intent.

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1 MR. BROCKMAN: But the issue that Ray is
2 bringing up is, hey, there is an issue that was a
3 green issue back there or a white issue back there.
4 I mean, that is easily -- we can correct that. That is
5 easily fixed. I mean you just have the thing that you
6 see up on the Web go back two or three quarters too.
7 So you can see, oh lookie there, there was something
8 out there to be fixed.

9 MR. SCHERER: It would still be
10 historical. I just wouldn't be current.

11 MR. BROCKMAN: That is right. And that is
12 what he is saying. It is still visible so everybody
13 could see what happened and what have you. Right now
14 it carries on and it perpetuates. But you don't want
15 to lose the aspect of, hey, there was a problem there.
16 That has been fixed. And that should be available to
17 people. It gives you insight.

18 MR. SHADIS: Not just available if you
19 have to go hunting for it. I mean, it should be
20 obvious.

21 MR. BROCKMAN: I am with you.

22 MR. SHADIS: So I just want to put that
23 cautionary note in. Yes, if the problem has been
24 addressed, fine. Scrub it off. However --

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1 MR. FLOYD: Scrub it off for consideration
2 for Agency actions in the action matrix, but keep it
3 visible that there was an issue that was identified.

4 MR. SHADIS: Sure.

5 MS. FERDIG: So this is a 1?

6 MR. GARCHOW: Without being redundant, the
7 issue in the action matrix wasn't that you had to have
8 the issue solved dead dead. The issue was the action
9 matrix was pointing you to an inspection to validate
10 that the root cause was satisfactory and the
11 corrective actions would fix the problem. It wasn't
12 intended at green and white to hold you to have the
13 absolute problem fixed. I remember the discussions
14 when we developed it. But it has been interpreted
15 that way, so the whites hang around forever, which has
16 the unanticipated consequence of causing the other
17 issue that we talked about of why people are avoiding
18 or trying to avoid whites. It is all sort of tied
19 together.

20 MR. SHADIS: Okay, my mistake. But when
21 does the flag go up that says that the problem has
22 been fixed? The corrective action has been completed.

23 MR. GARCHOW: So help me out with the NRC
24 process, right? But the way I would envision it, the
25 first inspection report for the special inspection,

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1 either done by the residents or a team, depending on
2 how you chose it -- but the inspection related to the
3 white would validate in an inspection report that we
4 reviewed the licensee's root cause and corrective
5 actions and that they are sound and it will mitigate
6 the problem. That special inspection gets documented
7 in a report. That triggers the white back to green for
8 that issue. Then there is an open issue. I am on the
9 docket in an LER to solve a problem. So there is a
10 regulatory hook relative to a commitment to solve the
11 problem that is on the docket.

12 MR. SHADIS: Yes, the hook is there, but
13 not the information readily available to the public,
14 at least not in the same place. And what I am asking
15 for is not real complicated I don't think. I mean in
16 terms of like implementing it. But, yes, I would like
17 to be able to pull up the screen on your plant and
18 say, yes, that problem they had three months ago, here
19 is where they addressed it and there is an indication,
20 and here is where it has been put away. The reason --
21 you know, we followed issues dealing with Maine
22 Yankee. We followed issues that it was discovered and
23 there was a notice on it and there was a meeting on
24 it. There was an agreement between NRC and the
25 licensee that certain actions would be undertaken and

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1 the company did an evaluation. They proposed some kind
2 of remedial action. NRC agreed to it. It never got
3 done. It never happened. It just disappeared in the
4 back and forth.

5 MR. CAMERON: This sounds like an
6 important communication issue, but does it really get
7 to the crux of the problem about whether this time
8 period issue should be a 1 or a 2?

9 CHAIRMAN PLISCO: Let me make sure I
10 understand this. I think the answer to your question
11 is that even in the new process that can happen. In
12 the supplemental procedure -- I am just talking white.
13 For white issues, once the root cause analysis is
14 done, we do the inspection. All we look at is what is
15 proposed for corrective action. Because of them may
16 be a modification and may be long-term. We just look
17 at the reasonableness of that. We don't verify
18 completion of the corrective action in the 95001
19 inspection that we call. It may be looked at as a
20 sample in the PINR inspection, the annual inspection,
21 or it can be a sample in one of the routine baseline
22 inspections if the inspectors decide to pick that as
23 a sample. Because they are required to look at --

24 MR. BROCKMAN: So look on the H drive.

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1 CHAIRMAN PLISCO: Right. To go back and
2 pick a sample. So if that issue -- and if it is a
3 white issue, it is likely it would be picked as a
4 sample and they would go back and look at the
5 corrective actions. And that would be documented in
6 a report.

7 MR. SCHERER: I think we are engineering
8 the solution again.

9 CHAIRMAN PLISCO: Well, I was just trying
10 to answer his question.

11 MR. BROCKMAN: To put it in context right
12 now, you are saying there is no way for the public to
13 be able to know that other stuff that is going on.
14 They see the one thing get closed. At this stage,
15 even at four quarters it goes off the books. We know
16 that the issue has not been completed yet or what have
17 you. We have an item on it or something like that.
18 But there is no way for you -- unless there is
19 something ticklered out there with an open item as the
20 old system would do, there is no way for you to be
21 able to follow up on it.

22 CHAIRMAN PLISCO: And that is still true.
23 It would be difficult for them to find.

24 MR. SHADIS: And if you would be willing,
25 if it doesn't fit under this category, I would like to

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1 include it as another item under the general category
2 that this particular quality is missing from the
3 action matrix as you would bring it up if the public
4 went to access this information. It is not there.

5 CHAIRMAN PLISCO: Closure.

6 MR. BROCKMAN: I would suggest we put that
7 in the parking lot. I don't think this is the right
8 spot, but let's figure out where the right spot is
9 because the issue is a good issue.

10 MR. CAMERON: Let me put this in the
11 parking lot. And I guess I would just pose the
12 question to the group. You have heard the rationale
13 for A-2 being a number 1. Jim and Loren have said
14 well number 2. Does anybody else have a comment on
15 whether it should be a number 1 or a number 2?

16 MR. BLOUGH: First of all, I think it is
17 a 2. And secondly, I think we are talking about
18 engineering solutions as opposed to identifying
19 issues. I think reevaluate the time period for an
20 inspection finding being included in the action matrix
21 is a solution in itself. So we are talking about a
22 solution to an issue, not an issue. So I have problems
23 with it because I kind of disagree with the premise.
24 You know, I think there may be other solutions. For
25 example, it may be inappropriate if a licensee has a

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1 white issue every quarter -- every single quarter --
2 for them to always stay in that second column. Because
3 we look at every one and the root cause and corrective
4 action make sense. I think the assessment process was
5 set up to try to get an integrated picture of when a
6 licensee's performance is deviating from the norm. So
7 even if -- even if when we went out and did the very
8 narrow 9501 inspection it looked good, if another one
9 happens in a certain period of time, we should do a
10 broader inspection. Even if the first one is fixed.
11 You know, if they keep happening. But maybe the
12 degraded cornerstone threshold should not be just two
13 issues but three issues. That would be another way of
14 solving the problem of aversion to the licensee of
15 white issues. So I have problems with A-2 just
16 because, one, I think it is a solution. And secondly,
17 I kind of -- I disagree with the premise, so it is
18 hard for me to put a priority on the Agency doing
19 something I disagree with.

20 MR. CAMERON: This may be phrased -- it
21 may not be phrased the right way, but it says
22 reevaluate the time period. Does the fact that there
23 is all this discussion about this means that it is an
24 issue that should be addressed. I mean, you may not
25 decrease or do whatever, but it sounds like you --

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1 MR. TRAPP: One of the important things I
2 think is the data that Bill gave us yesterday shows
3 that three percent of the plants have a degraded
4 cornerstone. I guess my opinion, if I saw all sorts of
5 plants over on the right-hand side of the action
6 matrix, I would say well gee there might be something
7 wrong with the duration of findings. What I see here
8 seems relatively reasonable. That is why I reached
9 the conclusion that I don't think it is a high
10 priority. If we had a bunch of multiple degraded
11 cornerstone plants, then maybe their thresholds are
12 incorrect. But the way it looks doesn't look so bad
13 to me.

14 MR. GARCHOW: But take a specific example,
15 Jim, from our plant. We have a design issue that was
16 there since day one. We are on the docket as a
17 restart issue to fix it. We are fixing it. Our
18 immediate corrective actions are keeping the plant
19 safe as acknowledged in an inspection report. And I am
20 sitting here until the end of 2002 with a white
21 finding in the design issue from 1971. That isn't
22 indicative of current performance and I am sitting
23 here -- much like Rod said -- sitting here with a gun
24 loaded waiting for another maybe current issue in the

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1 mitigating event cornerstone. We are on the docket to
2 fix this by 2002.

3 MR. TRAPP: For a white issue, that gets
4 closed. If you've got a white finding, all you have
5 got to do is ensure the corrective action is in place.

6 MR. GARCHOW: Maybe then -- I mean I took
7 a note here to go explore that. Maybe we have
8 something to work out on why that is hanging around
9 quarter to quarter when all the information is known.

10 MR. FLOYD: The words I have heard from
11 staff is minimum four quarters until the issue is
12 corrected.

13 MR. GARCHOW: Even for a white?

14 MR. FLOYD: Minimum four quarters or until
15 it is corrected.

16 MR. GARCHOW: For a white? No, the action
17 matrix just said clearly until the root cause is
18 reviewed. So we need to straighten that out.

19 MR. BROCKMAN: I must admit I still don't
20 have the 2 four-inch binders that I have of
21 documentation memorized.

22 MR. GARCHOW: I'll take that on for our
23 own utility separately. But there is some confusion
24 about how long whites stay on.

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1 MR. FLOYD: That is the way it has been
2 characterized to us in our biweekly meetings.

3 MR. GARCHOW: So that is the issue. Maybe
4 we didn't word it right, Mandy. Because it is more
5 solution oriented. But there is a knowledge gap even
6 in this room and we were a pilot plant.

7 MR. SCHERER: I would be open to
8 suggestions, especially from Randy, so that it is less
9 prescriptive of the solution. Perhaps just referring
10 to grading or something else. Whatever it takes -- I
11 don't want to be prescriptive that the only solution
12 is. But I do think the issue should be posed. Just
13 the fact that it is getting this much debate and the
14 fact that it goes back to the previous couple of
15 meetings as we talk about the pejorative nature of
16 being white and whether or not utilities will, in
17 fact, push back to prevent from being white. I think
18 it all goes together in terms of the findings and how
19 long the findings last. So however it is phrased, I
20 think it should be revisited. I am not trying to
21 prescribe an answer. I only gave at least one
22 intriguing thought.

23 MR. CAMERON: But revisit it as a number
24 1?

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1 MR. SCHERER: Yes, in terms of grading
2 white, yellow and -- green, white, yellow --

3 MR. TRAPP: We can revisit it and make a
4 quarter's difference.

5 MR. SCHERER: Right. Whatever the solution
6 is, I am trying to avoid my natural desire to get in
7 and solve the problem. I am trying to define the
8 issue. And I think it is, just from the amount of
9 time we have spent on it, an important issue.

10 MR. SHADIS: May I suggest language? How
11 about criteria for an inspection finding remaining in
12 the action matrix is problematic.

13 MR. REYNOLDS: I am not sure it is
14 problematic.

15 MR. SHADIS: Well, it is to some of these
16 people.

17 MR. REYNOLDS: Well, they want it looked
18 at.

19 MR. SHADIS: All right. Is unclear -- how
20 about is unclear?

21 MR. BROCKMAN: Reevaluate it and the
22 answer you may come up with is no change needed. It
23 may go up and it may go down. Reevaluate it.

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1 MR. TRAPP: Four quarters was a guess.
2 Now you have got data. Look at it and see if it is
3 reasonable.

4 MR. BROCKMAN: But reevaluate does not
5 promulgate a solution. You have got to get rid of all
6 the 10 lines underneath it where we have presented the
7 solution.

8 MR. CAMERON: Does anybody -- from what
9 you are saying, can -- you are saying that nobody
10 should have a problem with the way it was originally
11 stated?

12 MR. BROCKMAN: I personally don't. If you
13 don't go into all the great detail with the examples
14 and everything else. Reevaluate the criteria for some
15 type of -- I have got no problem with the original
16 wording.

17 MR. CAMERON: Randy, Jim, do you -- what
18 do you think about just stating it like that? And
19 keep in mind that Ray has tried to pose another way of
20 saying it.

21 MR. SHADIS: Well, I don't much care. I
22 was just trying to restate it as an issue, a concern
23 or a problem instead of an action item, which evaluate
24 is an action item. So that is all. But if you like

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1 it like that, that is fine by me. I don't have any
2 personal investment in it.

3 MR. BROCKMAN: It is an action word but it
4 doesn't promulgate a solution because it allows status
5 quo. That is why I didn't have trouble with that.

6 MR. CAMERON: You've heard some of the
7 reasons why it should be -- might be reevaluated. So
8 Randy, Jim, Loren -- and I saw Bill was sort of
9 agreeing with it too before. Is it -- with reevaluate
10 being a sort of neutral word in terms of solution,
11 would you go for a 1? Any objection to having a 1 for
12 that?

13 CHAIRMAN PLISCO: I would still change
14 time period because I heard there are some issues
15 about corrective action. I would say just reevaluate
16 the criteria. Because there were some other issues
17 other than just time period I think that we wanted
18 them to look at.

19 MR. CAMERON: Ed, is that okay with you?

20 MR. SCHERER: I don't mind taking out time
21 period, but I would like some way of at least
22 capturing the thought under the banner of reevaluate
23 graded approach or something.

24 CHAIRMAN PLISCO: I think we want to be
25 careful telling them what we think the answer is.

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1 That sounds to me like a solution rather than
2 explaining what the problem is and that they need to
3 look at it.

4 MR. CAMERON: And when you guys write --
5 again, you can take a rough -- accept a rough
6 approximation at this point because you are going to
7 go back and see how it is written up.

8 MR. SCHERER: That is fine. Okay.

9 CHAIRMAN PLISCO: Because I am not sure we
10 will reach consensus that that is the best approach to
11 answer the question.

12 MR. SCHERER: The problem I have with A-2
13 as it is being reworded is I don't know what it means.
14 If I hadn't sat through this discussion. It just
15 says --

16 CHAIRMAN PLISCO: We are going to add
17 narrative, yes.

18 MR. FLOYD: The final report will have to
19 explain what these comments mean.

20 CHAIRMAN PLISCO: What the problem is we
21 are talking about.

22 MR. SCHERER: Okay.

23 MR. KRICH: You are talking about on the
24 Web and not on the action matrix, right? On the Web
25 Page?

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1 CHAIRMAN PLISCO: No. My understanding is
2 the real concern is what is on -- what is essentially
3 effective as far as entry point for the action matrix.

4 MR. KRICH: Right. That is what I am
5 saying.

6 CHAIRMAN PLISCO: All the findings will
7 remain on the Web Page for four quarters as the
8 quarters roll up. No matter what the action matrix
9 entry point is. They will all -- it shows four
10 quarters of findings.

11 MR. SHADIS: I only mentioned the Web
12 because that is where the public accesses this.

13 MR. REYNOLDS: I think another thing you
14 need to do here, Chip, is we ought to take out the
15 proposed solution. This for example in the bullet
16 below there. Because I am not sure we agree with
17 that.

18 MR. CAMERON: I guess I am not looking at
19 the narrative.

20 CHAIRMAN PLISCO: This is for our use
21 right now. So we understand what the issue is.

22 MR. REYNOLDS: It is still publicly
23 available and I don't think -- that is the only one I
24 know we have for example.

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1 MR. BROCKMAN: It was given to us. It is
2 already publicly available.

3 MR. REYNOLDS: We have evaluating it and
4 we have been rewording some and I propose we take it
5 out. I understand where it came from.

6 MR. MONNINGER: There are two tables. This
7 is the summary table. And in the back is the detail
8 table. It is still in the detail table.

9 CHAIRMAN PLISCO: We are going to continue
10 to reword that. As I mentioned before, this is a
11 living document that we are going to have --

12 MR. CAMERON: Can we have a common
13 understanding and agreement that that narrative for
14 any of these is going to be reworked consistent with
15 the discussion that is had around the table?

16 CHAIRMAN PLISCO: This document is already
17 a public document.

18 MR. REYNOLDS: Right, but we are
19 evaluating it.

20 CHAIRMAN PLISCO: Yes.

21 MR. REYNOLDS: I would like to see it come
22 out. I am not sure we want to propose solutions. We
23 have been talking about that. And here is a proposed
24 solution. I don't see why it is that hard to take out?

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1 CHAIRMAN PLISCO: We are going to take it
2 out.

3 MR. FLOYD: As I see it, nothing gets
4 proposed until we agree on the final report that goes
5 out. that is our recommendation.

6 MR. GARCHOW: This is essentially the
7 paper trail along the way and we did that during the
8 pilot panel and nobody seemed to object to having
9 these work in progress documents slowly building over
10 six or eight meetings.

11 MR. MONNINGER: Do you want it out right
12 now?

13 MR. REYNOLDS: Yes.

14 MR. CAMERON: And leave your hand off the
15 undo button.

16 MR. MONNINGER: I already saved it.

17 CHAIRMAN PLISCO: Are you ready for A-3?
18 That is a 1 with the reword. Okay, A-3. Clarify the
19 purpose of the regulatory Conference.

20 MS. FERDIG: One. So the problem is that
21 the Regulatory Conference still retains some of the
22 format of the Enforcement Conference and therefore it
23 loses its potentiality for exploration and discovery.

24 CHAIRMAN PLISCO: No. Well, I --

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1 MR. BROCKMAN: Nothing prevents the
2 Enforcement Conference not to go into exploration and
3 discovery. I think there was plenty of that at the
4 Enforcement Conference.

5 CHAIRMAN PLISCO: The issues that I heard
6 as far as feedback from -- most of it has been from
7 the utilities -- is that this is one part of the
8 process that hasn't caught up to the change in the new
9 risk-informed process. That there are still elements
10 of a focus on the enforcement issue rather than a
11 focus on the risk significance issue that occurs
12 during the Reg Conference because of the structure,
13 the people involved in the conference, the words that
14 are used and I think -- I mean, Bill can probably
15 relate. He has probably heard some of these issues
16 already. Yes, it smells like an Enforcement
17 Conference, but we call it something different.

18 MR. SCHERER: But isn't that -- part of my
19 concern about that issue is the way I heard the issue
20 is it was a -- it is a legacy issue. In other words,
21 the fact that people are familiar with what
22 Enforcement Conferences were, they go to a Regulatory
23 Conference and it looks and smells and tastes like an
24 Enforcement Conference. My concern is I heard nothing
25 that said that time wouldn't just resolve that issue.

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1 As people forget about or people haven't been to an
2 Enforcement Conference and go to a Regulatory
3 Conference, it will seem like a Regulatory Conference.
4 But I didn't see anything that required change other
5 than people's memory, which will fade.

6 MR. BROCKMAN: As long as the same people
7 go to an environment where they are expected to behave
8 in a certain manner, they will behave in that manner.
9 Time will not change their behavior.

10 CHAIRMAN PLISCO: And I have heard some
11 regulatory burden issues about -- from utilities. They
12 are not sure what to prepare -- you know, what are
13 they supposed to prepare for? What questions should
14 they be prepared to answer? What is the focus?

15 MS. FERDIG: Please change the frame of
16 that meeting and what proactive can be done to make
17 that happen?

18 MR. CAMERON: Bill originally raised this
19 issue. Do you want to articulate it again?

20 MR. BORCHARDT: No, I don't think I did
21 raise this. I have a -- I guess personally I don't
22 really see it. I see it more -- maybe I am agreeing
23 with Ed -- as initial people unwilling to adjust to a
24 new mindset. I mean, the comment that I hear most
25 frequently is the fact that a person who for several

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1 years has been the Enforcement Coordinator in the
2 region is attending this meeting, let's everyone else
3 in that room know or believe that this is really an
4 Enforcement Conference. Even though they have a new
5 aspect to their job, which is to facilitate regulatory
6 conferences. And we have made some changes recently to
7 make sure that we don't put a draft notice of
8 violation up on the overhead early in the meeting. I
9 mean, there are some things that are the way
10 Enforcement Conferences used to be conducted, but I
11 think a lot of it is really just getting used to this
12 new way of doing business. You know, utility
13 management and NRC management just need to keep trying
14 to remind themselves that we are under a new process.
15 The procedures and the guidelines talk about
16 Regulatory Conferences with very strict guidance. I
17 think it is an adjustment thing. I really don't think
18 this is a huge issue to be honest with you.

19 MR. GARCHOW: But there are some
20 structural things that having been to a couple of
21 these already -- you know, the press comes, right? And
22 the states come. To your comment, they think they are
23 coming to see a duck. So the posting goes up and the
24 newspapers come and they get to the meeting. I think
25 the structural piece that would be very easy -- you

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1 know, that I think genesis this is just some
2 rudimentary introduction and education at the
3 beginning of these. Because the press and the public
4 who come or choose to come really have not got the
5 word yet that they are not coming to an Enforcement
6 Conference.

7 MR. BROCKMAN: There is a whole lot of
8 things. Because some of the words in here are very
9 significant. The Enforcement Conference very much went
10 into the enforcement and corrective actions associated
11 with the non-compliance. Whereas this is very much --
12 the Reg Conference is supposed to focus on risk
13 significance. But I have had more than one utility
14 that wants to make sure -- I want the RA there because
15 I have got to show him what are all of our corrective
16 actions and we have taken this seriously and they want
17 to change the entire dynamic back to something they
18 are familiar with. They don't want the enforcement
19 officer there because it looks like enforcement. But
20 everything else, we would still like to do in the old
21 venue. So there is whole sides of the street that have
22 kind of come to grips with this one as to what you are
23 really looking for and getting a good clarification.
24 I think it is a good topic and I like the word
25 clarify. I think that is an exceptionally good word.

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1 MS. FERDIG: I think how you frame -- how
2 you set up that conversation is symbolically important
3 for what it is that you are wanting to have happen.
4 And to assume that it will happen eventually as
5 people's memories fade or shift I think is perhaps a
6 false presumption. And I don't know -- maybe the -- I
7 don't know what needs to happen, but I think it is
8 symbolically more important than you realize given
9 that the language that is spoken in that context sets
10 the tone for the continued relationship around
11 whatever that issue is and subsequent relationships.
12 So just don't underestimate the importance of it.

13 MR. CAMERON: So, Mary, you would make it
14 a 1?

15 MS. FERDIG: I can go with a 2. I just
16 don't want it to be one of those things that is under-
17 valued or underestimated in terms of the criticality
18 of influencing the effects.

19 MR. BORCHARDT: I just want to go back to
20 we have changed the language.

21 MS. FERDIG: Yes, but --

22 MR. BORCHARDT: But if I walk into the
23 room, Dave is going to say, oh, this is an Enforcement
24 Conference.

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1 MS. FERDIG: Well, then his language
2 hasn't changed in his head. It is not --

3 MR. BORCHARDT: So we need to exclude a
4 portion of the NRC staff now from attending this
5 meeting. I mean that is kind of the feedback I am
6 getting. Because if I walk in the room, it is no
7 longer a Regulatory Conference. It is an Enforcement
8 Conference. Because that is the way it always used to
9 be.

10 MR. GARCHOW: What kind of an issue is
11 this relative to the whole oversight process?

12 MR. BORCHARDT: And I don't think it is a
13 big one at all. That is what I mean.

14 MR. BROCKMAN: I am not sure that this
15 isn't one of the fundamental, philosophical types of
16 things. This is a change management issue. It is not
17 relevant to this, but it is critical to the change
18 management on the whole process. And part of what you
19 are saying is in fact true. If you are going to
20 affect these changes, you have to do it in all of the
21 aspects. And no, Dave, you are ready to give this
22 thing and Ellis won't be there. Great, Ellis won't be
23 there. We are not going to delay the schedule three
24 weeks until we can get on Ellis's calendar. Ellis is
25 not critical to a Regulatory Conference. And you have

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1 got to go that -- that is what I am saying, both sides
2 of the street if we are going to look to make some
3 limitations to affect this philosophical change have
4 got to change their philosophies.

5 MR. KRICH: So I think it is a valid issue
6 to raise up. Because we have been to Regulatory
7 Conferences and we had some difficulty on our side as
8 well as we noticed some difficulty on the side of the
9 NRC in terms of what their understanding was, at least
10 it seemed to us. So I think the issue is simply the
11 purpose of the Regulatory Conference and what it is
12 supposed to accomplish just needs to be clarified to
13 us and to the NRC and to the public. So that
14 everybody is clear as to what is going on here. And I
15 was rate it as a 2.

16 CHAIRMAN PLISCO: I think 2.

17 MR. CAMERON: All right.

18 CHAIRMAN PLISCO: Okay. The next is A-4.
19 A-4 is -- there was one proposal to extend the PI
20 enforcement discretion.

21 MR. BORCHARDT: Could I maybe just cut
22 this one off at the pass? The policy is due to expire
23 by policy on the 31st of this month. I have got
24 something before the Commission now which in February
25 maybe we can revisit it if you don't like what the

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1 Commission decides. But it is really not productive at
2 this point to -- I don't think to discuss it.

3 MR. BROCKMAN: You are saying this one is
4 of such a short duration and so focused that it will
5 be overtaken way before the report is out in early
6 May?

7 MR. FLOYD: Is your new policy
8 specifically getting at how to do deal with pilot
9 program deficiencies? Because that is what this one
10 is really related to.

11 MR. BORCHARDT: Well, they are talking
12 about the discretion for PIs.

13 MR. FLOYD: But it says specifically
14 during --

15 MR. BORCHARDT: I just think the language
16 isn't quite right because pilots are long gone, right?

17 MR. FLOYD: No, no. We have new pilots.
18 Every time we get -- what the issue is is we have a
19 new PI, which we have two under evaluation right now.

20 MR. BORCHARDT: And it addresses that as
21 well.

22 MR. FLOYD: Will there be discretion
23 applied to a new pilot?

24 MR. GARCHOW: Would you get volunteers for
25 a new pilot without it? I would say probably not. At

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1 least in our utilities point, I would say definitely
2 not.

3 MR. BORCHARDT: So why don't you wait
4 until February and see --

5 MR. CAMERON: This was be a pass.

6 CHAIRMAN PLISCO: We will revisit it.

7 MR. SCHERER: Are you going to be at the
8 February meeting, Bill?

9 CHAIRMAN PLISCO: Okay.

10 MR. BORCHARDT: I am sure you will let me
11 know before the February meeting if you don't like it.

12 CHAIRMAN PLISCO: A-5. A-5 we have kind
13 of talked around a bunch of times the last few days.
14 The use of no-color findings.

15 MR. FLOYD: I personally think this is a
16 priority 1 in the program from many aspects. First of
17 all, no color findings show up in a blue box on the
18 action matrix. So the public is now calling these blue
19 issues. So we now have a no color blue issue.

20 MR. BROCKMAN: So we are supposed to put
21 it in a no-color thing and they are secret. Nobody
22 can read them.

23 MR. GARCHOW: So when that comes up, I
24 refer them to the NRC public information officer to
25 explain the blue no-color finding.

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1 MR. FLOYD: I think this one really -- we
2 think it is a big issue because we think it goes to
3 the heart of what was trying to be done under the new
4 program, and that was only have issues show up that
5 have some defined level of significance. And
6 originally I think -- this is what we got out of our
7 discussions with the staff and the development of this
8 one -- was that this was really supposed to be
9 capturing the findings that were in the enforcement
10 exceptions -- okay, the level 4 exceptions or higher
11 level of significance -- the willfuls, the impeding
12 the regulatory process, the failure to abate the
13 condition. Those would be tagged and that is where you
14 would capture the fact that you had those violations
15 that were occurring but that could not be evaluated
16 using an SDP. That was the original purpose of this.
17 And it seems to in our view have expanded to, oh good,
18 here is a good place to put observations and minor
19 violations and all the other things the program says
20 we can't capture but now here is a good place to
21 capture them. And we actually have a lot of data that
22 says that is exactly what has happened.

23 MR. TRAPP: It doesn't say the program
24 doesn't say you can't capture them. It just says that

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1 the SDP doesn't apply and we don't know how to color
2 things where SDP doesn't apply.

3 MR. FLOYD: Well, it specifically says
4 don't document minor violations and observations. But
5 we have seen a number of no-color findings that I
6 would have to characterize as observations.

7 MR. TRAPP: See, we don't. If we put a
8 no-color in a report, we believe it is more than that.

9 MR. CAMERON: A no-color finding carries
10 a perception that something is wronger than an
11 observation?

12 MR. GARCHOW: Another issue that needs to
13 get brought forward and resolved. Somewhere between
14 white and light green.

15 MR. TRAPP: I think that somehow got
16 construed to be blue. So there is no logic.

17 MR. GARCHOW: Mint green and hunter green.

18 MR. TRAPP: We can't explain it.

19 CHAIRMAN PLISCO: I think we do need to
20 look at the wordings. I mean there are -- basically,
21 the way the program is set up -- I would think you
22 would agree, some of those no-colors are valid issues.

23 MR. FLOYD: Are valid, absolutely.

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1 CHAIRMAN PLISCO: Like I know there are
2 some recording issues like 5072 and 5073 that fall
3 into that category.

4 MR. SCHERER: A minimum number of no-color
5 findings.

6 MR. BLOUGH: You can either abuse it, put
7 stuff in there that shouldn't be there at all or you
8 can abuse it by putting stuff there that is a valid
9 issue that you can't really figure out the
10 significance based on the tools we have today. In
11 either case, it seems like it is a priority 1.

12 CHAIRMAN PLISCO: Is everyone have
13 consensus on a 1 there? A-6, use of traditional
14 enforcement.

15 MR. BORCHARDT: This item, I think, came
16 out of my input. And I was surprised to be very
17 honest with you of the reaction that I got. Because I
18 thought this was a point of confusion between the
19 staff and the industry. And the feedback that I got at
20 the last meeting was that in fact that there wasn't.
21 That the industry acknowledges that there could be a
22 severity level violation issue, which would be one of
23 these non-color findings that Steve mentioned. But
24 then there could also be an associated technical
25 finding that would get colored that would then work

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1 its way into the action matrix. And with that
2 understanding, which still exists today, I think we
3 can just delete this item. I would withdraw it.

4 MR. SCHERER: I am not sure because maybe
5 it goes into no-color findings or maybe it belongs
6 here. But there seems to be an expansion of what is
7 the definition from my original understanding of
8 impeding the regulatory process to some of the
9 discussions that are occurring and findings that I am
10 seeing in Region 4, at least, where definitions of
11 impeding the regulatory process seems to be growing.

12 MR. FLOYD: I don't think that is really
13 the issue that is captured here, though, is it?

14 MR. BORCHARDT: No, that wasn't it.

15 MR. FLOYD: I think that is more the A-5
16 issue.

17 MR. SCHERER: Okay. So that is part of A-
18 5?

19 MR. FLOYD: About what is the threshold
20 for that that is resulting in maybe a disproportionate
21 number of no-color findings.

22 MR. BORCHARDT: Fine.

23 MR. CAMERON: I want to make sure that we
24 remember that that is included under A-5.

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1 MR. GARCHOW: So, Bill, your issue was
2 making sure it was understood by all that the
3 technical issue that may have been, for your example,
4 willfully somehow not disclosed to the NRC, once it is
5 disclosed, that technical issue is riding through an
6 SDP wherever it may land while the 50.7 or 50.9 issue
7 is riding down the enforcement trail, wherever it may
8 end up? And you were just wanting to make sure
9 that --

10 MR. FLOYD: So it gets documented as a no-
11 color finding and maybe a finding of color.

12 MR. BORCHARDT: Right. Because I was
13 anticipating a concern that isn't that double
14 counting? Isn't that a double hit for the same issue?
15 And I always saw them as separable and since you agree
16 there is no issue.

17 MR. CAMERON: So delete?

18 MR. BORCHARDT: Yes.

19 CHAIRMAN PLISCO: We are done with the
20 A's.

21 MR. CAMERON: I would like to ask Ray if
22 I captured his --

23 CHAIRMAN PLISCO: Why don't we -- I know
24 those that wanted to recheck schedules. We will take

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1 a short break so they can do that and we can firm up
2 our meeting dates.

3 MR. CAMERON: Did I capture here -- if I
4 put this in the parking lot, the issue that you were
5 raising about how long something stays on the action
6 matrix and how the public can find out about it after
7 it is off, et cetera? I am not sure I captured it
8 correctly. Add somewhere an issue on clear and
9 accessible information to the public on the history
10 and status of a finding on the action matrix? Does
11 that do it at least to remember what we are talking
12 about there?

13 MR. SHADIS: Put the word removed in there
14 somewhere.

15 MR. CAMERON: Okay.

16 MR. SHADIS: Because we are talking about
17 popping them off of there.

18 MR. CAMERON: All right.

19 MR. SHADIS: Once corrective action is
20 underway. But the public interest doesn't stop there.

21 CHAIRMAN PLISCO: Okay, break.

22 (Whereupon, at 3:50 p.m., off the record
23 until 4:07 p.m.)

24 CHAIRMAN PLISCO: Okay. Let's wrap up.
25 As far as the remaining items, what we will do is give

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1 you a homework assignment. Actually, we will go ahead
2 and update first what we have done so far so you can
3 see what we have done and send out the updated list.
4 If you can mark that up on your view of the -- what
5 category it should be, category 1 or 2. And forward
6 that back to John and we will compile that for the
7 next meeting and then we should be able to see where
8 the areas we need to focus our discussion on at our
9 next meeting.

10 MR. FLOYD: When would you like that back?

11 CHAIRMAN PLISCO: Let's see. When can we
12 get it to them?

13 MS. FERDIG: You will tell us when you
14 send it, right?

15 MR. MONNINGER: I guess it would depend
16 upon how you want to do it. If you want to stick with
17 just one column, initial priority, or if you want to
18 do it on all eight. You can have a lot more time if
19 you just stick with one column. But if you have to do
20 all eight, it would take more time.

21 MR. FLOYD: Could I propose something
22 maybe a little bit different?

23 MR. MONNINGER: Sure.

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1 MR. FLOYD: Give it initial priority of 1
2 or 2 and then just maybe put a quick X or a check in
3 the boxes that you think are driving that.

4 MR. MONNINGER: Right. Okay.

5 MR. FLOYD: Rather than having to rank all
6 eight boxes.

7 MR. MONNINGER: Okay. And then --

8 CHAIRMAN PLISCO: Just the primary -- what
9 you see as the primary.

10 MR. FLOYD: Yes, primary.

11 MR. MONNINGER: I would give you just the
12 summary table and not the tables with all the
13 individual comments. You already have the tables with
14 the individual comments. So the summary table is just
15 about three pages. Does that make sense? And then
16 you would give the three pages back. And I would tally
17 them up. And the thought was I wouldn't include the
18 members' votes. Similar to how we did here. We didn't
19 identify names with the comments. You know, if you go
20 back in the record, you can do the cross-tracing. But
21 when we do to the -- if you want to call it the voting
22 or your X's and your 1's and 2's, I would just have
23 columns down and I would know. Is that how you want
24 it?

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1 MR. KRICH: So you would just have two
2 boxes, category 1 and category 2, with votes in each
3 box?

4 MR. MONNINGER: Yes, we can do that. We
5 could say seven 1's and I guess eight minus seven, 11.

6 MR. FLOYD: I think for the voting process
7 that individual names aren't needed. Because each
8 person will have the opportunity to dissent if the
9 group ends up going in a different direction.

10 MS. FERDIG: I do like Dave's suggestion,
11 though, that if we can in our next agenda allow for
12 continuing -- I mean, I learn a lot from these
13 conversations, but it is because I don't know -- I
14 don't have the context that most of you bring to the
15 table. So I --

16 CHAIRMAN PLISCO: Yes, we will plan to
17 continue to go through those. But I think it will
18 speed up --

19 MR. CAMERON: One of the parking lot
20 issues is to revisit the narratives. How much does the
21 existing narrative on some of these issues drive your
22 voting? Do you need to revise the narratives or can
23 you do that later?

24 CHAIRMAN PLISCO: Well, I think the
25 importance -- at least from John and my perspective --

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1 is the revision of the narrative after we have the
2 discussion to make sure we have accurately captured
3 what we are trying to convey as we get closer to
4 putting our final report together. What the issue is.
5 Right now, we are just trying to capture individual
6 thoughts and suggestions to give you a better
7 understanding of what the issue is. But we are going
8 to go through and rewrite those as we finish the
9 discussion.

10 MS. FERDIG: But in the meantime, you are
11 going to trust us to draw on our memory of what we
12 have learned that would lead to the rewriting of the
13 narrative to do our evaluation?

14 CHAIRMAN PLISCO: Yes. And I would say two
15 things too. If there is additional items you think
16 need to be added, forward those to John. Just as we
17 did in the couple of categories we already had. If
18 there is additional items that you think need to be
19 included that we have left out. Or in the bullets
20 already, if you think there is some clarification or
21 another point you think that would help the panel
22 understand that issue or if there is a different
23 perspective that you want to add than what we already
24 have in there, send that to John too so we can get
25 that included.

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1 MR. CAMERON: So someone may disagree with
2 the narrative but say as I understand -- I think there
3 is another problem here and I am voting -- I am
4 ranking based on my substitute narrative?

5 MR. SCHERER: Well, I would expect two
6 things to occur. At least as far as I am concerned.
7 One, we are going to hear some additional information
8 which will obviously change some of my perspective and
9 might change some of my positions that I am giving as
10 a tentative position. And I might change my
11 understanding of the priority I assign, 1 or 2, and my
12 perception of what the issue is for the narratives. So
13 I would assume that we will be given a chance after we
14 finish hearing input from others to either revisit our
15 vote or perhaps revisit some of the narrative that
16 goes with it.

17 MR. CAMERON: So just accept the narrative
18 as it is at this point.

19 MR. SCHERER: To me, the narrative -- its
20 value remains in trying to understand what the issue
21 is, and we will work on the language of the narrative
22 after we hear the rest of the information we have
23 asked for and have a discussion and try to reach some
24 collegial opinions on what the issue is and how to
25 phrase it.

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1 CHAIRMAN PLISCO: Any other questions on
2 the homework assignment? The next thing is --

3 MR. SCHERER: Is it going to be graded?

4 CHAIRMAN PLISCO: Our goal will be -- I
5 guess the answer to the original question is once we
6 get this pulled together, we will give you a deadline
7 when we send it out. And we will pick a deadline so
8 that we can compile your input and get it back to you
9 before our next meeting so you can see that to help
10 you prepare for the next meeting.

11 MR. GARCHOW: With respect to green,
12 yellow, red PI for the members here and whether we
13 have some suitable access matrix. I don't know
14 exactly what we will do for the reds.

15 CHAIRMAN PLISCO: And it will remain for
16 a year.

17 MR. GARCHOW: You will get assigned to the
18 ongoing panel.

19 CHAIRMAN PLISCO: The other business item
20 we need to talk about before we close is the agenda
21 items for our next meeting. At our last meeting, what
22 was proposed is that we invite Mr. Lochbaum and Mr.
23 Riccio to present their views to the panel. I am
24 going through the list here. NEI, we were going to
25 ask for a presentation on their views.

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1 MR. KRICH: Could you speak up a little
2 bit?

3 CHAIRMAN PLISCO: I am sorry. The first
4 was presentations rom Mr. Lochbaum and Mr. Riccio was
5 what was proposed at our last meeting. The second was
6 a presentation by NEI. The third was a presentation
7 by a or a number of press media representatives to
8 provide their perspective. The next was an investment
9 community representative.

10 MR. GARCHOW: I question the value of the
11 investment community relative to the -- I mean, I know
12 the value relative to my job. But I am questioning it
13 relative to the work of this committee or any words in
14 10 C.F.R. that would tend to somehow get you into the
15 investment community.

16 MR. BROCKMAN: If in fact the investment
17 community is using the outputs of the ROP and the
18 outputs -- that should be noted. And if it is
19 appropriate, fine. If it is not appropriate, fine. But
20 you have got to have your eyes open as to what all are
21 the various stakeholders and uses that are being made
22 and that should be shared and then a determination
23 made as to whether it is appropriate or not. There may
24 be something that you could modify in it that would
25 make it perfectly valid for that and not effect any

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1 other stakeholder. I mean, it is just a bit of
2 information that I think is relevant. We may not do
3 anything with it, but to ignore it as an information
4 source I think would be wrong.

5 CHAIRMAN PLISCO: But if they have some
6 issues, which objective are we talking about? Which
7 goal are we talking about?

8 MR. BROCKMAN: I don't know until their --

9 MR. GARCHOW: It will be an interesting
10 conversation. I am not opposed to it. I am just trying
11 to wonder how that looks when the --

12 MR. SHADIS: I think we are really
13 reaching there. I know I couldn't avoid criticizing
14 NRC for dragging in the money people. Because
15 everybody else here is concerned with safety. And
16 excluding no one --

17 MR. BROCKMAN: Since California is in
18 Region 4, I am overly sensitive at the moment.

19 MR. SHADIS: Well, yes. But, you know,
20 that is not allowed as a consideration in formulating
21 any kind of action or --

22 MR. BROCKMAN: Not in the safety aspect or
23 what have you but in how you present information it
24 could be appropriate. I mean, we are reaching a lot
25 of ways to try to make sure it is in an amendable, it

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1 is in an understandable, it is in a usable format, and
2 that is my concern with that community is the
3 presentation. It is something that is in the way.

4 MR. SHADIS: If there is some negative
5 financial impact on the licensee and it can be avoided
6 without interfering with anything else, fine. But I
7 don't know how much energy or interest you can expend
8 there before it gets sticky.

9 CHAIRMAN PLISCO: I think I agree with
10 Ray. The other issue too is if there really is some
11 financial impacts that could impact the operation of
12 the facility, I would hope the utility representatives
13 could tell us what their views are and whether they
14 see real impact.

15 MR. KRICH: Let me take the opposite tack.
16 These guys -- these financial guys are members of the
17 public. And if it is not understandable to them, then
18 it is not -- you know, we have a problem. Whether it
19 has a financial impact on us or not down the road,
20 that is our problem and not the NRC's and not this
21 panel's. But I think it is just as important that
22 they understand what is going on here as it is for
23 people like Ray or Ray's -- you know, the people that
24 Ray represents to understand.

25 MS. FERDIG: Or the press.

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1 MR. KRICH: Because we are asking the
2 press. That is right. The same thing with the press.
3 I mean, I think that we would get a good cross-section
4 of how this is coming across to the public. Because
5 these are people who pay attention. People like Ray
6 -- you know, people who Ray represents pay attention,
7 the people in the press pay attention and the
8 financial community pays attention. If we are getting
9 across to those people, there is a good chance we are
10 getting across fairly well. And if we are not --

11 MR. GARCHOW: I think you have to couch it
12 that way. I was worried about the optics of how this
13 looks in the public record that we are going out of
14 our way. I mean, have the financial communities
15 responded to any of the Federal Register notices?
16 Have they taken an opportunity to weigh in? I mean, I
17 am not aware that they have taken an opportunity to
18 weigh in, Steve. Maybe you would.

19 MR. FLOYD: Yes.

20 MR. GARCHOW: But I am just worried about
21 the optics. If we couch it in the way Rod says and
22 make sure the meeting minutes reflect it and that is
23 the conversation, my concern is probably abated. I
24 just think it has the wrong optics unless you put some
25 controls on it.

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1 MR. BLOUGH: The only purpose would be to
2 evaluate how understandable it is, right?

3 MS. FERDIG: Which is one of our
4 objectives.

5 MR. BLOUGH: Which is one of our
6 objectives, but we are getting that through other
7 means as well. So I guess the question is do we really
8 need that perspective to evaluate whether it is
9 understandable to the public.

10 MR. SHADIS: I think we have got the
11 Chairman of the Commission now going to the National
12 Academy of Science looking for some determination on
13 the release of contaminated material for recycling,
14 and he is saying that the -- I forge the exact words,
15 but in essence the survival of the nuclear industry
16 depends on getting rid of this crap. And I just want
17 to tell you that the public advocates and
18 environmental community is very, very sensitive to the
19 NRC's responding to any kind of pressure regarding the
20 financial end of this. And I would have to -- I mean,
21 you do what you will, but I would have to register a
22 grave objection to this. I really think you would be
23 causing yourself harm. And I know that my constituency
24 would expect me to jump up and down and yell about

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1 this. Although in the end, in fact, there may be no
2 harm at all to getting their input.

3 MR. KRICH: I think we would be missing --
4 I think, Ray, that we would be -- I understand your
5 position and I respect that. I just think that we
6 would be missing a very interesting source of feedback
7 on how understandable this is to a group of people who
8 do pay attention to it, just like you pay attention to
9 it.

10 MR. FLOYD: One of the small -- very small
11 segments of the general population which are actively
12 trying to understand the new process. There is very
13 few people to sample outside of the people around this
14 table.

15 MR. KRICH: If we don't do that, then I
16 would make a suggestion that we ask -- and we may have
17 discussed this before and if we have, I apologize. But
18 two summers ago, I went and talked to the staff of the
19 Illinois delegation in the U.S. Congress, and they are
20 also very interested in this and had lots of questions
21 about the new process. So I would suggest that if we
22 don't do somebody from the business community, from
23 Wall Street, that we might want to consider having
24 somebody from the staff of somebody in Congress.

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1 MR. GARCHOW: Who has an interest in
2 nuclear power?

3 MR. KRICH: Yes. Staffers from lots of
4 states have interest in nuclear power.

5 MR. SCHERER: I guess my reaction is a lot
6 of -- and I think we have discussed this in the past.
7 There is a lot of stakeholders. Just like the
8 financial community and the Congress, we can go on and
9 on. I don't -- I don't feel that strongly that we
10 need to reach out and invite the financial community
11 i. We certainly hear -- in California, we hear a lot
12 from the financial community and there is a lot of
13 discussions going on.

14 MR. KRICH: This isn't California.

15 MR. SCHERER: I understand. And I agree
16 that the advantage of the stock analysts are that they
17 spend a lot of time dissecting what used to be the
18 cell process and now dissecting the current process
19 and trying to understand it. And I have had the
20 advantage or disadvantage of trying to explain to them
21 what a no-color finding is or failing -- more
22 accurately failing to explain to them what a no-color
23 finding is or is not. I probably would say if we
24 could find somebody that was interested in coming and
25 discussing it with us, that they come during the

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1 public portion of the meeting and that would, in my
2 mind, obviate any issue of us inviting them. They
3 could always join us as any member of the public and
4 give this input.

5 You know, at some point we have to stop
6 and figure out where do we draw the line? Do we
7 invite Congress? Do we invited the State legislature?
8 Do we invite the Governor's Office from the State of
9 California. At what point do we stop taking
10 testimony. And I would tend to hold to the primary
11 stakeholders, the licensees, the NRR, the community
12 that has been active in intervening in the processes.
13 I think the press is a good outreach where most of the
14 public gets their information. But at some point, we
15 have to start drawing a line and saying, okay, that is
16 enough testimony. And I don't feel that strongly that
17 we have to reach out to the financial community,
18 because it gets to a side of the -- it gets to the
19 other side of what I would consider a bright line of
20 being regulated. The financial community isn't
21 interested in -- at least in my experience, in the
22 regulation. It is the impact of the regulation. And
23 they want to understand the impact of the regulation.
24 They don't care how we get regulated. They want to
25 know what the financial impact of that regulation is.

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1 So that is their effort and that is what they are
2 trying to interpret.

3 Again, I think it would be an educated
4 audience, and if they came in as part of the public,
5 I wouldn't mind listening to what they had to say and
6 factoring that in. But it is just not critical to me
7 in terms of what we are trying to achieve as a panel.

8 MR. BLOUGH: Yes, I would prefer not to
9 call them just because of some concern on the panel of
10 whether it is appropriate. And if we make the program
11 understandable to other external stakeholders, it
12 should be more understandable to the financial
13 community as well. So we have other ways of getting
14 the information we need and what we need to do.

15 CHAIRMAN PLISCO: I was going to ask is
16 there another alternative, Steve. You nodded your
17 head as far as it sounds like the financial community
18 does have interactions with you and provide their
19 views. And maybe if there are views as far as
20 understandability and if it impacts some of the goals
21 that we are looking at, if there are any things that
22 you can pass on in your presentation when you come,
23 maybe that is one way to get some of that. If it
24 impacts one of our goals that we are looking at.

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1 Those kind of issues. Understandability is I think
2 the one.

3 MR. FLOYD: It is definitely the
4 understandable one. I mean their obvious concern or
5 interest in the oversight process is how do I get
6 information and is it understandable and credible and
7 objective such that if I am going to make a financial
8 evaluation and give a company a financial rating that
9 I am doing it on a sound basis. From that standpoint,
10 they want to understand the new oversight process.
11 Because you know what they did with the SALP process.
12 They averaged the three SALP scores or four SALP
13 scores together and came up with an arithmetic average
14 and ranked everybody. And if you called them up and
15 said I want to buy such and such a stock, they would
16 say, well gee, that is a 1.89 plant and you might want
17 to consider this 1.65 stock.

18 MR. SHADIS: Steve, if there is a
19 financial penalty to having white findings or whatever
20 it may be that these people are basing their bond
21 ratings on and that sort of stuff, does that fit in
22 under regulatory burden? I mean, is that a --

23 MR. FLOYD: No, I don't think so. I think
24 it is more -- I think it is more just the
25 understandable objective. We don't mind them using

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1 the information coming out of the oversight process as
2 long as they understand what the information means.

3 MR. KRICH: They are members of the
4 public, Ray, just like everybody else. They have a
5 right to understand what is coming out just like you
6 do.

7 MR. FLOYD: And it is important that they
8 understand it and don't misuse it due to a
9 misunderstanding.

10 MR. KRICH: And also it is real world that
11 the financial community pays lots of attention to what
12 goes on at nuclear plants. Whether you like it or
13 not, that is real world.

14 MR. FLOYD: Sure.

15 MR. KRICH: And so I would like -- from my
16 perspective, I would like to see -- make sure that
17 they understand this.

18 MR. SHADIS: At different times in the
19 past, the public interest community has watched what
20 the financial people are doing to try to get an
21 indication of what is going on in the nuclear
22 industry. So, true.

23 MR. BROCKMAN: The purpose of this
24 committee is not to teach to them what the process is.
25 If we have a purpose with that stakeholder, it is to

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1 identify do they have insights as to how the
2 information for that segment of the public would be
3 more useful. And that is the extent of what the
4 communication should be. It is an entirely different
5 initiative for somebody else to do it, but it is
6 educating that part of the community. And everything
7 we have been talking about for the last ten minutes is
8 what we need to make sure they know about. That is
9 not our job.

10 MR. FLOYD: No, no. It is not to make
11 sure they understand it. What it is -- I don't see
12 them as any different than the public. They use the
13 information and we want to make sure that we have a
14 process that is understandable to them. If there is
15 something in our process that is not understandable
16 and could be clarified without jeopardizing the safety
17 objectives of the program, then we ought to consider
18 that just like we are doing for the general public or
19 other stakeholders.

20 MR. BROCKMAN: And that is the only --

21 MR. KRICH: Ken, you put it best in that
22 we may get -- they could give us an insight into
23 understandability that we might not get someplace
24 else.

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1 MR. FLOYD: Or they may have some
2 recommendations on how to make it more understandable.

3 MR. BROCKMAN: It is certainly a fine line
4 that you are walking at that stage. Is this a -- you
5 know, when you go out and buy a house, they say, okay,
6 give me your musts and give me your wants and give me
7 your like-to-have's. This is in my like-to-have list.
8 It is not even in my must or my wants.

9 MS. FERDIG: As far as I see it, they are
10 stakeholders, just as much as I am a stakeholder. And
11 if they choose to come, then --

12 MR. BROCKMAN: We are not holding it on
13 Wall Street, which makes it very --

14 MS. FERDIG: It just makes us smarter.

15 MR. SHADIS: It is a matter, Mary, of
16 soliciting that input and that perspective. We did
17 have a representative in Atlanta from Morgan Lewis,
18 the law firm which represents a lot of industry folk
19 and there is a legal perspective on this also. And one
20 would think if anybody was canny enough to understand
21 the nuance of regulation, it would be the legal guys.
22 So there is another constituency or another
23 stakeholder group.

24 MR. KRICH: This is not a legal issue.
25 There is really not a legal issue here. I guess I

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1 disagree. I don't think there is any legal issue going
2 on here.

3 MR. GARCHOW: The point that I think he
4 was making is that there is a couple of law firms that
5 I will say make their living around the nuclear
6 industry and pay attention to the regulatory process.
7 We didn't solicit their input as to what it is about
8 the oversight process and communication that either
9 impedes or makes their job easier or better. They are
10 a stakeholder. I heard Ray saying that there is other
11 groups of stakeholders like the financial community
12 that we chose not to solicit.

13 MR. KRICH: There is a little difference.

14 MR. FLOYD: I see a big difference. They
15 are only involved if we choose to hire them, at which
16 point they become our agent and they are really an
17 industry stakeholder at that point. That is how I
18 view the lawyers.

19 MR. GARCHOW: Well, we choose to issue
20 bonds at certain financial houses, so you could make
21 that --

22 MR. SHADIS: But I just thought about it
23 in terms of the communication thing. If I ever submit
24 a clear letter here, it will be because my wife, who
25 is an attorney, edited it. So there you have it.

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1 MR. GARCHOW: So, Loren, what is the
2 privilege of the committee here?

3 CHAIRMAN PLISCO: I am trying to get a
4 feel for the consensus here.

5 MR. GARCHOW: I will defer to the group.
6 I have an optics issue, but it is a minor thing. I can
7 certainly see Rod's point and I for one will defer to
8 the group.

9 CHAIRMAN PLISCO: I am sort of where Ken
10 is. I don't see it as critical. It would be
11 interesting but I am not sure it is critical to what
12 we are doing.

13 MR. BROCKMAN: If other people really feel
14 -- and I am going to choose a moral compass type of
15 issue, which I think is what I hear from you. Then I
16 am not strong enough to override that on any
17 individual at all.

18 MR. BORCHARDT: And I think we have a
19 reasonable middle ground getting an NEI
20 representative. Some of the issues that have been
21 raised here.

22 MR. SCHERER: What if any financial firm
23 were to show up and speak as a member of the public?

24 CHAIRMAN PLISCO: How could we?

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1 MR. SCHERER: So perhaps the middle ground
2 is that we invite the other groups and if some member
3 of the financial community were to show up, we would
4 be happy to hear them as a member of the public during
5 the time allotted.

6 CHAIRMAN PLISCO: Sure.

7 MR. GARCHOW: Steve, you have the
8 contacts, right?

9 MR. FLOYD: How would they even know about
10 it if no one calls them up and tells them.

11 MR. SHADIS: Well, the chairman won't call
12 them up.

13 MR. FLOYD: The chairman won't call them
14 up?

15 MR. BROCKMAN: I can't imagine that
16 anybody in the industry may not make sure that the
17 financial community knows about this meeting. Thank
18 you. Moving on.

19 MR. SHADIS: Nothing prevents any of the
20 members of the panel from expressing their opinion to
21 anybody.

22 CHAIRMAN PLISCO: And I was going to
23 propose for the press representative is I will work
24 with our NRC public affairs and see what they propose.

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1 I'll talk to our public affairs office and look for
2 some suggestions.

3 MR. GARCHOW: So, Loren, where did we end
4 up on the financial community? That Steve can
5 represent their views the best he knows because he
6 deals with them and we will call that good enough?

7 MR. BROCKMAN: We are not giving them a
8 special invitation. They have a spot on the docket.

9 MR. SHADIS: Does NRC employ a clipping
10 service? You could gain insights as to how well you
11 are communicating this by taking the local press from
12 those areas where you had your public meetings to
13 explain the ROP and seeing what they reported.

14 MR. TRAPP: I also think it would be
15 interesting to have one of our public affairs officers
16 in the region come in and give us a talk. Because they
17 are trying to explain this thing all the time and they
18 are not technical and they might give some pretty good
19 insights on this.

20 MR. BORCHARDT: If you have some press
21 public affairs person out of the region, a utility
22 public affairs person. You'd have the issue
23 surrounded.

24 MS. FERDIG: That would be interesting.

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1 MR. FLOYD: Loren, I will make the offer.
2 You can avail yourself of it or not. But I know our
3 public -- our communications folks at NEI get -- I
4 won't say a lot of calls from the press, but there is
5 a select few and I can't name them all. But there are
6 a select few numbers of newspapers across the country
7 that have shown an active interest and some individual
8 reporters that have shown an active interest in the
9 oversight process and have asked a lot of questions
10 about the development of it and what it means. If you
11 want, I could have one of our communications folks
12 call you and give you the names of those publications.

13 MR. SHADIS: I'd be glad to contribute to
14 that list too.

15 MR. FLOYD: It is a fairly limited set. I
16 mean, it is not a lot.

17 CHAIRMAN PLISCO: Okay. The other thing
18 we had talked about is input from previous PPEP
19 members. But we have --

20 MR. GARCHOW: I would question the value
21 of that. I thought Alan did a good job closing out the
22 major issues of the last report. And to the extent we
23 have been living through it -- there is three of us on
24 the panel here that have enjoyed the gift that keeps
25 giving.

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1 MR. FLOYD: I don't think we could add
2 anything to be honest with you. I couldn't. I agree
3 with Dave.

4 MR. BROCKMAN: Probably the key things
5 that we could do is the dynamics that we have really
6 evolved over the last couple of meetings. The issues
7 came out of it as to where they were. But just the
8 interactions. I think the value we brought -- we
9 probably haven't done it. It is just a natural the
10 way the group has coalesced in its discussions.

11 CHAIRMAN PLISCO: Any other groups that we
12 need to talk to?

13 MR. MONNINGER: You had -- someone had
14 mentioned a Congressional staffer? You said financial
15 investment and then Congressional --

16 CHAIRMAN PLISCO: Well, the Congressional
17 I am not sure, especially right now, how much interest
18 we would get. I have had some preliminary discussions
19 with our Congressional Affairs Office, and they were
20 skeptical of whether we could find anyone that had a
21 detailed view on the program at this point. Mostly
22 they have been getting briefings on what is going on.
23 But as far as getting their opinion, they weren't sure
24 we would find anyone that was willing to do that right
25 now.

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1 MR. BORCHARDT: But should we ask?

2 CHAIRMAN PLISCO: Well, I did ask our
3 Congressional Affairs Office and that is the answer I
4 got.

5 MR. SCHERER: I would suggest that
6 Congress would -- my reaction is we ought to at least
7 ask Congress if they want to come. And if they say,
8 no, they are busy, that is fine.

9 CHAIRMAN PLISCO: Who?

10 MR. FLOYD: I would think you might want
11 to call the -- maybe the staffers for the committees
12 that have oversight over the NRC.

13 MR. SCHERER: The Oversight and
14 Authorization Committees in the House and Senate.
15 Speak to the staff director in each of those.

16 CHAIRMAN PLISCO: And that is what I had
17 suggested before. As I said, I can go back to the
18 Congressional Affairs. But their perception was at
19 this point --

20 MR. SCHERER: They are changing and the
21 Senate will have ranking members that have equal
22 staff.

23 MR. BROCKMAN: But what do you -- I really
24 think there is a lot to be said for many different
25 reasons to say we wanted you to know you were invited.

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1 Tell us no. That is fine. But then when they -- that
2 could be a wonderful hold card to be able to pull out
3 at some future date.

4 MR. GARCHOW: Where do you stop? I mean,
5 the guy that came and interviewed me two years ago for
6 the GAO report. I mean, they weighed in and they
7 wrote their reports. I would say where do you stop?

8 MR. SHADIS: It is really not that big of
9 a list if you shook it out. It wouldn't be more than
10 a couple dozen from which you would get a response of
11 maybe one.

12 MR. GARCHOW: Gore has a lot of time on
13 his hands.

14 MR. SHADIS: Stop.

15 MR. MONNINGER: I guess in addition to NRC
16 oversight, you have some that are just critical of the
17 NRC in general and maybe some in the New England area.
18 You may want to -- if you are inviting Congress staff
19 who have NRC oversight, then Markey or Gejdensen or --

20 MR. SCHERER: Gejdensen is not in Congress
21 anymore. He has plenty of time, but perhaps not the
22 inclination.

23 MR. FLOYD: Hilary Clinton on oversight
24 with IP-2?

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1 MR. SCHERER: I guess I am reacting very
2 positively to the committees not the members of
3 jurisdiction. And because I tend to put them in the
4 same category as a primary stakeholder. They clearly
5 have an influence over this process with the
6 Regulatory Commission and the industry. This is not a
7 secondary stakeholder. And I agree very much and I
8 tried to make the point earlier that David was making
9 that at some point you've got to cut this off. But
10 certainly my list of primary stakeholders, Congress
11 certainly is ahead of the press in terms of its impact
12 on the acceptability of this process.

13 MR. GARCHOW: So we are hearing some
14 consensus on maybe that you go back to your
15 Congressional Affairs Office and say -- just tell them
16 to humor you. Make a couple of calls and either
17 somebody comes or they don't. We have made the good
18 faith effort. We can put it in the meeting minutes
19 that we did that. If somebody comes, we will listen to
20 them. If they don't, we made the attempt and we are on
21 the record of making the attempt.

22 MR. SHADIS: I'd like to suggest a check
23 in the PDR and see what activity there has been from
24 the Congressional offices or Senate offices in the
25 last short period of time. See who has written a

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1 letter on behalf of their constituents with respect to
2 anything that would apply and let them know. It would
3 be an easy place to get -- actually, they actually
4 have the return addresses right on there.

5 MR. FLOYD: Another way -- I don't know.
6 I believe there is a way that you can -- can't you
7 backtrack through the URLs on the Website and see who
8 has actually queried the Web to look at the results
9 thus far? You may see some Congressional office that
10 has queried that, I don't know. We have been told that
11 some of the staffers do call that up.

12 MR. MONNINGER: I guess one last one would
13 be the State of Pennsylvania. They have put us off the
14 past two meetings, but they did express an interest in
15 coming to our February meeting.

16 MR. GARCHOW: I would say active in that
17 they have been following it quite regularly. They
18 were active at several of the workshops as well.

19 MR. SCHERER: I've got a handout here.
20 Initial Implementation Evaluation Panel Information
21 Request. I am not sure who put it together or what it
22 is we are supposed to do with it.

23 MR. KRICH: It is from me and this is the
24 list of positives. If you remember at the last
25 meeting, this is the list of positives -- unintended

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1 positive consequences from the implementation of the
2 new oversight process. And since I had only give a
3 table of the issues, we put together a table of
4 positives.

5 MR. FLOYD: You may have been the only one
6 who did his homework assignment.

7 MR. KRICH: That was the homework
8 assignment from the last meeting.

9 MS. FERDIG: Good for you. Thank you.

10 CHAIRMAN PLISCO: Any other comments? The
11 last thing, April 2nd or 3rd or 5th or 6th? 2nd and
12 3rd?

13 MR. SCHERER: 2nd and 3rd.

14 CHAIRMAN PLISCO: 2nd and 3rd.

15 MR. SCHERER: Oh, oh. I am in trouble now
16 with my region.

17 CHAIRMAN PLISCO: Okay. Anything else?
18 Thank you. We are adjourned.

19 (Whereupon, at 4:43 p.m., the meeting was
20 concluded.)

21

22

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