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1 UNITED STATES OF AMERICA

2 NUCLEAR REGULATORY COMMISSION

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4 PUBLIC WORKSHOP ON CIP FRAMEWORK DOCUMENT

5 WEDNESDAY, AUGUST 27, 2003

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7 ROCKVILLE, MARYLAND

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9 The workshop came to order at 8:30 a.m. in  
10 the NRC Auditorium, Two White Flint North, Chip  
11 Cameron, Facilitator, presiding.

12 Present:

13	Chip Cameron	Facilitator
14	Jerry Blake	Region II
15	Cynthia Carpenter	Deputy Director, Division of
16		Inspection Program Management
17	Tom Foley	Inspection Program Branch
18	Jim Isom	Inspection Program Branch
19	Carl Konzman	Program Manager, Policy
20		Development Planning Staff
21	Chuck Paulk	Region IV
22	Stu Richards	Chief, Inspection Service
23	Joe Sebrosky	New Reactors Section
24	Robert Weisman, Esq.	Office of General Counsel

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## AGENDA

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

9:02 a.m.

MR. FOLEY: Good morning. I'm Tom Foley.  
I'm the team leader for this -- this function.

I'd like to welcome you to the -- our  
workshop on the draft 10 CFR Part 50 Construction  
Inspection Program Framework Document.

We -- we've been pulling this thing  
together for quite some time and I'd like to thank one  
individual in particular Mr. Joe Sebrosky. He's kind  
of like our big toe, Joe here. If it weren't for him,  
we wouldn't -- we'd be lost. He's doing this for  
about two years now and he's a -- he's been our mentor  
all the way -- all the way through this program.

I hope all of you got home last night.  
I'd like to welcome you to the Washington weather.  
You know, just -- this is quite common. I don't know  
if you were here, but we had some big thunderstorms  
last night and there was quite a spectacular show from  
the ten floor if you were here at 6:00 last night.

Before I go on much further and ramble on,  
I'd like to introduce my boss, Stu Richards, and he's  
going to take us through the -- the -- the  
introductions and the organization chart and a few  
other things and then we'll continue on.

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1                   Stu.

2                   MR. RICHARDS:     That's right.     Good  
3 morning.   My name is Stu Richards.   I'm the Branch  
4 Chief for the Inspection Program Branch in NRR and I'd  
5 like to welcome you to the workshop for the  
6 Construction Inspection Program Framework Document  
7 Review.

8                   Glad to see a number of people here today.  
9 We weren't sure what the turnout was going to be. We  
10 only had a few people sign up ahead of time. So, it's  
11 encouraging to see a -- a little bit of a crowd, but  
12 also, you know, I'm thinking it's good not to have too  
13 many people because the purpose of this workshop is to  
14 enter into a dialogue to talk about how to do the  
15 inspections for new construction and maybe a smaller  
16 number of people is going to break down some of those  
17 inhibitions to participate.

18                  The way this workshop is going to be  
19 successful is if people in the audience participate in  
20 the dialogue. It's not our purpose here today just to  
21 present what the NRC intends to do or proposes to do.  
22 So, please keep that in mind.

23                  It's my responsibility to introduce some  
24 of the NRC people that are here today. I'd like to  
25 introduce Jim Lyons who's sitting out in the audience.

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1 Jim, if you could wave your hand there. He's the  
2 Program Director for New Test and Research Reactors.  
3 So, plays a key role in what we're doing here.

4 One of the Section Chiefs Laura Dudes.  
5 Laura is new to the job. So, she's getting up to  
6 speed.

7 You've already been introduced to Joe  
8 Sebrosky.

9 Doug Coe with the Inspection Program  
10 Branch.

11 Tom Foley, Jim Isom, and then down at the  
12 end, we have Jerry Blake and Chuck Paulk representing  
13 Regions II and IV.

14 I think Carl Konzman is going to join us  
15 after lunch.

16 Mike Scott's over here on the side and  
17 there's, I think, some other NRC people out in the  
18 audience that you'll get a chance to meet during the  
19 breaks.

20 I think as everyone here is aware, the  
21 purpose of the draft framework document is to outline  
22 how we intend to perform construction inspections for  
23 plants that may be constructed under 10 CFR Part 52 in  
24 the future.

25 When I was thinking about this workshop,

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1 I was thinking back to when the present generation of  
2 plants was under construction and I was wondering how  
3 many people who participated in that process are still  
4 involved in the NRC. Unfortunately, I think that  
5 number of people is dwindling although there -- there  
6 is still a few us around. I know Tom Foley  
7 participated. Maybe the guys from the regions were  
8 involved. I was involved.

9 But, the -- the people are -- are  
10 dwindling and I think it's a good time to capture our  
11 experience and the experience of the people in the  
12 industry that were involved to try and hopefully  
13 improve the process that we're going to go forward  
14 with. So, hopefully there's a few people that have  
15 some experience that are sitting here in the audience  
16 today.

17 Again, the purpose of today's workshop is  
18 just that to have that dialogue with the people in the  
19 audience. We'll present what we're going to do and  
20 hopefully you guys will provide us some feedback on --  
21 on what you think about the process we're proposing.

22 I think I'm upsetting Tom because there  
23 was a set of slides we're supposed to go through and  
24 I kind of skipped through all that.

25 See if you wanted to skip to slide five.

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1 Kind of towards the end of my remarks  
2 here, I'm suppose to tell you that if you have  
3 comments, you can either mail them to us which I think  
4 is slide five or you can e-mail them to us. Is the e-  
5 mail up there? Yes. Or you can hand deliver them to  
6 the address which is the next slide.

7 Now, the -- the -- one of the key  
8 personnel in our meeting this morning is sitting over  
9 here in the front room. I didn't introduce him yet,  
10 but it's Chip Cameron. He's our facilitator for the  
11 day. I've been fortunate to work with Chip and he  
12 does a great job of trying to make sure people don't  
13 sit in their chairs and stare at us, but actually  
14 participate.

15 So, with that, Chip, please come up and do  
16 your part.

17 MR. CAMERON: All right. Thank you.  
18 Thank you very much, Stu.

19 I'm -- as Stu mentioned, I'm going to try  
20 to give all of you some facilitation assistance this  
21 morning and basically, what I'd like to try to do is  
22 to encourage the dialogue that -- that Stu mentioned  
23 in terms of trying to connect the discussion threads.

24 There may be questions, comments from all  
25 of you in the audience. Rather than just moving on to

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1 perhaps the next question or comments, you may want to  
2 -- you may want to chime in on what the previous  
3 person was -- was saying and also to give your come  
4 organizational assistance as we move throughout the  
5 day.

6 There may be items that -- that come up  
7 during the earlier presentation that more properly fit  
8 under a later agenda item and I'm going to ask all of  
9 you, NRC staff and all of you to -- to help me with  
10 that. If we want to defer a discussion about a  
11 specific point, for example, on quality assurance,  
12 I'll keep track of that over here in the parking lot  
13 to make sure that we could back and capture it.

14 And ground rules real simple. If you --  
15 when we get to the discussion portions of the session,  
16 if you just signal me, I'll bring you this cordless  
17 mike. Please tell us your name and your affiliation  
18 if appropriate.

19 We are taking a transcript and that  
20 transcript will be available to the public and is our  
21 record of meeting.

22 So, any comments you make today are going  
23 to be considered just as the written comments that are  
24 submitted to the NRC on this particular issue.

25 One other item, the staff put aside a

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1 whole day for this meeting without knowing whether a  
2 whole day was actually going to be needed and so,  
3 we're going to find out how fast we move through some  
4 of these topics. I think that the intent is to -- to  
5 keep moving. If we get done with a particular topic  
6 early, we're going to go on to the -- to the next  
7 topic even though it might not be time for that yet on  
8 the agenda.

9 If that correct, Tom? All right.

10 MR. FOLEY: Correct.

11 MR. CAMERON: Okay. I think we can just  
12 get started then and we're going to go to -- to Joe  
13 for an overview of the Part 52 licensing process.

14 MR. SEBROSKY: Good morning. My name is  
15 Joe Sebrosky. I work in the New Reactor Section.  
16 Laura Dudes is my Section Chief and Jim Lyons is my  
17 Program Director.

18 Next slide please.

19 The purpose of this portion of the meeting  
20 is to just introduce Part 52 licensing process  
21 concepts and to discuss at a very high level how we  
22 broke up the inspection manual chapters that you find  
23 in the framework document and -- and tie them back to  
24 the process.

25 While we're -- while we're on this slide,

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1 we -- we had a workshop on -- on Monday and I think a  
2 lot of you were there, but at that workshop, we  
3 discussed the process in 10 CFR Part 52. Early site  
4 permits is sub-part A, 10 CFR Part 52. Standard  
5 design certifications are sub-part B of 10 CFR Part  
6 52. Combined licenses are sub-part C.

7 There's another key concept that we have  
8 an inspection manual chapter dedicated to and that's  
9 inspections, tests, analysis, and acceptance criteria  
10 or ITAAC. ITAAC are set at the COL stage, but they're  
11 verified prior to operation of the plant. So, that's  
12 where ITAAC fits into the process, combined license,  
13 early site permits, standard design certification.

14 Next slide please.

15 The 10 CFR Part 52 licensing process was  
16 meant to be a -- was instituted to be a stable and  
17 predictable licensing process. There are two -- if a  
18 utility wants to come in and construct a plant, they  
19 can construct it either under 10 CFR Part 52 with a  
20 combined -- with a construction and an operating  
21 license or under Part 52 which is a -- a different  
22 process.

23 Most of the utilities that we've talked to  
24 in the Nuclear Energy Institute have indicated to us  
25 that if a new plant is constructed in the United

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1 States, it'll be in accordance with this Part 52  
2 licensing process.

3 One of the things -- I don't want to read  
4 the entire slide, but I'll just point out that one of  
5 the reasons for the Part 52 licensing process was to  
6 resolve inspections, tests, analysis, and acceptance  
7 criteria prior to authorization of the construction.  
8 You'll see that come up again.

9 Next slide please.

10 With the framework document, it covers  
11 some of the 10 CFR Part 52 licensing process, but not  
12 all of them. It covers the early site permit, pre-  
13 combined license phase, the ITAAC phase, and  
14 preparation for operations. It does not cover the  
15 design certification phase.

16 We have done three design certifications  
17 through the entire process. The advance boiling water  
18 reactor, Westinghouse's System 80 Plus, and the AP600.  
19 We have seven others that are in various stages of  
20 review. We do do audits during that process of the --  
21 of the vendors, but we do not -- the inspection manual  
22 chapters that are in the framework document, do not  
23 cover those audits and it does not cover the  
24 operations phase.

25 Next slide.

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1 I'd like to talk now a little more just a  
2 high level overview of the -- the phases that the  
3 inspection manual chapters do cover.

4 Early site permit, what it is. It's an  
5 NRC decision that insures that the proposed site is  
6 suitable for construction and operation of a  
7 powerplant. It allows an applicant to bank a site,  
8 reduces licensing uncertainty, and it resolves siting  
9 issue before construction.

10 Next slide please.

11 This is a diagram of the early site permit  
12 review process. The -- these areas are just the  
13 opportunity for public participation. We have posters  
14 over to your left, my right that -- that mimic this  
15 diagram.

16 What I wanted to spend a little bit of  
17 time on is where the inspection activities fit in.  
18 You see that we are not for early site permit. You  
19 don't see inspection activities related with the  
20 environmental scoping. There are -- that activity is  
21 very similar to license renewal and that process is --  
22 is laid out.

23 So, the inspection activities that we do  
24 don't support the environmental impact statement or  
25 the final environmental impact statement. What they

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1 support is the safety evaluation portion of the early  
2 site permit review and specifically, they support the  
3 agency's decision on the application whether or not  
4 it's appropriate to issue an early site permit.

5 Next slide please.

6 For the combined license phase, this slide  
7 is just intended to show what a combined licensed is.  
8 It's a combined construction permit and conditional  
9 operating license. It's a fundamental licensing  
10 process in Part 52 and here is where you see ITAAC and  
11 if you go back to Monday, there was just a -- a little  
12 bit of confusion about what exactly an ITAAC looks  
13 like and what it's intended to do.

14 Simply put, it's -- what it's intended to  
15 do it's to demonstrate or to insure that a plan is  
16 licensed in accordance with Part 52 has been properly  
17 constructed and will operate safely.

18 If you go to the next slide please.

19 What I did on this slide based on the  
20 questions that we had from Monday's workshop on  
21 Programmatic ITAAC is just separate out one -- one  
22 portion of an ITAAC from the AP600. This is a design,  
23 a Westinghouse Passive Pressurized Water Reactor that  
24 we have certified and we do have the ITAAC related to  
25 the design codified in the regulation.

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1           This particular ITAAC is on the normal  
2 residual heat removal system. The way you see the  
3 ITAAC, you'll see a design commitment, what the  
4 inspections test analyses are for that design  
5 commitment, and finally what the acceptance criteria  
6 is.

7           So, for this particular ITAAC, you see  
8 that the acceptance criteria is -- is very specific  
9 and that's what we're asked to sign off on.

10          If you notice on the way into the room,  
11 there was this handout also. This -- this handout is  
12 the complete ITAAC for the RNS, the normal residual  
13 heat removal system and it also includes the tier one  
14 material. So, when we get into discussions or if  
15 there's questions about what an example ITAAC looked  
16 like, we'll be referring to this handout.

17          Next slide please.

18          This diagrammatically is a -- the combined  
19 license phase. While we're on this drawing, I wanted  
20 to point out a couple of things. The end points for  
21 the inspection manual chapters are pretty clear cut.  
22 The way we've made the arrangements for the inspection  
23 manual chapters. The starting points though are  
24 fuzzy. By that I mean if you look at this decision on  
25 the COL, that is where the Inspection Manual Chapter

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1 2502, recombined license, will end.

2 Where it begins is going to be somewhere  
3 actually before the application and you'll -- Jerry  
4 Blake will talk about what's in the pre-combined  
5 license inspection manual chapter, but while I had  
6 this slide up here, I just wanted to show that when we  
7 talk about 2502, it's starts somewhere before here and  
8 ends at the decision on the combined license.

9 When we talk about 2503 which is the  
10 inspection manual chapter related to ITAAC, it also  
11 has a specific end point. That specific point is on  
12 -- is the decision on fuel load authorization. ITAAC  
13 and the fuel load and with the Commission's decision  
14 on whether or not the ITAAC had been met. So, 2503 has  
15 a specific end point which is here.

16 The starting point at 2503 could also have  
17 been prior to this combined license application phase.  
18 There's things done with procurement, quality  
19 assurance type contractual arrangements that are  
20 written into procurement contracts for like the  
21 reactor pressure vessel, for example, that would play  
22 into ITAAC. That could be done before the  
23 application's submitted to us in which case that --  
24 our inspection manual chapter would -- would begin  
25 probably sometime before this.

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1           There's another inspection manual chapter  
2           that we talk about which is 2504. That end point  
3           although it's not shown on this diagram would be with  
4           the transition to operations complete and Inspection  
5           Manual Chapter 2515 which covers the operations phase  
6           which is what we use for -- for power plants in the  
7           country today. When that starts, this 2504 would end.

8           The beginning point for 2504 though is --  
9           is also fuzzy and at this -- at this point, we're not  
10          sure how issues such as programmatic ITAAC which we  
11          discussed on -- on Monday and we'll talk about a  
12          little this afternoon, how that's going to resolve  
13          itself and the impact it's going to have on our  
14          inspection manual check.

15          Next slide.

16          As I mentioned, the -- this portion of the  
17          presentation was to just provide a high-level overview  
18          of the Part 52 licensing process and try to put in  
19          context the different inspection manual chapters and  
20          I want to mention a couple of things.

21          We put this brochure out on the table.  
22          This brochure explains both the Part 50 and the Part  
23          52 licensing process. It -- it provides information  
24          on what an early site permit, what a combined license,  
25          and -- and what ITAAC are.

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1           We also have a website. It has  
2 information on it. The website also includes the  
3 draft. Has links to the draft 10 CFR Part 52  
4 instruction and inspection program framework document  
5 and one last thing, I'd like to -- to mention this is  
6 a pitch for our section. Part 52 is going through an  
7 update phase and we have a Federal Register notice out  
8 with a notice of proposed rule making and the comment  
9 period of that ends on September 16th.

10           So, that's the discussion of the high-  
11 level overview of Part 52.

12           MR. CAMERON: Okay. Thanks, Joe. Before  
13 we get into questions, discussion. Bob Weisman from  
14 our Office of General Counsel has -- has joined that  
15 table.

16           Joe gave you an overview of Part 52. He  
17 also talked about the proposed rule making and the  
18 programmatic ITAAC effort that's -- that's going on.  
19 Are there questions about how all of this fits  
20 together in this -- this larger process? Have a  
21 question on that? Any concern? Okay.

22           And there may be things that occur to you  
23 as we go through some of the specifics, but I guess  
24 that unless any of the panelists have anything else to  
25 say on the overview, are we ready to move into -- to

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1 Jim's presentation?

2 MR. FOLEY: I'd like to say you're all --  
3 all of you are a lot smarter than I was. When Joe  
4 first explained that to me, I didn't understand half  
5 of it. It took me about six months before I really  
6 understood it. You guys are pretty smart.

7 MR. CAMERON: Well, maybe -- maybe we  
8 should find out. Is it -- is it because that -- that  
9 it is too murky to even identify questions out here or  
10 is it pretty well understood?

11 All right. Jim.

12 MR. ISOM: Thank you, Chip. My name is  
13 Jim Isom and I work for Doug Coe and Stu Richards.  
14 I'm in the Inspection Program Branch.

15 Next couple of slides, slide 21 please, is  
16 really intended to kind of introduce you to the  
17 framework document.

18 We have -- Joe will have to set the scene  
19 or the background -- in the background how the 10 CFR  
20 Part 52 process works.

21 We'd like to discuss each of the sections  
22 in the framework document. There are four phases and  
23 slides 21 and 22 are intended to kind of go over each  
24 one of those.

25 For your information, this effort the

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1 construction inspection framework document actually  
2 was begun in 1996 or earlier than that. We published  
3 our first efforts in '96 and our current version is an  
4 update of that with -- or the various lessons learned  
5 and -- and the new technologies that will be placed  
6 when we build the -- the new reactors under the Part  
7 52 process.

8 Also want to say that during the ESP phase  
9 and the combined license phase, our audits and  
10 inspections during those two phases are -- are  
11 intended to support the licensing effort and for the  
12 next two phases, the construction and transition  
13 operation -- the construction phase is pretty much --  
14 our efforts devoted to the verifying the ITAACs are  
15 completed and then the last phase is -- is to make  
16 sure all your programs on ITAACs are ready so you can  
17 operate the facility to 100 power.

18 Next slide please.

19 Now, this slide is more focused on the  
20 latitude phases, the -- the construction and  
21 operational phase and covers some of the -- the key  
22 highlights or key points that we were -- have some  
23 issues with. We got some issues during those phases  
24 and it has to do with how we will verify ITAAC which  
25 we'll go over in detail shortly. How we plan to

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1       conduct inspection operation and programs which is  
2       still I think -- still being discussed and developed  
3       and what we -- what we might consider, what we can  
4       validate in the ITAAC in the event that might happen  
5       and lightly touch on some of the enforcement aspects  
6       of our -- of our effort.

7               And I think at this point, I'd turn this  
8       over to Mr. Tom Foley who will discuss the early site  
9       permit phase.

10              MR. FOLEY:   Chuck, do you -- you know,  
11       we're really breezing through this like crazy. Do you  
12       think we need a break? Does anybody need a break or  
13       want to go get some coffee or something like that?  
14       We're going to be done at 9:30 or wait a minute 10:00.

15              MR. CAMERON:   Well, at least you're not  
16       saying it's time for lunch. But --

17              MR. FOLEY:   I'm a fast -- I'm going to try  
18       to slow down. I -- I normally talk way too fast. I  
19       guess next slide. My -- sure nobody wants a break?  
20       No. Boy. Okay.

21              MR. CAMERON:   Why don't you -- let's  
22       finish yours up and then we'll -- we'll take a break.

23              MR. FOLEY:   All right. We'll -- we'll see  
24       what we can do.

25              MR. CAMERON:   Right.

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1           MR. FOLEY: Let's see. This is the early  
2 permit. This is -- this manual chapter is on the  
3 street. We -- we -- we issued it and -- and I think  
4 in May of this past year as a revision. It was  
5 originally -- we had this thing put out in it's  
6 original form on -- in October of last year and let me  
7 -- oh, and let me see. I'm on the wrong slide, but --  
8 and what was -- we got it on the street and -- and  
9 it's -- and it's just recently revised.

10           There are many objectives of this -- of  
11 this manual chapter. It's an inspection manual  
12 chapter by the way and it's guidance to our  
13 inspectors. All right. Although many people use it  
14 because -- for various reasons.

15           This is really the -- this phase is prior  
16 to the application and it -- it's simply audits prior  
17 to the application and after the application, we -- we  
18 call them inspections and I -- I wouldn't get hung up  
19 on the terms audit, inspections, and meetings because  
20 we in the NRC in the inspection group the way we  
21 transmit information to our inspectors is through  
22 inspection procedures. So, if we're going to tell  
23 them to have a -- a meeting, you know, we'll write an  
24 inspection procedure to tell them to have a meeting.

25           So, a lot of these -- a lot of the things

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1 you'll see in this manual chapter refer to inspection  
2 procedures and it could be a meeting or something like  
3 that or an audit and prior to the application, we do  
4 meetings and we do audits and the -- and in addition  
5 to all these things. So, when you see that  
6 information up there.

7 Let me see. This -- this -- the -- the  
8 manual chapter begins with a licensing when the  
9 licensee gives us some sort of indication that they  
10 intend on submitting an early -- an application for an  
11 early site permit. All right. So, and that could be  
12 like a year before they actually do it. In fact, we  
13 -- we -- they did do that and we are expecting some in  
14 the -- towards the end of next month I believe. I  
15 think Dominion is planning on doing that and other's  
16 have given us some sort of indications.

17 So, about two years ago, we had to get on  
18 the stick really quick and -- and -- and put out some  
19 guidance for what we were going to do at the early  
20 phases of this.

21 This is a -- these -- these objectives --  
22 one of the most important parts in my mind of these  
23 objectives is to -- to really -- to -- to notify -- to  
24 let the licensee -- oh, could we have the next slide  
25 please. All right. Next slide.

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1 Yes, to explain the -- explain the process  
2 to the public and that's one of their functions here  
3 is to explain it and to get your feedback on this --  
4 on this information so that we can have an improved  
5 document. We're kind of a little disappointed we're  
6 not getting more feedback from you guys. I would  
7 appreciate it if you could give us some -- improve  
8 this thing.

9 Another important part of this is to  
10 assure that quality is being applied in the process  
11 all through and this thing is -- this -- I'd like to  
12 talk a little bit about that. Because we -- we are  
13 sending out teams and conducting meetings in order to  
14 insure that quality is instilled in this thing right  
15 at the very, very beginning.

16 It's -- it's kind of like the -- I draw an  
17 analogy between building a sand castle. Although  
18 there's -- there's not -- not a lot of safety related  
19 stuff or steeples or things like that on this sand  
20 castle. Yet it's all down here, the foundation. But,  
21 as you start building up that sand castle, you got to  
22 have good foundation or that thing's going to  
23 collapse.

24 And we want to make sure the foundation  
25 has a good quality associated with it. So, we have to

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1 know where -- where they're getting the materials for  
2 these things and -- and what the seismology's like and  
3 -- and we got to verify that -- that seismology is  
4 correct and that it is -- that the records are going  
5 to be maintained for that kind of stuff and -- and to  
6 follow a -- a quality process if you will.

7 Next slide, Mike.

8 This slide's a little hard to see, but you  
9 can see it in your slide package a little bit better,  
10 I think. The purpose of this slide is to let you know  
11 that -- that -- that the timeline for the ESP  
12 application phase. The -- the preapplication, the  
13 post-application. Where the -- where the inspections  
14 -- where the inspections are. Inspections post.

15 We start out right up here with meetings.  
16 We'll be doing that I think week I believe. September  
17 2nd and 3rd, we'll be holding meetings with some of  
18 our applicants and we'll be doing additional post-QA  
19 inspections over here and see there's -- the other one  
20 on here. Post-QA and -- and other inspections here.

21 But, all of these things are in -- are in  
22 support of this ASLB hearing and a lot of the  
23 inspectors will -- the ASLB will question our  
24 inspectors and make them stand up there in front of  
25 them and they'll shiver in their boots and they'll say

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1       yes, sir, I saw that there was quality involved in  
2       this process.  Things like that.

3               But, anyway, this -- this slide just tells  
4       you the -- gives you an idea of the relative portion,  
5       where these things fall into play.

6               Next slide, Mike.

7               Please note that this is the pre-  
8       application phase.  Right.  Right.  Yes.  Pre-  
9       application phase and the applicant here is simply  
10      just a member of the public, you know, applying for a,  
11      you know, a fishing license.  You know, we have -- we  
12      have no authority over that -- that -- that applicant  
13      at this phase and just -- just a member of the public  
14      submitting a, you know, application for any kind of  
15      license.

16              But, the only authority that the NRC might  
17      have over somebody like this is that, you know, if  
18      they -- if they give us -- send in false information  
19      to us and I think -- I think there's some rules  
20      someplace that says that anybody sends in false  
21      information to the NRC is -- is libel to be subject to  
22      some sort of enforcement actions.  Could be against  
23      the individual.

24              But, that's about the only type of  
25      enforcement that we could take regarding a -- a pre-

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1 applicant at this phase.

2           Primarily, these meetings -- meetings we  
3 appear -- primarily, these things -- we -- we arrange  
4 meetings in this phase just as -- well, as an  
5 overview, these are usually explained in detail these  
6 -- these things here. We'll -- we'll talk about these  
7 things a little bit -- a little bit later.

8           Next slide, Mike. On your slide package.  
9 Read about these.

10           Inspections. We do inspections to do the  
11 -- to verify these -- that the -- that their -- we --  
12 the voracity of these QA controls, you know. To make  
13 sure that they're there and these inspections are led  
14 by the -- the regional inspectors with support from  
15 experts in headquarters.

16           All right. We do have experts also in the  
17 regions, but lately we have more seismology experts  
18 and things like that and hydrology and -- and  
19 oncology. No, not oncology.

20           But, they're primarily located in  
21 headquarters and the -- the primary purpose of these  
22 inspections is to -- is for 2301 provides inspection  
23 through guidance, like I said, to our inspectors. So,  
24 that's -- that's -- the next slide, Mike.

25           It's not guidance for the members of the

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1 public or the licensees or anything else. It's, you  
2 know, inspection guidance.

3 At this stage, this stage is not really --  
4 we don't really require a -- an Appendix B program.  
5 All right. And I don't know exactly why we don't  
6 require Appendix B program. But -- but, we don't.

7 It's just -- we thought when we wrote --  
8 I can't we. We thought. When I first read the rule  
9 -- the Part 52, I thought we did need an Appendix B  
10 program. Because it does say that we will review the  
11 applicant in accordance or to an Appendix B program.  
12 Something similar to that. But, our legal  
13 interpretation is that it does not require a Part --  
14 an Appendix B.

15 But, this is very important to us that  
16 this -- this -- it's very important to us because this  
17 -- because right here this Part 52.39, it prohibits us  
18 from going back and looking. Once an applicant has  
19 been granted an ESP, we -- we are prohibited from  
20 going back and -- and looking or challenging that --  
21 that anything that -- the whole application process.

22 So, instilling quality and insuring the  
23 thing is done absolutely correct, it's got a -- it's  
24 a one-time thing. Once -- once we're -- once that's  
25 done, it's water over the dam and -- and -- unless --

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1 I guess there are some -- there's always some -- if  
2 some sort of information comes up that is significant,  
3 very significant, then we can -- there's always a way  
4 to go back.

5 Let's see. Inspections. Inspections to  
6 -- to assure that the data that is obtained is correct  
7 and reliable for future systems structure and systems,  
8 this is very important to us as I previously  
9 explained. It's like the foundation of the sand  
10 castle again.

11 Recently, down here this RS232, all of our  
12 inspections and our inspection manuals will be  
13 consistent with this review standard. This was just  
14 recently issued and -- and our guidance is and will be  
15 consistent in the future with that licensing standard.  
16 So, we're trying to say that our inspection forces are  
17 consistent with the licensing group and we're -- we're  
18 talking back and forth.

19 Next slide, Mike.

20 This slide primarily mimics the RS002.  
21 That's the ESP review standard guidance. We'll be  
22 going through the -- we -- we look at -- we -- we look  
23 at the methodology for collection, the -- the ology  
24 data. This is what I talked about earlier. I said  
25 the -- the hydrology, geology, and meteorology,

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1 seismology, oncology, whatever else. Are there any  
2 other ologies? Not funny.

3 And all of this data again that we inspect  
4 has got to have some sort of quality associated with  
5 it and we call it a -- must be equivalent in substance  
6 to a quality assurance plan or quality assurance --  
7 quality assurance program. How -- let me see.

8 And -- and finally, if we -- since --  
9 since we don't have -- it's not required to have a --  
10 an Appendix B program, what we're doing is any  
11 deficiencies that we find associated with a lack of  
12 quality in any of these areas we have to find that  
13 it's based on a lack of assurance with integrity or  
14 reliability of the information presented to us. So,  
15 I think that that's -- you know, that's without  
16 reliance on Appendix B.

17 Next slide, Mike.

18 See these -- these again -- these are the  
19 inspections and audits, you know, during this phase.  
20 There's -- we got a -- we got a bunch of them. The  
21 ESP quality assurance inspection, ESP quality  
22 assurance controls inspection and we're starting to do  
23 these things as we speak. We're preparing for them  
24 and we're going to be doing some of them next week.

25 What else do I have here? Yes, as I -- as

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1 I mentioned before, these are -- we call them  
2 inspection procedures, but they're really meetings or  
3 audits or just the way we convey information to our  
4 inspectors. This is the vehicle. Inspections. Sorry  
5 for the terminology.

6 Let's see. Down here. We all know what  
7 the ASLB is. Does anybody here know what the ASLAB  
8 is?

9 Could you raise your hands? Are you guys  
10 just not participating in this. Who -- I mean how  
11 many people really knew what that means? There's look  
12 three, four. Three people out of the room.

13 How could you guys -- nobody asked me what  
14 the heck is ASLAB.

15 MR. CAMERON: Since you've raised that,  
16 Tom, maybe I see our -- our counsel having a little  
17 bit of a coronary over there.

18 MR. FOLEY: That's -- I --

19 MR. CAMERON: So, go ahead, Bob. Bob  
20 Weisman.

21 MR. WEISMAN: We --

22 MR. FOLEY: It's probably the wrong  
23 terminology -- acronym.

24 MR. WEISMAN: Yes, I think that this is a  
25 -- an outdated acronym. I believe it stands for

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1 Atomic Safety and Licensing Appeal Board which we  
2 haven't had since the early '90s.

3 MR. FOLEY: It's still there. I mean I  
4 pulled this out of the regulations.

5 MR. WEISMAN: Commission -- Commission did  
6 away with that about 12/13 years ago.

7 MR. FOLEY: You know, Bob, you had a  
8 chance to review these slides. How come you didn't  
9 pick it up yesterday?

10 MR. WEISMAN: What can I tell you? I was  
11 -- I'm sorry.

12 MR. CAMERON: Maybe because the QA program  
13 is only an equivalent. I don't know, but go ahead.

14 MR. FOLEY: Well, it is. It's an Appeals  
15 Board, but that's like I said, you know, that's for  
16 only the old people. Let's -- it's hard to keep up  
17 with all these changes and regulations and things when  
18 you're -- you're doing this.

19 I -- I think that's it. Do we have  
20 another side, Mike? Mike, you awake over there?

21 Next slide. Yes, this is -- that's it.  
22 Do you -- now, come on. Could we have some questions  
23 about this and -- yea. Yea.

24 MR. CAMERON: Okay. Ben, why don't you  
25 introduce yourself to us?

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1 MR. JORDAN: I'm Ben Jordan from Southern  
2 Nuclear.

3 I guess, Tom, we could take it from the  
4 top here. The QA issue in general for early site  
5 permits and, you know, with the reference to Appendix  
6 B, of course, Appendix B provides for a graded QA  
7 program based on the safety significance of the  
8 particular item that -- that you're addressing.

9 There's numerous types of data that are  
10 involved in early site permits. Some -- a lot of that  
11 information comes from other Government agencies, the  
12 Census Bureau and -- and others.

13 MR. FOLEY: Census Bureau. Right.

14 MR. JORDAN: And other as well who I'm  
15 sure do not have Appendix B programs --

16 MR. FOLEY: Right.

17 MR. JORDAN: -- for collecting that data.

18 So, you know, I -- I'm not clear on what  
19 the NCR's expectations are when they say Appendix B  
20 like stuff. So, is there a -- do you have a  
21 categorization like red guide 126 or something like  
22 that that categorizes the type of data and the type of  
23 QA controls that you're looking to? What expectations  
24 do you have regarding -- regarding this? Because this  
25 is sort of a -- a new -- a new frontier for us and I

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1 understand with the three current applicants that are  
2 -- that are coming forward, there's a lot of confusion  
3 about what those expectations are and this is very  
4 troubling to us who -- who our plant -- company is now  
5 looking at a possibility of -- of such a venture and  
6 we, you know, we'd like to have a little bit more  
7 certainty in what we're facing here. So, could you  
8 comment on that please?

9 MR. FOLEY: I understand. Understand. We  
10 -- again, I've said before that our inspection group  
11 has been interfacing quite closely with a -- our  
12 licensing group and they've been interfacing really  
13 closely with our quality assurance group and there's  
14 one guy who's kind of the lead for this right now who  
15 can probably respond to your questions best.

16 Mike.

17 MR. SCOTT: I heard about four questions  
18 there. So, if I don't answer one of them, then asked  
19 me at the end. Okay?

20 MR. JORDAN: I probably left out about  
21 five, but go ahead.

22 MR. SCOTT: Okay. I'm -- I'm Mike Scott  
23 and I am in the New Reactor Section and I am  
24 responsible for the development of the early site  
25 permit review standard which Tom referred to as

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1 document number RS002.

2 As Tom mentioned, it was released in draft  
3 form in December. We added a couple of other  
4 sections. One of which was quality assurance in -- in  
5 April of this year. We've gotten public comments on  
6 the document and we are now in the process of putting  
7 it back together and sending it up for management  
8 concurrence and ultimately Commission approval to be  
9 issued as a final document.

10 That document Section 15 of it speaks to  
11 -- well, I'm sorry. Section 17.1.1 speaks to quality  
12 assurance and to all of these issues that Tom referred  
13 to just now. For example, what do we mean by  
14 equivalent to Appendix B? In a nutshell, and the  
15 section provides a lot more information than what I'm  
16 going to give you here, but basically, we're not going  
17 to say that you have a problem because you didn't  
18 implement 15.a.2 of -- of Appendix B.

19 What we are saying is -- is Appendix B is  
20 a framework for the staff to us to go out and look at  
21 the quality assurance measures that the applicants are  
22 applying. If we go out and we find that the measures  
23 the applicants are applying are very similar to the  
24 type of things that are being asked for in Appendix B  
25 and in the review standards which was drawn from

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1 Appendix B, then -- then we're okay with it.

2 If we find a gap or an apparent gap, then  
3 we look further into the information and as Tom  
4 mentioned, the reliability and integrity of the  
5 information to see if it holds water because of the  
6 52.39 finality requirements that say that absent  
7 certain very limited conditions, we can't go back  
8 subsequently and revisit findings made at the SP  
9 stage.

10 So, we use Appendix B as a starting point,  
11 but we're not going to write an inspection finding  
12 that says that you didn't do Appendix B step number  
13 whatever and that's the end of the story. The staff  
14 has the burden of going out and identifying what the  
15 problem is caused by the fact that there is an  
16 apparently gap in the measures.

17 Furthermore, we're not requiring as -- as  
18 Tom mentioned an Appendix B program plan per se  
19 because Appendix B is not required and we've -- we're  
20 being very careful here with the words that we've used  
21 and we are using and OGC has been involved with us to  
22 make sure that we're not straying from -- from what  
23 the rules require here. We're emphasizing measures.

24 If you will, it's performance based. Is  
25 the data reliable? Can it be relied on in a licensing

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1 proceeding? If the answer is yes, then the applicant  
2 is going down the right road. If the answer is now,  
3 then we have a concern.

4 So, that's -- that's -- in summary, I  
5 think answers a lot of the points you raised. I would  
6 recommend that if you haven't already done so, that  
7 you take a look at that 17.1.1 in the review standard  
8 and I think that will answer a lot of your questions.

9 Having said that, did I answer your  
10 questions?

11 MR. JORDAN: You answered it, but what I  
12 heard you say is it's going to be regulation by  
13 inspection and that's troubling. If there's some --  
14 if there's some way that grade of QA could --  
15 information in that -- in that particular document  
16 you're referencing is more specific, I think that  
17 would be a lot -- a lot more helpful to -- to us that  
18 are potential applicants.

19 MR. SCOTT: Can you give me an example of  
20 something more specific that you'd like to see?

21 MR. JORDAN: Well, I mentioned before,  
22 let's -- let's take the Government agency, another  
23 Government agency. What sort of QA controls do I have  
24 to impose on the Census Bureau data?

25 MR. SCOTT: Okay. And that is addressed

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1 in the review standard. What it says is that  
2 information obtained from agencies such as that once  
3 the information is in-house at the applicant, then the  
4 applicant is expected to control how that material is  
5 handled. It doesn't seek to go back and apply  
6 Appendix B measures to that Census agency and I  
7 believe that is addressed in there.

8 MR. JORDAN: So, you're saying all I have  
9 to do is make sure I've got the right information from  
10 the -- from the Census Bureau. That's it.

11 MR. SCOTT: You -- you take the  
12 information that you get from -- and there are  
13 criteria for what is widely accepted information from  
14 Government agencies and once you get it in-house, then  
15 you control it appropriately.

16 I -- I don't have the exact words  
17 memorize, but it does address how you handle that type  
18 of information that comes from a source where normally  
19 you would not have expected that source to have  
20 quality assurance, at least Appendix B type quality  
21 assurance. It's -- it's in there.

22 MR. JORDAN: Okay. Thank you.

23 MR. CAMERON: This -- this -- obviously  
24 this document RS002 is an important critical document  
25 in terms of it's phase and the -- the IMC. Has this

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1 document been widely available to the people for --  
2 for comments? So that people are familiar with what  
3 Mike is talking about I take it.

4 MR. SCOTT: Yes, Chip, as I said, it was  
5 released for public comment. It's on our website if  
6 you go to the new reactor licensing website on the  
7 NRC's public website, you'll find a -- a page there  
8 for documents that have been subject to public comment  
9 and you'll find RS002 in there. You can find both the  
10 -- the draft document itself and the staff's responses  
11 to public comments received on that document. It's  
12 all on the website.

13 MR. CAMERON: Great. Thank you, Mike.

14 Eddie.

15 MR. GRANT: First a comment and then a  
16 question. As we heard on Monday, the devil is in the  
17 details and I think we're going to learn a lot more  
18 about how we're going to apply that equivalent QA over  
19 the next couple of weeks as the SP applicants have  
20 their meetings with the staff. So, that'll be  
21 interesting.

22 I would like to refer though to an -- one  
23 of the inspection procedures that has been issued to  
24 support Inspection Manual 2501 or Inspection Manual  
25 Chapter 2501 and that's inspection procedure 35002.

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1 It's the ESP pre-docketing QA controls meeting and in  
2 that particular document, it indicates that there is  
3 a special reporting requirement section and it says it  
4 will emphasize the applicability of 10 CFR Part 21  
5 reporting requirements to contracts for activities  
6 conducted prior to submission of the application.

7 That doesn't seem to jive with what we  
8 heard earlier or just a few minutes ago, in fact,  
9 about the ESP applicant or particularly pre-  
10 application.

11 Being just a member of the public which  
12 has really no controls applied to him, so, that's a  
13 little confusing. So, I'd like to hear a little bit  
14 more about the emphasis that's going to be indicated  
15 to the applicants and also, I'd like to hear some  
16 details regarding how this application or  
17 applicability was determined and I'd like to hear some  
18 words involved in that using Section 21.2 which is the  
19 scoping section of part 21.

20 MR. CAMERON: Tom, do you get the gist of  
21 Eddie -- Eddie Grant or the stenographer? Do you get  
22 the gist of Eddie's question?

23 MR. FOLEY: I -- I think so. We were  
24 talking about part 21 and I think there's an  
25 individual in the audience or two that are more

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1 familiar with part 21 than I am in -- in writing that  
2 procedure. Either Mr. Dale Thatcher. Dale, are you  
3 back there? Who's the Chief of the Quality Assurance  
4 Branch or Section and -- and Mr. Ken Heck who has been  
5 a -- an off and on team member who has helped us with  
6 development of the -- those QA procedures.

7 Do either of you have any -- any -- can  
8 shed any light on this particular question?

9 MR. CAMERON: And Dale -- is this Dale?  
10 Go to the mike and -- and let's not forget the broader  
11 question too that Eddie asked on the front of the part  
12 21. Specific question about the consistency of what  
13 we're doing with not putting controls on a -- on an  
14 applicant I think, but we can revisit that.

15 Go ahead, Dale.

16 MR. THATCHER: Well, I guess there's a  
17 number of questions in here. The inspection -- the --  
18 the procedure you're referring to is the heating one.  
19 Right? Is that the -- yes, that's all I need.

20 MR. CAMERON: Has to get his reading  
21 glasses out. These glasses -- there's Eddie. You  
22 want your glasses. Okay. Terrific.

23 MR. THATCHER: You know, it's my view that  
24 part 21 -- well, part 21 is separate and --

25 MR. CAMERON: And, Dale, just make sure

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1 you talk into the mike. I'm sorry. So, we get it on  
2 the record. Thank you.

3 MR. THATCHER: Part 21 is separate from  
4 Appendix B and -- and this -- this paragraph's  
5 referring specifically to Part -- Part 21. So, the --  
6 the idea is although I guess this is -- if this is  
7 just a pre-application meeting, maybe there's a  
8 question of whether it -- it really can apply at that  
9 point in time. But, the -- but, the reporting  
10 requirements as far as we see if someone uncovers some  
11 -- some particular problem that may effect safety  
12 related equipment, it should be reported on the Part  
13 21.

14 MR. CAMERON: Dale, are you -- you  
15 indicating that -- that maybe we don't need this  
16 reference to Part 21 in there?

17 MR. THATCHER: No, we actually do.

18 MR. CAMERON: Okay.

19 MR. THATCHER: Because --

20 MR. CAMERON: All right.

21 MR. THATCHER: -- it is not Appendix B.  
22 Is it a separate part of the regulation.

23 MR. CAMERON: Okay.

24 MR. THATCHER: We do have to cover that.

25 MR. CAMERON: Eddie, you have a clarifying

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1 question.

2 MR. GRANT: Yes, follow up or  
3 clarification. Part 21 specifically refers to  
4 licensees and people who are constructing plants. An  
5 ESP applicant is neither. So, how can you apply 21 at  
6 this point?

7 MR. THATCHER: Well, I think the -- the  
8 application comes through Part 52 and is Jerry here?  
9 I'm not sure about the -- how it exactly gets -- gets  
10 opposed, but I think it -- it comes from the Part 52  
11 process.

12 MR. SEBROSKY: Well, this is Joe Sebrosky  
13 with the New Reactor Section. Bob Weisman from OGC  
14 and myself were conferring.

15 For -- an early site permit is considered  
16 a -- a partial construction permit and it also allows  
17 limited work authorization. So, for purposes of the  
18 regulations and I -- I forget where it's stated, I --  
19 yes, we don't have the regulations with us, but --

20 MR. GRANT: I do. I'd be glad to share it  
21 with you

22 MR. SEBROSKY: Yes.

23 MR. CAMERON: Glasses, regulations. Good  
24 thing you're here, Eddie.

25 MR. GRANT: No problem. One second.

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1 MR. CAMERON: But, I -- I think that what  
2 Joe and Bob are saying is that Part 21 and the  
3 statutory authority for Part 21 are broad enough to  
4 apply it to a license applicant at the early site  
5 permit stage. Is that the bottom line, Joe?

6 MR. SEBROSKY: That's -- that's correct.

7 MR. CAMERON: All right.

8 MR. SEBROSKY: And if you -- the -- the --  
9 that's something that we can certainly take a -- a  
10 look at, Chip, and --

11 MR. CAMERON: Okay.

12 MR. SEBROSKY: -- and see whether or not  
13 we need to fix that reference in the -- in the  
14 inspection manual. Inspection procedures.

15 MR. CAMERON: Okay. And before we -- we  
16 go to -- to George, Eddie, let's make sure that we  
17 answered all of your questions. Okay.

18 Do you have -- do you have anything else  
19 you want to add here or back to? You heard that we're  
20 going -- they're going to check the Part 21 authority  
21 which was one of your questions.

22 MR. GRANT: Yes.

23 MR. CAMERON: Is there other?

24 MR. GRANT: Well, just again a follow up  
25 or -- he referred to an LWA1 which allows no safety

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1 related work by the way. So, therefore, Part 21 would  
2 be very difficult to apply to that and come up with  
3 any kind of significant deficiency.

4 Again, if you read through Part 21, it --  
5 it applies only to licensees and, therefore, could not  
6 apply to an applicant unless we were doing some actual  
7 construction which we're not allowed to do under an  
8 ESP other than the non-safety related stuff with an  
9 LWA1.

10 MR. SEBROSKY: All right. I understand  
11 your point and we'll -- we'll take a look at it.

12 MR. CAMERON: And this may be something  
13 that we can clarify and come back with later on in a  
14 meeting or it may take more clarification I guess than  
15 that or more time.

16 MR. SEBROSKY: I -- I suspect that it's  
17 going to take more time and -- and research.

18 If you look at those inspection procedures  
19 that were developed for the early site permit, the  
20 inspection procedures were developed based on what we  
21 used for pre-construction permit in the Part 50  
22 licensing process and we tried to take the analogous  
23 parts out of the Part 50 licensing process that we  
24 thought applied to the early site permit process and  
25 when we did that, we -- we may have done Part 21

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1       incorrectly. We'll take a look at it.

2                   MR. CAMERON: Okay. There's --

3                   MR. BLAKE: If I could -- if I could  
4       comment, I'm Jerry Blake. My -- my background is in  
5       the area of construction and I've been around through  
6       the Part 50 process. I think if you will look at the  
7       information that is provided with an ESP application,  
8       you will see that some of the seismology and some of  
9       the testing that is done for safety related  
10      foundations, that most surely would fall under Part 21  
11      and -- and as -- if -- if after the application were  
12      -- were in-house after it, the ESP was -- was granted,  
13      if the contractor who did that work found a problem,  
14      most surely we'd have to report it under Part 21.  
15      That's just my opinion as an inspector from -- pre-  
16      Part 21 and been around while it was -- went on the  
17      books.

18                  MR. CAMERON: Okay. And we're going --  
19      we're going to get a clarification on Part 21. So,  
20      far we've heard two major issues. One was the  
21      authority issue that just was brought up. The other  
22      issue was what Ben raised which is is there sufficient  
23      guidance in RS002 to an applicant to know what they're  
24      suppose to do on QA and others may want to follow up  
25      on that particular point.

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1 George.

2 MR. ZINKE: I would like to -- to follow  
3 up a little bit on what the example that Eddie brought  
4 up. Because it is an example. As going through the  
5 ESP process and in reviewing through the new licensing  
6 efforts, the RS2 and the -- the framework document and  
7 the various NRC inspection procedures, the concern  
8 that we keep coming across is the -- the various NRC  
9 documents that seem to implement things that the staff  
10 wished were in the regulations or thought ought to  
11 have been in the regulations rather than being very  
12 disciplined in following what is in the regulations  
13 and the -- the Part 21 is an example, but it's not the  
14 only one.

15 As we go through, it's just -- it has  
16 seemed to us either rightly or wrongly that there  
17 seems to be a discipline lacking wherever that is in  
18 the process of making sure these documents are  
19 meticulously following the regulations and if  
20 something's needed that doesn't happen to be in the  
21 regulation, to change the regulation.

22 MR. CAMERON: Okay. Thanks, George, and  
23 we'll -- I think the implication is to that -- that --  
24 that people will be providing as specific as examples  
25 as they can of that in their written comments perhaps.

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1           Okay. Yes, and that was George Zinke.  
2           Right? All right. For the transcript.

3           Yes, sir.

4           MR. MUNDY: I'm Tom Mundy from Exelon.  
5           question on training for the inspectors.

6           I know during our ESP meetings the staff  
7           has stated that individuals that will be conducting  
8           these inspections at least from the staff will be  
9           trained in the new requirements in the inspection  
10          documents that have been prepared for ESPs.

11          I haven't heard though comments about the  
12          contractors that the staff intends to bring in  
13          particularly in the environmental area and to how you  
14          -- and to how you intend to manage and insure that  
15          they are as familiar as your in-house inspectors when  
16          conducting ESP related inspection activities.

17          MR. FOLEY: All of our inspections will be  
18          led by the regional personnel and these regional  
19          personnel are intimately involved with the development  
20          of the process. In fact, Chuck Paulk will be doing  
21          anything Region IV. Jerry will be doing everything in  
22          Region II and they will also be -- and I -- I myself  
23          will be on all the inspections.

24          So, we're trying to insure some  
25          consistency and rein in any contractors or personnel

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1       like that to be -- confine them to exactly what our  
2       inspection procedures tell us to do which are -- are  
3       revolved or developed from the RS230 standard.

4               MR. CAMERON:   And -- well, are you done,  
5       Tom?

6               MR. FOLEY:   And -- and all of these -- the  
7       three of us and others are -- are ancient inspectors.  
8       We're all over the hill and dinosaurs, but we've had  
9       a lot of training in inspections and have been to  
10      fundamentals of inspection courses and we're very well  
11      trained in inspection and we'll make sure that any  
12      contractors are -- are well in hand.

13              Does that answer your question?

14              MR. CAMERON:   I think that Tom Kenyan may  
15      have an important clarification to add.  If not, we'll  
16      go to Jerry Blake.  Tom.

17              MR. KENYAN:   Yes, my name is Tom Kenyan.  
18      I'm going to be the Environmental Project Manager on  
19      the Clinton project and as such, I -- I just wanted to  
20      make a comment that since October of last year, we've  
21      been involved in -- in making sure that our  
22      contractors who are going to be working on the  
23      environmental review are becoming well acquainted with  
24      our -- our regulatory guidance, the ESR -- the  
25      environmental SRP.

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1           As part of our effort to work on the  
2 document RS002, our contractors were involved in the  
3 development of the -- of the environmental  
4 clarifications that we were -- were included in that  
5 document and the people that are going to be working  
6 on it have been involved in -- in -- in taking a look  
7 at the environmental regulatory guidance that is out  
8 there now.

9           So, I just wanted to assure that since --  
10 since you asked about the environmental reviews, our  
11 contractors are being trained -- have been trained and  
12 are intimately involved in -- in the development of --  
13 of the regulatory guidance.

14           MR. CAMERON: Okay. And -- and to follow  
15 up on that point, we're going to go to Jerry Blake to  
16 remind everybody of there's -- there's two aspects to  
17 this.

18           MR. BLAKE: You know, I'd -- I'd just like  
19 to have everybody to refer back to one of the slides  
20 that Joe Sebrosky used. Slide 14 and I think at the  
21 time that Joe was going over this, he pointed out the  
22 fact that there are two phases to the ESP review. One  
23 is the safety aspect and the other is the  
24 environmental.

25           The environmental is a licensing review.

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1 It is going to be done by the appropriate people in  
2 NRR with their contractors as necessary as a licensing  
3 review.

4 The inspections that will be conducted  
5 from -- with the regional support, are inspections of  
6 things that impact safety related foundation and those  
7 type of things.

8 So, just keep in mind that when we're  
9 talking environmental we're not talking inspections  
10 per se. It's beyond the scope of this framework  
11 document.

12 MR. CAMERON: Now, is that clear to  
13 everybody that last statement? Beyond the scope of  
14 this -- this -- this framework document. All right.

15 Russ. Russ.

16 MR. BELL: Yes, my name is Russell Bell.  
17 I'm with NEI.

18 I'd like to circle back on the quality  
19 assurance question that Ben Jordan started us on.

20 I was somewhat gratified to hear both Mike  
21 and Tom express that the staff would be focusing on  
22 the reliability, integrity of the information provided  
23 by the applicant. I think that's the right place for  
24 the staff as opposed to evaluating the -- the delta  
25 between say the quality assurance -- I'm sorry. The

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1 Appendix B criteria and the quality assurance plan  
2 that the applicant is implementing.

3 But, just let me ask the question then,  
4 would the staff consider a deviation from Appendix B  
5 a deficiency that an applicant would need to address?

6 I'm seeing Tom shake his head no.

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

8 MR. CAMERON: Okay. Tom, can you just  
9 speak up a little bit. This is Tom Foley answering  
10 this question.

11 MR. FOLEY: I don't think with the --  
12 well, I guess we better let, you know, Mike speak.  
13 Sure. Go ahead, Mike.

14 MR. SCOTT: Russ, I guess I'd have to  
15 refer you back to what RS002 says about that sort of  
16 thing and I believe in our comment responses to the  
17 NEI comments on that section of the review standard,  
18 we discussed it as well and it was along the lines of  
19 if -- if there's something in a particular applicant  
20 situation that is a delta between Appendix B and where  
21 the applicant is, then we will look into it further  
22 for that integrity and reliability conclusion. It all  
23 comes down to that.

24 Appendix B is the starting. The staff  
25 needs a framework, a reference point, something to

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1 start with as -- as guidance, and if we find  
2 differences, deltas, then we will look further.

3 Does that answer your question?

4 MR. BELL: Yes.

5 MR. SCOTT: QA guys back there, do you  
6 want to add anything to this? Dale.

7 MR. THATCHER: Dale Thatcher of the  
8 Quality and Maintenance Section. I guess Russ'  
9 question was -- was direct to are we going deal with  
10 deviations from Appendix B specifically and the -- I  
11 don't think we're going to be speaking in those --  
12 those terms because Appendix B is not required.

13 But, as Mike said, the reliability of the  
14 data -- something -- some basic premise or whatever  
15 you want to call principle of Appendix B seems to be  
16 missing and it's causing issues with reliability data,  
17 then we -- we'll be talking about not having reliable  
18 data, but not citing Appendix B.

19 That's my --

20 MR. CAMERON: Okay. Thank you. Thank  
21 you, Dale.

22 MR. FOLEY: Keep -- keep in mind here.  
23 There's no enforcement or anything at this point and  
24 -- and when we -- we just received the application.  
25 This whole ESP phase is simply to try to facilitate

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1 getting a quality application in and expediting the  
2 process. That's what we're trying to do here and --  
3 and we want -- we're trying to prevent -- there is  
4 some plant out west that -- that after it was half  
5 built that it just sagged and -- and there -- the --  
6 the structure was cracking because of poor geology and  
7 things like that. So, we're trying to prevent that  
8 kind of thing from happening.

9 This thing is -- in my -- in my mind is a  
10 -- it -- it's a go-go situation for us, the licensees  
11 and the public. We're trying to work together and  
12 expedite, facilitate this process and get a quality  
13 product.

14 MR. BELL: Our quality's very important to  
15 us as well, of course.

16 MR. FOLEY: I'm sure it is. It has to be.

17 MR. BELL: The point is Appendix B is not  
18 the only regime -- quality regime that can arrive at  
19 quality results.

20 MR. FOLEY: We --

21 MR. BELL: It has been the -- the focus of  
22 the discussion.

23 MR. FOLEY: -- we recognize that. There  
24 -- there are other quality standards out there that  
25 might be perfectly suitable.

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1 MR. BELL: My other question goes to --  
2 and the staff is made clear again this morning. Not  
3 require submittal of the quality assurance program of  
4 an ESP applicant in their ESP application, but it's  
5 sometimes confusing as to whether that staff would  
6 request submittal of the quality assurance program  
7 through the RAI process or something like that.

8 And I -- I guess I'd like -- I seek some  
9 clarity on -- on whether you're going to just seek the  
10 program in a -- through another mechanism.

11 MR. SCOTT: This is back to that kind of  
12 sensitive issue about a plan per se is not required.  
13 We have to have enough information to assess the  
14 adequacy of the applicant's QA measures that support  
15 the integrity and reliability.

16 So, to the extent that the applicant does  
17 not choose to provide that information in the  
18 application submittal, then I believe the review  
19 standard refers to -- or no, actually, I think it's in  
20 our -- our responses to your comments on the review  
21 standard. Refers to the fact that the staff will  
22 address getting that information through RAIs and as  
23 supported by the inspection process.

24 Does that answer your question, Russ?

25 MR. BELL: Yes, I think it -- in my mind

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1       that there's a fine line then between a focus on  
2       integrity and reliability of the data and quality  
3       measures underlying it. I can see -- I see the focus  
4       on quality -- reliability, integrity of the data.

5               MR. SCOTT: And that's where the focus is.  
6       That's -- that's the bottom line. That's what we're  
7       looking for.

8               MR. BELL: Okay. That'll --

9               MR. CAMERON: Okay.

10              MR. COE: Actually --

11              MR. CAMERON: Thank you, Mike.

12              MR. COE: Could I ask a question here?

13              MR. CAMERON: Yes, go ahead, Dale.

14              MR. COE: We've in -- in our history built  
15       over 100 nuclear plants and the standards of  
16       seismology, geology, hydrology, and meteorology that  
17       were applied to over 100 nuclear plants in 60-some  
18       sites, I don't think will have changed dramatically to  
19       today.

20              So, I'm curious is -- I'm -- I'm trying to  
21       understand the -- certainly we understand that the  
22       need is for predictability in the licensing process.  
23       That's what Part 52 is designed to -- to -- to  
24       improve. So, I'm -- I'm trying to understand what --  
25       where is the -- where is the rub here. Is it -- is it

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1 that the standards have changed? Am I behind the  
2 times here? As far as the -- the technical standards  
3 for these kinds of licensing decisions with regard to  
4 a site permit?

5 Given that -- that we all are seeking  
6 predictability I think in -- in this licensing  
7 process, I'm -- I'm just trying to understand better  
8 the industry's concern that -- that -- as I hear it  
9 that they'll be subjected to an unpredictable  
10 standard. Is -- is the standard really that vague  
11 based on our history?

12 MR. CAMERON: Good question. Let's --  
13 let's explore that unpredictability and we also heard  
14 perhaps inconsistency with the regulations to which  
15 I'm going to get George up here to answer that  
16 question on predict --

17 MR. ZINKE: I'll try to answer your  
18 question. Over the last year and a half or more,  
19 we've had a lot of discussions with the staff on the  
20 applicability of QA and -- and we have moved a lot.  
21 You know, we started out a year ago that -- that we  
22 got various opinions not necessarily official but  
23 opinions that well, of course, Appendix B applies to  
24 everything and it started out it applied to  
25 environmental, too and -- and we overtime got a whole

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1 lot better clarification. What does it apply?

2 In our opinion, it's not so much the --  
3 the -- necessarily the standards have changed, but,  
4 you know, I -- I was involved in the -- the start up  
5 and construction of a -- of two nuclear plants and --  
6 and what we -- what QA is today and what QA was 20/30  
7 years ago is different and today, you know, we haven't  
8 make our submittals.

9 So, we've been talking in what I'd call  
10 the -- the theoretical and -- and a lot of rhetoric  
11 and where we ended up is we -- we disagree with some  
12 of the words that we hear coming from the staff and I  
13 think the applicants finally decided that, okay, it's  
14 not worth anymore arguing about the words and until we  
15 actually get into it and -- and we all see what we  
16 mean by our various words, then we'll know.

17 So, is what the staff intends  
18 fundamentally different that what it was 20/30 years  
19 ago? We're not really certain. We know the -- we  
20 don't like some of the words we hear, but maybe they  
21 do mean the same thing and maybe they don't. So --  
22 so, that's why we're kind of looking forward to okay,  
23 we're going to move on.

24 We -- we -- we will still have these kinds  
25 of discussions where we may say we don't like some of

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1 the words that we hear because we see they might be  
2 interpreted in a -- in a different way and might lead  
3 to more requirements. Certainly some of the words  
4 over the last year would have, but some of the words  
5 we're hearing now, well, maybe they are okay. But, so  
6 I'm not sure we can absolutely answer right now with  
7 assurance of is this different than it was a few years  
8 ago? Maybe/maybe not.

9 MR. CAMERON: Doug, what do you thing?

10 MR. ZINKE: Based on new people. Based on  
11 new people. Based upon our -- our understanding of  
12 the way things really did get conducted. You know,  
13 the -- the QA programs during the construction of --  
14 of our plants that are out there was weaker than -- it  
15 was weaker than I -- if I was building a -- a plant  
16 right now, I would have stronger QA controls under the  
17 same regulations just because we know a whole lot  
18 more, but -- but, there were certain things that --  
19 that we may have impressions existed 30 years ago that  
20 really didn't exist.

21 Okay. That -- that helps. Thank you.

22 MR. PAULK: This is Chuck Paulk. Just a  
23 second, George. A question for you.

24 Are you going to provide some examples of  
25 the words next week that disagree with or --

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1 MR. ZINKE: What Chuck's referring to is  
2 Entergy is going to have it's meeting with the staff.  
3 That's basically the next step to say, this is our ESP  
4 project and -- and this is the quality controls we  
5 did.

6 Our intent for next week is to -- to just  
7 get down to the practical. Lay aside any  
8 disagreements on words or whatever and go through  
9 well, this is what the project looks like. These are  
10 the quality controls and -- and so, we can move into  
11 the okay, what do you need to inspect? What -- and --  
12 and kind of move into the next phase and -- and we're  
13 figuring that once you have inspections and once you  
14 start looking at things and you see how all of this  
15 was done, then we'll end up having more discussions  
16 and we'll see whether or not we agree or not.

17 So -- so, next week, no, we didn't plan on  
18 discussing any -- anymore of we disagree with this  
19 word or not. We -- we just want to get on into the  
20 practical. This is what we did.

21 MR. PAULK: It seems to me that we -- it  
22 would be beneficial if we, NRC, or -- knew what words  
23 causing problems out there and where the -- the  
24 interpretations may be different of that. If you all  
25 can provide some specifics on that, I -- I think that

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1 would be -- I'd greatly appreciate it.

2 MR. SCOTT: If I can interject here, I  
3 think we do know the words that are the problem.  
4 Don't we?

5 MR. PAULK: I mean we've made our comments  
6 in writing. I think the -- what we don't know is  
7 well, now, how does that translate into what's really  
8 going to get done. Because once we start getting to  
9 real inspections, well, some of the language is going  
10 to automatically change. Because you're -- now,  
11 instead of talking about seismology, you're going to  
12 talk about well, this sample and what did you exactly  
13 do with it and we'll understand what the -- those  
14 words really mean.

15 MR. SCOTT: Right. I believe that NEI's  
16 comments on Section 17.1.1 of the review standard  
17 largely addressed the concerns and the differences of  
18 opinion and interpretation that have been out there.  
19 Wouldn't you agree?

20 MR. ZINKE: Yes, and -- and there's been  
21 like some discussion here of we're -- we're concerned  
22 about well, is the emphasis on program elements or do  
23 you really not have a deficiency until there's -- you  
24 find something wrong with the data that was related to  
25 -- to -- to some program element that was there or not

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1       there.

2                   MR. CAMERON:   Okay.   Thank you, Mike and  
3       we have one -- one other comment back here and we will  
4       move to a break shortly.   Give people time to get some  
5       coffee or whatever.   Okay.   Do you -- go ahead, Ben,  
6       and then we'll go to the gentleman behind you.

7                   MR. JORDAN:   Since I sort of teed this up  
8       -- this QA issue up to begin with, I guess I want to  
9       go back to Doug's comments.

10                   QA has evolved over the last 30 years  
11       quite a bit since we built.   I mean we have new  
12       technology, new information management ways of -- more  
13       robust QA programs.   All of -- there's also new  
14       standards and -- and new expectations that -- that  
15       come out of -- of those -- of that maturity in -- in  
16       both the NRC as well as ourselves.

17                   There's also new standards we're having to  
18       address.   Appendix S for seismic is a very onerous  
19       standard to address for -- for seismic that we're  
20       having to address as opposed to our old current,  
21       current plan.   So, there's -- that's part of the  
22       technology and methodology changes that we're having  
23       to address there.

24                   But, my -- my question originally to -- to  
25       Tom was is -- is -- is it clear and I guess I'm

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1 hearing from Mike. It is clear in this -- in this  
2 RS002 how to characterize QA expectations for early  
3 site permit data. Now, that's what I heard Mike say.  
4 So, again, I am not -- I am not an applicant at this  
5 point, but that's my concern. Is -- when you tell me  
6 you're going to address these gaps, well, you said  
7 there shouldn't be any gaps if I know what the  
8 standards and expectations of the NRC are. That's my  
9 original point that I wanted to make. The question I  
10 had.

11 MR. SCOTT: I have to put in a caveat  
12 here. I believe that the guidance addresses the  
13 points that you have raised so far. I can't be sure  
14 since I don't know what your other examples are that  
15 it addresses everything that you might have concerns  
16 about.

17 The guidance in RS002 closely resembles  
18 new Reg 0800 guidance related to QA measures. Now, we  
19 changed the information in there to address the  
20 different regulation and the fact that the information  
21 is different. So, it's not the same, but if you know  
22 what, and I'm sure you do know what new Reg 0800 says  
23 for QA. You know similar level of detail will be  
24 found in RS002 and that's probably the best I can  
25 address that.

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1                   There -- certainly the points you raised  
2                   about use of Government information, that is addressed  
3                   in there. That's probably the best assurance I can  
4                   give you on that.

5                   MR. CAMERON: Okay. Let's go to Eddie  
6                   Grant and then --

7                   MR. GRANT: Eddie Grant with Exelon.

8                   Try to address Mr. Coe's statement and Mr.  
9                   Paulk's request for examples.

10                  One thing that hasn't changed over the  
11                  last 30 years is the difference between a design input  
12                  and a design process and how those are treated with  
13                  regard to Appendix B or Appendix B like controls and  
14                  what we're seeing is that these discussions on  
15                  seismology, hydrology, meteorology, demography, and  
16                  all of those types of things that are addressed in our  
17                  safety reports for ESPs are being treated as design  
18                  process.

19                  We do not consider them to be design  
20                  process. I think that is one of the major  
21                  differences. We look at these as design inputs and  
22                  that the appropriate level of quality controls is that  
23                  level appropriate for a quality design input rather  
24                  than a design process.

25                  It -- it will be a while yet before we

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1 will hire designers and turn them loose with the  
2 various design inputs and say go design this plant.

3 So, therein is our -- our major  
4 difference.

5 MR. CAMERON: And, Mike, a comment on what  
6 Eddie said.

7 MR. SCOTT: Yes, I just would like to say  
8 again we are focused on the integrity and reliability  
9 of the information that will support reasonable  
10 assurance that system structures and components  
11 important to safety will perform as designed.

12 So, to the extent that site information  
13 impacts that reasonable assurance, then we need to  
14 have the integrity and reliability of the data.  
15 That's what we're focused on.

16 MR. CAMERON: All right. The most --  
17 gentleman in the world. But, go ahead.

18 MR. MUNDY: Tom Mundy again from Exelon.  
19 Just to follow up to George Zinke's comment. Just to  
20 put a commercialization spin on the aspect of quality.  
21 I recognize that an applicant that intends to contract  
22 to have its application prepared by another party and  
23 contracts with that individual to prepare the  
24 application not under an Appendix B program, the cost  
25 difference associated with retaining somebody to do

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1 work under an Appendix B program and not can be quite  
2 substantial.

3 The dilemma then becomes if you retain  
4 that party under a non-Appendix B program, are you  
5 doing it in a manner that "the staff would consider  
6 equivalent in substance" and then are applying rigor  
7 that results in unnecessary cost and burden and that's  
8 where the uncertainty lies.

9 Be very simple in this case to retain and  
10 prepare under a full Appendix B program. But, is that  
11 necessary? Is the cost and whatnot associated with  
12 that necessary?

13 Secondly, if you do contract with a party  
14 that does not have an approved Appendix B program,  
15 that opens up or at least in our case, we found that  
16 there are many very suitable contractors out there  
17 that can do work associated with the preparation of an  
18 application that don't necessarily have an Appendix B  
19 program and we wouldn't want to exclude them from our  
20 evaluation as a potential candidate to do that work  
21 just because they don't have an approved Appendix B  
22 program.

23 MR. CAMERON: Thank you. Any comment,  
24 Mike, on that?

25 MR. SCOTT: I guess I would say in

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1 response to that, of course, they're not required for  
2 purposes of early site permit to be Appendix B. We  
3 don't require that. It's not required by the  
4 regulations. I'm going to sound like a broken record  
5 here, but we're going back to the integrity and the  
6 reliability of the data.

7 So, the staff will look in the inspection  
8 process, get the work done by the applicant's  
9 contractors and the applicant themselves for integrity  
10 and reliability of data.

11 Appendix B provides a staff long history  
12 of -- of guidance for this type of review. So, the  
13 staff will use Appendix B as interpreted in RS002 as  
14 applicable to ESPs as a starting point, but again,  
15 we're not going to write a finding based on your  
16 contractor is not Appendix B compliant.

17 You won't see those words. We're not  
18 going to focus on Appendix B. We're going to focus on  
19 the integrity and liability of the data.

20 I'm sorry to be so repetitive, but that's  
21 really where we're going with this.

22 MR. CAMERON: Okay. Yes, sir.

23 MR. QUINN: My name's Ted Quinn and at  
24 first, I just want to recognize the staff and Chip for  
25 having these meetings. I think it's very important

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1 that you discuss generic issues within a month of  
2 embarking on this new course that you should be  
3 receiving these docketed applications and I think it's  
4 good. I hope you continue these sessions.

5 I'd like to reenforce the issue of  
6 training for your staff. I think it's real critical  
7 that you discuss the ology issues and I hope you have  
8 seismic and other experts on your staff that are --  
9 that are being trained and use example from some past  
10 experiences in the application license renewal and  
11 others that are -- that are occurring.

12 I think -- Doug, just a comment back. You  
13 said that this has been applied in 30 years to 103  
14 sites. Well, I just -- I -- I think one of the  
15 comments was in seismic, for example, is -- is new and  
16 all of us are learning on that issue and others.

17 My question really has to do with RS002.  
18 I've heard a number of issues with this issue of  
19 graded approach or QA. There's another issue that  
20 regards the PPE process and -- and that is -- and it's  
21 expectation on the staff and industry and I see a  
22 delta and I just want to make sure.

23 As I read RS002, it looks to me it's  
24 written specifically towards receiving a design for a  
25 DC type application of a specific design. That's --

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1       that's not what I believe is -- is the process going  
2       forward.

3               The PPE process addresses generic bounds  
4       for multiple designs and -- and I hope that the RS002  
5       process and I'd like your comments will address  
6       looking at PPEs and I'll give you an example. What  
7       Jerry mentioned about and there was a bullet up there.  
8       I think looking at base mat or looking at the  
9       construction process that applies to foundations. Am  
10      I correct?

11              I need to make sure that it's clear that  
12      if the PPE process doesn't address a specific design  
13      and doesn't have a base mat design that is presented  
14      to you to learn or to look at so that you can compare  
15      it with your past experience, that you -- you  
16      understand the acceptance criteria. It's clear to you  
17      what acceptance criteria you're going to apply to  
18      those PPEs. Is that clear?

19              MR. CAMERON: And -- and, Ted, could you  
20      just spell out that acronym for us for people who  
21      don't know? The PPE.

22              MR. QUINN: Plant parameter envelope --

23              MR. CAMERON: All right.

24              MR. QUINN: -- I believe is the -- is the  
25      correct term.

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1 MR. SCOTT: That's -- that's correct.  
2 Yes, I'd be happy to address that.

3 When you refer to the review standard not  
4 addressing the PPE concept, I presume you're referring  
5 to the December '02 draft that was released for public  
6 comment because that's the only one that's out there.

7 They -- that draft says that the staff is  
8 -- is -- is discussing the PPE issue with the industry  
9 at the time that that document was published and that  
10 when the document RS002 is issued in final form, it  
11 will more fully address the PPE concept based on the  
12 results of those discussions.

13 On February 5th of '93, the staff released  
14 a letter to NEI which contained the staff's positions  
15 on use of the PPE and basically said the use of the  
16 PPE concept in -- in -- in an ESP application is  
17 acceptable under the following considerations and I  
18 believe the letter also said that we would  
19 subsequently include that information from that letter  
20 and additional guidance in the ESP review standard.

21 In March, we got comments from NEI on that  
22 same subject and comments from two of the three  
23 perspective applicants. They all discussed PPEs I  
24 believe and the staff responded to those comments.

25 Those -- the responses are available on

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1 the website. If you look there, you'll see it's sort  
2 of an affirmation that we agreed in our letter of  
3 February 5th that the applicants may use PPE and we  
4 will provide guidance in the review standard to allow  
5 that. For example, there is language in the review  
6 standard that refers to the applicants specifying the  
7 number and type of reactor plants to be put on the  
8 site. Well, wherever those -- wherever that phrase  
9 appears in the review standard, in the new -- in the  
10 final review standard, it's going to say or as defined  
11 by an applicant's PPE or words to that affect.

12 So, we are revising the review standard in  
13 -- the -- the draft that we have now to address the  
14 PPE concept.

15 We had attempted in the initial draft to  
16 pretty much deal with where we found design  
17 information being inappropriately required and mostly  
18 that was a result of starting from new Reg 008 as a  
19 basis of developing the review standard and in  
20 reviewing it, there were some items that were maybe  
21 somewhat subtle and were missed.

22 NEI and the applicants made comments on  
23 those and the staff responded to them indicating that  
24 we would remove or as appropriate caveat that type of  
25 request for information.

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1           You'll find some part of the review  
2           standard contain information that's appropriate for  
3           the COL combined licensed stage and we've attempted to  
4           clearly identify that as such. To sum up, I believe  
5           you will find in the final review standard that we  
6           have adequately addressed the potential for the  
7           applicants to use PPE. We've said it's -- it's  
8           acceptable to use it and here's what the staff's going  
9           to be looking for in terms of acceptance criteria and  
10          what our perspective findings would be in a given  
11          section regarding -- regarding the PPE concept.

12                 Now, clearly, the final review standard is  
13          not on the street yet and won't be for a number of  
14          months. But, if you look at the staff's responses to  
15          NEI and applicants' comments, I think you'll find our  
16          position is fairly clear and it's consistent with what  
17          you were saying, I believe, in your comment.

18                 Does that -- does that answer your  
19          comment?

20                 MR. CAMERON: Let's get one follow up here  
21          from Ted. Go ahead.

22                 MR. QUINN: Will the industry get to  
23          comment on the final before or is it just going to be  
24          issued?

25                 MR. SCOTT: The final ESP review standard

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1 incorporates the industry's comments to the extent  
2 that we said we would incorporate them in our  
3 responses to those comments. So, unless the document  
4 is to be revised again for significant other  
5 considerations, no, there would not be another public  
6 comment period, but again, we're on record in our  
7 responses to the comments as to where we're going with  
8 this.

9 MR. CAMERON: Okay. Thank you, Mike and  
10 thank you, Tom.

11 I have approximately 10:30. To give you  
12 enough time to get coffee and whatever and we'll go to  
13 Bob before we break. Why don't we take 20 minutes?  
14 Okay. And come back at approximately 10 minutes to  
15 11:00 depending on how long Bob is going to go.

16 Bob?

17 MR. WEISMAN: I just want to add a -- a  
18 footnote to the QA discussion. You know, lawyers are  
19 fond of footnotes, but as Russ Bell mentioned on  
20 Monday, the whole point of this is that the NRC has to  
21 make certain findings to support issuance of -- of an  
22 early site permit.

23 This information that we're talking about  
24 is the basis for those findings and if they're not  
25 appropriately -- they don't have appropriate integrity

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1 and reliability, how can the NRC then use that  
2 information as a basis for the findings.

3 That -- that's the whole point.

4 If we've got appropriate reliability and  
5 integrity to the data, then that will allow us to make  
6 the appropriate findings.

7 That's just my footnote.

8 MR. CAMERON: Probably a good time to take  
9 a break.

10 So, take approximately 20 minutes and  
11 we're going to come back and -- we're going to go into  
12 the next topic which Jerry Blake is going --

13 (Whereupon, at 10:33 a.m. off the record  
14 until 10:53 a.m.)

15 MR. CAMERON: Okay. Good. Russ Bell is  
16 back with us. So, I think we have pretty much  
17 everyone here.

18 One -- one announcement is that when we  
19 break for lunch, after everybody leaves for lunch, the  
20 elevators out here are going to be blocked off until  
21 about 10 minutes before we have to come back.

22 So, if you need anything during that lunch  
23 break, take it with you because you won't be able to  
24 get back in here.

25 Is that correct, Joe? Is that --

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1 MR. SEBROSKY: Yes, that's -- that's  
2 correct.

3 MR. CAMERON: Okay. And before we go to  
4 -- to Jerry Blake to talk about IMC2502, Tom Foley  
5 wants to give us a little clarification on this.

6 MR. FOLEY: It's -- it's important to  
7 recognize that IMC2501, the early site permit that we  
8 just talked about, that is the only inspection  
9 guidance that is currently issued to our inspectors.  
10 The following topics 2502, 3, and 4 by Jerry, Joe, and  
11 Jimmy, those -- they're -- we're -- we're working as  
12 a team to develop that guidance and it's really in its  
13 infancy right now. So, but recognize that only one of  
14 these inspection programs have been really  
15 implemented. That was Jerry here.

16 MR. BLAKE: Well, good morning. I'm -- I  
17 am as they said Jerry Blake. I'm with Region II.  
18 Title now is Senior Project Manager, but my background  
19 is -- I came to work in 1975 as a Construction  
20 Inspector and went into Operations Inspections and  
21 now, I am writing programs. I'm involved in this one  
22 and I'm also involve with writing inspection  
23 procedures for another division, the MOX facility  
24 that's being constructed in -- in Region -- or there's  
25 an application in for construction of it down in

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1       Region II.

2               Let's go to the next slide.

3               The concept for inspection procedure 2502  
4       is generally like I say it's a concept and it's to  
5       support licensing. I -- we're going to talk about the  
6       -- some preapplication QA reviews, application review,  
7       and -- and then the Construction Inspection Program  
8       Information Management System will be discussed later.  
9       I put it on the slide just to -- as a placeholder and  
10      to put out -- point out the fact we planned to have  
11      some type of an inspection management system in place  
12      when an application comes in so that we can capture  
13      the inspection information that we gathered during the  
14      application review and carry it along with us to the  
15      final approval for a fuel load if need be.

16              Next slide.

17              We look at -- we've looked at what kind of  
18      inspection support would be necessary for supporting  
19      the approval of a -- a combined license. We looked at  
20      -- and we had to -- we had to go back to the history  
21      of how things happened in a part -- two-part license.  
22      Part of it is the application review where we may  
23      require inspection report -- support to support the  
24      reviews.

25              In the SERs, some of you that were

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1 familiar with the two-part license, you saw the --  
2 some of the SERs came out with a construction permit  
3 that -- that had statements in it to the fact that  
4 things would -- some things would be verified later by  
5 inspection. Those are the type of things that we  
6 envision will be handled by inspection during the  
7 course of the license review so that there won't be  
8 those lingering questions after the licensing.

9 And once again, it's -- it's -- it's all  
10 put together to support the Safety Board hearing prior  
11 to the license.

12 Next slide.

13 In support of the NRR reviews, we will  
14 have QA meetings with announced applicants similar to  
15 what we are having with -- for the ESP application and  
16 we also have the added burden of the fact that if an  
17 applicant chooses not to come in with an early site  
18 permit and go with a green field site, then we're  
19 going to have to roll some of those inspections --  
20 this inspection procedure as -- as well as referring  
21 back to the 2501 inspections.

22 We envision that we will be looking at the  
23 implementation of these QA controls through review of  
24 what is being submitted, once again what is -- what is  
25 supporting submittal and we're also as we did with

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1 2501 envision meetings with public and local  
2 officials.

3 Next slide.

4 One of the larger areas that 2502 will  
5 cover are some areas of design inspections,  
6 engineering design verifications, first-of-a-kind  
7 engineering, operational programs, design acceptance  
8 criteria, and limited work authorizations.

9 Go back. Engineering design  
10 verifications, during the last generation of  
11 inspections, there were some engineering design  
12 verifications that were done rather late in the  
13 construction period. One of the lessons learned from  
14 that is to do them early and make sure that -- that  
15 the design is being translated into -- into documents  
16 that can be used to basically construct and test these  
17 equipment.

18 First-of-a-kind information -- first-of-a-  
19 kind engineering, that's a commitment that was made in  
20 early -- mid-'90s where we committed to doing a  
21 thorough review of the engineering -- the first-of-a-  
22 kind engineering for first of a particular design.

23 The -- skip the next one. Go to design  
24 acceptance criteria. If you'll look at the -- some of  
25 the approved designs that we have on the books on

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1 right now, there are some things that -- we have  
2 placeholders and it was an agreed upon placeholders  
3 called the design acceptance criteria. We refer to it  
4 as the DAC. Without knowing when these things would  
5 be -- would be -- when an application would come in,  
6 when things would be built, there was no way to write  
7 a specific ITAAC that would describe something that  
8 the control room instrumentation. So, there is a DAC  
9 put in place that said the control room  
10 instrumentation would provide certain types of -- of  
11 indications to the operators, certain types of things  
12 that they could respond to.

13 We would expect that when an application  
14 comes in at least the majority of that should be  
15 identified as to what instrumentation would be in  
16 place. In which case, we could take care of  
17 inspecting that as part of the licensing review and  
18 take -- and meet the design acceptance criteria as --  
19 before the license is reviewed.

20 Operational programs are put in there as  
21 a concept for this procedure because as we discussed  
22 Monday, there are different types of programs. Even  
23 the industry has -- has indicated that there are some  
24 programs that they will have as a part of their  
25 application. Inspection of those would be part of the

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1       licensing review.

2               Anymore discussion on that is probably  
3       going to be -- have to be held until we settle the  
4       issue of where we're going with the operational  
5       programs. That was part of the discussion and it's  
6       part of the commitment we have to go to the Commission  
7       in March of next year.

8               We have to cover the area of limited work  
9       authorizations of areas. That allowance in the  
10       regulation similar to what we had in -- under Part 50  
11       license where once the environmental issues have been  
12       agreed upon and have gone through the necessary  
13       hearings which would be covered under an ESP review,  
14       then an applicant is -- would be allowed to do work  
15       that involved non-safety related structures. That is  
16       clearly land, building roads, and to the point of  
17       erecting some structures, offices, warehouses, what --  
18       whatever that were not safety related.

19              The purpose of this is to make sure that  
20       we do inspections to insure ourselves that the  
21       applicant is living within the regulation and that  
22       they are not going beyond what their site -- what they  
23       had in their license as to what they could do and --  
24       and still be reverse.

25              Between the time when they have the

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1 mandatory hearing for the COL and the -- and the  
2 license is -- is issued between the Hearing Board  
3 determinations that there are no more safety questions  
4 on certain aspects of it, the license -- applicant  
5 could apply for and get permission to even start some  
6 safety related foundation work. That is excavating  
7 areas for safety related building. Things like that.

8 That was referred to as an LWA2 under the  
9 Part 50 license and it's still an option that's  
10 available under Part 52.

11 And that -- as I say, that's kind of a  
12 concept of where we plan -- the topics we plan to  
13 cover in this inspection manual chapter. Covers quite  
14 a wide gambit of things and as I -- as Tom pointed  
15 out, we're in concept here and we'll be -- going be  
16 working this -- over this the next couple of years.

17 Questions.

18 MR. CAMERON: Let's go over and then we'll  
19 go over there.

20 MR. BELL: Thank you. It's Russell Bell  
21 again with NEI.

22 More than 18 months before the staff  
23 published their framework document, NEI provided the  
24 staff -- we call it a draft white paper. That covered  
25 many of the same topics. We hope the staff found it

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1 useful, informative reading and we've have public  
2 meetings before we submitted that and after on -- on  
3 these topics and one of the things we've discussed is  
4 the engineering design verification described in the  
5 paper and there's a few pages that are -- in some of  
6 the cases, our white paper went into more detail than  
7 the framework document.

8 But, on engineering design verification,  
9 I'd -- I'd like to just see if you could elaborate on  
10 the staff's thinking in a couple of areas. Our -- for  
11 instance, our white paper talked about the -- the  
12 objective of the engineering design verification with  
13 respect to verifying consistency with the -- the tier  
14 one, tier two design. That staff might use familiar  
15 methods such as vertical slice audits to perform these  
16 -- these verifications.

17 We propose -- it's a significant milestone  
18 and the paper proposed that there might be a -- a  
19 Federal Register notice or some other visible closure  
20 mechanism for when staff is satisfied with the  
21 engineering design process and that they're -- they're  
22 engineering design verification was complete.

23 We -- we suggested that the scope might  
24 include engineering processes such as that the staff  
25 might review at this time. You know, EQ program,

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1 seismic design, fire protection design implementation,  
2 separation, configuration management and we also  
3 stressed the distinction between this aspect of the  
4 staff's inspection activities, engineering design  
5 verification, and the ITAAC process. The important  
6 distinction between those.

7 On -- any -- I know I just threw out like  
8 five or six areas, but on any or all of those, Jerry,  
9 is -- can you elaborate beyond what's in the framework  
10 documents and your comments today? Again with regard  
11 to objective method, closure mechanism for the  
12 milestone and --

13 MR. BLAKE: As I -- as I did state, the --  
14 a lot of this is still conceptual and -- and if you'll  
15 notice, in the framework document, I believe it's on  
16 page 10 of the framework document where this is  
17 discussed, we did bring into -- into the document an  
18 example of what type of inspection we envisioned going  
19 forward and that was -- there's a manual chapter  
20 that's still on the books, still -- you can still  
21 reach it through the website.

22 It's Inspection Manual Chapter 25-30 which  
23 was the model that was used for integrated design  
24 inspection program.

25 As I said before, these were done rather

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1 late in life on some of the plants. Where it was more  
2 of a two-part inspection or we did design and then we  
3 went to the -- to the field and -- and verified the  
4 field change process also.

5 What the model is intended to imply is  
6 that we tended -- we want to do that type of a  
7 thorough design where we select a sample, a vertical  
8 slice, and in some cases or -- or a horizontal slice at  
9 a particular location where you have -- may have a  
10 contractor doing a similar type design on -- on  
11 several systems. That we haven't decided. You know,  
12 that -- that will be probably part of the -- of the  
13 form -- the final design, you know, procedure.

14 But, the idea is to do enough inspections  
15 that we can -- we can show that the design concepts  
16 that were in the approved design are being translated  
17 into, you know, there is a traceable translation down  
18 to the working documents for the installation of the  
19 -- of the equipment and at some point, I'm -- I'm --  
20 you know, there may be a possibility that some things  
21 are already being fabricated in -- in off-site  
22 locations. There may be -- some look at field change  
23 requirement.

24 But, we're looking for making sure that  
25 you're -- you're design process is holding true to the

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1 approved design.

2 MR. COE: Could I ask a clarification  
3 question? I'm -- I'd just like to understand a little  
4 bit better your -- your thought about closure.  
5 Because what -- what Jerry has described is a sampling  
6 process and what was earlier described in terms of the  
7 Part 52 licensing process was -- was acceptance of --  
8 of the -- or -- or verification that ITAAC had been  
9 completed.

10 My working assumption all along has been  
11 that these types of inspections disappoint me and  
12 later through the process would ultimately be closed  
13 by the staff's acceptance of the ITAAC or assertion to  
14 the Commission that the ITAAC had been met.

15 Do you mean anything different?

16 MR. BELL: Yes.

17 MR. BLAKE: Let me -- let me take a shot  
18 at it.

19 MR. BELL: Yes.

20 MR. BLAKE: You have to back up and look  
21 at what the purpose of 2502 is. 2502 is -- is the  
22 inspections that we feel necessary to support the  
23 granting of the license. It has to -- more to do with  
24 assuring that -- that you are ready to meet the  
25 details of your license. That we have assurance that

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1 -- that your design -- you're maintaining the design  
2 through the design, you know, down to the details of  
3 the design.

4 When we get into -- once -- once we --  
5 once you have the license, then any design inspections  
6 in that would be handled under support of ITAAC  
7 verification which would be -- is -- is handled under  
8 a separate manual chapter. But, keep in mind that  
9 what we're talking about here is inspections to  
10 support granting of the license.

11 MR. CAMERON: Do you want to respond to --  
12 also to Doug's question?

13 MR. BELL: I think if -- if Doug's  
14 satisfied with that answer, I -- I think I would be.  
15 It reflects the distinction I -- we consider very  
16 important between engineering design verification and  
17 -- and ITAAC and that the purpose of engineering  
18 design verification is to -- for the -- the NRC to  
19 have assurance that the detail design is consistent  
20 with that which was approved in say a certified design  
21 referenced in -- in the license and that you like --  
22 your point is you'd like to have that assurance as  
23 part of your COL -- as part of the consideration of  
24 the combined license.

25 MR. BLAKE: Right. And there -- and there

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1 we have to also recognize the fact that -- that  
2 there's more to the application than -- than an early  
3 site permit and approved design. We have the site  
4 specific interfaces. What kind of design you have in  
5 the area of service water, ultimate heat sync and --  
6 and the interfaces in that respect. Those could come  
7 under this -- this type of site design or engineering  
8 design review if it's necessary to support the -- the  
9 license review.

10 MR. CAMERON: Doug.

11 MR. COE: Yes, Jerry -- Jerry correctly  
12 refocused. I had made an unstated assumption here and  
13 the unstated assumption was that these kinds of  
14 inspections whether we call them engineering design  
15 verifications or something else would in one form or  
16 another could -- could occur throughout the entire  
17 construction inspection process.

18 Jerry correctly points out that what we're  
19 talking about right here is that -- that leads up to  
20 the COL decision and -- and that I think provides at  
21 least some measure of closure from your perspective,  
22 but from my perspective in terms of have the ITAAC  
23 been adequately met, I would envision that the -- the  
24 possibility anyway that certain engineering design  
25 issues may arise after COL is granted and through the

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1 construction process at which time we would raise  
2 those issues and -- and they would be adjudicated  
3 prior to our assertion that the ITAAC had been met and  
4 that the closure then -- the final closures comes with  
5 that final assertion.

6 I think that's still consistent with what  
7 Jerry said.

8 MR. CAMERON: That seems -- Russ, you seem  
9 to -- to agree with that. I just would ask you Doug  
10 about your use of the word adjudicate.

11 Did you mean that as the only way that  
12 those issues would be closed?

13 MR. COE: Not -- not in a legal sense.

14 MR. CAMERON: Okay. Good.

15 MR. COE: Only -- only that the issues  
16 that were raised in a -- yes.

17 MR. CAMERON: I just wanted to make sure  
18 that people understood your use of the term.

19 MR. BLAKE: And -- and as far as -- as  
20 closure on -- on the -- you know, the ultimate closure  
21 as I -- as I indicated is if the COL is granted or  
22 denied, but as far as the design inspections  
23 themselves, based on current practice with our  
24 inspection program of the operating fleet, all  
25 inspection results and reports are put on the website.

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1 They're there for public review. We -- we plan to go  
2 forward with that. There's full expectation that  
3 inspection reports will be on the website, will be  
4 open for review and -- and results clearly -- clearly  
5 written.

6 MR. BELL: I might just try and seek one  
7 clarification and that is while I think it would be  
8 ideal if the NRC could complete its engineering design  
9 verification prior to COL, I don't think that that is  
10 necessarily required.

11 I think Doug correctly mentions that some  
12 percentage of the design detail may not yet be  
13 complete even at time of COL. But, at COL, the  
14 important thing is that all the safety issues  
15 associated with the design are -- are resolved.

16 Now, that should be the case because of a  
17 reference to a design certification for which all the  
18 safety issues associated with the standard design were  
19 resolved years ago. COL review would focus on site  
20 specific design and -- and address those, but I think  
21 it would be ideal if the engineering design  
22 verification of the detail designs consistency with  
23 the tier one, tier two type information. That would  
24 be ideal to complete at COL, but -- but not -- not  
25 necessary require it.

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1 MR. CAMERON: Do we have anything to add  
2 up there?

3 MR. BLAKE: I would -- I would like to  
4 comment just conceptually. I -- I agree with you that  
5 there could be some areas of the design rather  
6 important to us that would not be completed by the  
7 time we issued the COL, but I would expect that there  
8 would be -- in an ITAAC, there would be the design  
9 acceptance criteria that you hope to meet in a form of  
10 a -- in an ITAAC in which case we would -- we could go  
11 later at the time when you're completing that such as  
12 a control room instrumentation or something like that  
13 when we would go forward with a design inspection to  
14 verify the design process by which you're meeting that  
15 DAC.

16 Does that answer the question?

17 MR. BELL: As we understand it, I agree  
18 with you, Jerry, that design acceptance criteria, the  
19 main control room, would not have to be resolved at  
20 COL. That would be terrific, but it -- it could  
21 remain, but then that -- that ITAAC or DAC requirement  
22 would follow along with it.

23 MR. CAMERON: Right.

24 MR. COE: Just one final thought. One  
25 area that is particularly worrisome to me is the --

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1       how -- how we're going to do the design verification  
2       or assure the design acceptance criteria were met in  
3       the technical area of digital safety instrumentation  
4       and control systems which I believe for the new plants  
5       will be a fairly integrated system. Essentially, the  
6       brains and the nervous system of this -- of the entire  
7       plant.

8               And because of the rapid evolution of that  
9       technology because the design acceptance criteria are  
10      written at a high level and because the design  
11      implementation can be conducted in numerous different  
12      ways with numerous types of software and hardware,  
13      this remains a real challenge, I think, for the staff  
14      and for the industry to come to grips with a final  
15      assertion at the end of the game that design  
16      acceptance criteria at the plant can be operated  
17      safely given the system that's been installed.

18              So, I -- I only offer that as -- as, you  
19      know, it doesn't require an answer, but it's something  
20      that we -- we do definitely need to work on and we  
21      need to be disciplined in -- in -- in how we approach  
22      that.

23              MR. CAMERON:   Okay.   Let's go to this  
24      gentleman over here.

25              MR. GORDAN:   Hi.   Scott Gordan with MSS.

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1 As a lot of these concepts are new to me, but it's  
2 good background to have.

3 I was curious where -- whether it's this  
4 phase or possibly the construction phase, but where  
5 the verification for the design and quality of  
6 equipment built at vendor locations, where that is  
7 going to be and how that'll be addressed and checked  
8 for design acceptance.

9 MR. BLAKE: Well, in looking at the  
10 framework document, we have -- we have conceded and --  
11 and acknowledged the fact that probably future  
12 constructions -- we've heard numbers such as like 60  
13 percent of -- of things that were historically done  
14 from scratch on-site will be done off-site in modular  
15 fashion and shipped to the site and put together.

16 So, we're trying to -- and this will be  
17 discussed in the next manual chapter as how we plan to  
18 -- to look at construction of that. That doesn't keep  
19 from the fact that the design parts of that that are  
20 important to the license will either be inspected  
21 during the license review phase or they will probably  
22 be a design acceptance criteria in an ITAAC as a  
23 placeholder for a later review.

24 MR. CAMERON: Joe, do you want to add to  
25 that and then we'll see if that answers Scott's

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1 question.

2 MR. SEBROSKY: This afternoon when we talk  
3 about ITAAC, one of the things that we bring up is  
4 modular construction and -- and we talk about a  
5 process that we kind of invented to -- to address that  
6 issue -- that -- that specific issue. So, we'll talk  
7 about that in a little more detail this afternoon.

8 MR. CAMERON: Okay. Is that okay, Scott?

9 MR. GORDAN: Yes.

10 MR. CAMERON: All right. Russ, you have  
11 another question meant for us?

12 MR. BELL: It concerns the sharing of  
13 construction schedule type information and just point  
14 of order is this be a -- an appropriate time to ask  
15 that. This is the phase of process where I think that  
16 information would be exchanged.

17 MR. BLAKE: I -- I think we would -- we  
18 would like to hold that question off until after we  
19 have the discussion on the -- the construction --  
20 well, I had it on -- on one of the my slides. The  
21 acronym is CIPIMS. It's the Construction Inspection  
22 Program Information Management System. We're going to  
23 get a -- a discussion right after lunch from Carl  
24 Konzman as to what that is, how that plan -- we plan  
25 to use that and as you'll see after you hear from him,

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1 we're -- we're planning to put -- feed instruction  
2 schedules and results into that -- in that program.

3 It'll be much clearer after Karl talks.

4 MR. CAMERON: Okay. Great. Thank you,  
5 Jerry.

6 Joe, do you think that we can -- we can do  
7 your part -- your presentation before we -- we break  
8 for -- for lunch and then start with Carl?

9 Because we just took a break about a half  
10 hour ago. If we need to break for lunch at 11:30  
11 because of people's schedules, then let's do that.  
12 It's up to you.

13 MR. KONZMAN: We can -- we can probably  
14 start it and come back to --

15 MR. CAMERON: Stu, do you have any  
16 thoughts on this?

17 MR. RICHARDS: I would guess this  
18 session's going to take awhile. For lunch and --

19 MR. CAMERON: To start after lunch?

20 MR. RICHARDS: Yes.

21 MR. CAMERON: All right. Okay. Let's  
22 start back at 12:30 and if you need anything out there  
23 on your lunch break, Eddie, take your glasses with  
24 you. All right. 12:30.

25 (Whereupon, the meeting was recessed at

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1 11:27 a.m. to reconvene at 12:30 p.m. this same day.)

2 MR. CAMERON: All right. Our first  
3 presentation is going to be on something called the  
4 Construction Inspection Program Information Management  
5 System. We have Carl Konzman with us.

6 And -- and, Carl, if you want to use this  
7 to -- you know, you want to walk around.

8 MR. KONZMAN: I can go ahead and just walk  
9 around --

10 MR. CAMERON: All right. Here you are.

11 MR. KONZMAN: Hi. How is everybody doing  
12 this afternoon?

13 We're -- we're here to talk to you about  
14 Construction Inspection Program Information Management  
15 System.

16 As we decide to move forward and build new  
17 reactors, there comes into, you know, question  
18 integrated scheduling, traceability, and auditability  
19 of the inspections that -- that occur and verification  
20 of the -- the various ITAACs are associated with the  
21 different construction -- construction activities that  
22 will occur on-site.

23 What we've done is -- I'll just go on. I  
24 know. You see, I have like a sticky note on it. It's  
25 the -- it's the fail safe. It always works.

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1           One of the things that we're shooting for,  
2           and you may say I'm from the planning and management  
3           analysis staff. You're saying why is there a work  
4           planning guy who's the IT sort of guru type guy up  
5           here talking to me about nuclear stuff?

6           Well, one of the goals at work planning  
7           was to integrate NRR headquarters and regional  
8           activities integrate the scheduling at some point in  
9           time and oh, thank you and one -- one -- so -- so,  
10          some of the challenges we went through is we realized  
11          that, you know, we're going to have an NRR project  
12          manager in charge of this thing. This is -- this is  
13          like -- a lot like what we do today in our daily  
14          scheduling work license amendments and renewals and  
15          there will be a regional project engineer on the -- on  
16          the construction site.

17          A lot -- a lot of that -- a lot like how  
18          we schedule our work is predicated upon scheduling  
19          early and scheduling often so we can determine the  
20          resource commitment and -- and requirements. So, a  
21          lot of the preapplication scheduling and workload  
22          forecasting has to be done up front. That's -- that's  
23          a lot of what CIPIMS is designed to sort of  
24          accommodate as we're bringing in these schedules.

25          One of the other issues as I was saying

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1 before is we need to be able to collect, record, and  
2 retrieve inspection information and we have to be able  
3 to do that in a fairly dynamic environment as -- as  
4 the construction site is evolving and like I say, we  
5 want to be consistent with the planning and scheduling  
6 of NRC and headquarters activities.

7 So, one of -- one of the challenges that  
8 we had is we had to say how do we leverage, how do we  
9 take -- what type of schedules do the licensees work  
10 with? So, we went out as part of a work group and we  
11 -- we talked to Bechtel and Westinghouse and the other  
12 major player and said what are you using to do your  
13 scheduling? They said well, typically we use  
14 Primavera. Said, okay, we can interface with that.  
15 We need to be able to not be a critical path item to  
16 your -- to your construction inspection activity.

17 So, what we did is we sat there and we  
18 said given the tools that are currently in use, how do  
19 we facilitate an interface that allows us to do, you  
20 know, pre-schedule the work and forecast workload,  
21 report and retrieve inspection data and insure  
22 consistent planning of NRC headquarters regional  
23 activities.

24 What we -- what we inevitably came down to  
25 is we said well, it's very difficult for us to do

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1 because we really haven't done this. We don't have  
2 any practical examples.

3 So, what we -- what we did is we -- we  
4 went into a merger with the Office of -- Chief  
5 Information Officer and we piloted this technology  
6 here in the office space. Said there's not a lot of  
7 difference in the schedule information that we collect  
8 today, the license amendments, et cetera that, you  
9 know, that we're going to collect in the inspection.  
10 We just -- they're simply items in a schedule, but  
11 different -- different heading.

12 So, we put the things in place. These are  
13 the tablet PCs that we're projecting giving to the  
14 systems inspectors when they go out there. The ITAAC  
15 inspectors and the idea is that each one of these  
16 tablets will carry the complete construction  
17 inspection schedule and they'll be able to see based  
18 on a -- a chronological order those inspection  
19 activities that are coming up that are relative to  
20 ITAAC and we're going to actually go ahead and I'm  
21 going to hook the tablet up real quick. A brief  
22 glimpse of the interface and talk about -- so, you can  
23 see how -- how this might relate.

24 MR. FOLEY: We haven't -- we haven't tried  
25 this before. So, you can just imagine the rest of

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1 this presentation's going to go right down the tubes.  
2 We won't be able to get our program back. Don't --  
3 don't try this at home.

4 MR. KONZMAN: This is typically what we  
5 call the little dipper and the little dipper stands  
6 for a division planning representative. A division  
7 planning representative for all extensive purposes is  
8 the equivalent of the inspector in the field. They'll  
9 be looking at things.

10 Our techs look at -- check the status of  
11 open TAC. This interface will essentially be a list  
12 of ITAAC -- of construction activities and related  
13 ITAACs to be inspected. The sort by column in this  
14 case is a different reviewer. This could be the  
15 inspector with the relative skill to conduct the  
16 inspection or could be, you know, the inspector who is  
17 assigned at that case.

18 What we try to do is say you may not --  
19 that's a big list. You may not want to look at  
20 everything. So, we say well, how -- how do go and do  
21 -- do this so we can select a couple key and relevant  
22 items?

23 One of the things we do here is we have a  
24 thing called the sticky note. So, the inspector can  
25 go out during the day and they're listed

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1 chronologically and the inspector can select on his  
2 sticky note the particular activities that he wants to  
3 do and so, he can bring them up and he really -- and  
4 he relatively quickly rings up the associated detail  
5 with an activity.

6 Now, this -- in -- in the case of the  
7 CIPIMS system, this will be the inspection procedure  
8 that the inspector will be following and the -- and  
9 the related ITAAC guidance. So, he'll be able to  
10 click on something and bring that up and he'll be able  
11 to indicate completion.

12 Now, one of the things -- like I said, we  
13 saw -- we saw great similarities in the work that we  
14 were doing in scheduling -- scheduling activities here  
15 within NRR and what potentially we may end up in the  
16 field. So, we said well, there's a possibility that  
17 we're going to miss something. There may be an  
18 overdue inspection as part of the smart scheduling.  
19 We have to, you know, have a certain percent completed  
20 within a certain amount of time. So, what we did is  
21 we built in basically a tickler list where it changes  
22 color and it says how am I doing?

23 And -- and so, these are overdue  
24 activities. It says, for example, I may be behind in  
25 inspecting the pouring of concrete or the laying of

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1 rebar. The system will identify that I am behind a  
2 schedule in doing that and it'll -- it'll bump those  
3 items up on the -- on the inspection schedule and  
4 bring them to my attention that I -- that I may become  
5 a critical path item for the construction.

6 One of the things -- one of the other  
7 things that we started looking at the -- look at all  
8 TAC numbers. In this case, it would be all inspection  
9 activities.

10 You can sort them by any possible criteria  
11 if you want to find something in the system. So, if  
12 you want to sort them by, you know, facility location  
13 or sort them by ITAAC, if you want to sort them by the  
14 component that's being inspected, you can do that.

15 One of the -- one of the -- one of the key  
16 issues that we got in we said well, as we're moving  
17 through this, what happens when an ITAAC is completed  
18 or inspection is completed? Will I ever want to go  
19 back and reference that information? This we're  
20 talking about inspection information, reporting, and  
21 retrieval. We've got -- it's easy to put information  
22 into a system, but the system is worthless if you  
23 can't get meaning outputs from it.

24 So, one of the things we looked at is we  
25 said you need to be able retrieve the information so

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1 that that's available to the inspector and to the team  
2 on site so that they have what we call like a work  
3 packet. That's all the relevant information related  
4 to a particular work item.

5 This is what -- this is what you see here.  
6 This particular inspection items or particular TAC  
7 items will be closed. Here again, they would click on  
8 it. It would bring up an interface.

9 In this case, you -- what you would see is  
10 who the inspector was. In this case, it's the  
11 reviewer. You know, when the actual completed date of  
12 the inspection was and what you may also see within  
13 the thing would be -- you might see any associated  
14 forms or documents that were associated with the  
15 impact of this particular inspection. So, you have a  
16 -- a history associated with it.

17 And here's the important one. We're  
18 sinking -- we've got multiple inspectors in the field.  
19 We've got a scheduler on site. This is very similar  
20 to what we do in work planning. We have the work  
21 planning center that's continually receiving feeds and  
22 updates on the status of work within NRR.

23 This is going to be very similar we  
24 imagine to the -- the scheduler on site. He'll be  
25 receiving, you know, the concrete guy is sick today.

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1 He can't do something, you know. The rebar didn't  
2 show up on sit. It got moved out. Okay. We've seen  
3 this change and we need to -- we've got a new HVAC  
4 requirement or something like that.

5 So, licensing schedules may -- may be  
6 fluctuating quite dynamically or we may see the need  
7 to add a new inspection for some purpose.

8 This is -- this is a difficult  
9 coordination effort because you've got, you know, this  
10 information coming in to the -- to the central, you  
11 know, scheduling facility, but at the same time,  
12 you've got the inspector in the field and he may be  
13 noticing things or -- or moving along and he may be --  
14 you know, may want to add an inspection or -- or may  
15 want to note something. So, he's got that.

16 Well, what we did is we said this  
17 coordination effort is rather difficult. We need to  
18 give the inspector the ability to rapidly identify  
19 those activities that are new that require inspection.

20 In this -- in this case, I don't have any  
21 out here that are new, but what basically happens is  
22 he -- he just clicks on this button and this would be  
23 a list of all the new inspection activities with all  
24 the relevant ITAAC data and we're continually  
25 improving and refining the system as we go along.

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1 We're very big into color coding. You know, we're  
2 trying to set the metric so that -- so that it -- it  
3 becomes as much an automated companion and tool to the  
4 inspector or to -- or division planning representative  
5 as it all -- as -- as -- as possible.

6 The important thing out of this whole --  
7 out of this whole exercise is that I need to be able  
8 to integrate my planning and scheduling. So, the  
9 inspectors in the field have their own individual  
10 schedules. They're out there, you know, checking out  
11 all the different activities and inspecting them for  
12 broad TAC. At the same time, he's -- he's -- the  
13 scheduler at the central office is scheduling the  
14 overall construction inspection sources. They're  
15 going to come back. They're going to sink the  
16 schedule.

17 It's important that the regions as well as  
18 headquarters be aware of the overall resources and so,  
19 once -- very, very much like work planning. Once we  
20 bring them into a central database and central  
21 scheduling facility, we will now have the option of  
22 basically exporting the overall schedule and resources  
23 to the regional offices or the headquarters. So, that  
24 if we  
25 -- we can take a look -- integrated look and say if --

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1 if we're engaged in more than one of these activities  
2 or a particularly large amount of activity occurring  
3 on the site at one point in time.

4 We have sufficient resources and that --  
5 and -- and that's where -- that's where we sort of  
6 started moving now. We're -- we're in the early  
7 stages now of beginning to integrate schedules so that  
8 we can get that integrated.

9 Anyone have any questions?

10 MR. ISOM: Carl, want to mention our trip  
11 next month to Westinghouse to load their schedule on?

12 MR. KONZMAN: Oh, yes, Westinghouse has --  
13 has been kind enough to provide us with a -- what I  
14 call a demonstration copy of a construction inspection  
15 schedule. That's always been a great sort of mystery  
16 to us. We -- we really needed to get our hands on a  
17 fully blown schedule. So, that we could pull it in  
18 and integrate it.

19 Now, because they -- they represent many,  
20 many lines of -- of activities in the past and, you  
21 know, right now we're managing, you know, basically  
22 about 4,000 packs that go in the system at anyone  
23 point in time, but there may be more inspection  
24 activities. So, we really need to get a feel for  
25 whether or not we could handle the volume. So, full

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1       blown schedule or whether we have to -- it out.

2               MR. ZINKE: I just had a question on --  
3       you know, certainly as we would be constructing new  
4       plants, you know, we're going to do it differently  
5       than in the past and I was wondering in the -- in the  
6       development of this whether you've considered yet that  
7       the -- the licensees and utilities are sometimes under  
8       business restrictions on the level of details of  
9       schedules that can be made public even though we can,  
10      you know, let the NRC know. Because of, you know, SEC  
11      rules and -- and the -- the affect on stock prices  
12      that delays in schedule and resources can affect and  
13      I was wondering if you have started considering those  
14      kinds of surrounding rules of how these -- of what  
15      level of information would eventually be public or  
16      not.

17             MR. SEBROSKY: As a matter of fact, we're  
18      -- we're dealing with that issue right now. The  
19      meeting -- some of the meetings that we've had with  
20      Westinghouse and -- and Bechtel were proprietary in  
21      nature. They -- they were sharing their schedule to  
22      us -- schedule with us.

23             So, we have that process in place to  
24      protect the business information and -- and we've used  
25      that.

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1           So, I -- I don't -- I don't see that as a  
2           problem necessarily in -- Bob's nodding his head no.  
3           But, I -- I think you recognize the need for the NRC  
4           to know the details of the construction schedule so  
5           that we can plan our inspections accordingly and --  
6           and Bechtel and Westinghouse recognize that and that's  
7           why they support it our discussions with them.

8           MR. ZINKE:   Yes, and I -- I certainly  
9           agree in -- in our coordination when you're actually  
10          building a plant. I was just wondering if -- to what  
11          -- to what degree some information would be public and  
12          would not and whether you've established those kinds  
13          of criteria yet.

14          MR. SEBROSKY:   Well, what a licensee  
15          determines to be proprietary is -- is up to the  
16          licensee and there's a process that we have in place  
17          to either we -- we agree or -- or disagree with that.  
18          There's certain aspects of that though like the  
19          inspection reports, the -- the results of the  
20          inspection reports that -- that would be -- would be  
21          made public, but the scheduling and timing of those  
22          inspections and I'll -- I'll be careful because we --  
23          we brought this up yesterday.

24          There's some information that you would  
25          want the licensee to know on-site. Next week, you can

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1 expect some inspectors that are there to look at the  
2 rebar, but what rebar they're looking at and what kind  
3 of sampling their going to do and that -- that plan  
4 would be loaded in CIPIMS. We wouldn't be sharing  
5 that information with the licensee obviously.

6 So, there's information that -- that we  
7 get from the licensee that could be held proprietary  
8 and there's also information that we would not share  
9 publicly.

10 MR. ZINKE: Thank you.

11 MR. CAMERON: Any other questions.

12 MR. COE: I'd just like to add one  
13 comment, Carl, and it actually goes to the -- to the  
14 back end. There -- there is as you've heard  
15 sensitivity regarding the -- the comment that you  
16 made, but -- but I have a -- a sensitivity in terms of  
17 the back end of the process.

18 The ultimate result in -- in presenting to  
19 the Commission the completed inspection program in  
20 which we verified that the ITAAC had been met requires  
21 that we have through the process a means of seeing  
22 where we've left a regulatory footprint, to what  
23 extent and degree, and how much we've covered and as  
24 things process as we find issues or as issues arise,  
25 that we expand the -- the inspection as it would be

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1 appropriate and that we develop a track record such  
2 that at the very end of the process, there's a thread  
3 that -- that we can attach to every ITAAC that  
4 demonstrates that we were there. We were there in a  
5 necessary and sufficient capacity in our role as an  
6 independent regulator.

7 Now, the back end of the process is  
8 public. Access through the process as the process  
9 develops should be public and the story as it's being  
10 built toward the end goal should be visible and  
11 understandable.

12 What Carl has shown you is what we hope to  
13 -- to do to help the inspector perform that function.  
14 What he hasn't shown you necessarily is yet any  
15 thinking regarding how we're going to make this  
16 available for management access and for decision  
17 making along the way and ultimately for public  
18 availability.

19 So, I would -- I would say, you know, just  
20 bear that in mind from a -- from a -- a public  
21 understandability standpoint. We -- we are going to  
22 have to address that at some point.

23 MR. KONZMAN: Question.

24 MR. GRANT: Eddie Grant with Exelon. I'm  
25 a little curious about the interface on this. Can you

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1 address some details about how you intend to get the  
2 information from the applicant and vice versa, provide  
3 information to the applicant and schedules for  
4 updates? Is that on an as-needed basis as the  
5 applicant says I've changed my schedule? Are you  
6 expecting once a month, once a quarter? Is that going  
7 to vary with -- during the construction because things  
8 change on how quickly they change?

9 MR. KONZMAN: We would actually assume  
10 that -- that the schedule would probably change and be  
11 updated on a daily basis. Typically, assuming that  
12 the products currently in use can interface with the  
13 Primavera tools, there is the capability, once the  
14 base construction schedule is provided to accommodate  
15 updates via e-mail.

16 So, for example, the -- the way the  
17 process may work in one scenario would be there would  
18 be a central scheduling facility at the construction  
19 site and it would, of course, have the base-load  
20 schedule provided by the licensee, the relevant ITAAC  
21 map schedule.

22 This would then be imported into CIPIMS.  
23 CIPIMS would then related ITAAC to ITAAC and then take  
24 the schedule and -- and extrapolate the dates for  
25 activities from that schedule. As the licensee had

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1 updates to the schedule, those -- those updates would  
2 simply be mailed in as updates to the premiere  
3 schedule and then integrated into the overall CIPIMS  
4 system. So, we'd maintain a -- a copy of the premiere  
5 schedule there. It would be updated and simply do a  
6 re-import to -- to update the items.

7 The inspectors -- as you see as this last  
8 thing, date and time, the inspectors would -- would  
9 then, you know, sync their tablets let's say first  
10 thing in the morning or at the end of the work day.  
11 All their data would be uploaded to the central  
12 system. Any changes or schedule updates would then be  
13 promulgated back to the tablets. So, they always have  
14 the latest information for that -- that business day.  
15 So, it could basically be about eight hours. That's  
16 -- that's -- that's generally the case.

17 MR. CAMERON: Ed Burns.

18 MR. BURNS: A couple of questions on that.  
19 One is my understanding is your data set -- the NRC's  
20 inspector's data set would match very closely to that  
21 if not identical to that. I don't believe that's  
22 going to be the case. Your data set is going to have  
23 a different -- need a different basis and a different  
24 tracking. You'll need to track what your inspection  
25 procedures are versus the thousands and myriads that

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1 the applicant -- the licensee holder will.

2 Second thing is you just went through a  
3 very brief little understanding of what will happen at  
4 this site. We also have to look at -- at vendors'  
5 sites and multiple other locations where a large  
6 portion of the activities will be ongoing.

7 So, we're -- and they're looking at  
8 multiple systems. It would be nice to have one  
9 tracking system assume the licensee can have that  
10 versus having multiple sub-parts.

11 So, it's not going to be just a simple  
12 little thing.

13 MR. KONZMAN: Well, yes, I mean it's not  
14 a simple little thing when you actually get into the  
15 mechanics of it. A lot of it is predicated upon if  
16 there are subcontracts for outside fabrication  
17 facilities. The licensee will have to correct their  
18 schedules.

19 You'll see that one of the things that we  
20 talk about is the creation of a smart coding scheme.  
21 We do identify that there will be multiple schedules  
22 out there, multiple systems. So, we need to integrate  
23 a smart -- a smart coding scheme so that when we refer  
24 to a bolt, it's referred to a bolt whether we're  
25 working with the licensee or the licensee

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1 subcontractor to complete that schedule.

2 Here again, you're 100 percent correct.  
3 The CIPIMS system is not designed to, in fact,  
4 implement the licensee's construction schedule. The  
5 onus and burden is on the licensee to manage their  
6 project. We simply carry the ITAACs in the CIPIMS  
7 system and we relate this ITAACs to the relevant  
8 inspection activity -- relevant construction  
9 activities in the licensee's overall schedule.

10 So yes, we're not scheduling for the  
11 licensee.

12 MR. CAMERON: Looks like that's it.

13 MR. BELL: Carl, I just want to compliment  
14 you. I'm -- I'm way out of my depth, but it's clear  
15 that the staff's given a lot of thought to this and  
16 I'm somewhat reassured by your -- your presentation of  
17 what you've been up to.

18 Obviously, there's some issues that have  
19 yet to be worked out in terms of the interface between  
20 the licensee and the NRC databases in a daily basis in  
21 terms of which information NRC would agree is  
22 proprietary and would agree to protect. Which  
23 information and when would become publicly available,  
24 along the lines of Doug's comments and when you click  
25 on completed reviews and you spit out the -- the long

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1 list related to ITAAC -- ITAAC -- somehow ITAAC  
2 related items, how that list is interpreted and I  
3 think we might get into that on the next agenda item.

4 Some of the -- many of the things the NRC  
5 it will -- will directly relate to ITAAC acceptance  
6 criteria. Some don't or deeply underlie a final ITAAC  
7 acceptance criteria.

8 I guess I -- I -- and this was a brief --  
9 a brief overview that you provided and we appreciate  
10 that.

11 I guess I'm suggesting there's an area we  
12 ought to jointly flag for follow-up discussion.

13 MR. KONZMAN: We're at a very early stage  
14 in roughing out the mechanics. We had to overcome the  
15 multiple mobile interfaces and so, we think we've done  
16 that. But absolutely, it's a developmental process.

17 MR. BELL: But, we'll tune into what  
18 occurs between you and -- and Westinghouse as you  
19 maybe try and demonstrate a piece of this. I think  
20 that sounds like a healthy exercise and at an  
21 appropriate time. Let -- you know, we'll schedule  
22 some quality time to talk.

23 MR. KONZMAN: Russ, I just want to make  
24 sure I captured your point. What is it that you  
25 believe we need follow-up discussion on please?

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1 MR. BELL: The interface between the  
2 licensee and the NRC. Daily's been suggested and then  
3 I through the magic of electronics, I don't think that  
4 probably an overly burdensome thing.

5 MR. KONZMAN: Okay.

6 MR. BELL: Separate versus integrated  
7 databases and if there are separate databases by the  
8 licensee and the NRC, the compatibility.

9 What else did I say? Or, proprietary  
10 information. The licensee can request certain  
11 information be considered proprietary. NRC must  
12 agree. We should have some understanding about what  
13 we could eventually agree on as proprietary.

14 That goes to the question of which  
15 information is made publicly available and when and  
16 lastly, the -- how the staff interprets that spitting  
17 out of -- of nine or ninety or nine hundred  
18 inspections that are somehow related or underpinning  
19 in ITAAC.

20 Some may be directly related to a  
21 conclusion that ITAAC's been met. Others may be, you  
22 know.

23 MR. KONZMAN: It's a much more complicated  
24 process. This is, like I said, in a gross sense,  
25 basic mechanics for collecting information.

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1 MR. BURNS: Ed Burns again. Let me add  
2 one more last thing. What Russ was saying as you work  
3 further and better understand how the quality control  
4 measures or quality measures are applied to maintain  
5 the NRC's tracking system, the CIPIMS, parallel to  
6 that of the license holder.

7 Because as you get into -- you mentioned  
8 you still haven't thought or you have to work through  
9 how you're going to roll up these items and how  
10 they're going to have that traceability, that thread  
11 so that you can support the finding for an ITAAC. So,  
12 you're going to have to have certain lock down or  
13 quality measures to insure that you've got the proper  
14 foundation.

15 MR. KONZMAN: Absolutely. So, in fact,  
16 one of -- one of the things -- not related at this  
17 point is to have the quality control system itself and  
18 we're -- what we're looking at now is integrating it  
19 with the --

20 MR. BURNS: One of the reasons I bring  
21 that up and I've followed this for years is when you  
22 look at quality measures, quality controls it will  
23 argue that you want to go slower rather than faster.  
24 So, we -- if we're talking about oh, the electronics  
25 or the tools, the capabilities, there are daily

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1 updates, overnight changes to our, you know, our  
2 ability to go out there and inspect, that's wonderful.  
3 But, you may want to take a step back and say it may  
4 be better if we have a little more control over this  
5 process and not necessarily jump to the capability of  
6 daily, but to -- we have to manage our resources to  
7 maybe weekly, monthly or whatever.

8 MR. KONZMAN: Oh, absolutely.

9 MR. BELL: A little better control over  
10 the process.

11 MR. KONZMAN: That interval or planning  
12 horizon spread. Absolutely.

13 MR. CAMERON: Thank you, Carl. Before we  
14 go to the next subject I -- I think we should clarify  
15 one thing with -- with Russ Bell.

16 Russ, your points about proprietary  
17 information and availability to the public, that's a  
18 broader issue than just connected to the -- the little  
19 dipper here. Is that correct? Are you?

20 Let me get you -- I wasn't sure whether it  
21 was a more general point or whether you're just  
22 talking about Carl's system.

23 MR. BELL: You know, I'll look to the task  
24 force for help, but I -- I -- I think it pertains --  
25 the context here is the construction schedule

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1 information which can be extremely detailed on part --  
2 on the part of the licensee and -- and may be  
3 appropriate to protect some of that information.

4 Ed, do you want to help me?

5 MR. GRANT: Sure. Maybe a quick example.

6 Eddie Grant with Exelon.

7 You mentioned daily updates by e-mail.  
8 Would each and everyone of those e-mails need one of  
9 these 2.790 requests or are we going to have a -- you  
10 know, a general request at the beginning of the  
11 construction project that says we're going to share by  
12 e-mail all of these schedules and they'll all be  
13 exempt down to a certain level of detail and then, of  
14 course, one of the things we definitely need to work  
15 out is what is that level of detail. How much of this  
16 is -- do you agree is -- is proprietary and how much  
17 is not. So.

18 MR. CAMERON: So, the -- the system that  
19 Carl was talking about exacerbates the -- it causes  
20 special 2.790 issues. Okay. I just wanted to make  
21 sure that that's -- that's what you were saying.

22 MR. WEISMAN: And I -- I'd just -- I'd  
23 just like to comment. I'm glad you're raising those  
24 kinds of questions so that we can get together with  
25 the administration division in OGC and maybe work

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1 through some of the process-type questions.

2 As to the type of information, I mean I  
3 know that the people in that division generally do  
4 that on a case-by-case basis, but maybe we can engage  
5 them a little bit on -- on that also.

6 MR. CAMERON: Okay. Great. Well, I know  
7 that this is a subject that you've all be waiting for  
8 and Joe Sebrosky is going to talk about IMC-2503.

9 MR. SEBROSKY: Next -- next slide please.

10 For this portion of the presentation, IMC-  
11 2503 is our inspection test analysis and acceptance  
12 criteria, inspection manual chapter.

13 I'd just like to go over an overview.  
14 Some of the issues that we've identified like the  
15 sampling techniques, sign-as-you-go, NRC ITAAC interim  
16 conclusions, and other items, treatment of new and  
17 significant information, operational program  
18 inspections, and modular construction.

19 Next slide please.

20 As Carl discussed earlier, we've had --  
21 the teams had conversations with four different  
22 vendors, Westinghouse, General Electric, Atomic Energy  
23 Canada Limited on -- for the ARC700, and Bechtel to  
24 ask how they intend to construct new plants.

25 All of them have basically told us it will

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1 be this module. It'll be this model which relies on  
2 modular construction and you see -- you see here --  
3 here's the plan order and sometime later, you see site  
4 construction activity taking place, but almost  
5 immediately, you see factory production of modules  
6 taking place that are trucked to the site and then  
7 it's assembled on -- assembled into larger pieces and  
8 finally that leads to -- to plant operation.

9 The reason all four vendors told us they  
10 have to go to this model is the construction schedule,  
11 to reduce the construction schedule and to control  
12 quality. They'd like to move as much of the  
13 fabrication off-site as -- as possible and Jerry Blake  
14 earlier this morning indicated that some of the  
15 applicant -- or some of the vendors that we talked to  
16 estimated that 60 percent of the work that was  
17 traditionally done on-site in a stick build type  
18 process is going to moved off-site.

19 So, we took this into account when we were  
20 developing the framework document for ITAAC.

21 Next slide.

22 If you look at the ITAAC for the ABWR  
23 System 80 plus and the AP600, the team made an  
24 assumption that the ITAAC for the rest of the designs  
25 that we're looking at are going to look somewhat

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1 similar. That may or may not be the case. The  
2 vendors may choose to -- to bend their ITAAC different  
3 ways.

4 But, if you look at the ITAAC and I think  
5 I told you this morning that we had the normal RHR  
6 system ITAAC for the AP600 and you just look through  
7 it and do a qualitative assessment. You'll notice  
8 that the majority of those ITAAC are completed late in  
9 the process.

10 The problem with that from our perspective  
11 is one estimate that we made early on as many as -- as  
12 much as 80 percent of the ITAAC are completed in the  
13 last 20 percent of construction. So, obviously, we're  
14 not going to wait to do our inspections until that  
15 late in the process. We're going to be doing  
16 inspections all along.

17 That led us to the development of these  
18 two things, the SAYGO ITAAC for large components and  
19 the SAYGO process for processes which affect multiple  
20 ITAACs. You do not find SAYGO -- the mention of sign-  
21 as-you-go in our regulations in 10 CFR Part 52. You  
22 do see mention of sign-as-you-go in the predecessor to  
23 the draft framework document, the document that Jim  
24 Isom talked about earlier, the 1996 document.

25 And basically, the need -- what we think

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1 the need for SAYGO is from an organizational  
2 perspective in assuming these modules are built all  
3 over the world at different facilities and we send  
4 inspectors all over the world to these different  
5 facilities, at the end of that process, you have an  
6 ITAAC that says that that particular component was put  
7 together properly. Some of it was done on site. Some  
8 of it was done in different shipyards and we do not  
9 want to wait until the end to try to figure that all  
10 out.

11 So, what we developed was this concept of  
12 SAYGO ITAAC for large components and SAYGO process for  
13 processes.

14 SAYGO ITAAC for large components if you  
15 look at the reactor pressure vessel as an example and  
16 I think we put that in the framework document, you can  
17 imagine that we would do inspections of where that's  
18 being fabricated and make observations about that and  
19 document that in inspection reports.

20 We may also issue a report at that time  
21 saying that we either find it satisfactory or  
22 unsatisfactory. That would later be referenced at --  
23 at the final ITAAC as a basis for our conclusion on  
24 whether or not the reactor pressure vessels  
25 acceptable.

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1           This last process, the NRC ITAAC interim  
2 conclusions, this is alluded to in the regulations, 10  
3 CFR 52.99 requires Federal Register notices. We got  
4 a recent clarification from the Commission on the  
5 interpretation of 52.99 we've incorporated into the  
6 framework document and basically what this says is  
7 during the construction stage, as the licensee says  
8 that ITAAC are complete and as the staff makes a  
9 determination that it believes the ITAAC are complete,  
10 it'll issue Federal Register notices to that affect.

11           Next slide.

12           Regarding sampling techniques, this --  
13 this first bullet, the staff will not perform direct  
14 inspections of all ITAAC, we simply don't have the  
15 resources to do that. We've estimated 50 to 65 FTE  
16 for inspection related resources for the entire  
17 construction period. That's based on what we've done  
18 in the past for the last generation of nuclear power  
19 plants that were built in this country.

20           If you look at the last generation of  
21 plants that were built in this country, we did not do  
22 direct inspections of all construction related  
23 activity. So, we can't afford to do that in the  
24 future.

25           The ITAAC development was heavily risk

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1 informed on the front end. If you look at the ITAAC  
2 for the AP600, there is non-safety systems such as the  
3 emergency diesel generators. The AP600 is a passive  
4 plants. Several of the plants that we're reviewing  
5 rely on passive safety systems. The emergency diesel  
6 generators as an example are not considered safety  
7 related, but they have ITAAC associated with them  
8 because of the risk significance.

9 This -- that was looked at during the --  
10 during the certification of the AP600, ABWR, and  
11 System 80 Plus and was factored into the ITAAC. In  
12 general, you see more ITAAC on risk significant  
13 systems than you do on others.

14 The sampling techniques, this is one of  
15 the issues that we've identified that the ITAAC sample  
16 selection will use statistical methods, insights from  
17 the PRA, and inspection of licensee's quality  
18 assurance program.

19 You heard quality assurance in Inspection  
20 Manual Chapter 2501 discussion this morning and 2502.  
21 Also we believe a cornerstone of Inspection Manual  
22 Chapter 2503.

23 This last bullet NEI in their white paper  
24 that Russ Bell had alluded to earlier indicated that  
25 they intend to send us ITAAC determination letters.

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1 The licensees then send the NRC ITAAC determination  
2 letters when they believe an ITAAC is done.

3 We will 100 percent review of those  
4 determination letters although we may not have done an  
5 inspection of the activity associated with them.

6 Next slide please.

7 This is blown up in your material. You  
8 can read it easier there, but essentially, when I  
9 talked he agrees that all the ITAAC has been complete  
10 and then finally, here is the 52.103(g) finding that  
11 is our regulations that must be made by the  
12 Commission.

13 If you go to the next slide.

14 I expect that based on questions from the  
15 audience, we may have to come back to that slide.

16 But, the next -- next slide under other  
17 items, treatment of new and significant information.  
18 This was an issue that NEI had identified in their  
19 white paper. How would new and significant  
20 information or what -- what is the threshold for new  
21 and significant information that would invalidate a --  
22 a previous NRC ITAAC interim conclusion? We gave five  
23 examples in Appendix D of the document. Took a shot  
24 at that to identify what we think an appropriate  
25 threshold is.

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1           And operational programs with ITAAC  
2           inspections are part of IMC 2503. If you go back to  
3           what we had said earlier, quality assurance is -- is  
4           part of ITAAC, implicit in -- in some of the ITAACs up  
5           to the extent that we do inspections that we tie to an  
6           ITAAC related to -- to quality assurance. That would  
7           be in 2503.

8           Next slide.

9           And finally, with this -- with this slide,  
10          the Commission determination in accordance 52.103(g)  
11          that the licensee -- license conditions have been met  
12          to -- to load fuel. We in the -- in the framework  
13          document lay out how we think that process would work.

14          The staff's recommendation is based on the  
15          status of the ITAAC. You could go back to the flow  
16          chart. You'll see that there's a regional  
17          administrator recommendation that's made to the  
18          Director of NRR. Director of NRR would -- would then  
19          forward that recommendation to -- to the Commission  
20          and the Commission would make it's decision.

21          So, that process is how we envision the  
22          52.103(g) process being completed as discussed in the  
23          framework document.

24          Mention this real quick. Staff  
25          recommendations to the Commission, we -- we also in

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1 2504 which the Inspection Manual Chapter that Jim Isom  
2 will talk about after I'm done mentions this  
3 operational readiness assessment team inspection. We  
4 do -- because of programmatic ITAAC that we discussed  
5 on Monday in the Commission's staff requirements  
6 memorandum, we do expect that we -- we are going to be  
7 doing inspections on programs that fall outside of  
8 ITAAC, that the regional administrator would use as a  
9 basis to -- to make his recommendation.

10 If you look at 52.103(g) though, 52.103(g)  
11 is limited to whether or not the acceptance criteria  
12 is met. So, the 52.103(g) is limited to ITAAC, but as  
13 that letter goes up, we would also forward to the  
14 Commission the results of this operational readiness  
15 assessment inspection.

16 Modular construction as I -- this is just  
17 kind of a concluding bullet. As I discussed earlier,  
18 this modular construction and the way the current  
19 ITAAC are structured for the -- the reviews that we've  
20 completed has driven us to inventing the SAYGO ITAAC  
21 and the SAYGO process.

22 So, that's -- that ends my presentation.

23 MR. CAMERON: Good. Thanks, Joe. Where  
24 do we want to start on -- on this. Ben?

25 MR. JORDAN: I guess, Joe and Chip, I'd

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1     like to start on -- on -- I guess back on page 25 and  
2     beyond. Really relative to the terms interim ITAAC  
3     conclusions and SAYGO conclusions, ITAAC conclusions.  
4     We're sort of -- sort of using those interchangeably  
5     in your presentation, Joe. But, I think in -- in the  
6     guidance document, the -- the framework document it's  
7     referred to as interim ITAAC conclusions.

8             My -- I guess my concern is that 52.99  
9     requires the staff to determine that we've met the  
10    acceptance criteria. I think that's the way the  
11    Commission directed through the SRM and to me that --  
12    that requires the staff to draw a conclusion not an  
13    interim conclusion.

14            As I understood some of the problems we  
15    had previously in some of this language, we wanted to  
16    stay away from the word findings because that was  
17    totally under the -- under the auspices of the  
18    Commission to make a finding that all ITAAC had been  
19    met.

20            But, I thought the staffs really should be  
21    at least drawing a conclusion not an interim  
22    conclusion that we've met it. The tentative nature of  
23    that sort of -- is sort of like the, you know, QA  
24    reliability on the data. It's sort of is it -- is it  
25    right or is it -- is it totally right or is it a

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1 little right or what.

2 So, I guess I'm -- I'm troubled by the use  
3 of the word interim in the staff's I guess document  
4 relative to drawing ITAAC conclusions.

5 MR. SEBROSKY: The -- and look to Mr.  
6 Weisman if I say anything incorrect.

7 That NRC ITAAC interim conclusion the  
8 reason that we use that term is to differentiate it  
9 between the -- the -- the one conclusion that we  
10 believe is made at the end and that is that all the  
11 ITAAC are met in the -- the Commission finding.

12 So, when we say ITAAC interim conclusion,  
13 there's a concept that for a particular system I guess  
14 in our -- in our mind that an ITAAC could met very  
15 early on and if you look at the time frame you could  
16 say maybe two or three years just as an example.  
17 ITAAC met very early on in the process and the  
18 Commission finding the rest of the construction isn't  
19 completed until two or three years later and we were  
20 just trying to differentiate between that conclusion  
21 that -- that the staff drew and the Commission finding  
22 that would come at the end of the process when all  
23 construction is completed.

24 MR. JORDAN: I guess going back to my  
25 previous I guess thought process was that's why we

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1 wanted to stay away from -- away from the word finding  
2 that was -- I think was in the original '96 version of  
3 -- of the report and that what we were looking for in  
4 the industry was a more you might definitive  
5 conclusion by the staff relative to an ITAAC  
6 determination that we had sent into the staff and I  
7 thought that's what the 52.99 SRM direction was giving  
8 the staff.

9 MR. BELL: Maybe I can --

10 MR. CAMERON: Let's -- just -- would you  
11 say -- you -- you would not want the word -- the term  
12 interim. You would want conclusion basically.

13 MR. JORDAN: Well, I think it's -- at the  
14 point, what we're looking for is -- is some sense of  
15 the staff is satisfied --

16 MR. CAMERON: Okay.

17 MR. JORDAN: -- with the fact that we have  
18 completed the ITAAC.

19 Now, the Commission finding's another  
20 thing because that involves a public hearing.

21 MR. CAMERON: Okay. Well, I think that  
22 Jerry and maybe Chuck wants to say something.

23 Russ, why don't we listen to what Jerry  
24 has to say and then we'll --

25 MR. WILSON: I think it's important to

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1 remember in this discussion that the NRC is not  
2 performing 100 percent inspection and that leads to  
3 how much of a conclusion we can make at any particular  
4 point in time. We all recognize that the NRC staff  
5 has to make a recommendation to the Commission at the  
6 end of the process and they'll do that and -- and  
7 we've talked about how that's going to be formulated  
8 and the Commission's going to make a finding, but at  
9 those points in time based on less than 100 percent  
10 inspection, there's only so much of a conclusion that  
11 you can expect the staff to make.

12 Now, does that mean uncertainty for the  
13 applicant? Well, no, I don't think it does. Because  
14 the person building -- the company building the plant  
15 is doing 100 percent inspection and in addition to  
16 that, prior to initiation of construction, there's  
17 been an agreement in the application on what they have  
18 to do to meet the regulations.

19 So, if the company building the plant does  
20 what they say they're going to do and they're doing  
21 100 percent inspection of that, they know whether  
22 they've met it or not. They're proceeding and they  
23 don't have uncertainty.

24 The staff has to deal with what they can  
25 do and -- and that's why we use terms like interim

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1 conclusion.

2 MR. CAMERON: Is the -- I guess the --  
3 perhaps the concern is -- is does the use of the term  
4 interim have any implication that not just to  
5 distinguish it from a Commission finding, but does it  
6 have the implication that it's really a tentative  
7 conclusion subject to change? I think maybe that's  
8 half of your concern.

9 MR. JORDAN: Well, that's our -- that's  
10 our concern. There doesn't seem to be a -- a  
11 commitment on the part of the staff that they have  
12 agreed fully with our conclusion. I'm talking about  
13 the Commission finding. I'm talking about this, the  
14 52.99.

15 MR. CAMERON: Let's -- okay. Let's --  
16 let's hear what the staff has to say. Tom.

17 MR. FOLEY: Our -- our use of the term  
18 interim ITAAC conclusion, it's been my understanding  
19 that and correct me if I'm wrong, team, but we --  
20 that's our -- that's a final conclusion that we buy  
21 off that the acceptability of the work that's been  
22 done to date on that particular portion of a system or  
23 portion of an ITAAC is -- is satisfactory and we plan  
24 on noticing it as such in the -- in the 50.99 or  
25 proceeding I guess it is.

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1 Is that right, Joe?

2 MR. JORDAN: I understand, Tom. I'm just  
3 saying why -- why take -- why do you need the word  
4 interim there? Why can't you just say ITAAC?

5 MR. FOLEY: I think this is semantics  
6 we're talking about here.

7 MR. JORDAN: No, I don't think so.

8 MR. CAMERON: They may be. Let's go to --

9 MR. JORDAN: Not -- not to the industry.  
10 Let me tell you that.

11 MR. CAMERON: Let's got to Chuck and then  
12 we'll --

13 MR. PAULK: It's -- it's interim in that  
14 if you look further in the framework document, we talk  
15 about those issues that come up of significant  
16 importance that would invalidate a previous  
17 conclusion.

18 If you finish early in the process and  
19 somewhere later on down the road through your  
20 corrective action program or our inspection program,  
21 we find something that would invalidate a prior  
22 conclusion, it's no longer a conclusion. It's only  
23 interim -- it's interim only until the Commission says  
24 they've been met.

25 MR. JORDAN: I can only address that

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1 point. I can address that point, too.

2 The fact -- we're required once we have an  
3 ITAAC completed to maintain configuration control such  
4 that that ITAAC remains valid. We've signed -- sent  
5 off to you an ITAAC determination letter under --  
6 signed under oath and affirmation and if there -- if  
7 there comes something up -- brings something up, we're  
8 required under 50.9 to notify you that that -- that  
9 conclusion is not longer valid that we sent you and we  
10 would expect you to take some action.

11 We -- we're -- we're going to be depending  
12 again on inputs, relative deficiencies, more QA  
13 program. That can be -- that can be from any --  
14 deficiencies can be entered from any -- any source,  
15 the contractors, the licensee, the NRC allegations,  
16 the public for that matter.

17 So, I don't understand why you can't use  
18 the word conclusion recognizing the configuration  
19 control in 50.9 play in effect all the way to the  
20 fuel.

21 MR. PAULK: Staff doesn't have the final  
22 word.

23 MR. JORDAN: You have the final word on  
24 whether you believe we met the ITAAC or not.

25 MR. SEBROSKY: Yes, I -- I guess -- I --

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1 I think I -- I understand the -- the concern from --  
2 from industry about the -- the term interim and -- and  
3 -- and we'll take a look at that.

4 The -- if you look at and go back to the  
5 -- how this framework document came about and you go  
6 back to NEI's white paper, it was clear to us that  
7 there was concern about how an ITAAC -- a staff ITAAC  
8 we call it interim conclusion. I understand you  
9 object to that, but how a staff ITAAC interim  
10 conclusion would be -- what -- what would constitute  
11 re-looking at that and we tried to address that in the  
12 -- in the document through the use of those examples.

13 And what we understood the issue to be  
14 from industry was the finality of that ITAAC  
15 conclusion.

16 MR. JORDAN: I understand your examples.

17 MR. SEBROSKY: And -- and we -- we tried  
18 to -- we listed -- we listed the examples and we also  
19 absent a detailed organization chart which we haven't  
20 developed yet because we don't know if we're talking  
21 about one plant being built or eight. We also say in  
22 there the management controls that we would have in  
23 place for re-looking at -- at ITAAC. It's not done on  
24 a whim.

25 So, we thought that we had addressed

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1 industry concerns and I -- I'm hearing that you don't  
2 think that we did.

3 MR. JORDAN: No, I understand the  
4 examples, Joe. I'm not talking about the examples.  
5 I'm talking about the -- you know, one of the examples  
6 pointed out is if the NRC discovered a -- the point of  
7 the matter is the licensee has an obligation to notify  
8 the NRC if there's an issue that invalids something  
9 the NRC will make a safety determination on.  
10 Specifically, an ITAAC -- ITAAC conclusion.

11 MR. SEBROSKY: Well --

12 MR. JORDAN: I would hope that -- that if  
13 the resident inspector or anybody had a -- had a  
14 concern, they would enter it into the QA program as a  
15 deficiency and we would process it accordingly, verify  
16 whether it was relevant and material for the  
17 conclusion of the ITAAC and we would take appropriate  
18 corrective action thereof up to and including sending  
19 a letter to the NRC saying we made a mistake --

20 MR. SEBROSKY: Well --

21 MR. JORDAN: -- on the 50.9.

22 MR. SEBROSKY: I think the way I was  
23 bending that, Ben, and -- and maybe I've done it  
24 incorrectly, was that gets to finality of ITAAC and  
25 the status of the ITAAC of what the staff's belief is

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1 on the -- on the status of the ITAAC. Right.

2 MR. BLAKE: I'd like to make a comment.

3 MR. CAMERON: We'll got to Jerry Blake if  
4 Joe's done.

5 MR. BLAKE: This -- I think I -- I  
6 understand pretty well where -- what you're talking  
7 about and there is a perception in your mind that by  
8 using the modifier that we chose that there is lack of  
9 permanence.

10 We chose that after careful deliberation.  
11 We could have just as easily chosen the word of 50.99  
12 conclusion. Which after this discussion, we may go  
13 back and do. Rather than use the word interim, we'll  
14 say it's -- because as Joe pointed out, this is the  
15 conclusion that will be noticed in accordance with --  
16 with -- with the requirement 52.99.

17 So, if we -- we decide to call it that  
18 way, if you're -- if you're not comfortable with the  
19 word interim, we can -- I think we can understand  
20 your --

21 MR. JORDAN: Okay.

22 MR. BLAKE: -- comfort level with it.  
23 We'll find --

24 MR. CAMERON: We'll -- we'll go back and  
25 look at something else.

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1 MR. JORDAN: Okay.

2 MR. CAMERON: We'll find something  
3 equivalent in substance.

4 MR. BLAKE: Modify it, but it's not quite  
5 as solid. Put it that way.

6 MR. JORDAN: We'd appreciate you  
7 considering.

8 MR. CAMERON: Okay.

9 MR. JORDAN: Thank you.

10 MR. CAMERON: Good. That's one issue the  
11 staff is going to look at.

12 Do we have a second major issue in terms  
13 of 2503? I think, Russ, are you going to bring  
14 something to our attention here?

15 MR. BELL: We'll provide you a written  
16 comment to endorse the notion 52.99 ITAAC conclusion  
17 would be a better term. But, that's probably enough  
18 said on that.

19 I had a question about SAYGO ITAAC  
20 conclusion. Again from a terminology perspective.

21 I'm having trouble differentiating that  
22 term from an -- an ITAAC -- a 52.99 ITAAC conclusion.  
23 I recognize that it's -- you're using it in the -- in  
24 the case of a large component parts or all of which  
25 may be fabricated at some remote location and you're

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1 applying the term SAYGO ITAAC conclusion, but to me it  
2 seems equivalent to an ITAAC conclusion and I don't  
3 know what the SAYGO in that respect means.

4 Even if it's an ITAAC or a system that's  
5 completely and wholly fabricated on site, okay, you're  
6 going to weld it together at one point and you can  
7 complete the welding portion of that system ITAAC, but  
8 you won't be able to run the functional tests until  
9 much later. There's a separate ITAAC later in time,  
10 but you -- we're -- we're calling those simply 52.99  
11 ITAAC conclusions and not -- not SAYGO. So, why the  
12 term SAYGO ITAAC?

13 MR. SEBROSKY: The -- the reason that we  
14 used SAYGO ITAAC, and again, I'll look to the panel to  
15 -- to add anything, is we were looking at large  
16 components and a specific example that we were  
17 considering is the reactor pressure vessel and if you  
18 look at the ITAAC that exists for the ABWR and the  
19 AP600 and the reactor pressure vessel, we don't think  
20 that the licensee is going to sign off on those ITAAC  
21 until that reactor pressure vessel is placed on site  
22 and at that point, some of the reports that are  
23 discussed may -- they may be able to say well, for  
24 this particular aspect of the reactor pressure vessel  
25 or this particular ITAAC we think is complete.

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1       Because it was fabricated in accordance with the  
2       requirements and it's installed on -- on site.

3               We looked at that and we said well, we're  
4       probably two years prior to that going to be doing  
5       inspections where that reactor pressure vessel is  
6       being fabricated and we're going to want to do  
7       inspections of that activity and we're going to want  
8       to alert out future inspectors that we found that  
9       acceptable or we found it unacceptable.

10              We do -- if you go back to the way the  
11       AP600 and ABWR ITAAC are constructed, they didn't have  
12       to be constructed that way. There could have been an  
13       ITAAC that said, for example, it was fabricated  
14       properly before it was shipped and then a separate  
15       ITAAC for handling shipping and installation of the --  
16       of the large component, but it -- it wasn't. It's --  
17       it's in-processed kind of ITAAC.

18              That's not the way we do inspections and  
19       the thing that we were concerned about is to make it  
20       publicly known as early as possible what we felt the  
21       status of that component was and to tie it to that  
22       particular ITAAC so everyone's clear that they know  
23       why we did the inspection in the first place, what the  
24       results of the inspections are, and the ramification  
25       for the ITAAC down the road and we invented the term

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1 SAYGO ITAAC to cover that.

2 MR. CAMERON: I'd just like to amplify a  
3 little bit what Joe said that as SAYGO ITAAC  
4 conclusion would go to an individual element in an  
5 ITAAC. ITAAC may have several elements that we have  
6 to find.

7 So, we do an inspection on one.  
8 Inspection report is going to have SAYGO ITAAC  
9 conclusion on that one element.

10 When we've got them all done, the whole  
11 ball of wax, that's going to give the -- for want of  
12 a better term, a staff conclusion on the ITAAC that  
13 we're going to publish under 52.99. So, that's really  
14 the difference the way I see it.

15 MR. BELL: It's my recollection that we  
16 previously agreed that those ITAAC sub-elements, I'm  
17 holding the reactor pressure vessel one, there's seven  
18 sub-elements to the RPV ITAAC and that -- those could  
19 be signed off one by one.

20 You could get an ITAAC -- you could get  
21 seven ITAAC determination letters.

22 MR. SEBROSKY: That's -- that's correct.  
23 We -- that was our understanding from the discussions  
24 we've had with you. But, when you look at those -- I  
25 don't know which particular reactor pressure vessel

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1 ITAAC you're looking at, but when you -- when you look  
2 at those and when we looked at them, we don't think  
3 the majority of those are -- we believe the majority  
4 of those are end of process type ITAAC and we know  
5 we're going to be doing inspections that directly  
6 impact whether or not we find that ITAAC acceptable  
7 early on in the process.

8 So, what -- what do we do with the  
9 results? And there may be a series of inspections.

10 If you take a look at the flow diagram,  
11 the flow diagram that's the reason it's set up the way  
12 it is. If you can imagine the reactor pressure vessel  
13 being fabricated overseas someplace and us sending a  
14 team or more than one team over there several times at  
15 different points in the fabrication process. At the  
16 end of that, all those team inspections the -- the  
17 responsible manager may say we have enough information  
18 to say that that fabrication was done either correctly  
19 or incorrectly at that site and we'll issue a SAYGO  
20 ITAAC saying we don't have issues with the fabrication  
21 at the site -- at the off-site site or we do.

22 MR. CAMERON: Now, is that different --  
23 Russ brought up the point of the sub-elements and if  
24 there could be a -- a conclusion on each of those sub-  
25 elements. Are you -- now, are you saying, Joe, that

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1 the SAYGO ITAAC is broader than just the finding on a  
2 sub-element?

3 MR. SEBROSKY: Yes, I'm -- I'm saying that  
4 it's independent of whether or not -- how you -- how  
5 you cut up the ITAAC. That if you look -- if you look  
6 at the ITAAC as a whole or if you cut it up into sub-  
7 elements and just go across one line, that the  
8 majority of those one-line ITAAC when the team looked  
9 at it it looked like their end of process and we know  
10 we're not going to wait -- we're not going to do all  
11 our inspections end of process. We're going to be  
12 involved during the process.

13 MR. CAMERON: More like a keep on. If you  
14 look at the -- the fabrication of this particular  
15 component and everything looks -- looks fine, but the  
16 way they're doing it at that the inspection, that's  
17 more like a keep on going rather than a SAYGO.

18 MR. SEBROSKY: Process.

19 MR. CAMERON: Yes. Is that helpful what  
20 you heard from --

21 MR. ISOM: Joe, as I recall, we had this  
22 discussion when we wrote the framework document.  
23 Really from all practical standpoint there's no  
24 difference. As I recall, we -- we had a discussion  
25 with Joe. We just gave a -- a large component like

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1 reactor vessel special treatment because when the  
2 construction begins we just call it SAYGO ITAAC  
3 process. I don't know if that helps or not.

4 But, really, you end up in the same place  
5 which is you're going -- you're going to eventually  
6 get, you know, NRC interim ITAAC conclusion statement  
7 made once we get your letter.

8 MR. BLAKE: I -- I'd like to -- this is  
9 Jerry Blake again.

10 I'd like to add one -- one comment. We --  
11 we looked at this as a way of -- of providing some  
12 assurance to the licensee that we have, in fact,  
13 looked at things that we both deemed to be important  
14 and we are satisfied if we make the positive decision  
15 and that when they do send us the -- their letter of  
16 finality, then we're not going to suddenly say hey,  
17 it's nice in Paris this time of year. Why don't we  
18 schedule an inspection? Because we've already had --  
19 done the inspection. We have schedule the inspection.  
20 We've done the inspection and we've got something in  
21 -- in the CIPIMS that says that inspection is done.  
22 We're happy. Now, we just look at shipping damage.

23 Okay. It's -- it's to provide some  
24 predictability to you as to what -- the ongoing  
25 inspections left to be done on that particular

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1 component.

2 MR. CAMERON: Do we -- do we have a -- a  
3 third issue to start on, Russ, or are we finished with  
4 this one or do you --

5 MR. BELL: We can move off this one. I  
6 think I -- I need to let it sink in. I'm -- I'm  
7 hatching a slightly difference concern based on your  
8 answers since that -- there's seven elements of the --  
9 this is ABWR RPB ITAAC.

10 I have no doubt there are many, many other  
11 elements and inspections associated with fabrication  
12 of a reactor pressure vessel and that the staff would  
13 be involved in -- in looking at those, but there's  
14 only seven of them called ITAAC. So, I'm hearing that  
15 some of these additional things you may -- you may go  
16 to France and -- and observe -- observe those things  
17 being done there because by the time it gets shipped  
18 back here, that work will already be done.

19 I liken that to the normal expected  
20 inspection activities that the NRC would be doing on  
21 any item large or small, off-site or on. But, there's  
22 only certain of these and in this case, seven of them  
23 that are given the status of ITAAC.

24 The term SAYGO ITAAC conclusion would seem  
25 to, if I'm understanding your answer to me right, is

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1       seeming to encompass a -- a whole other set of -- of  
2       things.

3               MR. BLAKE: We -- we also had to consider  
4       the factor that there's nothing in the regulation or  
5       we foresee nothing in -- in the license that's going  
6       to dictate on a case like that where you have seven  
7       steps whether you send us one letter or seven. That's  
8       your choice.

9               MR. BELL: Right.

10              MR. BLAKE: So, if you elect to send us  
11       one letter, then we'd like to have some track on -- in  
12       our inspection program that we've got a footprint or  
13       something on the ones that we feel are necessary to --  
14       to verify.

15              If you elect to send us seven letters,  
16       then we won't need to SAYGO ITAAC in that particular  
17       case because we'll be doing it step-by-step as you  
18       request.

19              MR. CAMERON: Is that -- can we get a  
20       clarification on that? Because I think you're sending  
21       -- it seems to me you're sending opposite signals here  
22       that the SAYGO ITAAC is meant to be broader than just  
23       the -- a finding or a conclusion on all of the sub-  
24       elements.

25              If --if it is just the sub-element

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1 conclusion, then Russ' concern about -- that he just  
2 mentioned goes away.

3 Joe, I don't -- and maybe this is  
4 something the staff needs to -- to think about.

5 MR. SEBROSKY: We'll -- I guess we'll take  
6 a look at it, but I -- I think I understand what Russ'  
7 concern is.

8 We -- we -- we developed SAYGO ITAAC as a  
9 means of informing our stakeholders of what we felt  
10 about the -- the process and if you look at large  
11 components, we did treat that differently than -- than  
12 other -- than other ITAAC and -- and the -- the thing  
13 I guess I would like to do is if people could go to  
14 Appendix E of the framework. There's an ABWR  
15 construction example in there. It's a real world  
16 example of a problem that occurred in Taiwan.

17 The staff looked at that problem that  
18 occurred with welding of the reactor pressure vessel  
19 pedestal and said if that happened in the United  
20 States, what ITAAC would be affected and how -- how  
21 would we deal with it and to go to -- to Russ' point,  
22 there's -- there's ITAAC -- you -- you find in -- in  
23 some of the ITAAC for these large components terms  
24 like you'll see on page E-2 under 14 that a structural  
25 analysis report exists concludes that the as-built

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1 internal structures are able to withstand the design  
2 basis loads as defined in Section 2.14.1.

3 That's the ITAAC. That's what we have to  
4 find acceptable at the end.

5 Fundamental to -- to our inspection  
6 scheduling assumption is that when we do inspections  
7 at the facility that's fabricating the reactor  
8 pressure vessel pedestal for example, that we would  
9 say well, the reason that we're here is to inspect the  
10 fabrication of the pedestal. Here is the ITAAC that  
11 are associated with it.

12 If you don't have ITAAC on the reactor  
13 pressure vessel pedestal, why are you doing any  
14 inspection?

15 So, getting back to -- to -- to your point  
16 with the reactor pressure vessel and the example that  
17 you were alluding to, I don't have the ABWR ITAAC in  
18 front of me, but I bet you that there's an ITAAC in  
19 there that has something along the lines that a design  
20 report exists and concludes that the as-built reactor  
21 pressure vessel was completed properly.

22 That is a small ITAAC. I agree. But, the  
23 information that goes into that and the inspections  
24 that we would use to verify to say that that ITAAC has  
25 been met is not small.

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1           So, getting -- getting back to what Chip  
2           was -- was saying earlier as far as clarification and  
3           maybe -- maybe we weren't giving a -- a constant story  
4           here and we'll -- we'll go back and take a look at it,  
5           but my interpretation is what I just told you that  
6           when -- when we say SAYGO ITAAC and you look at this  
7           reactor pressure vessel pedestal example, if we had  
8           done inspections associated with it or we get an  
9           allegation that says we don't think it was fabricated  
10          properly, we would issue a report saying, you know,  
11          what? It wasn't fabricated properly. Here's the  
12          ITAAC that impacts and this is why we think it wasn't  
13          done properly. You guys need to fix that.

14                 So, it -- we don't wait until the reactor  
15          pressure vessel pedestal is installed, concrete's  
16          poured around it, and five year later determine that  
17          we have a problem with it. It gets back to I guess  
18          what Jim Lyons had kind of whispered to me as we  
19          thought we were -- we thought SAYGO ITAAC and SAYGO  
20          process conclusions were a good thing. That we would  
21          let all our stakeholders know what we believe the  
22          status is and not -- try to avoid as much as possible  
23          surprises at the end.

24                 MR. CAMERON: And is that -- is it sort of  
25          a status report basically on our particular

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1 inspections?

2 MR. SEBROSKY: Yes, at management's  
3 discretion. Basically, do you have enough information  
4 to -- to make a high-level determination that you  
5 think it's acceptable. Have we done enough  
6 inspections? We don't define what that is. We --  
7 what enough inspections are. We -- we leave that to  
8 future to -- to try to figure out.

9 MR. CAMERON: Okay. This -- I guess the  
10 staff is saying that they are going re-look at this.  
11 You heard -- I think Joe expressed it very well what  
12 the concern is of the staff of having what's now  
13 termed a SAYGO ITAAC and Jerry also spoke to that.

14 Do we have a third issue or do you want to  
15 say some more on this particular point?

16 MR. BELL: No, I -- Joe's answer was  
17 helpful. Jerry's also. We're -- if there's seven  
18 letters, they'd be seven SAYGO process -- SAYGO ITAAC  
19 conclusions.

20 MR. SEBROSKY: There -- there could be.  
21 That's something that we'll talk with the team about.

22 If you guys sent us seven ITAAC letters at  
23 the end, I don't think there's any disagreement on the  
24 panel that -- that we could issue -- we could issue  
25 seven separate 52.99 Federal Register notifications or

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1 the NRC staff may -- may decide to bid all those and  
2 say hey, we got all seven of them. Here's the one  
3 52.99 Federal Register notice that says all these  
4 ITAAC are complete.

5 But, the -- the SAYGO process, I see a  
6 fundamental difference and the fundamental difference  
7 is the -- the SAYGO process and SAYGO ITAAC  
8 conclusions are us. That's -- that's us making a  
9 determination independent of information that we get  
10 from you.

11 The ITAAC we call them interim conclusions  
12 that are 52.99 conclusions are driven by your ITAAC  
13 determination letters to us.

14 MR. CAMERON: Okay. Let's -- let's go to  
15 this gentleman here for a quick point on -- on this  
16 and then see if there's a -- a third major issue that  
17 -- that Russ or anybody else wants to bring up.

18 MR. SING: A. K. Sing from Sargent and  
19 Lundy.

20 The concern was in -- in doing the SAYGO  
21 -- it's not the inspections -- the SAYGO inspections  
22 because they're obviously necessary and -- and they  
23 would be part of your inspection process.

24 The issue really is would you term them as  
25 ITAAC. Because the way the industry sees this the

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1 ITAACs are listed in the design certification document  
2 and would this process which you have on the right-  
3 hand side create more line items with terms as ITAAC  
4 compared to what is in -- in the design certification  
5 document?

6 So, in terms of calling them SAYGO  
7 conclusions -- SAYGO conclusions, I don't think that's  
8 -- that's an issue. The issue is not whether you  
9 should or you should not inspect. Everybody agrees  
10 you would have to inspect to make sure that the  
11 process is working. The product which has been  
12 delivered is quality product. The issue which -- the  
13 concern was are you creating ITAACs which are not  
14 really listed out in the design certification  
15 document.

16 MR. SEBROSKY: I -- I guess I have a  
17 question back to you if you could stay there for a  
18 second.

19 When -- when we looked at this and we said  
20 that we believe -- we -- we looked at it from the end  
21 first and that is that we get an ITAAC determination  
22 letter that the reactor pressure vessel was completed  
23 properly and the -- the person that's going to have to  
24 sign off in the staff has to make a determination that  
25 he agrees with that.

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1           We want to be able to press a button in  
2           that Construction Inspection Program Information  
3           Management System and pull up every inspection that  
4           relates to that ITAAC, everyone of them. To -- to  
5           say, well, yes, here's the -- here's the history. I  
6           know that I had -- I -- I had an NRC inspector that  
7           went out and looked at the reactor pressure vessel  
8           three years ago. Here's the inspection report and  
9           here's the results of that inspection report.

10           So, we -- we looked at the -- the planning  
11           and which we want to do with CIPIMS and basically,  
12           getting back to I think Doug had said it earlier  
13           what's the necessary and sufficient information to  
14           make the -- the determination that we think ITAAC are  
15           done. That we would lay out that okay, we're going to  
16           go to shipyard X at this time to look at this  
17           particular component and in CIPIMS, we're going to tie  
18           it -- the reason that we're there is we're looking at  
19           it because it -- it impacts these ITAAC down the road.

20           Now, what -- what -- how would you have us  
21           do that? I mean if you know we're going to do  
22           inspections of those -- of those components and you  
23           know the reason that we're doing those inspections is  
24           because they directly impact an ITAAC, what --

25           MR. SING: By the way --

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1 MR. SEBROSKY: You want us to call them  
2 something different or -- that's my question back I  
3 guess.

4 MR. SING: The answer would yes, because  
5 there are many activities during construction which  
6 you would be either inspecting or auditing to make  
7 sure that the applicant -- instructor is following the  
8 QA program and -- and all the different procedures  
9 which -- which we're committed to.

10 Not all of them become ITAAC. So, in  
11 terms of the underlying verification of the quality of  
12 the construction, that's an activity which we take it  
13 as separate from ITAAC verification. ITAAC is such a  
14 higher level than the rest of the activity and I think  
15 that's where -- our concern is more related to that  
16 issue than to the issue whether the NRC should or  
17 should not be inspecting all the activities.

18 MR. PAULK: I have --

19 MR. CAMERON: Go -- go ahead, Chuck.

20 MR. PAULK: I think a -- a short answer to  
21 your question is this going to create additional  
22 ITAAC, no. What the SAYGO ITAAC and the SAYGO process  
23 are -- what -- what we created them for -- a -- one of  
24 the functions is a management tool for us to keep  
25 track of what is inspected and what that inspection

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1 relates to. It has no impact on you meeting your  
2 requirements for your ITAAC.

3 It's as Jerry said and Joe. It's also a  
4 tool to notify the stakeholders where we're at, what  
5 we're finding, what we believe is unacceptable.

6 I think -- I think we're -- what I'm  
7 hearing is a little concern over terminology.  
8 Terminology is ours. We created it for us to use.

9 We're not changing the regulation. We're  
10 not adding to the regulation.

11 MR. CAMERON: Then I guess if you just  
12 called it a SAYGO related to ITAAC whatever, you may  
13 not have a problem --

14 MR. SING: Right.

15 MR. CAMERON: -- with that, but if you use  
16 the term SAYGO ITAAC, it looks like you're creating a  
17 new ITAAC. So, even though it's terminology and NRC  
18 knows what it means, is that sometimes things get  
19 bounced in another arena and it's like wow, we have  
20 this ITAAC -- this SAYGO ITAAC here. It must be  
21 another ITAAC.

22 Is that what the concern?

23 MR. SING: And for an example, given  
24 proper ITAAC that was -- was the pedestal constructed  
25 to the design requirements. Whereas a SAYGO ITAAC

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1       could be the welding was done properly. So, you're  
2       really creating --

3               MR. PAULK: That would be a SAYGO process.

4               MR. SING: But, you're creating a new --  
5       I'm saying in terms of the -- so, the -- you're saying  
6       on the interim ITAAC, it would relate to the fact that  
7       the pedestal was constructed to the drawings and the  
8       designs just as the ITAAC reads in the design  
9       certification docket.

10              MR. CAMERON: And can we -- I think we're  
11       pretty close to beating this to death, but -- and I  
12       hear a willingness of the staff to re-look, but we --  
13       do you want to make a couple final comments on it and  
14       then go on to another issue? Do you want to -- want  
15       to say one more thing on this issue, Mr. Burns?

16              MR. BURNS: This is Ed Burns again.

17              We've talking about the interim  
18       conclusions discussion. I want to talk about SAYGO.  
19       Before the NRC makes a conclusion, the  
20       applicant/license holder will be making that  
21       conclusion. They will conclude that they have  
22       completed their work to that point in time to their  
23       satisfaction to their requirements and then they will  
24       be at risk if they proceed further in their  
25       construction fabrication program and have to revisit

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1 something that they -- a goof came in. It wasn't done  
2 properly.

3 The NRC -- we have this called SAYGO here.  
4 This is for the NRC terminology, but what exactly does  
5 that means in terms of sign. The word sign. The  
6 importance of that signature as you go.

7 So, I think there's more of the aspect  
8 that we need to look at as you're -- as you're  
9 mumbling over the -- the terminology. It's not just  
10 the interim conclusions. It's also the use of SAYGO  
11 and that type of a meaning to somebody who is in the  
12 outside, in the public when they come back and  
13 challenge you. Give some thought to that.

14 MR. BLAKE: I'd like to take a shot at  
15 that. The sign-as-you-go as we envision it is a  
16 management tool that means to us that a responsible  
17 level of NRC management has determined that we have  
18 enough inspection in that particular area to satisfy  
19 our particular needs.

20 We have a limited staff. We -- we  
21 understand that we will not be able to inspect  
22 everything 100 percent the way licensees will be  
23 inspecting.

24 We like -- we established these two SAYGO  
25 items because we envision a couple of different things

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1 could happen. One could be that we would like to  
2 track the inspections that related to a single ITAAC.  
3 So that when that particular ITAAC like the reactor  
4 pressure vessel became complete, then we could tie  
5 that to -- we could pull up all the management  
6 decisions where we said that's enough inspection in  
7 that particular area and make the final determination.

8 We came up with a SAYGO process because we  
9 understood that we can't be everywhere looking at  
10 things like concrete, welding, various processes. So,  
11 the best maybe we could hope for is to do some  
12 sampling of the process being conducted by a  
13 particular contractor under a particular contract of  
14 may -- that may involve many ITAACs and reach a  
15 conclusion that yes, that process is being well  
16 controlled. The contractor has it under control. The  
17 licensee is aware of what's going on and, therefore,  
18 based on our inspections that actually leave a  
19 footprint on two or three ITAAC, we can make some kind  
20 of a conclusion about the welding on the remainder of  
21 the ITAACs that that particular contractor is working  
22 on. That would be the other ITAAC that we're talking  
23 about.

24 MR. CAMERON: A SAYGO -- the SAYGO process  
25 is not called --

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1 MR. BLAKE: Another SAYGO -- another SAYGO  
2 process.

3 MR. CAMERON: -- it's not called a process  
4 ITAAC. Is it?

5 MR. BLAKE: It would be a SAYGO -- no, it  
6 would be a SAYGO process that said and then -- and we  
7 had hoped that at the time that we loaded inspection  
8 reports into CIPIMS, we could also include in that  
9 inspection database the other ITAAC that we didn't  
10 necessarily look at but are being handled by that same  
11 contractor. So, that when you -- we got your  
12 determination letter, we can pulled down all our data  
13 and say okay, this particular ITAAC we have a letter  
14 on. We didn't leave an inspection footprint on any  
15 part of it, but during the same time frame it was  
16 being fabricated, we looked at that fabricator's  
17 welding process. We looked at that fabricator's NDE  
18 process. We looked at that fabricator's inspection  
19 process and their documentation process and we can  
20 make a reasonable assessment that that ITAAC received  
21 the same -- same considerations that the ones we did  
22 look it.

23 It's a matter of -- it's a management tool  
24 in order to management our limited resources.

25 MR. CAMERON: Good. Thanks, Jerry and

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1 Russ, are you going -- I think that that was probably  
2 a third issue the SAYGO process that we just heard  
3 about there. Are you going to -- Russ, are you going  
4 to take us to a -- a new issue in terms of 2503?

5 MR. BELL: Yes.

6 MR. CAMERON: All right.

7 MR. BELL: We support the SAYGO processes.  
8 Jerry just -- just describe it. Both Jerry and Joe  
9 touched on the notion that when they get a ITAAC  
10 determination letter from a licensee that they would  
11 go to their CIPIMS, press a few keys and get a dump or  
12 a printout of all the activities, all the inspections  
13 related to that ITAAC determination and what I want to  
14 ask is -- and at that point, you would -- let's --  
15 let's assume you find all that to be in order and  
16 indeed agree with the licensee that the acceptance  
17 criteria are met. We'd go to the 52.99 notice.

18 My question is what will that  
19 documentation look like? What will that notice look  
20 like with respect to identifying your conclusion and  
21 the bases for it? Given that some thought?

22 MR. SEBROSKY: The -- the short answer is  
23 no. We -- we have not worked out an example of what  
24 the Federal Register notice would -- would look like  
25 for that.

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1 MR. COE: I would offer though that you  
2 can state as a given that the basis for that should be  
3 publicly available.

4 MR. BELL: What I want to ask is you press  
5 the keys on the CIPIMS and you've got your 90 or 900  
6 inspection activities that are somehow related to that  
7 ITAAC. Certainly one option would be to make that  
8 list of inspections available. Perhaps reference it  
9 in the 52.99 notice as basis for the ITAAC inclusion.  
10 Okay.

11 My -- my question is to -- to what extent  
12 -- that -- that documentation is going to be a mixture  
13 of inspection conclusions directly material to an  
14 ITAAC acceptance criteria and other inspection reports  
15 and findings and so forth that pertain to normal  
16 construction inspection activities that are  
17 underlying, okay, that were performed under the  
18 licensee's quality assurance program, inspected by  
19 NRC, do not correspond to in the case of RPV one of  
20 the seven line items of the ITAAC.

21 If this mixture is characterized as the  
22 NRC's basis for concluding the ITAAC is met and it may  
23 be a question for Bob, what is a -- what will a member  
24 of the public conclude is open to question or  
25 challenge in the 52.103 hearing?

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1 MR. WEISMAN: Well, I think you're raising  
2 a -- a good point that we'll have to consider when we  
3 -- when we make our determination of what should be in  
4 the notice. I mean it's -- as Joe said, it's not  
5 something that we thought about before.

6 MR. SIMARD: This is -- this is probably  
7 one of the most important things we ought to be  
8 talking about here. This is Ron Simard from NEI.

9 Where do you draw the line? You know in  
10 Russ' example, he said well, you press a button and  
11 you get nine or 90 or 900 inspection reports. I think  
12 the key issue before us is what -- what -- what  
13 constitutes information that is material -- materially  
14 relevant? The impression I'm getting from the  
15 discussion is that everything you do is tied to an  
16 ITAAC.

17 Let me ask -- let me ask a question.  
18 Earlier, Joe referred to this handout, the -- the  
19 construction -- the framework document and page E-2  
20 and there is a -- there is an ITAAC in there on the  
21 containment internal structures. Let's say we had  
22 forgotten to write an ITAAC on this. Absent an ITAAC  
23 here, does -- what level of inspection activity would  
24 you be performing to assure that the as-built design  
25 can withstand the structural design loads? Would you

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1 not be performing an -- an equivalent or a roughly  
2 comparable level of -- of inspection and -- and --  
3 that you might have done previously if the plant were  
4 licensed under Part 50?

5 Does my question make -- my question is  
6 why -- why is the -- the care or the attention or --  
7 or roughly the level of detail you put into this, why  
8 does it need to be tied to an ITAAC and where do you  
9 distinguish what is materially relevant to an ITAAC  
10 and what is just, you know, the -- the baseline of --  
11 of quality activities?

12 MR. CAMERON: Joe.

13 MR. SEBROSKY: Yes, I -- I guess this was  
14 the kind of question that I wasn't expecting. The  
15 reason I wasn't expecting it and I was -- I was  
16 expecting the opposite. I mean if we have inspectors  
17 show up on a site and say we're looking at X, Y, and  
18 Z today, the question that I was expecting from --  
19 from the industry was well, why are you looking at X,  
20 Y, and Z today?

21 And what we thought CIPIMS would do would  
22 -- would -- the Construction Inspection Program  
23 Information Management System would give us a basis  
24 for why we're doing those inspections? In other  
25 words, related them to an ITAAC.

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1           And that's some of the things that we've  
2           asked the contractor to look at is to take the ITAAC  
3           that we have and look at all our inspection procedures  
4           and tie -- that we use to inspect the last generation  
5           of plants that were constructed and try to tie the two  
6           together and we're hoping that there's pretty good  
7           correspondence because concrete's still concrete and  
8           rebar's still rebar and that -- the inspections that  
9           we did in the past when we do those inspections, we --  
10          we should be able to tell not only the licensee but  
11          any interested stakeholder why we're there.

12                 And forget about programmatic ITAAC for a  
13          second and suspend disbelief. When we looked at the  
14          construction stage, we -- we basically thought that  
15          any inspection activity that we did forget -- forget  
16          about programmatic ITAAC, we -- we would have to tie  
17          to an ITAAC and if -- if we didn't --

18                 MR. SIMARD: Even though all the way back  
19          to receipt inspection, warehousing. That far back,  
20          Joe? I mean where do you draw the line? How far back  
21          would you go?

22                 MR. SEBROSKY: If you look at those -- if  
23          -- if you look at those inspections that we've done in  
24          the past and I think I now understand the concern, but  
25          if you look at the ITAAC, there's ITAAC that says

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1 that, for example, these components are seismic  
2 category one.

3 Well, if you screwed up the receipt  
4 inspection or we don't have any faith in how you  
5 handled that material from the time that it was  
6 shipped from the vendor to the time it was shipped on-  
7 site and the as-installed equipment doesn't have the  
8 appropriate pedigree, there's an ITAAC that says this  
9 component is seismic category one and if we have an  
10 inspection report that says wow, their -- their  
11 receipt inspection doesn't work right. They got all  
12 these issues associated with being able to tell us  
13 that the component X that got shipped from the -- from  
14 the vendor is actually the component X that's  
15 installed in the -- in the -- in the -- in the plant.

16 So, although it's not an expedite ITAAC,  
17 we think a lot of those inspections are implicit to  
18 our making a reasonable assurance determination that  
19 the ITAAC had been met.

20 MR. COE: But, let -- let me add to that,  
21 too. Because I'll assure you that one of the things  
22 that I've tried to encourage the -- the construction  
23 inspection to do is ultimately to devise a -- a  
24 program in which we've decided up front before you  
25 start construction what's necessary and sufficient for

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1 us to develop in terms of inspection findings to make  
2 -- to allow the Commission to make its finding at the  
3 end of the process.

4 To answer you question directly,  
5 everything that we do should be tied to an ITAAC.  
6 Everything that we do in support of that Commission  
7 finding at the end of the process needs to be tied to  
8 an ITAAC. So, yes, it's -- it's material everything  
9 we do.

10 Secondly, how far do we go down and Joe's  
11 giving you some examples, but that is to be decided  
12 and determined and will be promulgated through our  
13 inspection procedures, but the examples that Joe  
14 raises can be, I believe legitimate -- legitimately  
15 connected to the inference that -- that a system that  
16 demonstrates its performance on a given day and a  
17 given test is assumed to demonstrate that performance  
18 throughout the operating lifetime of the plant given  
19 its initial design and the programs designed to -- to  
20 take care of it over its lifetime.

21 So, the point is you're making a good --  
22 you're offering a good question here and -- and the  
23 answer is is that we have to decide what's necessary  
24 and sufficient and then we have to define that in our  
25 inspection program.

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1 MR. BELL: Boy.

2 MR. JORDAN: I'm a little bit taken back  
3 by your comments and I'll tell you why. You said  
4 everything's material to an ITAAC. Now, I'm not a  
5 lawyer and I don't practice law without a license.  
6 But, I know there's one sitting next to you and I  
7 think -- I think the issue is relevant and material  
8 regarding an issue of whether it's -- it's -- you  
9 might say it -- it invalidates an ITAAC or not.

10 We -- we talked earlier this morning about  
11 a QA program and about the quality of the data and the  
12 QA program is important to assure that the quality of  
13 that data is right so the NRC has confidence so they  
14 can make their finding on that.

15 I see no difference here with the quality  
16 assurance. If there's deficiency that Joe identified,  
17 it goes into that QA program. I'm sure the quality of  
18 that result is there.

19 Once you're at the 103(g) finding given  
20 all -- we've agreed all the quality is there, the  
21 corrective action -- for the robust corrective action  
22 program, to me the -- the question comes -- would be  
23 -- comes then did they meet the test results or not?

24 Not -- not is everything material that was  
25 done from day one, material to that ITAAC finding.

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1 I guess we have a real disconnect if  
2 that's the perspective.

3 MR. COE: Let me make sure -- let me make  
4 sure -- let me make sure my comment was understood.

5 What I said was is that everything we do  
6 to inspect should be material to an ITAAC. I didn't  
7 say that everything that you do on-site under a  
8 quality assurance is material -- necessarily material  
9 to an ITAAC. What I'm saying is it's our obligation  
10 to support the Commission's ultimate by representing  
11 the Commission or offering the Commission a set of  
12 findings that each of which can be related to a -- a  
13 particular ITAAC.

14 MR. JORDAN: Okay.

15 MR. COE: Under the Part 52 licensing  
16 process, that's our obligation and so what I'm  
17 suggesting is is that we define an inspection program  
18 that is -- in which all of our inspection activities  
19 can be linked to an ITAAC and so, I -- I guess I'm  
20 agreeing with you on that point and then the second  
21 part of the question was how -- how deeply do we delve  
22 into the -- to the details may be related to that  
23 ITAAC and those ITAAC elements and that is the  
24 question that hasn't -- has yet to answered and may  
25 only be answerable when a specific design is presented

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1 to the staff to inspect.

2 MR. JORDAN: I think we were talking about  
3 some fundamental -- maybe Bob understands where I'm  
4 coming from.

5 MR. WEISMAN: Yes, I -- I think that -- I  
6 mean what Joe said at the beginning was we're going to  
7 set operational programs aside here.

8 MR. JORDAN: Right.

9 MR. WEISMAN: Right. We're holding that  
10 in suspense and I think we had discussions early on in  
11 this process, you know, months or even years ago about  
12 how for instance quality assurance might play into an  
13 ITAAC and I think we have reached an understanding on  
14 how that would work, but the fundamental goal here is  
15 what's set out on Part 52 and the Energy Policy Act of  
16 '92 that we're moving a lot of findings that used to  
17 be made after the plant was built -- on -- findings on  
18 design, on the adequacy of design, we're moving those  
19 to the COL and when verify that the ITAAC are  
20 satisfied, that completes the set of findings that we  
21 need to make under the Atomic Energy Act.

22 Okay. The Atomic Energy Act findings are  
23 the same whether you're making those findings under  
24 Part 50 or whether you're making them under Part 52.

25 So, in a sense, I think Dr. Simard made a

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1 comment about you're going to be inspecting all the  
2 same things. In a sense, that's true. You're just  
3 cutting them up differently.

4 Is that right, Joe? Is that -- is that an  
5 accurate way to say it?

6 MR. SEBROSKY: That's my understanding.

7 MR. WEISMAN: Yes, so, I believe that what  
8 Doug was saying is we're not going to go out and spend  
9 a lot of time looking at stuff that's not relevant to  
10 ITAAC. We got to make sure that the ITAAC are met  
11 because that's what we have to do to make the finding  
12 to authorized operation. If we don't have that  
13 information, we can't make that finding. So, that's  
14 -- that's what the goal of all these inspections are.

15 Now, I might -- I might say that the staff  
16 had a little flexibility to look into certain programs  
17 which we said we were going to set aside to make sure  
18 they're working the way they're suppose to work, but  
19 those may or may not play into an ITAAC according to  
20 the previous discussions that -- that we've had.

21 MR. WILSON: And if I could just add on,  
22 Bob. This is Jerry Wilson.

23 MR. WEISMAN: Yes, go on. Go ahead.

24 MR. WILSON: That previous discussion  
25 Bob's referring to is in SEKI 0092. There was an

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1 extensive discussion on material relevant to ITAAC and  
2 I would invite folks who are interested in this to go  
3 back and look at that document.

4 MR. WEISMAN: Thanks for the reference,  
5 Jerry.

6 MR. JORDAN: Well, that's the document we  
7 were referring to.

8 MR. RICHARDS: Before -- you need the  
9 microphone. I'm not sure we're answering your  
10 question. You said you were taken aback by something  
11 Doug said. Can you give us an example of --

12 MR. JORDAN: Here's what -- here's what  
13 I'm -- I'm coming after and -- and because I thought  
14 we were expanding the -- the ITAAC inclusion beyond  
15 the -- the acceptance criteria solely thereon.  
16 Whatever those wordings -- whatever that wording is in  
17 the 52.99 requirement.

18 Is -- is the test results themselves are  
19 subject to you might say contention or whatever at the  
20 103(g) finding, I'm focusing on the results because  
21 the quality assurance program has taken into effect  
22 all the deficiencies and -- and you -- the staff has  
23 agreed that we've met the ITAAC.

24 So, then the question is are the results  
25 valid or not? And I'm -- what I'm -- what I'm trying

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1 to understand here is when you say everything's  
2 materials to an ITAAC, I think I understand where  
3 you're coming from on that, but what I'm asking is at  
4 the 103(g) finding, what are we really talking about  
5 relative to ITAAC verification? Are we talking about  
6 the results of the ITAAC is what -- is what the  
7 finding's going to be about? Do we verify that we did  
8 the test passed -- the test passed as opposed to  
9 worrying all the -- all the stuff that came up to  
10 produce that result?

11 You know, what we're saying is the -- the  
12 QA program assured the quality of that result.  
13 Therefore, at the 103(g) finding, we're focusing on  
14 the test results. Correct? I mean that's the --  
15 that's our -- that's where our perception is and maybe  
16 there's a disconnect there.

17 MR. ISOM: Well, could I ask a question?  
18 Are you just saying -- are we -- when we verified  
19 ITAAC was complete, are we verifying just a number?  
20 Was it math like 100 GPM for example?

21 MR. JORDAN: Yes.

22 MR. ISOM: It's just a number.

23 MR. JORDAN: That's correct.

24 MR. ISOM: I don't -- I don't think so.  
25 I think we will look at the -- the -- how you got that

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1 number if that's a valid inspection requirement. We  
2 may look at the test process or may look at your --  
3 how you did the test. What instruments they used.

4 MR. JORDAN: Fully expect you to do that  
5 as part of your ITAAC verification process, but once  
6 you verify that the ITAAC is correct and complete and  
7 we confirm that to you in writing, then the -- then  
8 the test has been satisfied. Then it moves to the  
9 103(g) space.

10 The results are what's -- what's up for  
11 you might discussion. I'm not a lawyer and I can't  
12 say it quite right. But, what I'm saying is you've  
13 already agreed that the ITAAC was met. Therefore, at  
14 the 103(g) we're just talking about the results being  
15 at issue.

16 MR. SEBROSKY: Is the concern -- if -- if  
17 you go back to programmatic ITAAC, the -- the -- the  
18 issue really boils down to litigation risk. Is the  
19 concern that -- that if we reference several different  
20 inspection reports that that may be brought into the  
21 52.103 hearing?

22 I'm -- I'm still trying to understand what  
23 the -- what -- why you're so concerned about our basis  
24 for saying that an ITAAC is complete and specifically  
25 I'm trying to understand what the concern is that if

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1 we reference several inspection reports which as soon  
2 as they're written -- I shouldn't say as soon as  
3 they're written, but they're -- they're publicly  
4 available, they're on the record and our intention  
5 talking to the team was when we issue those inspection  
6 reports we'll say this is what we came to inspect,  
7 this is what the results were, and just so you know,  
8 everybody, stakeholders and internally to the NRC,  
9 this is what -- this is the ITAAC that are impacted by  
10 either this -- this positive inspection report or this  
11 negative inspection report.

12 Are -- are you concerned that -- that that  
13 could be used in a 52.103 hearing? Are you trying to  
14 limit that?

15 MR. BELL: Yes.

16 MR. SEBROSKY: I mean that's the issue?

17 MR. BELL: Yes.

18 MR. SEBROSKY: Okay.

19 MR. BELL: Yes. Let's take Jim's example  
20 of the pump and the 100 GPM and let's say it's that  
21 functional GPM test criterion that needs to be met  
22 under the ITAAC and we would demonstrate to you that  
23 we had a calibrated instrument and the -- the  
24 configuration was appropriate and that would be all as  
25 Ben said fair game for you to verify as part of the

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1 ITAAC.

2 The receipt inspection report on that  
3 pump, the installation procedures for that pump, okay,  
4 that -- the inspections of those things might also  
5 spit out of your CIPIMS data dump. Okay. Those  
6 things are not related to the -- no, they're not  
7 material to the ITAAC conclusion that 100 GPM inspect  
8 and so, would -- should not be subject to the 52.103  
9 hearing.

10 Now, that is not to say that there is no  
11 avenue to raise a question about a licensees receipt  
12 inspection of warehousing activities or -- or their  
13 competence in -- in installing complex equipment, but  
14 there's a separate avenue for raising non-ITAAC  
15 matters on any licensee and that's the 2.206 process.

16 So, if you were to spit out a long list of  
17 -- of matters that were considered a long the way to  
18 an ITAAC process end point, only a small subset of  
19 those we would think would be directly material to the  
20 ITAAC acceptance criterion as written. Others would  
21 be -- would be performed as -- or have been performed  
22 as part of the quality assurance program and if there  
23 are questions on those, they'd be raised under another  
24 mechanism.

25 MR. SEBROSKY: Yes, I -- I guess as Jerry

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1 Wilson indicated maybe the -- the solution to this is  
2 you can provide those in written comments. Because  
3 there is -- I think there is a disconnect.

4 We -- in the SEKI that Jerry talked about  
5 0092, we laid out, for example quality assurance and  
6 we think that's implicit in the ITAAC and we got a  
7 Commission staff requirements memorandum that agreed  
8 with -- with that and --

9 MR. BELL: What that SEKI said was that if  
10 there was a deficiency in a quality assurance -- a  
11 quality assurance deficiency, that it could affect an  
12 ITAAC conclusion and the example was an out of  
13 calibration flow meter. Okay.

14 But, I don't -- I don't think any of us  
15 interpreted the quality assurance program itself or  
16 anything accomplished under that program would be part  
17 of the ITAAC conclusion or -- or basis.

18 MR. SEBROSKY: This gets back to devil in  
19 the details. That was one example that was spelled  
20 out in the SEKI and I -- I think I understand that  
21 we're using that example to extrapolate out and we're  
22 going in a direction that --

23 MR. COE: If you would argue -- if you're  
24 arguing that the QA program doesn't have, and I know  
25 you're not, doesn't have an influence on the

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1 acceptability of the ITAAC, then we wouldn't have to  
2 look at the QA program at all.

3 But, we since we -- we have agreed on this  
4 link --

5 MR. BELL: Well, as you say, I'm not  
6 arguing the --

7 MR. COE: -- then -- then we will look at  
8 the quality assurance and deficiency correction  
9 programs and we will -- we'll look at them with  
10 respect to whether or not they're treating a  
11 particular system and -- you know, appropriately and  
12 -- and, therefore, that may play into our database  
13 that supports our ultimate conclusion.

14 MR. BELL: The quality assurance program  
15 assures a great many very, very important things, but  
16 they're not ITAAC. Included might be seismic two over  
17 one, electromagnetic compatibility, radio frequency  
18 interference, electrical separation, cable and conduit  
19 trades, cables, missile generation, set point  
20 methodology, concrete criteria, rebar patterns and  
21 spacing. I mean, would you agree these are important  
22 things that would be accomplished under a quality  
23 assurance program inspected by the NRC and in 1992 --

24 MR. COE: And -- and --

25 MR. BELL: -- proposed to be tier one

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1 ITAAC items all of them. Okay. And there were  
2 extensive discussions that those types of  
3 verifications would be -- would be of a tier two  
4 nature. Not -- they were not -- we don't ITAAC on --  
5 on all or most of those things. I may be off on one  
6 or two. But, they were to be verified by the quality  
7 assurance program. Inspected by the NRC normal  
8 inspection process. Certainly, they all have some  
9 relevance. They all relate to the ITAAC. These are  
10 very important topics. They were not elevated or  
11 promoted tier one ITAAC.

12 So, there's a -- there's an avenue for  
13 performing these -- this kind of work for NRC to  
14 inspect it and for the public to raise questions about  
15 it for things like -- that are ITAAC per se, meaning  
16 the ITAAC -- the -- the flow -- adequate flow test.

17 Clearly the avenue to raise questions on  
18 that is the 52.103 process. We think that's an  
19 important distinction. That was carefully,  
20 painstakingly established on the design certification  
21 and that this process needs to uphold.

22 MR. RICHARDS: May sure I understand what  
23 you're saying. What Doug had said before is  
24 everything we inspect is a relevant ITAAC decision.  
25 You're saying no, that's not the case. There's these

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1 kind of a high level items that do apply, but a lot of  
2 these other items that are relegated below having an  
3 influence on whether the ITAAC was better.

4 MR. BELL: We've called them supporting --  
5 we've tried to find another term for those important  
6 things that are related to the pump that pushes 100  
7 gallons per minute, but we had to find a different  
8 name for those because Part 52 demands them be treated  
9 differently because the Part 52 gives special  
10 significance to the ITAAC.

11 MR. RICHARDS: Joe, do you want to comment  
12 anymore on that or do we make that a take away.

13 MR. SEBROSKY: Yes, I -- I think we're at  
14 the point that we -- we have that in the transcripts  
15 and I'm sure NEI will probably provide that as a  
16 written comment and we'll -- we'll -- we'll address  
17 that.

18 MR. BELL: Just back to the point -- the  
19 reason why we didn't ask you the question you expected  
20 us to ask you which is why -- why would you even look  
21 at all this stuff when we given you an ITAAC  
22 determination letter? Because we've asked you that  
23 before and we found that we were barking up the wrong  
24 tree and, in fact, staff is going to look at whatever  
25 the staff wants to look at because that's your -- your

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1 prerogative, but where the rubber meets the road for  
2 us, the reason that was important to us is because the  
3 distinction between certain types of information from  
4 the ITAAC and what's available and open to the  
5 52.103(g) hearing -- 52.103 hearing versus the  
6 public's ability to raise questions over the -- by the  
7 2.206 process.

8 So, we didn't ask you the question you  
9 expected because we've asked it before. Today, I  
10 think we're getting to the nub and yes, we'll follow  
11 up this -- in addition to the transcript, you'll get  
12 our -- our comment on it.

13 MR. RICHARDS: I think we've got the  
14 question and provide that in your written comments and  
15 we'll give that some thought.

16 George Zinke. Are -- are you done, Russ?  
17 George has been back there for awhile.

18 MR. ZINKE: What I was going to say, Russ  
19 has said.

20 MR. RICHARDS: Russ, did you have other  
21 comment?

22 MR. BELL: Yes, unfortunately. Want to do  
23 an easy one?

24 MR. GRANT: Yes, this -- this is hopefully  
25 an easy one. Eddie Grant with Exelon.

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1           The question for you on that last block  
2           there that's on the slide that indicates that the  
3           Commission is going to make a decision. At that  
4           point, certainly the -- the rule requires a finding.

5           I'm rather simple I guess, but -- and look  
6           for the simplest way for things to be done.

7           I envisioned basically that block to be  
8           punching the buttons here in -- in CIPIMS and identify  
9           that yes, indeed we saw that there were 4,783 ITAACs  
10          identified and we punched the button and we verified  
11          that 4,783 ITAACs are complete and the Commission  
12          decision, therefore, is -- or Commission finding is  
13          they've all been met.

14          Is it not that simple or is there more  
15          envisioned in that last block?

16          MR. SEBROSKY: If you go back to that --  
17          that last -- those last couple of blocks, it's -- it's  
18          based on the Part 50 licensing process and -- and the  
19          determinations and findings that were made for an  
20          operating license and I -- the process that we used in  
21          the past and I believe it's Inspection Procedure 94300  
22          lays that out. Then you get a -- the regional  
23          administrator makes a recommendation to the Director  
24          of NRR. The Director of NRR then forwards that onto  
25          the Commission and then the Commission votes and the

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1 Commission -- the staff doesn't control the  
2 Commission. The finding is 52 -- is the Commission  
3 finding and not a staff finding.

4 As Jerry Wilson's standing.

5 MR. WILSON: And to add onto that, there  
6 may be a hearing and the Commission is going to be  
7 hearing from the results of the -- the findings from  
8 the Hearing Board also. So, that's going to be taken  
9 into consideration on what the Commission decides and  
10 there may be last minute allegations filed. I mean  
11 it's hard to predict that it's simply adding up I  
12 forget the number Eddie used, but all of them and --  
13 and the staff made a recommendation at various points  
14 in time and said that they all were met and so, yes,  
15 that's it. There are other things that -- that could  
16 come up that the Commission could make your decision  
17 on.

18 MR. BURNS: I understand that there are  
19 other things that fall into play or come into play  
20 there. My question -- I'm sorry I didn't state it  
21 well I guess. But, the question was really relevant  
22 to ITAACs since that's the primary discussion here  
23 today.

24 Is there some other evaluation that the  
25 Commission is going to do or is this merely a -- like

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1 an accounting process at this point for the ITAAC?

2 MR. FOLEY: Well --

3 MR. GRANT: You mean the Commission or do  
4 you mean the staff?

5 MR. FOLEY: Commission finding is based on  
6 meeting the acceptance criteria. So, that's the  
7 ITAAC.

8 As I said, I think that we will be doing  
9 sort of evaluation as we go. I mean as you know, you  
10 might be 4,000 ITAAC. We're certainly not going to  
11 look at all 4,000 ITAAC. You might provide us with  
12 400 letters saying that -- each one saying that ten  
13 ITAAC are done. Well, we will look at a certain  
14 percentage of those. If we have problems with some of  
15 ITAAC and say hey, you know, you guys, you didn't  
16 fulfill this, this didn't make that on this ITAAC.  
17 This is not necessarily correct and that's not  
18 necessarily correct.

19 We don't have a lot of confidence in the  
20 other ten or -- that you provide or the other nine for  
21 example and if this type of process continues through  
22 the whole program, then what kind of confidence do we  
23 have in those ITAAC that we did not look at.

24 I think that there is an evaluation. It  
25 is not simply just pressing the button, you know. If

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1 you say if we take those let's say 3,000 or -- or  
2 2,000 ITAAC that we did not look at but we just had  
3 the confirmation in the letter from you saying they  
4 were done and yet we put them into CIPIMS and say they  
5 were done but with no real hardcore inspection of  
6 those -- those ITAAC and yet the other thousand that  
7 we did look at we had trouble verifying the veracity  
8 of the data or the quality, the reliability of the  
9 data or just some sort of problems with them. I think  
10 that -- that we have to do some sort of assessment  
11 then.

12 It's not simply pressing the button. We  
13 want to assure to the public that the ITAAC are met  
14 and complete and are valid with reliability --  
15 reliability and some sort of veracity. Wouldn't you  
16 agree? I mean that's our responsibility.

17 MR. GRANT: I absolutely would agree, but  
18 I would expect you to do that before you make your  
19 52.99 notice that we agree that this one's been met  
20 rather than at the end.

21 MR. FOLEY: Well, that's it. That's what  
22 I meant was --

23 MR. PAULK: I don't think any of us at  
24 this table can speak for the Commission. If the  
25 Commission wants to do an assessment, the Commission

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1 will do an assessment.

2 MR. GRANT: Absolutely, I only ask what  
3 you envision for that last block.

4 MR. PAULK: I don't think -- they haven't  
5 given us their -- their ideas on it yet.

6 MR. FOLEY: Oh, just the last block.

7 MR. BELL: What's raising our concern  
8 perhaps is staff's paper and this is the staff will do  
9 is perform an independent review. Okay? To make sure  
10 -- I forget what the words are exactly. To I think  
11 evaluate that it has received all the ITAAC  
12 determination letters and that the staff agrees that  
13 all the ITAAC have been met. So, this is when all the  
14 ITAAC are met and what's being called for is an  
15 independent review. That sounds like something more  
16 than mechanistic, more than accounting. Yet --

17 MR. ISOM: Are you referring to the  
18 Operational Readiness Assessment Team inspection?

19 MR. BELL: No.

20 MR. ISOM: Is that what you're referring  
21 to?

22 MR. BELL: No. This is the ITAAC. This  
23 is on page 19 of the framework document.

24 MR. RICHARDS: So, your question is -- is  
25 that we've decided all the ITAAC have been met to the

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1 degree we're going to do an inspection. Is there  
2 anything beyond that that the staff intends? Is that  
3 the question?

4 MR. BELL: That's correct. I'll answer it  
5 for you and you can agree or disagree. I think it's  
6 appropriate for the staff prior to making a  
7 recommendation to the Director of NRR and to the  
8 Commission that the staff confirm that all the letters  
9 have been received and that the staff has agreed  
10 through 52.99 that all the ITAAC have been met, but to  
11 me, those are fairly mechanistic steps at this point  
12 in the process and not a new -- not a new assessment.  
13 I'll tell you why that's important.

14 The last of these ITAAC may be completed  
15 just shortly before the schedule date of fuel load.  
16 Now, fuel -- fuel load won't occur until the NRC says  
17 it's okay to proceed, but the point is there will be  
18 a very small amount of time to -- to -- and I think it  
19 will be choreographed exactly what happens. The --  
20 the licensee completes the ITAAC. They give the --  
21 they the NRC the last notification that the last ITAAC  
22 was met. All of this is well -- signalled well ahead  
23 of time. The staff in parallel has been confirming  
24 that they have all the letters received and previously  
25 agree that all have been met and again, in short

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1 order, a recommendation -- those recommendations go on  
2 up the line.

3 We -- we think at this point in the  
4 process so close to the fuel load that necessarily has  
5 to be a mechanistic one and this is why we're -- one  
6 of the reasons why we stress the importance of the  
7 52.99 process. Why each and every 52.99 must be a --  
8 not interim, but final staff conclusion as to the  
9 completion of an ITAAC subject, of course, to new  
10 information that might come -- come to light  
11 regarding.

12 MR. BLAKE: I'd like to try to field that  
13 question. I -- I think the team that put this  
14 together which I was part of had in mind here was that  
15 as a check on the inspection team that was assigned to  
16 that particular docket, then we would like to have  
17 some independent group of NRC people that were not  
18 directly assigned to that docket, run a verification  
19 to say yes, we received letters on all of the ITAAC  
20 and yes, we did respond as appropriately to all the  
21 ITAAC and that's why the following sentence says this  
22 could be done by the same team that would be doing an  
23 operational readiness assessment.

24 That is what we meant we put the words in  
25 there an independent review. It would be another

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1 group of NRC people, could be headquarters, could be  
2 another region, could be some -- independent of the  
3 people assigned to that docket.

4 Does that answer the question?

5 MR. ISOM: Can I add -- can I add another  
6 comment there, Russ? The timing on the inspection  
7 would be such that you will not be in critical path to  
8 the -- you know, the decision made by the Commission.  
9 So, it would done -- you know, it won't be done the  
10 very last day obviously. It would be done somewhere  
11 between the six month -- you know, when we get your  
12 letter saying you want to load fuel and the time which  
13 -- which you indicate to us you're ready and the bulk  
14 of your ITAACs were done which -- monitor and  
15 independently verify just to make sure the team that  
16 we had assigned to the project actually didn't miss  
17 something that -- that should have been caught.

18 And -- and they may -- you know, we  
19 haven't really written the scope of what the team will  
20 do. But, they also kind of do a vertical slice look  
21 at a couple of ITAAC just to make sure it looks, you  
22 know, fairly -- fairly good.

23 MR. BELL: Okay. That will be a critical  
24 time. I know you don't want to be on anybody's  
25 critical path with -- with that step. Given the

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1 volume of information that you're suggesting would be  
2 independently reviewed, I -- I guess I'd ask you to  
3 carefully think about the scope of that -- that  
4 review. How it could be significantly -- you know, if  
5 a different person punches the same keys on CIPIMS to  
6 get the same printout that says yes, we've got all the  
7 documentation if you -- you want to consider that an  
8 independent review, but beyond pressing keys in  
9 CIPIMS, there may be little time to do much of any  
10 other type of independent review. At least that's  
11 certainly a concern.

12 MR. BLAKE: Based on -- on the programs  
13 that we're conducting today, I'm -- I'm sure that  
14 we're not going to wait until the final hour to do the  
15 independent review. It will probably be something --  
16 somebody from the program office doing some kind of  
17 quarterly or semi-annual assessments as we go along.

18 MR. BELL: That's helpful. It does relate  
19 to -- I have another type of question and Jim alluded  
20 to it.

21 Six months prior to the scheduled date of  
22 fuel, a notice must be issued notifying the public of  
23 schedule date for fuel load and offering an  
24 opportunity for hearing on the ITAAC.

25 To my estimation, you're -- you're paper

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1 is silent on what triggers that 52.103(a) notice, but  
2 in our white paper, we envision that the licensee  
3 would send you a letter identifying the schedule date  
4 of fuel load at least six months out, state that all  
5 ITAAC have been met or will be met by that date, and  
6 request the 52.103(a) notice.

7 At that point, we'd -- we would expect the  
8 staff based on that information to inform the  
9 Commission regarding the status of ITAAC completion  
10 and to publish the required notice and despite the  
11 existence of open QA fee deficiencies or other  
12 incomplete activities provided that those deficiencies  
13 and incomplete activities do not impact the  
14 termination that ITAAC have been or will be satisfied  
15 with fuel load and I guess -- I guess I would suggest  
16 that the paper, you know, address this important  
17 milestone because without this trigger, the 52.103  
18 process does not start and I think it's important to  
19 understand what staff will go through in order to get  
20 that process underway.

21 MR. WEISMAN: Okay. If I can -- I'll just  
22 briefly address that because we are crafting a  
23 position on how that should work. We are looking --  
24 we looked real closely at your white paper and LGC and  
25 NRR working together to -- to put something together

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1 in writing to tell you how we think that ought to work  
2 and I don't know exactly what the schedule is, but it  
3 shouldn't be more than a few weeks before we're done  
4 with that.

5 MR. RICHARDS: Are we going to make that  
6 publicly available or --

7 MR. SEBROSKY: Yes, it'll be -- it'll come  
8 out of -- we knew we had these -- these comments just  
9 as -- as background, but we didn't think that it was  
10 appropriate to put the hearing process in the  
11 construction inspection framework document. That's an  
12 issue that in the New Reactors Sections we've -- we've  
13 said that we would deal with separately from the --  
14 from the framework document. So, what Bob was talking  
15 about is a letter that'll most likely come from Jim  
16 Lyons to NEI stating what our position is relative to  
17 the hearing.

18 MR. RICHARDS: All right. Anything else,  
19 Russ?

20 MR. BELL: No, Bob shortcircuited my last  
21 comment which was that the feedback on the 103 process  
22 is frankly long overdue. We can look forward to it in  
23 the next couple of few weeks. That would be -- that  
24 would be most helpful.

25 MR. FOLEY: Yes, I think that's a --

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1       that's a reasonable expectation.

2               MR. RICHARDS: Other comments. George,  
3       you stood up a couple of times.

4               MR. ZINKE: Just a -- a question. Quick  
5       -- quick question. George Zinke, Entergy.

6               On the examples that you gave for thing  
7       that would invalidate ITAAC at least I didn't see it  
8       stated, but we noticed all of the examples dealt with  
9       discovery of a condition that existed prior to or at  
10      the time an ITAAC was being determined by the utility.  
11      So, you -- you might call it a pre-existing condition  
12      or -- but -- but, they all related to that kind of a  
13      -- a timing versus a timing of you verified the ITAAC,  
14      the pump float and now pump breaks and now you're into  
15      maintenance and you -- you are now in a different --  
16      you're in a corrective action process. You're in a  
17      maintenance process and you're maintaining  
18      configuration.

19              My question is was that intentional or --  
20      or do -- did that just -- because we agreed with that.  
21      We just weren't sure if that was your intent or if  
22      that just happened to be the examples you picked.

23              MR. BLAKE: I -- I believe if that's part  
24      of the discussion on -- on the -- on the next subject  
25      of discussion which is Manual Chapter 2504 which does

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1 cover the -- once -- what happens to -- you know, what  
2 you do and what involvement there is with things that  
3 have been accepted and what kind of treatments you  
4 give them until the time you put them in service.

5 I think that is -- it was done  
6 deliberately. That is a separate inspection. The  
7 fact that you dropped heavy on a pump that passed an  
8 ITAAC doesn't say that we invalidated -- you know, who  
9 wouldn't invalidate the ITAAC on that pump, but if you  
10 drop something on -- on the suction line for that pump  
11 wouldn't -- and so, it couldn't pull that kind of a  
12 flow and it would not invalidate the ITAAC, but it  
13 would be a maintenance issue for you that we would  
14 certainly expect to see fixed before you put -- before  
15 you loaded fuel.

16 So, yes, those things have been  
17 considered. We deliberately looked at things that --  
18 things that come up. Because of knowing, you know,  
19 the only three people that see 100 percent of the work  
20 are the craftsmen that put it together. A good QC  
21 inspection problem -- program will probably see 20  
22 percent. A QA program will see maybe 4 to 5 percent  
23 and we're going to see some small percentage of that  
24 for the NRC's standpoint.

25 So, yes, things can be discovered later on

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1 that say wait a minute, we may not be as smart as we  
2 thought we were. Something happened. Let's  
3 invalidate that ITAAC.

4 The question did come up and I think we  
5 did offer to you guys the opportunity to weigh in with  
6 your -- what kind of examples you would think and we  
7 had to sit down and -- and we pulled some examples out  
8 of the past that were real life examples that said  
9 things that happened where we had to go back and re-  
10 look at things that we thought were finalized.

11 So, yes, it -- it's something that  
12 happened in the past that we missed.

13 MR. RICHARDS: Are there any other  
14 questions before we move on to the next presentation?

15 If not, Jim.

16 MR. ISOM: Let me move on to 2504  
17 Transition to Operations. We -- we covered some of  
18 this topic already.

19 But, slide 52 please. Next slide.

20 Yes, this is where it all comes together.  
21 All through this four and a half year period, we've  
22 been verifying the ITAACs and looking at your  
23 operational programs and coming to the conclusion as  
24 to I guess now we're considering calling the NRC ITAAC  
25 52.39 conclusions and then eventually, we're going to

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1 integrate all that information. We're going to do an  
2 independent review, do an Operational Readiness  
3 Assessment Team inspection and then make a  
4 recommendation. The regional administrator of that  
5 region will make a recommendation to the Director --  
6 Office Direct of NRR and eventually culminate in a  
7 decision made -- being made by the Commission as to  
8 whether or not the utility are allowed to load fuel.

9 The next slide please.

10 This is kind of a busy slide, but I want  
11 to kind of point out a couple of things to you. The  
12 upper portion here is basically the construction  
13 activity that's occurring at the -- at the facility.  
14 This is about 18 months. This is about 36 months.  
15 This is the fuel load point and these two timelines  
16 are basically the inspection timelines that we  
17 envision during this process.

18 The first inspection timeline for example  
19 we indicate here the ITAAC would be begin at the --  
20 before the combined licensed is issued and that's --  
21 that's because of various large -- and then being  
22 ordered before you actually come in for a combined  
23 license.

24 Here is the Commission decision on ITAAC  
25 that we have been discussing here. What -- what that

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1 -- what that would not -- would take place and -- and  
2 the -- this is the operational readiness assessment  
3 inspection or the ORAT inspection that we talked about  
4 for a few minutes, but the idea there was this team  
5 would come in and to provide some help to the regional  
6 administrator who is responsible for making this  
7 decision and recommendation to the Office of the  
8 Director NRR. Some independent group coming in to  
9 make sure that the ITAACs were completed and they'll  
10 probably do a sampling program.

11 I -- I got the sense that perhaps that you  
12 were thinking that we would do a 100 percent review,  
13 but based on just this kind of team inspections in the  
14 past, we've done a sampling review of the ITAACs that  
15 -- that's been completed to make sure that, you know,  
16 whatever we decided was -- was good -- was acceptable.

17 It still is and -- and this recommendation  
18 from this independent group, the ORAT team, along with  
19 the -- the other group that's been overseeing the  
20 construction project for four and half/five years will  
21 go to the regional administrator. The regional  
22 administrator will take a look at these two pieces of  
23 information and based on -- based on the  
24 recommendations from these two groups, he will forward  
25 that on to the Office of the Director of NRR and

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1 eventually their recommendation will make it to the  
2 Commission at which point the Commission will make  
3 decision whether you can load fuel or not.

4 I think this is all I have for this part  
5 of the presentation. I'll be happy to answer any  
6 questions at this point.

7 MR. RICHARDS: Any questions for Jim Isom?

8 MR. BURNS: Ed Burns. One question I've  
9 dealt with. The sampling. You're saying after you  
10 get toward the end there, you'll going to be using a  
11 sampling premise and the basis of sampling a certain  
12 number of percentage, 20, 30, 40, 50, 60 percent of  
13 the ITAACs, you'll be able to conclude that the  
14 overall -- the remaining ones you haven't looked at  
15 are good.

16 If indeed you can make that statement now,  
17 why isn't that done at the COL stage when you are  
18 indeed saying we can conclude that the applicant can  
19 safely construct and operate this plant to -- to  
20 public safely, but why at that point in time when we  
21 decide which ITAACs to look at in the future to help  
22 us do that confirmation, why is the sampling not done  
23 there, which it is, it is already done, than at the  
24 end?

25 Because you're saying you're actually

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1 going through two steps. At the COL stage, you're  
2 narrowing your future look to certain ITAACs and that  
3 maybe a certain thousand, maybe 4,000, refer to the  
4 numbers and then at the final stage, you're doing  
5 another narrowing and on the basis of your sampling,  
6 you're confident that your conclusion covers those  
7 items you didn't look at.

8 I think we need to rethink that and make  
9 certain we get the proper legal understanding of what  
10 that physical sampling -- what the sampling looks  
11 like. Because I could easily make a challenge that if  
12 -- if it was important enough to be an ITAAC at the  
13 COL stage, it's important enough for the NRC staff not  
14 to overlook it. That they must go out and do an  
15 inspection on that if the inspection already ordered  
16 and not allow themselves to be drawn into a  
17 statistical sampling of an already reduced inspection  
18 program.

19 MR. ISOM: Okay. I think the question is  
20 as I hear correctly why don't we do the sampling  
21 before the COL stage? Why they would do a two-step  
22 process?

23 MR. BURNS: At the COL stage you'll be  
24 deciding at that point in time what are the important  
25 ITAACs that need to be confirmed during construction

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1 or upon completion of the fabrication and  
2 construction. That is a subset of the overall plan,  
3 of the overall program and on the basis of those  
4 ITAAC, you're just confirming what you already know at  
5 the COL stage because that's the way the language is.

6 MR. ISOM: Well, go ahead --

7 MR. RICHARDS: Yes, I -- I guess the first  
8 thing is the ITAAC or -- or for the licensee. Right?  
9 The licensee is going to have to verify that 100  
10 percent of those ITAAC are complete and the resources  
11 that the licensee has way outnumbers the resources  
12 that the NRC has.

13 Now, your -- your question gets back to  
14 the question that Doug Coe has challenged us. Is --  
15 the NRC is -- is required to -- to make a -- a finding  
16 or whether or not those acceptance criteria are met  
17 and what are the necessary and sufficient inspections  
18 to support that finding.

19 It's clearly not 100 percent. We don't  
20 have the resources to do that and we're trying to come  
21 up with a rationale for -- for how we would do that  
22 and we just in the framework document discuss the  
23 techniques that we would use, PRA, risk. We would  
24 heavily QA, but we don't get into the nuts and bolts  
25 of how we would do that. We know we got that as an

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1 IOU.

2 MR. ISOM: I also want to point out that  
3 the sampling process to validate ITAACs were  
4 completed, the actual direct inspection part is being  
5 done by one group of people. The other group of  
6 people assigned to the site. The inspectors that come  
7 to validate the ITAAC.

8 The -- the ORAT team is a checker on the  
9 checker. The independent team that looks at the --  
10 the ITAACs independently to come -- see if they come  
11 up with the same conclusion that this -- this group of  
12 inspectors who have been on the site doing this  
13 inspection for the last four and a half or five years.

14 MR. BURNS: That may not be clear in what  
15 you're -- what you're saying in the document.

16 MR. ISOM: Right.

17 MR. BURNS: Where the sampling comes into  
18 play.

19 MR. ISOM: Right. Does that -- does that  
20 answer your question? I think.

21 MR. BURNS: Yes.

22 MR. ISOM: Okay.

23 MR. RICHARDS: Russ, I think you're up.

24 MR. BELL: Thank you again. At one point  
25 in this section of the document, you talk about a --

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1 a regulatory gap. I think it has to do between the  
2 time an ITAAC is declared to be complete and the  
3 103(g) finding. I wonder if -- we're talking about a  
4 licensee who's subject to all the NRC requirements  
5 that are appropriate at -- at the time based on where  
6 he is in the process.

7 I mean we didn't perceive a -- a gap per  
8 se in the responsibilities of the licensee. Perhaps  
9 could you explain what you had in mind?

10 MR. ISOM: Yes, we did not intend that  
11 there should be a response during the gap. It's what  
12 -- we're trying to indicate that fact that once we  
13 take a look at a particular ITAAC, for example, just  
14 say a pump that was able to meet 100 gallons per  
15 minute. That could have been in the very early stages  
16 of the construction process.

17 We may not visit inspection of that  
18 particular system or that pump because we're looking  
19 at other things. So, there is a period of time where  
20 you -- we may not do a direct inspection there. So,  
21 we're sensitive to issues that come along with the  
22 care and maintenance of that -- of that system or the  
23 pump and in the event that some event occurs or we  
24 have some issues with quality with respect to  
25 maintaining that pump, we may come back and visit to

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1 see if that pump actually still can make, you know,  
2 can actually 100 gallons per minutes.

3 It doesn't necessarily invalidate the  
4 ITAAC, but we need -- we need to look at the -- assess  
5 the operational impact from that. For example, now it  
6 may maintain that system for three and a half/four  
7 years.

8 MR. BLAKE: I'd like to add a little bit  
9 to that.

10 I think the -- the -- the regulatory gap  
11 that we envisioned when we -- when we drafted this  
12 part of it came about from what Jim was talking about,  
13 an ITAAC that was signed off relatively early in  
14 construction and the consideration that your tech spec  
15 requirements and your surveillance requirements would  
16 not come into play until you had fuel load  
17 authorization.

18 So, we have -- that's why we delayed or  
19 put this part into the 2504 where we say we're --  
20 we're going to do some look at what kind of program do  
21 you have, what is your -- you know what kind of  
22 corrective action on your program do you have, what  
23 kind of monitoring program do you have, are you  
24 getting hits in that area, are you having damage to  
25 the plant? The -- the -- that -- this part of 2504

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1 was to fill that gap between ITAAC completion and the  
2 onset of tech spec required surveillances.

3 MR. BELL: Thank you. I might just  
4 suggest the image of a gap is -- might not be the  
5 right one. I -- I don't think there is one. I think  
6 QA, design control, work control, configuration  
7 control will all be in effect and the responsibility  
8 of the licensee from the time that ITAAC is declared  
9 complete and I'm not sure you need to refer to a gap  
10 and I probably will provide that comment.

11 Talk about inspections to ensure that a  
12 licensee is managing this gap appropriately. Rather  
13 than that, you know, effectiveness of the work and  
14 configuration controls could be assessed as part of  
15 other ongoing NRC inspections and that'll be the  
16 nature of our comments.

17 MR. JORDAN: I guess my concern goes back  
18 to the interim terminology we used before. That's why  
19 I -- I totally agree with what Russ is saying. This  
20 should be ongoing activity of the NRC inspection  
21 branch not something that's waited to the end to  
22 reverify all this stuff right at the end if -- if  
23 that's what your intention is.

24 I mean if something's been there for three  
25 and half years, we'll be -- we'll be maintaining

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1 configuration management. We'll be using our QA  
2 program.

3 I'm hoping you're right there with us.  
4 You know, it's part of your -- it's doing your  
5 appropriate inspections. What I would hate to see is  
6 all this is done by a -- you might say a team at the  
7 end and suddenly there's -- there's a number of issues  
8 that -- that -- that you're going to suddenly bring to  
9 light that we were not aware of.

10 MR. ISOM: No, that -- that wasn't our  
11 intent. Our intent was to communicate to you just  
12 because ITAAC were completed for a particular system  
13 or a pump early on in the construction, that doesn't  
14 mean the inspections will stop. We'll continue to  
15 keep an eye on that system as you will, I'm sure.

16 MR. BLAKE: I think if you look at -- on  
17 page 22 of our framework document, figure four, you'll  
18 see that -- that the timeline for 2504 begins very  
19 early. That's the bottom line on there and that's why  
20 we backed up -- we don't know when the beginning is  
21 going to be needed for 2504. We know what the  
22 endpoint is is when you reach 100 percent power. The  
23 beginning point is when you've got signed off ITAACs  
24 that warrant our attention.

25 MR. JORDAN: Thank you.

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1                   MR. ISOM: Also, I want to add -- bring up  
2 another point that I didn't mention. This ORAT team  
3 that we -- Operational Readiness Assessment Team, they  
4 will take a look at the -- I guess the implementation  
5 and quality of your operational programs before fuel  
6 load and they will make a recommendation to the  
7 regional administrator. WE haven't looked at that  
8 before, but obviously we've done that kind of  
9 inspection in the past with plants that were being  
10 started up and that's in addition to the high tech  
11 verification which is -- which is in addition to what  
12 they haven't done in the past -- historically in the  
13 past.

14                   So, I wanted to just make -- point that  
15 out to you and, of course, this is very important  
16 because once the Commission -- when -- when the  
17 Commission decides that -- that you're allowed to load  
18 fuel, your tech specs will apply and obviously we want  
19 to make sure all your operational programs are running  
20 and they're satisfactory.

21                   MR. RICHARDS: Any other comments or  
22 questions for Jim? If not, we'll move on to our last  
23 presenter, Doug.

24                   MR. COE: Actually, I will offer one last  
25 comment on that last topic. Browns Ferry Unit 1 is in

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1 a state of -- of restart activity wherein the plant is  
2 being brought up to current standards and -- and the  
3 utility intends to operate it once that's complete and  
4 we're implementing an inspection program there that is  
5 quite different from the current reactor oversight  
6 process and is probably more akin to Construction Site  
7 Inspection Program than anything else and the way that  
8 we're transitioning that plant or that we envision  
9 that that plant be transitioned into the ROP has been  
10 captured in a new manual chapter that was recently  
11 issued.

12 So, just a thought that we are hoping to  
13 gain experience with Browns Ferry 1 that might perhaps  
14 be useful -- generate useful insights in the  
15 development of a construction inspection program and  
16 how to transition a -- a newly constructed plant into  
17 the -- into an operational reactor oversight process.

18 With that, I'll just reference the last  
19 slide which lays out some of our intended milestones  
20 which include some that have already passed and the  
21 workshop that we're currently involved in here.

22 Beyond that, the end of the public comment  
23 period has already been identified as the 15th of next  
24 month.

25 The issuance of the framework document is

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1 intended to be in -- in August.

2 The completion the work on the manual  
3 chapters that we've discussed will -- will -- is  
4 intended to take place in the calendar year '03/'04  
5 time frame and, of course, that last bullet is -- is  
6 somewhat speculative, but it continues to be our  
7 challenge to monitor interest level and the commitment  
8 level of the industry and to try to gauge our -- our  
9 resources and apply our resources in a manner that  
10 does -- that -- that does produce an inspection  
11 program that will meet the needs of the industry and  
12 will achieve the goals of -- of predictability and --  
13 and lack of -- or lack of unnecessary burden in the  
14 licensing, construction, and operation of the -- of a  
15 new nuclear powerplant should a utility decide to  
16 build one.

17 So, with that, I would conclude by saying  
18 our there any other issues of interest or concern that  
19 have not yet been developed or raised at this meeting  
20 that you'd like to take the time now while we have the  
21 -- the opportunity to discuss?

22 MR. RICHARDS: Before we adjourn, I think  
23 one of the things we wanted to do was Tom Foley had  
24 been keeping notes of the topics that we had as take  
25 aways. So.

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1 MR. COE: Good. Okay.

2 MR. RICHARDS: Tom wanted to review that,  
3 too.

4 MR. FOLEY: Yes, this is our parking lot  
5 that we failed to maintain up there.

6 Well, I guess what we're taking back is  
7 we're going to go back and look at the RS -- the  
8 specific examples in RS002, our ESP guidance. We're  
9 going to look at the applicability of 2.790 to -- to  
10 our -- to our document. We'll look at SAYGO ITAAC  
11 conclusions and the terminology we're using there and  
12 the -- maybe perhaps an example 52.99 notice. We'll  
13 -- we'll work on -- maybe we'll take that into  
14 consideration and put that on a document.

15 These are the things we're -- we're  
16 looking at.

17 What -- what triggers the 52.103(a), I  
18 thing Bob Weisman's going to take that away as an  
19 action item and let me see and I guess here's a --  
20 this is a -- one -- one of the topics was this mixed  
21 bag of verifications that the NRC's going to be doing  
22 and what kind of implications that might have in the  
23 -- in -- in the open market. I mean open to the  
24 public. That is versus -- versus a hard data and --  
25 and a -- and a -- for the results of an ITAAC. You

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1 know, that -- that whole issue. It's a little bit  
2 vague, but we're going to take that away and toss it  
3 around.

4 One question I have is what about the  
5 overall document? Are we on the right track? Are we  
6 going the right way? This, you know, we -- we divided  
7 it up into four manual chapters. Does anybody have  
8 any comments about the document? Rather we've talked  
9 about specific issues, but are we on the right track?  
10 You know, can we -- you know, is this generally okay?  
11 I mean or is it generally not okay? Could -- could  
12 anybody speak to that or could we have a raise of  
13 hands, thumbs or something?

14 MR. BELL: Well, the task force is  
15 thinking about more a specific answer, I think I'd  
16 just like to take the opportunity to commend the  
17 staff. I think the document was a -- a big step in  
18 the direction. We had a number of conversations about  
19 this general topic. We put our thoughts in writing to  
20 you and we're grateful to have your thoughts in  
21 writing to -- to us.

22 I wanted to say this because at points  
23 during the day, you might have gotten the wrong  
24 impression that we're at wits in over some particular  
25 issues. There's no question we -- we would like you

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1 to take some of those things away. All those things  
2 away you just mentioned and give them some more  
3 thought. We'll provide you follow-up comments along  
4 those lines.

5 And at least a couple of them might be  
6 fodder for follow-up meetings. I'm thinking the 52-99  
7 notice what that looks like. I think that links to  
8 this question of the distinction between the ITAAC  
9 documentation versus supporting quality assurance  
10 program documentation.

11 The other one that we might want to spend  
12 some time on is the construction schedule --  
13 inspection schedule interface issue and at an  
14 appropriate time to talk more about how those things  
15 would work. I don't think you had that on your -- on  
16 your list.

17 But, I'm -- I'm filling time with just a  
18 general commendation regarding the -- the document and  
19 the -- the workshop today. Obviously, it was a forum  
20 that allowed us to bring forth the concerns that we  
21 have and I think that was certainly our purpose and  
22 presumably yours going in.

23 MR. FOLEY: Communication. That's what  
24 it's about. We're trying to communicate with you and  
25 trying to improve the document and -- and also pass

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1 this -- this information onto the public stakeholders  
2 and would like to get any feedback that you have and  
3 remember there are feedback forms on the -- on those  
4 -- on the back of the agendas and the information that  
5 we sent out. Please either send them to us by mail or  
6 if you'd like pass them up here to the front, you  
7 know, or just leave them out there on the table. I'll  
8 pick them up.

9 I guess -- I guess we didn't breeze right  
10 straight through this, but we are -- we are ending up  
11 a little bit ahead of time.

12 Is there anything else? Any members of  
13 the panel?

14 MR. BLAKE: I think you left off verify  
15 the applicability of Part 21. That was done this  
16 morning.

17 MR. FOLEY: Didn't I do that? Oh, I had  
18 2.790. I meant Part 21.

19 MR. BLAKE: Okay.

20 MR. FOLEY: Same thing. Right? Is that  
21 it? Does anybody have any other questions? Well, I  
22 -- oh, one more.

23 MR. JORDAN: I think, Tom, you also were  
24 going to make that clarification of the document  
25 regarding interim. Pertains to 52.99.

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1 MR. FOLEY: Yes, I've got that.

2 MR. JORDAN: Okay.

3 MR. FOLEY: Any conclusions.

4 MR. SHELL: I'm Ralph Shell. I'm from  
5 TBA. I have a question regarding your inspection  
6 reports. If we assume as -- as Doug was saying that  
7 all of your inspections relate to an ITAAC in some  
8 form --

9 MR. FOLEY: Should. Yes, I would --

10 MR. SHELL: Yes. When you write an  
11 inspection -- a negative inspection finding and we're  
12 going to have to take corrective actions to correct  
13 that -- that finding and you're going to have to come  
14 back and close that out --

15 MR. FOLEY: I would think so.

16 MR. SHELL: -- at some point in time, have  
17 you thought about the wording you would use to close  
18 that out as it relates to ITAACs? A picture here is  
19 if I have over a four-year period, and I'll just use  
20 a number as an example, 200 findings that could relate  
21 to an ITAAC, what's the picture being painted on my  
22 successful completion of that ITAAC? So -- so, you're  
23 going to have to as I see it when you close these  
24 things out, maybe relate them to the successful  
25 completion or it's final impact on an ITAAC.

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1           MR. FOLEY: I see your point. You're  
2 getting down into the details of the IMC-2503 and  
3 we're -- we're struggling -- we're trying to develop  
4 that manual chapter, you know, currently and we're --  
5 we're -- we're struggling with that particular issue  
6 in -- in developing the -- the -- the manual chapter  
7 and I think as we go on, we'll probably have more  
8 workshops maybe with the -- these -- the other manual  
9 chapters as we go along through and develop them and  
10 we'd look forward to your input on those, but I don't  
11 have an answer for that right now. But, I -- I'll  
12 take -- we're taking that into consideration.

13           MR. COE: I think there is a high-level  
14 answer and that is at the time that the staff reports  
15 to the Commission that we will -- we will have had to  
16 satisfied ourselves that any of the open items that  
17 may currently exist do not impact the -- the  
18 determination that the ITAAC or the conclusion that  
19 the ITAAC had been met.

20           And I think we can also draw some insights  
21 again from our Browns Ferry 1 experience. Because at  
22 the point at which Browns Ferry 1 gets ready to  
23 operate there, is undoubtedly going to be a set of  
24 open items that exist in the corrective action program  
25 and the -- the oversight of that plant as it -- as it

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1 proceeds into operation will be accompanied by a staff  
2 determination that none of those open items impact  
3 safety to the point where they can't -- can't proceed.

4 So -- so, again, there's -- there's some  
5 parallel there and -- and we -- but -- and we would  
6 hope to use that to -- to help define our -- our  
7 construction inspection.

8 MR. BLAKE: I'd like to add one more  
9 comment on this. I think we -- we are -- at least the  
10 -- the -- the team that's been working on this are  
11 sensitive to the fact that if we do publicly put in --  
12 into the record a finding that has a negative  
13 connotation on an ITAAC, then it will probably -- it  
14 will have to be balanced by a positive statement at  
15 the time that we -- we find it having been corrected.

16 We can't -- we're going to have to think  
17 very carefully and that's one of the things that's in  
18 -- being formulated is that for documentation in that  
19 -- the -- they impact ITAACs, we cannot just document  
20 negative findings. WE're going to have make sure that  
21 the -- for the -- this type of a -- a licensing  
22 process -- inspection of this kind of a licensing  
23 process, that there's a balance shown and -- and that  
24 yes, there are, in fact, positive findings.

25 MR. JORDAN: On that subject, Jerry, I

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1 guess -- the one thing -- do let me say first of all,  
2 Tom, I do like the document. I think you guys done a  
3 great job putting it together and I appreciate the  
4 opportunity for this interchange.

5 But, when we're talking about negative  
6 ITAAC findings, when I was reading through that  
7 document, I really didn't -- didn't see any  
8 acknowledgement of working with the licensee through  
9 their corrective action program. Because that's  
10 really where it's going to happen and I -- I'd like to  
11 see -- I guess maybe you guys consider -- consider  
12 that because I don't think you'll be making a negative  
13 finding without going back to us and -- and, you know,  
14 having us evaluate that as part of a corrective action  
15 program.

16 MR. ISOM: You mean like in the presence  
17 of similarly mentioned the licensee corrective action  
18 program associated with that deficiency.

19 MR. JORDAN: Right.

20 MR. ISOM: Yes, we could do that. So, it  
21 would help us strike it, too.

22 MR. JORDAN: Okay. Thank you.

23 MR. BELL: Sorry. I thought of one more,  
24 but it's process related.

25 Doug, the 050 -- 2502, 03, 04, we

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1 appreciated the opportunity on 2501. Staff issued it  
2 in draft form and if I missed it, forgive me. But,  
3 will those -- will 02, 03, 04 also be issued in draft  
4 form for stakeholder comment?

5 MR. COE: As you know, that's not our --  
6 our normal practice although we -- we take special  
7 exceptions on certain occasions. I don't -- has the  
8 team discussed that? Have not? Decision not made.

9 I mean again it -- I guess it depends on  
10 a lot of factors not the least of which would be your  
11 interest and our interest in making it available  
12 before it becomes final for a good thorough public  
13 discussion and -- and comment period.

14 If it's warranted, it's -- it's certainly  
15 not precluded. How's that for a bureaucratic answer?

16 MR. BELL: We'll -- we'll strongly  
17 encourage the staff.

18 MR. COE: Okay. Noted.

19 MR. BLAKE: I'd like to make one -- one  
20 comment on the previous question having to do with  
21 corrective action program. I fully expected questions  
22 on this particular slide and we didn't get any.  
23 Probably if we had -- we had reviewed QA too -- too  
24 much previously. But, on slide 46, where Joe talked  
25 about the sampling techniques that will be used, there

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1 are four bullets under that. The bottom bullet is  
2 inspection of licensees QA program. With that bullet,  
3 we fully meant your corrective action program.

4 MR. BELL: Okay.

5 MR. BLAKE: Okay. We're not talking about  
6 your just blanket QA program. WE're talking about  
7 sampling your corrective action program to support our  
8 determinations.

9 MR. JORDAN: I guess, Jerry, what I was  
10 saying is before -- I would hope the NRC wouldn't have  
11 to go to the extent of publishing a negative finding.  
12 That -- that the deficiency would be in our Corrective  
13 Action Program.

14 We have an obligation under 50.9 to send  
15 -- if we sent you something that's not correct, to  
16 notify you according and take -- take appropriate  
17 action. So, I -- I would view that as an extreme case  
18 where -- where there was a --

19 MR. BLAKE: And that's one of the many  
20 topics we're going to be discussing over the next  
21 couple of years when we pull all the details.

22 MR. JORDAN: Okay.

23 MR. BLAKE: As Joe likes to say, the  
24 devil's in the details.

25 MR. JORDAN: Right. I -- and I agree with

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1       that.   Thank you.

2                   MR. FOLEY:   Okay.   I think that's it.  
3       Anymore hands?   Anymore conversation?   Thank you very  
4       much.   We appreciate your feedback.

5                   (Whereupon, the meeting was concluded at  
6       3:22 p.m.)

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