

ORIGINAL

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

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IN THE MATTER OF:

DOCKET NO: STN 50-498-OL  
STN 50-499-OL

HOUSTON LIGHTING AND POWER COMPANY,  
et al.

(SOUTH TEXAS PROJECT, Units 1 and 2)

EVIDENTIARY HEARING

LOCATION: HOUSTON, TEXAS

PAGES: 15282 - 15387

DATE: WEDNESDAY, AUGUST 14, 1985

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1  
2 UNITED STATES OF AMERICA  
3 NUCLEAR REGULATORY COMMISSION  
4 BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

5 -----X

6 In the Matter of: : DOCKET NO.  
7 HOUSTON LIGHTING AND POWER : STN-50-498-OL  
8 COMPANY, ET AL., : STN-50-499-OL  
9 (South Texas Project Units 1 & 2) :

10 -----X

11 University of Houston  
12 Teaching Unit II, #215  
13 Houston, Texas

14  
15  
16 Wednesday, 14 August 1985

17  
18 The hearing in the above-entitled matter was  
19 convened, pursuant to adjournment, at 9:10 a.m.,  
20 BEFORE:

21 JUDGE CHARLES BECHHOEFER, Chairman,  
22 Atomic Safety and Licensing Board.  
23 JUDGE JAMES C. LAMB, Member,  
24 Atomic Safety and Licensing Board.  
25

1 JUDGE FREDERICK J. SHON, Member,  
2 Atomic Safety and Licensing Board.

3  
4 APPEARANCES:

5 On behalf of the Applicants:

6 MAURICE AXELRAD, Esq.,

7 ALVIN GUTTERMAN, Esq.,

8 STEVEN P. FRANTZ, Esq.,

9 Newman & Holtzinger,

10 Washington, D.C.

11  
12 On behalf of the Nuclear Regulatory Commission Staff:

13 EDWIN J. REIS, Esq.,

14 ORESTE RUSS PIRFO, Esq.,

15 Office of the Executive Legal Director

16 WILLIAM L. BROWN, Regional Counsel, Region IV.

17  
18 On behalf of the Intervenor:

19 LANNY ALAN SINKIN,

20 3022 Porter St. N.W., #304

21 Washington, D.C. 20008

22 Representative for Citizens Concerned About  
23 Nuclear Power.  
24  
25

1 WEDNESDAY, AUGUST 14, 1985

2 C O N T E N T S

3  
4 WITNESSES: DIRECT CROSS REDIRECT RECROSS BOARD

5  
6 JOHN T. COLLINS 14286 15293 15352 - 15343

7 - 15341 - - -

8  
9 JAMES R. SUMPTER 15355 15358 - - -

10  
11 GEORGE OPREA 15371 15374 - - 15375

12 - 15374 - - -

13  
14  
15  
16 EXHIBITS: FOR ID. IN EVD.

17 CCANP No. 145 15293 -

18 CCANP No. 146 15311 -

19 CCANP No. 138 - 15320

20 CCANP No. 147 15321 -

21 CCANP No. 147-a 15340 -

22 CCANP No. 126-a 15387 15387



1 JUDGE BECHHOEFER: Good morning, ladies and  
2 gentlemen. Are there any preliminary matters this  
3 morning?

4 MR. AXELRAD: Yes. One matter, Mr. Chairman.  
5 Yesterday, in the course of the examination of some staff  
6 witnesses, there was a 50.55(e) interim report mentioned  
7 which arose in the course of the assessment that HL&P is  
8 performing prior to the construction assessment team  
9 inspection by the NRC, the so-called pre-CAT inspection.  
10 The report of that pre-CAT inspection was finalized last  
11 week and a copy will be sent out this week to Region IV  
12 and, of course, to the Board and the parties. And I just  
13 wanted to inform you that you will be receiving a  
14 copy of that report, itself.

15 JUDGE BECHHOEFER: Thank you. Anyone else have  
16 preliminary matters?

17 MR. SINKIN: No.

18 MR. REIS: The staff doesn't.

19 MR. SINKIN: Nothing here, Mr. Chairman.

20 JUDGE BECHHOEFER: Okay, Mr. Reis.

21 MR. REIS: At the Board's direction, I would  
22 like to call John T. Collins to the stand. Mr. Collins.  
23 Will you stand and be sworn, please?  
24 Whereupon,

25 JOHN T. COLLINS

1 was caled as a witness by the Staff and, having been  
2 duly sworn, was examined and testified as follows:

3 DIRECT EXAMINATION

4 By Mr. Reis:

5 Q Mr. Collins, can you tell me where you work and  
6 what your position is?

7 A At the present time, I'm the special assistant  
8 to the director of the office of inspection and  
9 enforcement at headquarters.

10 Q I see. And in 1981, what were your positions,  
11 and 1982?

12 A I came to Region IV as a deputy director for  
13 Region IV in December of 1980 and served in that capacity  
14 until November of 1981. November of 1981, I was  
15 appointed to the regional administrator, as the regional  
16 administrator of Region IV and served in that capacity  
17 until November of '84.

18 Q Mr. Collins, do you have before you a  
19 memorandum of December 15th, 1981 from William Dircks to  
20 Peter Bradford entitled Chronology Related to the Quadrex  
21 Report on South Texas?

22 A Yes, I do.

23 MR. SINKIN: Excuse me, is this CCANP 138?

24 MR. REIS: Mr. Chairman, this has been  
25 identified for the record as CCANP 138.

1           Q     (By Mr. Reis) Can you tell me, Mr. Collins,  
2 was that memorandum prepared under your direction and  
3 supervision?

4           A     Yes, it was.

5           Q     I see. And calling your attention to the  
6 chronology which appears on the second page of that  
7 memorandum, and to particularly the entries for August  
8 27, and the matters stated therein, do you -- are those  
9 items true and correct?

10          A     Yes, they are.

11          Q     Going to the entry for September 4th, 1981, and  
12 particularly the item B where it says Quadrex did not  
13 appear to identify any significant items not already  
14 known to NRC. Can you tell me whether that refers to  
15 what the Quadrex report stated as a whole or what the  
16 Region knew of the Quadrex report as of that date?

17          A     It was the Quadrex as a whole. Many of our  
18 inspection programs, although they're a small sampling,  
19 still identified many of the areas covered in the Quadrex  
20 report.

21          Q     I see. Now, did it come to your attention  
22 before that time that certain matters in the Quadrex  
23 report were reported by the Applicant?

24          A     Yes, they had reported I believe three  
25 50.55(e)'s prior to the time that we became aware of the

1 full Quadrex report.

2 Q Now, did you ever discuss with Mr. Oprea in  
3 late August the Quadrex report?

4 A Yes, I did.

5 Q Did you ever discuss with him his duties to  
6 report matters to the Board?

7 A I most certainly did. In a telephone  
8 conversation I had with Mr. Oprea, I advised him that he  
9 should seriously consider making that available to the  
10 Board and if he wouldn't, we would.

11 Q And about when was that?

12 A About August 27th.

13 Q Mr. Collins, I direct your attention to what is  
14 a Congressional document, entitled Quality Assurance in  
15 Nuclear Power Plant Construction, Oversight Hearing,  
16 Before the Subcommittee on Energy and the Environment of  
17 the Committee on Interior and Insular Affairs of the  
18 House of Representatives, 97th Congress, First Session,  
19 on Quality Assurance in Nuclear Power Plant Construction,  
20 of a hearing held on November 19th, 1981, identified as  
21 Serial No. 97-26.

22 Were you present at those hearings?

23 A Yes, I was.

24 Q And at those hearings, can you tell us first  
25 what the purpose of those hearings was?

1           A     The agency had been or had identified a number  
2 of significant quality assurance deficiencies in a number  
3 of plants. Congress, the oversight committee, one of the  
4 oversight committees for our agency, took very much of an  
5 interest in trying to identify whether or not the agency  
6 was assuring the public that these plants were being  
7 built properly and could be operated safely.

8                     Through those series or number of plants that  
9 had a significant quality assurance deficiency programs,  
10 they asked the Commission, namely the Chairman and the  
11 Executive Director, to appear before them for a detailed  
12 discussion on those QA breakdowns. That was the purpose  
13 of the hearing.

14           Q     Was there a written statement submitted by Mr.  
15 Dircks to the Committee at that point?

16           A     Yes, there was.

17           Q     And does that appear at pages 85 through 100 of  
18 that committee report?

19           A     That's correct. Yes.

20           Q     And was the South Texas Project discussed in  
21 that?

22           A     It was discussed in the written remarks by Mr.  
23 Dircks.

24           Q     Okay. And does that appear at pages 93 to 95?

25           A     Yes.

1           Q     What was the extent of NRC's knowledge  
2 concerning the matters testified to or in the written  
3 statement submitted at that time?

4           A     At that point, we had very little in depth  
5 knowledge as to the total significance of the Quadrex  
6 report.

7                     We had received a briefing by Mr. Hale who I  
8 had instructed to go down to the site and review the  
9 report after it was identified to me by Mr. Phillips.

10                    We were briefed by Mr. Hale; then we had a  
11 meeting at the request of HL&P to come up and discuss  
12 with us their initial views as to the findings or the  
13 recommendations and conclusions in the Quadrex report.

14                    Shortly after that, we received a copy of the  
15 report and we began to do our initial evaluation. But at  
16 the time of the hearing before the Committee, we had not  
17 had the benefit of a full evaluation from HL&P nor had we  
18 conducted our own internal evaluation of the report.

19           Q     With your knowledge now of what you know in the  
20 Quadrex report, do you -- would you have characterized it  
21 the same way as in this written statement?

22                    MR. SINKIN: Objection, Mr. Chairman. This was  
23 not the witness' written statement. This is someone  
24 else's written statement.

25           Q     (By Mr. Reis) Mr. Collins, did you review that



1 statement before it was submitted?

2 A Yes, I did.

3 Q And was it submitted with your concurrence?

4 A Yes, it was.

5 Q Would you have concurred today in that  
6 statement?

7 A Having known a little bit more now, I probably  
8 would have altered some of the language in the statement.

9 Q In what way would you have altered it?

10 A I don't think -- in the initial evaluation, we  
11 felt due to a lack of detailed information, that there  
12 were significant deficiencies identified. Upon further  
13 inspection and further evaluation, it lessened our  
14 concern for those deficiencies that were identified.  
15 Also I think to add to it, at this point in time in 1985,  
16 the findings of the Quadrex report were made part of the  
17 transition program that Bechtel had responsibility for  
18 disposing of all of those; we are ourselves did an in  
19 depth evaluation of the disposition, so that my remarks  
20 now would be totally different than what they were on  
21 initial evaluation.

22 Q With your knowledge now, do you think there was  
23 any breakdown in quality assurance on design reflected in  
24 the Quadrex report?

25 A I think it's difficult to say was there a



1 breakdown. "Breakdown" is such a hard word to use.

2 I think Quadrex identified areas in which the  
3 Brown & Root people and HL&P needed to have a greater  
4 oversight to make sure that things were done properly and  
5 that design was keeping up with construction. I wouldn't  
6 characterize it as a total and complete breakdown of  
7 quality assurance. That's too broad a statement.

8 Q Has this greater oversight that you just talked  
9 about about been performed?

10 A To the best of my knowledge, it was. It was  
11 before I left the region.

12 Q Mr. Collins, we discussed about your  
13 discussions with Mr. Oprea concerning notification to the  
14 Board. Did you ever have any discussions with Mr. --  
15 with anyone in -- let's pin down the time a little  
16 better. In late August or early September, did you are  
17 have any discussions with anyone in HL&P management  
18 concerning whether there was a need to report the Quadrex  
19 report as a whole as a 55(e) matter?

20 A At the meeting we had of September the 8th, to  
21 the best of my recollection, I believe I encouraged Mr.  
22 Oprea and Mr. Goldberg to seriously consider filing the  
23 entire report as a 50.55(e).

24 MR. REIS: That's all I have of this witness.  
25 He's now ready for cross-examination.

1 JUDGE BECHHOEFER: Mr. Sinkin.

2 CROSS-EXAMINATION

3 By Mr. Sinkin:

4 Q Mr. Collins, you said you served as regional  
5 administrator from November of 1981 through November of  
6 1984. In your position as regional administrator, did  
7 you review the inspection and enforcement reports in  
8 Region IV?

9 A Not each and every report before it was issued.

10 Q Did you ever review those reports that dealt  
11 with the disposition go of the Quadrex findings?

12 A I may or may not. I really couldn't tell you  
13 unless you had a specific reference.

14 Q Well, we'll try one.

15 A If my name appears on it, I probably reviewed  
16 it.

17 MR. SINKIN: Ask that this be marked CCANP 145.

18 (CCANP Exhibit No. 145 marked  
19 for identification.)

20 Q (By Mr. Sinkin) In July and August of 1984,  
21 Mr. Collins, was Region IV still closing out Quadrex  
22 items?

23 MR. REIS: Mr. Chairman, I object to the  
24 question as beyond the scope of direct.

25 MR. SINKIN: Well, let me think about that for

1 just a second. Seems to me that this witness has given  
2 his overall impression of the Quadrex report and what his  
3 opinion would be today if he were testifying as to the  
4 importance of the Quadrex report, and what the Quadrex  
5 reported really meant or means to the Nuclear Regulatory  
6 Commission today. I think this is within the scope of  
7 that testimony.

8 I think Mr. Chairman, my question stands apart  
9 from this particular document. I think the question is  
10 within the scope of direct regardless of the scope of  
11 this document.

12 JUDGE BECHHOEFER: We'll overrule the  
13 objection, but only insofar as Mr. Collins is familiar  
14 with this document, should he be asked questions about  
15 it.

16 MR. SINKIN: About the document, I understand.  
17 But this question is not about this document yet.

18 Q (By Mr. Sinkin) The question asked was whether --  
19 Mr. Collins was regional administrator from November of  
20 '81 through November '84, if I'm correct.

21 A Correct.

22 Q And my question is whether as of the time you  
23 were still regional administrator in late 1984, Region IV  
24 was still disposing of, closing out Quadrex items?

25 JUDGE BECHHOEFER: We'll allow that question.

1           A     I don't know. I don't remember. I think it's  
2     very difficult when a region puts out 700 reports to make  
3     sure what's in each and every report.

4           Q     (By Mr. Sinkin) Are you familiar with CCANP  
5     145 that I just handed you?

6           A     Am I familiar with it.

7           Q     Yes.

8           A     No.

9           Q     On the morning of August 27, 1981, did Mr.  
10    Phillips come to you and brief you on his review of the  
11    Quadrex report at the South Texas Project site?

12          A     On what date.

13          Q     August 27, '81?

14          A     Yes. Yes.

15          Q     And then later that day, you contacted Mr.  
16    Oprea?

17          A     That's correct.

18          Q     I want to show you CCANP 139 and ask if you  
19    remember this particular memorandum from Mr. Phillips to  
20    you.?

21          Q     Are you familiar with that memorandum?

22          A     Yes.

23          Q     Can you tell me the circumstances under which  
24    Mr. Phillips sent you this memorandum?

25          A     I believe the purpose of that was to provide to

1 us in writing the things that he essentially told us in  
2 the meeting that day, highlighting what his limited  
3 evaluation of the Quadrex was before he left the site.

4 Q Well, let me ask you to look closely at the  
5 memorandum. I think you'll see that there's only a few  
6 items there that would have come from the Quadrex report,  
7 many of them are prior to the Quadrex report.

8 A I guess you'd have to ask Mr. Phillips what his  
9 purpose in the memo was.

10 Q Okay.

11 Q Mr. Collins, the State of Texas in their  
12 interrogatories to the Nuclear Regulatory Commission  
13 asked what the basis was for the statement in this  
14 chronology that Mr. Hale said Quadrex did not appear to  
15 identify any significant items not already known to NRC,  
16 the item that Mr. Reis asked you about. In its response  
17 when asked to provide the documentation for that  
18 statement, the document in front of you is the document  
19 that was provided by NRC as the basis for Mr. Hale's  
20 statement.

21 MR. REIS: Mr. Chairman, can I see the  
22 interrogatory again? I don't think that reflects --

23 MR. SINKIN: I was --

24 MR. REIS: -- the complete statement or the  
25 sense of the statement. I think it was that this is one

1 of the things, not the complete thing.

2 MR. SINKIN: Mr. Reis, I very much wish I could  
3 show it to you and I thought I I had it with me this  
4 morning. But I'm embarrassed to say I don't seem to be  
5 able to find it.

6 MR. REIS: Perhaps your problem could be solved  
7 by rephrasing the question.

8 JUDGE BECHHOEFER: Unfortunately, I don't think  
9 the Board ever got copies. If we did, the --

10 MR. SINKIN: The NRC responses to the State of  
11 Texas interrogatories?

12 JUDGE BECHHOEFER: I don't remember that. We  
13 got the Applicants' responses but I don't think we got  
14 the Staff's responses. I'm not saying there's any  
15 obligation, I don't think there is. We did get sent  
16 copies of the Applicants'. I'm not complaining but I  
17 just can't help.

18 MR. SINKIN: I understand. I can't seem to  
19 help either.

20 Q (By Mr. Sinkin) Mr. Collins, the document in  
21 front of you prepared by Mr. Phillips in fact summarizes  
22 50.55(e) reports filed by Houston Lighting & Power in the  
23 design area in the period prior -- recent period prior to  
24 the Quadrex report. I guess my question  
25 is: Other than those 50.55(e) reports filed by Houston

1 Lighting & Power, what evidence did Region IV have of the  
2 deficiencies identified in the Quadrex report prior to  
3 seeing the Quadrex report?

4 A As I recall, of course, we also had the benefit  
5 of Mr. Phillips' prior knowledge of the 1,500 hold tags  
6 on the model. We had the benefit of all of our other  
7 ongoing routine inspection programs which although didn't  
8 identify serious breakdowns certainly there were  
9 deficiencies identified. I think that total picture,  
10 when we saw the findings in the Quadrex, most of them  
11 covered areas that we were already aware of.

12 We certainly didn't know the significance or  
13 the depth of the significance of the findings as the  
14 Quadrex report pointed out. \*

15 Q Were you aware of the report that Mr. Phillips  
16 had on the 15- or 1,600 hold tags prior to hearing his  
17 testimony here yesterday?

18 A Mr. Phillips communicated that to me, I  
19 believe, verbally and then sent it to us in a memo. It  
20 was either communicated to him or through his management.

21 Q At the time, he had --

22 A At the time, yes.

23 Q -- he had the conversation with the person at  
24 the project?

25 A When he requested that special inspection be



1 done, yes.

2 Q Do you know if in fact there was an I&E report  
3 on the 1,500 or 1,600 tags?

4 MR. REIS: Mr. Chairman, this is definitely  
5 beyond the scope of direct testimony, we're getting into  
6 other matters.

7 MR. SINKIN: This is what supporting evidence  
8 this witness in Region IV has for the statement by Mr.  
9 Hale that you specifically directed his attention to.

10 MR. REIS: It definitely is going into other  
11 matters that did not testify to on direct.

12 JUDGE BECHHOEFER: We'll sustain that objection  
13 in on the grounds that it's going beyond his testimony.

14 MR. SINKIN: I'm going to take this opportunity  
15 for a motion to reconsider, Mr. Chairman. Mr. Reis  
16 raised the question with him as to this specific item in  
17 the chronology that Quadrex did not appear to identify  
18 any significant items not already known to NRC.

19 Mr. Reis asked him to testify to that item as  
20 to what was the basis for that item, and he said that  
21 they were aware of many of the items in the Quadrex  
22 report, and that this applied to the Quadrex report as a  
23 whole.

24 I asked him what was the basis he had or Region  
25 IV had for their knowledge of what was in the Quadrex

1 report prior to receiving the Quadrex report, he  
2 specifically mentioned the 15- or 1,600 hold tags in  
3 engineering that Mr. Phillips brought up during his  
4 testimony. I'm now asking him whether there was in fact  
5 an investigation of that preliminary report that Mr.  
6 Phillips received that there were 15- or 1,600 hold tags.  
7 Either there was an investigation and they gathered  
8 information and they knew a lot about it or didn't have  
9 an investigation and had a nebulous report of what  
10 someone told Mr. Phillips. I think that goes to the  
11 statement of No. B means anything.

12 MR. REIS: Let me say this. A, it's beyond  
13 the scope of direct; two, the matters that Mr. Sinkin  
14 seeks to explore are already in Phillips' testimony with  
15 the identification of the particular I&E report. Mr.  
16 Sinkin has had that opportunity, he could look at the &E  
17 report and could have gone into it with Mr. Phillips  
18 yesterday. It certainly is beyond the scope of this  
19 witness' testimony.

20 MR. SINKIN: No, I don't believe that that is  
21 the 15- or 1,600 hold tag I&E report.

22 MR. AXELRAD: Mr. Chairman, I think that Mr.  
23 Phillips testimony was to the effect of the -- as to the  
24 items which led him to ask for a special inspection of  
25 the Brown & Root design effort. And then Mr. Phillips

1 testimony goes on to identify the particular vendor  
2 inspection report which resulted from that inspection.  
3 I'm not sure I understand Mr. Sinkin's response to Mr.  
4 Reis.

5 JUDGE BECHHOEFER: I think we will continue to  
6 sustain the objection. We do think it is beyond this  
7 witnesses direct testimony.

8 Q (By Mr. Sinkin) Prior to receiving the Quadrex  
9 report, was the Region IV office aware of problems in the  
10 computer codes at Brown & Root?

11 A I can't be sure we knew about that prior to  
12 that time.

13 Q Were they aware of the problem in undersized  
14 HVAC systems?

15 A If the region was aware of it, I don't recall  
16 being aware of it. Region -- People in the region may  
17 have, but it may not have escalated to my level.

18 Q Are you aware, Mr. Collins, that the regional  
19 office after receiving the Quadrex report conducted an  
20 investigation 82-02 into whether there had been a  
21 deliberate withholding of the Quadrex report?

22 A Yes, I'm aware of that.

23 Q Are you aware as part of that investigation,  
24 they cited Houston Lighting & Power for failing to make  
25 an early enough report on both the computer code and the

1 HVAC problem?

2 A Yes, I am aware of that.

3 Q Would Region IV normally cite Houston Lighting  
4 & Power for failing to make a report on something Region  
5 IV already knew about?

6 MR. REIS: Mr. Chairman, again, we're beyond  
7 the scope of direct examination.

8 MR. SINKIN: Mr. Chairman, I don't understand.  
9 Mr. Reis directs the witness' attention to a particular  
10 sentence in a chronology that says Quadrex did not appear  
11 to identify any significant items not already known to  
12 the NRC, he wants to be able to say, "Is that your  
13 statement applying to Quadrex?" Have the witness say,  
14 "Yes, that applies to Quadrex," but I don't get to  
15 cross-examine on the basis for that statement by the  
16 witness.

17 MR. REIS: Mr. Chairman, that mischaracterized  
18 the September 4th statement in the exhibit. The exhibit  
19 does not say that all these matters were known to the  
20 witness before the Quadrex report was issued. The  
21 statement is that as I interpret it, was that on Mr.  
22 Hale's review of Quadrex, he didn't find any more  
23 significant items not already known.

24 MR. SINKIN: Are you saying that because Mr.  
25 Phillips had already seen it, Mr. Hale didn't see

1 anything Mr. Phillips didn't see? Is that how you read  
2 that sentence?

3 MR. REIS: My reading of that statement is that  
4 the matters were already reported in May, as to the  
5 matters you are asking about.

6 MR. SINKIN: I see. Okay.

7 JUDGE BECHHOEFER: If we haven't, we'll sustain  
8 that objection, if we haven't done so already.

9 Q (By Mr. Sinkin) Mr. Collins, during the period  
10 of time between May 1981 and the release of the Quadrex  
11 report in late September 1981, did Houston Lighting &  
12 Power or was Houston Lighting & Power required to get NRC  
13 approval in order to proceed with major construction  
14 activities at the South Texas Nuclear Project.

15 MR. REIS: Mr. Chairman, I have two objections  
16 to that question. A, The report was released in May; Mr.  
17 Sinkin perhaps misspoke and he meant when it was given to  
18 the NRC.

19 MR. SINKIN: That's what I meant.

20 MR. REIS: The second thing is it again what  
21 matters and what approvals were given between the  
22 issuance of the Quadrex report in May and the giving of  
23 the Quadrex report to the Commission in August or  
24 September, is beyond the scope of direct examination.

25 MR. SINKIN: Well, Mr. Chairman I guess we're

1 now entering the situation where the NRC has not produced  
2 witnesses responsive to the items I listed in the  
3 identification of witnesses. I wanted Mr. Seyfrit on  
4 just this point; they did not produce Mr. Seyfrit, they  
5 produced Mr. Collins who supposedly could answer for Mr.  
6 Seyfrit on these kinds of matters. Now Mr. Collins is  
7 not going to be giving direct testimony responsive to my  
8 request.

9 MR. REIS: Mr. Chairman, Mr. Collins is here at  
10 the direction of the Board for those items the Board  
11 directed. Not items that Mr. Sinkin happens to set forth  
12 in why he requested them. The Board passed upon that and  
13 said what it wanted to hear Mr. Collins to. We've had  
14 it, I expanded it slightly, but that's all that Mr.  
15 Collins is hear for.

16 MR. SINKIN: Well, I think that answers the  
17 point I'm raising, then the NRC is not responding to the  
18 matters I asked there be testimony about and we're  
19 entitled to have a witness respond to those. So I'd like  
20 to have Mr. Seyfrit called.

21 MR. REIS: I'm not not sure that these are  
22 material to the proceeding; it's a little late.

23 MR. AXELRAD: Mr. Chairman, if I could be heard  
24 briefly. I would agree with the remarks made by Mr.  
25 Reis. Clearly these matters are beyond the scope of Mr.



1 Collins' testimony, but more importantly, it does not  
2 appear that inquiry into those kinds of subjects would be  
3 relevant, and material to the issues before in  
4 proceeding.

5 MR. REIS: Further let me also indicate that  
6 there is some testimony already on this subject in Phase  
7 I. I believe releases for construction as a result of  
8 the end of the -- as a result of 79-19, the Applicants  
9 hold, this is my memory and it's a long time ago, but the  
10 Applicants hold on construction after 79-19 and how they  
11 released and requested us to release parts of the matters  
12 relating to welding, relating to soils, relating to other  
13 matters was gone into in Phase I. I see no reason to go  
14 into it here again.

15 MR. SINKIN: Mr. Chairman, as we stated quite  
16 clearly in our opening statement, as we stated in our  
17 specification of testimony we wanted from witnesses, we  
18 consider one measure of the character and competence of  
19 HL&P the fact that they continued to request NRC approval  
20 to proceed with major construction activities while they  
21 had the Quadrex report and the NRC did not. And that's  
22 been a point in our case from the very beginning and we  
23 asked for NRC witnesses who could be responsive on that  
24 point. And the Chair, the basic message we got from the  
25 Board was that the NRC staff was going to produce



1 witnesses that hopefully would be able to respond to the  
2 questicns that we were raising; if they were not able to  
3 respond to the questions we were raising, we could then  
4 reurge the Board to call other NRC witnesses because the  
5 exceptions as stated in the rule would have been met.

6 MR. AXELRAD: Mr. Chairman, as Mr. Reis has  
7 pointed out, the fact that releases for construction were  
8 requested by HL&P throughout that period are a matter of  
9 record. If what Mr. Sinkin is trying to do is to obtain  
10 that information directly right now, at best it would be  
11 duplicative active. If he wishes in his proposed  
12 findings and conclusions to reach some judgment on  
13 char'acter based on those requests being made he's  
14 perfectly able to do so. There's no need to examine this  
15 NRC witness or any other witness with respect to that  
16 subject. That subject is not contraverted. Everyone  
17 knows and the record reflects that requests for  
18 continuing construction were made during that time frame.

19 MR. SINKIN: Yeah, but there are some questions  
20 that didn't get to get asked by putting it in the context  
21 of Quadrex and Quadrex was not allowed as a subject for  
22 cross-examination curing Phase I.

23 JUDGE BECHHOEFER: The Board has decided that  
24 although this matter is beyond Mr. Collins' direct, we do  
25 believe that the question whether the availability to

1 Region IV of the Quadrex report between May and August or  
2 September when Region IV received it and its potential to  
3 have affected releases for construction is a legitimate  
4 subject for inquiry. Now, if Mr. Collins is prepared to  
5 answer questions of that sort, we will permit them. If  
6 he isn't, we will have to consider whether further  
7 testimony is needed. But if Mr. Collins is able to  
8 answer those questions, we will permit him to do so.

9 (No hiatus.)  
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1           MR. REIS: Mr. Chairman, in setting forth what  
2 the Board thought Mr. Collins' testimony should  
3 encompass, the Board in the past has only cited the  
4 hearings, it did not cite this matter. The Board's  
5 order providing for his testimony only went that far.

6           JUDGE BECHHOEFER: We recognize that, but we  
7 also recognize that when we ruled out Mr. Sinkin's other  
8 request, we did it with the caveat that we thought the  
9 Staff had the right to present witnesses on the various  
10 subjects and we would see whether their witnesses were  
11 able to address the subjects in question and we would  
12 reconsider after the witnesses had been present whether  
13 they were able to do so.

14           So, we think that Mr. Collins might be  
15 appropriate to answer these questions and, if not, we  
16 will have to, as I say, reconsider some of the other  
17 requests for the witnesses.

18           MR. REIS: It certainly is beyond the scope of  
19 the Board's prior order and the Board's prior order  
20 definitely only indicated the Congressional testimony  
21 and did not go to these matters. We did not prepare for  
22 these matters.

23           JUDGE BECHHOEFER: Well, all we're saying is  
24 that the witness can answer these questions. I don't  
25 know how extensive Mr. Sinkin wants to go into them,

1 but --

2 MR. SINKIN: It wasn't that extensively.

3 MR. REIS: The Board has ruled.

4 MR. SINKIN: I think -- as I understand what  
5 the Board is saying is we all agree what Mr. Collins was  
6 called to testify about and maybe Mr. Collins is not to  
7 be the witness to testify about the matter I'm seeking  
8 information on. But that I would then be entitled to  
9 some witness to testify on that matter if it's not Mr.  
10 Collins.

11 MR. REIS: That definitely is foreclosed by  
12 the Board's prior rulings. That is absolutely  
13 foreclosed.

14 JUDGE BECHHOEFER: No, we did not go that far,  
15 but we did say that if Mr. Collins could answer  
16 questions on the subject that was covered by your  
17 earlier request, then we said we would consider after  
18 the hearing whether these matters had been adequately  
19 dealt with by the Staff.

20 MR. SINKIN: And if they had not?

21 JUDGE BECHHOEFER: And if they had not, we  
22 would at least consider calling --

23 MR. SINKIN: Calling additional witnesses,  
24 that's all I meant to say.

25 JUDGE BECHHOEFER: Yeah.

1 MR. AXELRAD: I would just point out, Mr.  
2 Chairman, that Mr. Sinkin did not attempt to question  
3 any of the other Staff witnesses with respect to any of  
4 these subjects, including Mr. Phillips who may have had  
5 personal knowledge of some of these matters.

6 MR. SINKIN: Well, Mr. Phillips had no  
7 administrative authority to approve or disapprove the  
8 activities of Houston Lighting & Power. I think that  
9 was clear. The authority rested in either Mr. Collins  
10 or Mr. Seyfrit during this period as to continuing  
11 activities at the project and those were the people I  
12 identified as the authority figures we wanted to  
13 question about this.

14 JUDGE BECHHOEFER: Well, if Mr. Collins can  
15 answer these questions, we will let him do so and we'll  
16 see how -- and we also realize that we will treat your  
17 first question as a foundation question because I'm sure  
18 that information is someplace in the Phase I record  
19 whether there were releases. But as a foundation  
20 question, you can ask Mr. Collins whether he recollects  
21 any during that particular period of time.

22 Q (By Mr. Sinkin) I won't even ask you if you  
23 remember the question, Mr. Collins, we'll just start all  
24 over again.

25 A No, I remember it. Go ahead and repeat it

1        anyway.

2            Q        During the period from May of 1981 through the  
3        actual release of Quadrex to the NRC in September of  
4        1981, was it required that Houston Lighting & Power seek  
5        approval of Region IV in order to proceed with major  
6        safety-related construction activities?

7            A        Mr. Sinkin, without referring and refreshing  
8        my memory from the file, I can't say for sure. I would  
9        suspect that that order was still in effect and that we  
10       were still making releases, but that's been so long ago,  
11       I can't tell you for sure whether or not there was or  
12       what was it or anything else. I'd have to go refer to  
13       the file.

14           Q        Well, let me refer you to what I ask be marked  
15       as CCANP 146, I believe.

16                    (CCANP Exhibit No. 146 marked for  
17                    identification.)

18           Q        (By Mr. Sinkin) Actually, let me back up for  
19       one second, Mr. Collins.

20                    At the September 8th briefing that you  
21       received from HL&P, did they provide copies of the  
22       Quadrex report to Region IV at that time?

23           A        No.

24           Q        So, as of September 18th, 1981, the date of  
25       this letter, Region IV had not actually seen the Quadrex



1 report other than Mr. Phillips and Mr. Hale?

2 A And HL&P's briefing of us of the significant  
3 findings and recommendations.

4 Q I understand. But at that briefing you did  
5 not see the report itself?

6 A Yes, that's correct.

7 Q Does CCANP 146 refresh your recollection as to  
8 whether at this time, September 1981, HL&P was still  
9 required to have NRC approval to proceed with major  
10 safety-related construction activities?

11 A Yes, sir, according to this that was in  
12 effect.

13 MR. REIS: Mr. Chairman, let me note for the  
14 record that Mr. Sinkin has mischaracterized this. This  
15 refers only to safety-related ASME welding and complex  
16 concrete and it is not all safety-related material.

17 THE WITNESS: That's correct.

18 Q (By Mr. Sinkin) Were there other  
19 safety-related areas of construction activity that  
20 Houston Lighting & Power did not have to have approval  
21 of NRC to proceed on?

22 A No, they had a request in to proceed with any  
23 safety-related construction activities. But, Mr.  
24 Sinkin, I fail to see a connection between this  
25 particular work on ASME welding and safety complex



1 concrete with Quadrex.

2 Q Well, my next question, Mr. Collins, was going  
3 to be whether in making the decisions as to whether HL&P  
4 would be allowed to proceed with major safety-related  
5 activities at the South Texas Nuclear Project in the  
6 period from May to September of 1981, whether when  
7 making those decisions if you had had the Quadrex report  
8 delivered in May of 1981 to you, it might have  
9 influenced your decision on whether to allow HL&P to go  
10 forward with those safety-related activities?

11 MR. REIS: Mr. Chairman, that question is much  
12 too vague to get a meaningful answer and I object to the  
13 question "might have influenced." We must -- we're  
14 dealing with matters here where we deserve decent  
15 questions. "Might have influenced" is much too vague.  
16 Anything is -- we often say anything is possible.

17 JUDGE BECHHOEFER: Could you be a little  
18 more --

19 Q (By Mr. Sinkin) Would you have been less  
20 likely to approve the HL&P requests for safety-related  
21 activities to proceed in the period from May 1981  
22 through September 1981 had you had the Quadrex report  
23 available to you in May of 1981?

24 MR. AXELRAD: Mr. Chairman, I don't see how  
25 that particular question is any less vague than "might

1 have influenced." It's exactly the same question just  
2 in different terminology.

3 It seems to me that if Mr. Sinkin wants to  
4 refer to any specific request that was made and ask the  
5 witness whether he knows what kind of influence, if any,  
6 the Quadrex report would have had with respect to that  
7 request, that might be a permissible question. But a  
8 general question of that kind just would not contribute  
9 meaningfully to this record.

10 MR. SINKIN: I don't agree, Mr. Chairman. I  
11 think the question asks the overall impact that Quadrex  
12 might have had on the ongoing process of the NRC Staff's  
13 deciding whether HL&P should go forward with  
14 safety-related activities at the project.

15 JUDGE BECHHOEFER: I think the answer would be  
16 different depending on the particular activity and I'm  
17 not sure you can answer the question broadly.

18 Mr. Collins, am I not correct?

19 THE WITNESS: Absolutely. I would say the  
20 same thing.

21 JUDGE BECHHOEFER: We'll sustain the  
22 objection. It seems to be a broad question.

23 Mr. Collins, also on this particular document,  
24 CCANP 146 for identification, given the date of  
25 September 18, 1981, would not your staff who would have

1 reviewed this request, or I shouldn't say your staff,  
2 but the Region IV staff who would have reviewed this  
3 request have included some of the persons who had been  
4 made aware of the Quadrex report earlier, either late  
5 August or early September?

6 THE WITNESS: Oh, sure. Sure. Many of the  
7 same people would have been involved in this decision  
8 that were aware of Quadrex.

9 Q (By Mr. Sinkin) Aware of, but not having  
10 reviewed; is that correct?

11 A I think that there were very few people in the  
12 construction group, reactor construction group that did  
13 not have a full appreciation of the findings of Quadrex  
14 in the region.

15 Q At this time?

16 A At this time, yes. Most of the staff who had  
17 any involvement with the South Texas Project, be they  
18 section chief, branch chief, division or deputy, were  
19 fully aware of the findings that were made known to the  
20 Staff and those same people would have made a review and  
21 evaluation of STP's request to go on with ASME welding.

22 Q By the findings made known to the Staff, you  
23 mean the three reports that were made on May 8th or do  
24 you mean the entire Quadrex report?

25 A I'm talking about the findings that Mr.

1     Phillips gave to us, the findings that Mr. Hale came  
2     back with and the briefing by HL&P on September the  
3     8th. The same people in attendance at that meeting  
4     would have participated in a review and evaluation and a  
5     decision on this piece of paper here.

6           Q     They were fully aware of the Quadrex report?

7           A     Well, you keep using the "word fully" aware  
8     and I'm trying to say to you based on the information  
9     that we had from Mr. Phillips, Mr. Hale and HL&P. Now,  
10    fully aware to me means something different.

11          Q     Was that same awareness available to the  
12    people who prepared the testimony to Congress of Mr.  
13    Palladino and Mr. Dircks?

14          A     I can't be sure of everybody who prepared the  
15    testimony to Congress for Mr. Palladino and Mr. Dircks.

16          Q     Who do you know was involved in preparing  
17    that?

18          A     Me for one.

19                Normally when testimony is prepared for  
20    Congress, it is done in our headquarters, not in our  
21    regional offices.

22          Q     But in this instance the regional office had a  
23    major input on it?

24          A     Absolutely. I reviewed and had input on it  
25    for Mr. Dircks. I'm certainly not going to advise the

1 Commission to stand before Congress and tell them  
2 something that isn't true.

3 Q Thank you.

4 JUDGE BECHHOEFER: Mr. Sinkin?

5 MR. SINKIN: Yes.

6 JUDGE BECHHOEFER: I wanted to ask you one  
7 thing. I don't believe you formally offered or at least  
8 that we have formally accepted CCANP 138.

9 MR. SINKIN: I don't believe that or the  
10 testimony before Congress actually came into evidence  
11 during the direct and I'm about to cure that problem.

12 JUDGE BECHHOEFER: Well, I was just wondering  
13 about 138 anyway. The testimony of Congress we don't  
14 have copies of, but we have a reference to and we can  
15 take official notice of it.

16 MR. SINKIN: Well, I think I'll go ahead and  
17 introduce the exhibit, Mr. Chairman, just so everyone  
18 will have it and it will clearly be in the record.

19 First of all, I do want to move --

20 MR. AXELRAD: Mr. Chairman, if I could  
21 interrupt for just a minute. The question of taking  
22 official notice of the Congressional statement, the only  
23 thing that I assume that the Board has in mind is that  
24 the Board would note that such testimony was given and  
25 appears in that Congressional hearing. That would not

1 be taken as accepting taking notice of the truth of the  
2 matters stated in that statement.

3 JUDGE BECHHOEFER: If we did it that way, then  
4 Mr. Collins' testimony concerning it would be -- we  
5 would rely on Mr. Collins' testimony concerning it if we  
6 did it that way.

7 MR. AXELRAD: I'm sorry. If you did what that  
8 way? I'm not --

9 JUDGE BECHHOEFER: If we took official notice  
10 of the statement, we would take official notice that the  
11 statement was made and what it said, not for the truth.  
12 For the truth we would rely on Mr. Collins' --

13 MR. AXELRAD: Fine.

14 JUDGE BECHHOEFER: If it's offered otherwise,  
15 we may --

16 MR. AXELRAD: Fine. I just wanted to make  
17 sure I understood that.

18 MR. SINKIN: Well, now I'm not so sure I  
19 understand that. I mean --

20 JUDGE BECHHOEFER: With an offer --

21 MR. SINKIN: If what you're taking official  
22 notice of is a sworn statement by the executive director  
23 of operations before the Congress of the United States,  
24 I am not sure why there's any question as to the truth  
25 of the matters stated therein.



1 JUDGE BECHHOEFER: I'm not even sure it's  
2 sworn.

3 MR. SINKIN: It is sworn.

4 MR. AXELRAD: It isn't.

5 THE WITNESS: No, it's not sworn.

6 MR. REIS: The statement was submitted to  
7 Congress as part of sworn testimony.

8 JUDGE BECHHOEFER: I see. Okay.

9 MR. REIS: But the important thing is there is  
10 subjective truth and objective truth and I hate to get  
11 into this, but there is no question that Mr. Dircks was  
12 honest. We're not saying that Mr. Dircks wasn't honest  
13 before Congress. I think Mr. Collins has fully  
14 testified as to the circumstances, what we knew at that  
15 time and what we know now and I think that's exactly  
16 what we're saying. And there's no question -- there's  
17 no question that this was given before Congress and Mr.  
18 Dircks was an honest witness before Congress. I mean,  
19 it's just ridiculous to suppose otherwise.

20 MR. SINKIN: Well --

21 MR. REIS: I think Mr. Collins illucidated  
22 those matters already.

23 I would not object to Mr. Sinkin putting it in  
24 as accompanying the record, but it's already in a  
25 Congressional hearing document and as such could be

1 cited to the hearing document.

2 Mr. Sinkin I see on his desk has part of the  
3 complete hearing. I think the whole hearing would have  
4 to be as well -- could be referred to as well in order  
5 to get it into context. Just taking part of it out is  
6 not sufficient.

7 MR. SINKIN: Well, what I am -- let me get to  
8 the exhibit in a moment, all right, and we'll discuss  
9 what's in it.

10 First, I want to deal with CCANP 138 which Mr.  
11 Collins did testify was prepared under his direction and  
12 I would like to move CCANP 138 into evidence.

13 MR. REIS: No objection.

14 MR. AXELRAD: No objection, Mr. Chairman.

15 JUDGE BECHHOEFER: CCANP 138 will be admitted  
16 into evidence.

17 (CCANP Exhibit No. 138 admitted in  
18 evidence.)

19 MR. SINKIN: And I will distribute what I ask  
20 be marked as CCANP 147 which is the testimony of Nunzio  
21 J. Palladino before the Congress of the United States  
22 and an excerpt of the testimony from Mr. Dircks that  
23 deals with his introductory remarks and then his remarks  
24 specifically related to South Texas. What is left out  
25 are his remarks about other nuclear power plants.

1 (CCANP Exhibit No. 147 marked for  
2 identification.)

3 MR. REIS: Mr. Chairman, the Staff on this  
4 exhibit doesn't mind it being marked for identification  
5 and accompanying the record. Really we think the best  
6 proof of this is not a typed statement but the printed  
7 Congressional record -- when I say record, Congressional  
8 document is what I mean of the hearing itself which is,  
9 of course, the best evidence.

10 MR. AXELRAD: Mr. Chairman, the Applicants  
11 join in Mr. Reis' objection to CCANP 147 being admitted  
12 into evidence.

13 As Mr. Reis has pointed out, the actual  
14 testimony in its entirety is contained in the  
15 Congressional record, in the record of the Congressional  
16 hearing which has already been cited. Reference can be  
17 made to that testimony for such purposes as CCANP thinks  
18 are appropriate. But the facts before this Board are  
19 the facts as testified to by Mr. Collins and the  
20 testimony should not be admitted into the record.

21 MR. SINKIN: Well, Mr. Chairman, I think the  
22 testimony that's being offered here today is the  
23 testimony that Mr. Collins actually reviewed prior to  
24 being -- the statement being made to Congress and that  
25 it's this testimony that Mr. Collins was indeed

1       testifying about as opposed to anything different that  
2       might have been said to Congress.

3               JUDGE BECHHOEFER: Ask him.

4               MR. SINKIN: Well, I'll be happy to.

5               Q       (By Mr. Sinkin) Is this the testimony that  
6       you reviewed prior to it being delivered to Congress,  
7       Mr. Collins?

8               A       The testimony that I reviewed was the portion  
9       referred in Mr. Palladino's testimony referring to South  
10      Texas only.

11              Q       Mr. Palladino or Mr. Dircks?

12              A       Mr. Dircks' testimony.

13              Q       Mr. Dircks' testimony on South Texas is what  
14      you reviewed?

15              A       That's correct. That's correct.

16              Q       So, your testimony addresses basically page 7,  
17      8, 9 --

18              A       I believe in my prior testimony Mr. Reis asked  
19      me about particular pages in Mr. Dircks' that begin on  
20      93 and go to 95 referring to South Texas. That's what I  
21      reviewed period.

22              Q       But is that the same as the document that I've  
23      handed you marked CCANP 147 starting at page 7?  
24      Numbered page 7, I should say.

25              A       It appears to be.

1 MR. REIS: Mr. Chairman, I don't understand  
2 why we're going around on this. We have a Congressional  
3 document which is obviously the best evidence. I don't  
4 know whether this is the same or not the same. We can  
5 use the Congressional document. There is no problem in  
6 citing it in findings, in briefs or anything else we  
7 want to use it for.

8 MR. SINKIN: Actually, no, Mr. Chairman, in  
9 this instance the document in front of the witness that  
10 I've just handed him is the best evidence of what the  
11 witness reviewed. He didn't review the Congressional  
12 record, he reviewed the statement before it was given.

13 MR. AXELRAD: Mr. Chairman, obviously prior to  
14 giving testimony today the witness reviewed those pages  
15 in the Congressional record so he was able to testify  
16 that it was, in fact, what he had reviewed.

17 MR. SINKIN: Well, we have two reviews I guess  
18 is the problem.

19 MR. REIS: May I say something? We're using  
20 the word "record" loosely here. It's a Congressional  
21 document. I just want the record to -- this Board's  
22 record to reflect that.

23 MR. SINKIN: When you say a Congressional  
24 document, that means it's not in the Congressional  
25 Record and not available through --

1 MR. REIS: It's a Congressional document  
2 through the Government Printing Office and you can get  
3 it.

4 MR. SINKIN: Okay. I just want to be sure.

5 MR. REIS: Yes. When I say not in the  
6 Congressional Record, the Congressional Record is a  
7 particular publication of the proceedings day by day in  
8 Congress. It is a Congressional document published --  
9 printed for the use of the Committee on Interior and  
10 Insular Affairs available through the Government  
11 Printing Office.

12 MR. PIRFO: I believe, if I may be so bold,  
13 this blue book citation would be Subcommittee Report  
14 Number 97-26, First Session, 1982. House of  
15 Representatives Subcommittee Report, I might add. Sorry  
16 about that.

17 JUDGE BECHHOEFER: The Board thinks that some  
18 party should Xerox pages 93 through 95 and put them in  
19 the record, the ones that Mr. Collins said he reviewed  
20 his testimony about. The rest we can take official  
21 notice of --

22 MR. REIS: We will mail it to the Board and  
23 the parties, those pages.

24 JUDGE BECHHOEFER: I assume those are the --  
25 I'm just taking this from my notes of Mr. Collins'



1 direct testimony. I assume those pages are the ones  
2 that have what's comparable to pages 7 through 9 of this  
3 document.

4 MR. REIS: Yes, it is.

5 JUDGE BECHHOEFER: I'm not saying it has to be  
6 identical, but at least the comparable pages.

7 MR. REIS: Yes.

8 MR. SINKIN: Well, then I guess we'll just let  
9 CCANP 147 travel along with the record.

10 JUDGE BECHHOEFER: Right. Just --

11 MR. SINKIN: Assuming there will be no  
12 problem.

13 JUDGE BECHHOEFER: We'll admit into evidence  
14 those three pages, just the South Texas pages.

15 Q (By Mr. Sinkin) Mr. Collins, to go back for a  
16 moment to this --

17 JUDGE BECHHOEFER: We were thinking how we  
18 would identify the three pages in terms of since more of  
19 CCANP 147 is traveling with the record than the three  
20 pages.

21 MR. SINKIN: Oh. Well, the purpose of the  
22 exhibit was to introduce really two things. One was the  
23 testimony of Mr. Palladino which sets the context in  
24 which Mr. Dircks is testifying, then the opening part of  
25 Mr. Dircks' testimony which further delineates the

1 context in which he's testifying, and then the specific  
2 pages dealing with South Texas.

3 MR. REIS: Mr. Chairman, that's why we think  
4 the whole report, it would be best that it not be  
5 evidence, not be in there and just cite to the  
6 Congressional documents. There's nothing wrong with  
7 that.

8 MR. SINKIN: All I'm saying is that everything  
9 in the document I submitted should theoretically be in  
10 the Congressional record too so that if the whole thing  
11 travels along, there shouldn't be any problem.

12 JUDGE BECHHOEFER: What we were drawing a  
13 distinction with is the particular three pages which Mr.  
14 Collins reviewed and which he can answer for the truth  
15 of. The rest of it I'm not sure. We don't have  
16 testimony to that effect. We would have to treat it  
17 differently the way I view it.

18 MR. SINKIN: Well, maybe I can cure that.

19 Q (By Mr. Sinkin) Mr. Collins, were you present  
20 when Mr. Palladino testified at Congress?

21 A Yes.

22 Q And in CCANP 147, the first two or three  
23 pages, does that reflect what Mr. Palladino said in his  
24 remarks?

25 A I'd have to --

1           Q     Perhaps even better, you have the  
2 Congressional record of this whole episode; is that  
3 correct?

4           A     Yes.

5           Q     And prior to testifying here today, did you  
6 review the entire section that dealt with Mr.  
7 Palladino's and Mr. Dircks' testimony?

8           A     Yes, I did.

9           Q     And the testimony you gave regarding -- the  
10 testimony you gave regarding the purpose of the NRC  
11 testimony at those Congressional hearings, does that  
12 apply to that entire section of the record that you  
13 reviewed of Mr. Palladino and Mr. Dircks?

14          A     The purpose of the meeting is identified in  
15 the opening statement by the Chairman of the Committee  
16 and that is part of Mr. Palladino's testimony, Mr.  
17 Dircks' testimony is a part of that official document.

18          Q     And you actually reviewed pages 85 through  
19 100?

20          A     Yes, I did. Yes.

21               MR. SINKIN: Well, Mr. Chairman, I would just  
22 suggest, in order not to confuse the record, pages 85  
23 through 100 come in as the appropriate exhibit through  
24 this witness.

25               MR. AXELRAD: Mr. Chairman, I don't understand

1     how Mr. Sinkin believes that his current line of  
2     questioning has improved the situation at all with  
3     respect to anything other than pages 93 to 95.

4             Obviously Mr. Collins was present when the  
5     testimony was provided and he apparently had reviewed  
6     those portions of the statement. But the only testimony  
7     he has given that he can attest to the truth of is the  
8     testimony that specifically deals with the South Texas  
9     Project. And to whatever extent Mr. Collins is aware  
10    what the general purpose of the hearing was and the  
11    general purpose of the testimony, he certainly is in no  
12    position to testify with respect to Mr. Palladino's  
13    testimony or with respect to Mr. Dircks' general  
14    remarks.

15            I believe that the record should be left the  
16    way that it was proposed by Mr. Reis and that is that  
17    all of the testimony is available in that Congressional  
18    print. Mr. Collins has testified specifically with  
19    respect to the STP-related aspects. He has also  
20    testified of his own personal knowledge as to what he  
21    believed various purposes of the testimony was.

22            And to the extent that Mr. Sinkin wishes to  
23    use Mr. Collins' direct testimony today as part of his  
24    proposed findings and conclusions, he's perfectly free  
25    to do so. But to additionally attempt to bring in

1 statements made by Mr. Palladino and Mr. Dircks which  
2 are not directly related to the South Texas Project for  
3 the truth of the matters stated therein is just not  
4 appropriate.

5 MR. SINKIN: Fine. We'll reurge we'd like to  
6 call Mr. Dircks in order to get the appropriate context  
7 as the truth of the matter therein of his testimony.

8 MR. AXELRAD: Well, Mr. Sinkin is obviously  
9 perfectly free to ask the Board to do that, but that  
10 obviously would not be a material contribution to this  
11 record and nothing would be gained by bringing Mr.  
12 Dircks in for those purposes that can't be gained by  
13 simply using Mr. Collins' direct testimony and whatever  
14 use Mr. Sinkin cares to make of the remarks that are  
15 contained in the Congressional print.

16 MR. REIS: Mr. Chairman, I believe you've  
17 ruled on this matter already and I think there's been  
18 discussion back and forth.

19 JUDGE BECHHOEFER: The Board has decided that  
20 we will admit only the three pages for the truth of what  
21 they state, the three pages referring to South Texas,  
22 whether they be 93 through 95 or 7 through 9. I guess  
23 we will refer to the official Congressional print, but  
24 we will refer to those three pages as CCANP Exhibit  
25 147-A and the rest of it we won't accept for the truth,

1 but we will allow the rest of it to travel with the  
2 record as CCANP 147.

3 MR. REIS: Mr. Chairman, your statement gives  
4 me a little pause because you say for the truth. It  
5 certainly doesn't mean that the matters therein are  
6 established, it means that they come in together with  
7 the witness' testimony in regard to them.

8 JUDGE BECHHOEFER: Of course. Of course.

9 MR. REIS: Okay.

10 JUDGE BECHHOEFER: Just like any other  
11 paragraph or two in testimony.

12 MR. REIS: Thank you.

13 JUDGE BECHHOEFER: For the purposes of the  
14 reporter, I guess you could put a 147-A as a separate  
15 marking of 147, for the three pages. It will all be in  
16 one document. And the 147 we are not admitting into  
17 evidence, the 147-A we are.

18 (CCANP Exhibit No. 147-A admitted in  
19 evidence.)

20 MR. SINKIN: Well, Mr. Chairman, just so our  
21 objection is clear on the record, I think the only  
22 reason that 147 is not coming in in its entirety is the  
23 NRC policy on who they produce to testify and who they  
24 don't and that CCANP did request the testimony of  
25 William J. Dircks and had Mr. Dircks been here, the



1 entire document could have come in.

2 As it is, we will have available the specific  
3 remarks on South Texas, but apparently not the context  
4 as Mr. Dircks set it forth in his testimony, we will  
5 have a context that Mr. Collins sets forth in his  
6 testimony.

7 JUDGE BECHHOEFER: Then you can ask Mr.  
8 Collins questions about the remainder of the statement  
9 here. I'm not saying that's out of bounds for  
10 questioning, it's just the treatment we'll give to the  
11 document itself.

12 Q (By Mr. Sinkin) Mr. Collins, in the testimony  
13 being given to Congress, the overall subject was quality  
14 assurance, was it not?

15 MR. AXELRAD: I'm sorry. Could I have that  
16 question repeated, please?

17 Q (By Mr. Sinkin) In the testimony being given  
18 to Congress by Mr. Palladino and Mr. Dircks on November  
19 the 19th, 1981, was the overall topic quality assurance  
20 for nuclear power plants?

21 MR. AXELRAD: Nuclear --

22 A Yes. Quality assurance and construction of  
23 nuclear power plants. It had nothing to do with plants  
24 in their operation.

25 Q (By Mr. Sinkin) Quality assurance in plants

1 under construction --

2 A That's correct.

3 Q -- as opposed to plants under operation?

4 A That's correct.

5 Q And in quality assurance for plants under  
6 construction, the NRC was telling Congress that the NRC  
7 depends heavily on the license holder or the  
8 construction permit holder to see that there's a good  
9 quality assurance program; is that correct?

10 A Yes.

11 Q That the NRC itself can only inspect a very  
12 small percentage of the activities that go on at a plant  
13 under construction; is that correct?

14 A That's Mr. Palladino's statement and Mr.  
15 Dircks' statement.

16 Q And that in assuring the quality of plants  
17 that are under construction, among the items the NRC  
18 looks for are the careful selection of engineering  
19 specifications that go into that project?

20 MR. REIS: Mr. Chairman, I don't understand  
21 the question because I don't know whether the question  
22 asked was that the testimony or whether it is something  
23 that the NRC does.

24 MR. SINKIN: I find this whole exercise kind  
25 of bizarre, Mr. Chairman, to walk through the testimony

1 and say was this the testimony, was this the testimony.  
2 I can do this for the next eight pages here, but it's  
3 kind of a funny situation to be in. I mean, the obvious  
4 answer is in the pages, yes, that's what the testimony  
5 was. But I have to have him say that's what the  
6 testimony was because the guy who could say "Yes, this  
7 is my testimony" isn't here. But I'm -- I'm willing to  
8 go through it.

9 MR. REIS: Mr. Chairman, I don't understand  
10 what CCANP is trying to establish and I don't know what  
11 the --

12 MR. SINKIN: Well, there is some very --

13 MR. REIS: -- materiality -- maybe if CCANP  
14 sets out where it is going, we can shorten this  
15 process.

16 (No hiatus.)  
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1           MR. SINKIN: Well, we think there's some very  
2 important statements in the opening part of Mr. Dircks'  
3 testimony to Congress that give the NRC's views of what a  
4 utility is supposed to do as a construction permit  
5 holder, including in the areas of engineering, how you  
6 implement a quality assurance program and what the NRC  
7 looks for in the implementation of a quality assurance  
8 program. And then Mr. Dircks testifies about his view of  
9 quality assurance at South Texas. Without those  
10 preliminary remarks of Mr. Dircks, the full impacts of  
11 his testimony about South Texas is diluted.

12           MR. REIS: Mr. Chairman, if we're going to go  
13 through the NRC's general program of how it inspects and  
14 all, we have other people, other panels here to do that.

15           MR. SINKIN: This testimony by Mr. Dircks is a  
16 management level overview of the implementation of  
17 quality assurance for nuclear plants under construction.  
18 As such, I think it's an important piece of testimony  
19 giving the context in which Mr. Dircks then expresses his  
20 views about what happened at South Texas and what  
21 happened in Quadrex. I'm sorry Mr. Dircks is not here,  
22 this would take approximately a minute and-a-half. Maybe  
23 we can do it -- maybe we can shorthand it here.

24           JUDGE BECHHOEFER: I was trying to figure out  
25 what this added to other general statements that that are

1 already in the record.

2 MR. REIS: It's cumulative, also, Your Honor.

3 JUDGE BECHHOEFER: That's what I just said.

4 MR. REIS: Yes.

5 MR. SINKIN: Mr. Chairman, if you're sitting at  
6 one day giving testimony on one topic and you choose to  
7 use the words that are in this front section, that has an  
8 independent meaning as to whether that's the general  
9 policy of the Nuclear Regulatory Commission as may be  
10 expressed in some other document somewhere. If in  
11 preparing the testimony, these particular words were  
12 chosen to set the context for the statements that were  
13 about to be made about South Texas, I think that has a  
14 particular relevance to this proceeding. Maybe I can do  
15 this with a shorthand.

16 Q (By Mr. Sinkin) Mr. Collins, if you were to  
17 please read the first three pages of CCANP 147, the  
18 testimony of Mr. Dircks, not Mr. Paladino, the first  
19 three pages of the testimony of Mr. Dircks, and -- let's  
20 see how to do this. -- well, did you have any discussion  
21 about those first three pages with anybody prior to  
22 delivery of this testimony to Congress?

23 A Prior to it?

24 Q Prior to delivery of the testimony the  
25 Congress?

1           A     Oh, I reviewed Mr. Dircks' testimony prior to  
2     its actual giving it to Congress.

3           Q     You reviewed the introduction as well as the  
4     section on South Texas?

5           A     Sure. Sure.

6           Q     And you concurred in the introduction as well  
7     as the remarks about South Texas?

8           A     I don't recall physically concurring on those  
9     remarks. I was aware of those remarks prior to the time,  
10    prior to the morning they were submitted to Congress.

11          Q     In your view, did the remarks, the introductory  
12    remarks in the first three pages by Mr. Dircks reflects  
13    NRC policy as of November 1981?

14          A     I would have to say, Mr. Sinkin, that the  
15    remarks by Mr. Dircks were not new remarks, that they  
16    reflected the position of the Commission and the staff on  
17    the responsibility for quality assurance in nuclear power  
18    plants as long as I can remember having a quality  
19    assurance program in nuclear power plants.

20          Q     Okay. Thank you.

21                MR. SINKIN: I think that's all I have of the  
22    witness, Mr. Chairman.

23                JUDGE BECHHOEFER: You want to take a break  
24    before the Applicants?

25                MR. SINKIN: Sure.



1 JUDGE BECHHOEFER: Let's take a fifteen minute  
2 break.

3 MR. AXELRAD: Mr. Chairman, we have some  
4 materials we would like to review, can we make it a half  
5 hour break, instead?

6 MR. REIS: Mr. Chairman, let's make it back at  
7 11:00 sharp or 11:05, but let's be back sharp.

8 (Recess.)

9 JUDGE BECHHOEFER: Mr. Axelrad.

10 MR. AXELRAD: Yes, Mr. Chairman.

11 MR. SINKIN: Excuse me, one second, Mr.  
12 Chairman. If I could beg the Board's indulgence, I now  
13 have the interrogatories by the State of Texas to the  
14 Nuclear Regulatory Commission, and I would like to clear  
15 up one point in the record where Mr. Reis and I had a  
16 differing remembrance of how the question was answered.  
17 If I could beg the Board's indulgence to re-open my  
18 cross-examination for a couple of questions.

19 JUDGE BECHHOEFER: Yeah, fine.

20 CROSS-EXAMINATION CONTINUED

21 By Mr. Sinkin:

22 Q Mr. Collins, I'm going to show you what is  
23 titled NRC Staff Response to State of Texas' First Set of  
24 Interrogatories and Requests for Production of Documents  
25 to the Nuclear Regulatory Commission Staff, on Quadrex,

1 and show you interrogatory 18 which addresses the  
2 December 15th, 1981 memorandum from Mr. Dircks to Mr.  
3 Bradford, and ask you to look at question J, to the  
4 Nuclear Regulatory Commission, was "Please provide the  
5 basis including all documentary support for the statement  
6 that 'Quadrex did not appear to identify any significant  
7 items not already known to the NRC.'" And if you would  
8 please read into the record the answer J by the Nuclear  
9 Regulatory Commission.

10 MR. REIS: Mr. Chairman, I object to the  
11 question. It hasn't been established that he knows the  
12 document. Just reading it in like that -- or that he's  
13 familiar with the document.

14 JUDGE BECHHOEFER: Mr. Sinkin, why don't you  
15 ask Mr. Collins whether he was familiar with these  
16 answers or the document.

17 Q (By Mr. Sinkin) Are you familiar with this  
18 document, Mr. Collins, the State of Texas interrogatories  
19 and NRC answers?

20 A I'm familiar with some of the answers because I  
21 prepared some of them but I was not responsible for all  
22 the answers. The ones that I'm responsible for are  
23 identified on page 35.

24 Q So you were not responsible for the answer to  
25 item J?

1 A No, I was not.

2 Q And interrogatory 18?

3 A That's correct. I was not.

4 Q As far as I can tell, Mr. Collins, no one took  
5 responsibility for answering item 18 J. Did you discuss  
6 with Mr. Hale that particular item as to his remark about  
7 the NRC being aware of the things in the Quadrex report?

8 A I don't have any recollection of having  
9 discussed that, I just don't remember. It happened so  
10 long ago.

11 MR. SINKIN: Well, we have kind of an unusual  
12 situation, Mr. Chairman, in that there is no one  
13 identified by the NRC as having answered that  
14 interrogatory. But the answer was the provision of a  
15 document as opposed to an answer and the document  
16 provided is the document which is in evidence in this  
17 proceeding already that I showed to Mr. Collins which is  
18 the memorandum from Mr. Phillips to Mr. Collins.

19 MR. AXELRAD: Mr. Chairman, that is an improper  
20 characterization of the answer to the affidavit. The  
21 answer to the interrogatory. The answer, the answer  
22 consists of one sentence and then goes on to say see  
23 attached memo, but the sentence, itself, obviously is  
24 fully consistent with the testimony of this witness has  
25 already given.

1           MR. REIS: Mr. Chairman, the witness has said  
2 he doesn't -- he didn't prepare the answer, I think  
3 that's the end of it. And I don't know where we're going  
4 and if the State of Texas was upset with our answers to  
5 the interrogatories, the State of Texas should have told  
6 us whenever those answers were given. It's a little late  
7 now for Mr. Sinkin to be bringing this up.

8           MR. SINKIN: I have no further questions on  
9 this item, Mr. Chairman.

10          MR. REIS: Okay. Before cross-examination  
11 starts by the Applicant, I just want to distribute CCANP  
12 147-A, which they asked be, for the record, and I will  
13 just give out the copies of it. It was formerly  
14 identified, admitted, and taken care of and I'll just  
15 give the reporter his three copies.

16               It consists of the cover sheet to the  
17 Congressional document, at pages 93, 94 and 95 of those,  
18 of that document.

19          JUDGE BECHHOEFER: We will just confirm for the  
20 record that this is the portion of 147 which we have  
21 admitted into evidence.

22               (CCANP 147-a, having been previously  
23 received in evidence, was provided to  
24 the court reporter, and marked for  
25 identification at this time.)

1 JUDGE BECHHOEFER: Mr. Axelrad.

2 MR. AXELRAD: Yes, Mr. Chairman.

3 CROSS-EXAMINATION

4 By Mr. Axelrad:

5 Q Mr. Collins, I would like to hand you a copy of  
6 CCANP Exhibit 138, which is the December 15, 1981, NRC  
7 chronology related to the Quadrex report as to which you  
8 testified earlier this morning. In that chronology,  
9 there is a item listed under August 27, 1981, and within  
10 that paragraph, there is a sentence which states that in  
11 the course of a telephone call, that day, you encouraged  
12 Mr. Oprea to advise the licensing board of the existance  
13 of the Quadrex report. And earlier today, in response to  
14 some\*questions from Mr. Reis, you indicated that in the  
15 course of that telephone conversation, you suggested to  
16 Mr. Oprea that he should seriously consider providing the  
17 Quadrex report to the licensing board.

18 A That's correct.

19 Q Before that particular telephone conversation  
20 with Mr. Oprea, had you discussed with anyone else  
21 whether the Quadrex report should be provided to the  
22 licensing board?

23 A No, nobody on the staff.

24 Q Well, anybody outside the staff?

25 A Not that I'm aware of.

1           Q     And at that time, your knowledge of the  
2 contents of the Quadrex report were based upon the report  
3 you had received from Mr. Phillips as to his review of  
4 the Quadrex report?

5           A     And those matters being litigated, I felt that  
6 the Quadrex report should be a document that the Board  
7 ought to have knowledge of.

8           Q     Okay. After your telephone conversation with  
9 Mr. Oprea that date, did you discuss with anyone else  
10 your recommendation or suggest to Mr. Oprea that the  
11 report be provided to the Board?

12          A     Yes. I discussed with Mr. Deyoung who was the  
13 director of inspection and enforcement and Mr. Case, who  
14 was the deputy director for NRR.

15          Q     You discussed it with them, the suggestion --

16          A     I told him of my conversation with Mr. Oprea  
17 and I told them that I had urged him to make it available  
18 to the Board. I informed Mr. Deyoung and Mr. Case that I  
19 was not taking any additional action until our meeting of  
20 September the 8th.

21          Q     And did you discuss that subject with the NRC  
22 staff lawyers?

23          A     I don't believe I had a discussion with Mr.  
24 Reis at that time. I believe at a later time and I can't  
25 remember a time frame that I did discuss it with Mr.



1 Reis' colleague, Mr. Gutierrez who was a colleague of Mr.  
2 Reis', but I can't remember the time frame in which I had  
3 mentioned that to him.

4 Q At the meeting that took place on September  
5 8th, did you bring that subject up again with Mr. Oprea  
6 or Mr. Goldberg?

7 A I can't be certain for sure whether it was  
8 discussed or not. I just don't recall.

9 JUDGE BECHHOEFER: I didn't hear him. I didn't  
10 hear what you just said.

11 THE WITNESS: I said I don't recall whether we  
12 discussed that or not. We discussed an awful lot in that  
13 meeting. And I don't recall whether or not specifically,  
14 whether I discussed it or whether Mr. Oprea discussed it. •  
15 I don't really recall that.

16 Q (By Mr. Sinkin) Between August 27th and  
17 September 28th, did you take any further steps to inform  
18 the Board or have the Board informed of the Quadrex  
19 report?

20 A No. No.

21 MR. AXELRAD: Mr. Chairman, we have no further  
22 questions of this witness.

23 BOARD EXAMINATION

24 By Judge Lamb:

25 Q Mr. Collins, with respect to your discussion

1 with Mr. Oprea, can you flesh out that discussion a  
2 little bit more for us with respect to the context and  
3 what you might have said or what reaction you might have  
4 received?

5 A You mean the conversation of the 27th.

6 Q That's right.

7 A I had called Mr. Oprea for the purpose of  
8 requesting from him unrestricted access to the report,  
9 that we wanted the report without any restrictions placed  
10 on it. And at that same time, I told him from what I had  
11 been advised from the staff, that I thought, and I  
12 encouraged him to make that available to the Board. I  
13 felt it was important for the Board to have that  
14 information since it was, there were matters in there  
15 that were under litigation. And it was, to me, it was a  
16 piece of important information that ought to get to them.  
17 And that was about the sum total of our conversation on  
18 it.

19 Q Do you recall what his reaction was at the  
20 time?

21 A He said that they will seriously consider,  
22 there was something -- it was not a negative response. I  
23 can't tell you for sure exactly what it was. But knowing  
24 Mr. Oprea, any time I had discussed issues with him, he  
25 was always in a position to say "Well, we'll certainly

1 take it under advisement and get back to you." But the  
2 exact words of his, I don't recall. It was not negative,  
3 I can tell you that.

4 Q You mentioned that you encouraged him to advise  
5 us of the existence of it. Did this include advice to  
6 submit the report to us?

7 A Oh, yes, yes.

8 Q There was not any, if I read you correctly  
9 then, there was no reluctance that you detected relative  
10 to that?

11 A No. No.

12 Q Now, with respect to considering reporting the  
13 entire report under 50.55(e), which I believe you  
14 indicated that you had -- well, you had encouraged Mr.  
15 Oprea to --

16 A Yes.

17 Q Can you give me some additional information  
18 about that?

19 A I felt from our briefing that perhaps they  
20 ought to consider the total report, itself, being  
21 submitted as a potential 50.55(e). If through later  
22 evaluation and analysis that it turned out that there  
23 were no more issues to be reported, that's fine, send us  
24 a letter and tell us so. But at least it got into the  
25 regulatory frame work as a potential 50.55(e).

1 Q Under what category did you suggest that this  
2 might be reported?

3 A There were a number of categories in there that  
4 if they found through further inspection and evaluation  
5 could have led to defective design or defective  
6 components, there were a number of categories that could  
7 fit into.

8 Q I was wondering whether you had suggested that  
9 it be reported as a breakdown in QA?

10 A I don't think I specified under what category.  
11 We normally, through discussions, we normally won't be  
12 that specific on an item until they provide additional  
13 information to us. Usually, the mechanism is to give us  
14 a telephone call and then if followed up with a 30 day  
15 report if the reports available at that time, if not,  
16 they sent us the report whenever the report does become  
17 available. But at least we have it in our regulatory  
18 scheme and it's something then that we track and we're  
19 waiting for a response.

20 But we never specifically say file this under  
21 criterion 7 or criterion 3, we don't do it at that time.  
22 He may tell us how he's filing it. But for the most  
23 part, they really don't. They will just say, "We're  
24 submitting as a potential defect under 50.55(e)."

25 Q What kind of reaction did you get at that time?

1           A     I believe Mr. Goldberg's reaction was from his  
2     limited review, that the whole document, itself, didn't  
3     warrant being submitted under 50.55(e).

4           Q     Did you instruct them to do this or --

5           A     No, no, I certainly would not have done that.  
6     You know, that's a matter for them to decide. If based  
7     on their evaluation, they don't consider it, we certainly  
8     have open to us everything that we can through a  
9     regulatory process to make a determination for ourselves  
10    that it should have been and cite them on the basis that  
11    they didn't. I don't -- I didn't instruct them at that  
12    time to or demand of him that he do that, no.

13          Q     Did you -- did I understand you earlier to say  
14    that you advised him him to consider that?

15          A     I encouraged them to consider submitting the  
16    whole report as 50.55(e).

17          Q     Did Mr. Goldberg's answer satisfy you at that  
18    time or what was your reaction?

19          A     I just left the meeting with the feeling I had  
20    before that I encouraged them to consider it. And the  
21    meeting concluded and we waited for their evaluation.

22          Q     In retrospect, do you think that they should  
23    have?

24          A     Not the -- not now, based on what I know now.  
25    I mean, it's subjective judgment at this time what I

1 would have done. But I certainly based on what the staff  
2 knows and what I know of the findings and our evaluation,  
3 I don't believe it all should have been submitted as  
4 50.55(e). But at that point in time, that information  
5 was not available to us. And I made my decision or my  
6 judgment on the basis of the information that I had at  
7 hand, and knowing the past history of the site and the  
8 problems. And I didn't know whether it was more  
9 pervasive or more generic than what was identified in the  
10 initial briefing to me. So I made a judgment.

11 JUDGE LAMB: That's all I have.

12 Q (By Judge Bechhoefer) In that conversation you  
13 were just referring to, did you suggest that it -- this  
14 is the August conversation, did you suggest that perhaps  
15 the report should have been submitted to Region IV as  
16 early as May 7 or 8, May 8th?

17 A No, I didn't discuss that with him at that  
18 time. No.

19 Q Under the potential reportability scheme that  
20 NRC at least references in its guidelines, would you have  
21 said that on May 8 they should have sent sent the report  
22 in as a potentially reportable item based on what they  
23 knew then?

24 A I think that's difficult for me to say. They  
25 had the advantage of the information in it; I didn't.



1 They did report items in there under 50.55(e). I can't  
2 say what my reaction would have been. I just did not  
3 consider going back in time. I was concerned about  
4 getting the information to us now.

5 Q In the portion of not your testimony, Mr.  
6 Dircks' testimony, which was admitted into evidence, in  
7 particularly the portion on page 94 of CCANP Exhibit  
8 147-a, was it -- does this, the opinion which begins with  
9 the word "briefly," the sentence that begins with the  
10 word, the misspelled "briefly," does this intend to  
11 emphasize a belief that the Quadrex report was -- the  
12 primary aspects of the Quadrex report were QA related?

13 A QA related in design.

14 Q Yes.

15 A In design, as opposed to construction.

16 Q Yes.

17 A Yes.

18 Q So I take it the Staff believed at that time  
19 that the statements in the Quadrex report related -- were  
20 not as related to ability to perform or failure to  
21 perform on time as to possibly improper performance. Is  
22 that correct?

23 A I guess I don't understand your question, Mr.  
24 Chairman.

25 Q I wondered whether the Staff at that time

1 viewed the Quadrex report as not emphasizing the  
2 inability of Brown & Root to perform or its failure to  
3 perform adequately on a timely basis, I should say. The  
4 staff viewed that as less important than the QA problems.

5 A Oh --

6 Q That --

7 A We were concerned about the implications in the  
8 Quadrex report that they may not have properly  
9 implemented a QA program in design. We didn't draw any  
10 judgment as to Brown & Root's effectiveness to carry out  
11 design or implement design. That wasn't -- it was more  
12 centered around their apparent QA deficiencies in design.

13 Q Right. And I believe you testified that after  
14 further review, the Staff really has agreed with the  
15 Applicant that there was less QA difficulties or problems  
16 and more of the scheduling type problems in the report.  
17 Is that correct?

18 A That's correct.

19 Q Mr. Collins, what is on CCANP Exhibit 138, the  
20 chronology, what is the significance of the very last  
21 time on page two, the October 15, 1981 statement that  
22 Region IV received the Quadrex report from Mr. Sells on  
23 that particular -- on October 15th? I was wondering why  
24 that was important as distinguished from several of the  
25 other earlier communications of the Quadrex report to

1     Region IV personnel, at least.

2           A     Well, I guess in looking, trying to remember,  
3     but I guess the only thing I can draw from that is that  
4     it wasn't hand delivered to us from HL&P but it was given  
5     to Mr. Sells and Mr. Sells made copies available to us.  
6     It was -- it was in order to document in chronology when  
7     Region IV physically had in hand a copy of the Quadrex  
8     report.

9           Q     I see. So you are distinguishing there between  
10    having it physically in hand and having Region IV  
11    personnel review the report.

12          A     That's the date we physically received the copy  
13    of the report.

14          Q     That was actually after we received it?

15          A     With our mail system, Mr. Chairman, that's  
16    probably very true.

17          Q     (By Judge Lamb) Mr. Collins, you mentioned  
18    opposite August 27th in this chronology, that you  
19    requested unrestricted review of the Quadrex report. To  
20    what degree was the prior review restricted? I wondered  
21    what precipitated, what was in your mind --

22          A     I was informed by Mr. Phillips and Mr. Hale  
23    that HL&P was reluctant to have us copy or remove the  
24    document from the site, that we were certainly able to  
25    review it on site. I didn't want those constraints

1 placed on us, I wanted a copy provided to us.

2 Q Did you receive a copy as a result of that  
3 request?

4 A On October 15th, we did.

5 Q So your request, you were not restricted if I  
6 understand you then, in reviewing it on site?

7 A No.

8 Q But you were restricted in removing any of it  
9 from site?

10 A That's correct.

11 Q And that's what you were requesting be eased?

12 A That's correct.

13 JUDGE LAMB: Thank you.

14 Q (By Judge Bechhoefer) Do you recollect whether  
15 any of your staff at the time had asked to Xerox pages of  
16 it or to take from the from the site or --

17 A No, I don't recall.

18 JUDGE BECHHOEFER: That's all the Board has.

19 MR. REIS: I have only one question on  
20 redirect.

21 REDIRECT EXAMINATION

22 By Mr. Reis:

23 Q Mr. Collins, in preparation for your testimony  
24 today, what pages of the Congressional document serial  
25 97-26, did you review?

1 A I reviewed the total document that I have.

2 Q What do you have, pages what to what?

3 A I have pages beginning with the cover sheet and  
4 the table of contents and then one through 39, one  
5 through 42 of the document.

6 Q And do you also have another part of the  
7 document?

8 A I have another part of the document.

9 Q Can you give us those pages?

10 A That begins with Page 85 and goes through Page  
11 100.

12 MR. REIS: That's all I have.

13 MR. SINKIN: I have no questions, Mr. Chairman.

14 JUDGE BECHHOEFER: Mr. Mr. Axelrad,.

15 MR. AXELRAD: May we have a minute to review  
16 our notes, Mr. Chairman.

17 JUDGE BECHHOEFER: Yes, yes.

18 MR. AXELRAD: We have no further questions, Mr.  
19 Chairman.

20 JUDGE BECHHOEFER: We have no further  
21 questions. Mr. Collins, we appreciate your coming down  
22 here and you are excused.

23 THE WITNESS: Always enjoy coming to Texas.

24 JUDGE BECHHOEFER: Mr. Axelrad. Do you wish to  
25 put Dr. Sumpter on?

1 MR. AXELRAD: Yes, Mr. Chairman.

2 (No hiatus.)

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1 Whereupon,

2 JAMES R. SUMPTER,

3 having been previously duly sworn, testified upon his  
4 oath as follows:

5

6 DIRECT EXAMINATION

7 BY MR. FRANTZ:

8 Q Dr. Sumpter, would you state your full name  
9 for the record, please?

10 A James R. Sumpter.

11 Q Do you have before you a four-page document  
12 entitled Supplemental Testimony on Behalf of Houston  
13 Lighting & Power Company, et al, of James R. Sumpter?

14 A Yes, I do.

15 Q Are you familiar with this document?

16 A Yes, I am.

17 Q Do you have any corrections, modifications or  
18 deletions you wish to make to this testimony?

19 / Yes. On page 2, line 22, after the word  
20 "which" which is at the beginning of the line, delete  
21 the words "provided for review of vendor reports" and  
22 replace those words with the following: "Governed the  
23 content of procurement specifications."

24 So that the sentence reads, starting back up  
25 on line 21, "I knew that Brown & Root had procedures

1 which governed the content of procurement specifications  
2 (which is --" and so on.

3 Q As modified, is this testimony true and  
4 correct to the best of your knowledge, information and  
5 belief?

6 A Yes, it is.

7 MR. FRANTZ: The Applicants move that the  
8 supplemental testimony on behalf of Houston Lighting &  
9 Power Company, et al, of James R. Sumpter, as modified  
10 be admitted into evidence.

11 MR. SINKIN: I object and have just a little  
12 bit of voir dire, Mr. Chairman.

13

14 VOIR DIRE EXAMINATION

15 BY MR. SINKIN:

16 Q Dr. Sumpter, how did you go about refreshing  
17 your memory as to what you knew on May the 8th, 1981?

18 A I reviewed the discipline findings and some of  
19 the questions that were referenced in those findings.

20 Q Did you look at anything else?

21 A I looked at the Brown & Root response sheets  
22 that we had available to us on May the 8th.

23 Q Anything else?

24 A I discussed some of this with Mr. Robertson, I  
25 believe.

1 Q You had discussions with Mr. Robertson about  
2 the particular items in your supplemental testimony?

3 A Yes.

4 Q Anything else?

5 A For these particular items, no.

6 Q Excuse me?

7 A For these particular items, no.

8 MR. SINKIN: I'll withdraw the objection, Mr.  
9 Chairman. No objection to the admission of the  
10 testimony.

11 MR. REIS: No objection.

12 JUDGE BECHHOEFER: Dr. Sumpter, before we rule  
13 on this, on page 2, I have questions about two words.  
14 On line -- the same word. On line 22 and on line 26,  
15 should the "is's" -- should the two "is's" be "are's"?

16 THE WITNESS: The second one on line 26 I  
17 guess should be an "are" because it's referring back to  
18 "criteria" which is plural.

19 On line 22, I'm not sure if there were more  
20 than one procedure, but the primary one is DC-005, so I  
21 guess that properly could be an "are" also. Most of the  
22 requirements are in that one procedure.

23 JUDGE BECHHOEFER: Okay. With those changes,  
24 Dr. Sumpter's testimony will be admitted into evidence  
25 and bound into the record as if read.

1  
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3 UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

4 BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

5 In the Matter of

6 HOUSTON LIGHTING & POWER  
7 COMPANY, ET AL.

8 (South Texas Project,  
9 Units 1 and 2)

}  
} Docket Nos. STN 50-498 OL  
} STN 50-499 OL  
}

10 SUPPLEMENTAL TESTIMONY ON BEHALF OF HOUSTON LIGHTING & POWER COMPANY,  
11 ET AL.,  
12 OF JAMES R. SUMPTER

13 Q.1 Please state your name and current position.

14 A.1 My name is Dr. James Robert Sumpter and I am currently  
15 Manager-Litigation Technical Support for Houston Lighting &  
16 Power Company (HL&P).

17  
18 Q.2 Have you testified previously in this proceeding?

19 A.2 Yes. See "Testimony on Behalf of Houston Lighting & Power  
20 Company, et al., of James R. Sumpter." My resume is  
21 attached to that testimony.

22  
23 Q.3 What is the purpose of your supplemental testimony?

24 A.3 During the testimony of Dr. Bernsen and Mr. Lopez on July  
25 30-August 2 with respect to a number of items in the  
26 Quadrex Report (App. Exh. 60), they were asked whether Mr.  
27 Goldberg, Mr. Robertson, and I (HL&P review team) knew  
28 certain information on May 8, 1981. The purpose of my  
29  
30  
31

supplemental testimony is to describe, to the best of my recollection, the information which I knew on May 8, 1981, with respect to these items.

Q.4 What did you know on May 8, 1981, with respect to the vendor report discussed in the third paragraph of the Quadrex Assessment in Question M-49 of the Quadrex Report?

A.4 As a result of my participation in meetings between the Quadrex Corporation (Quadrex) and Brown & Root (B&R) during the Quadrex review, I knew that this vendor report was still in draft form and that B&R had not completed a review of this report.

Q.5 Were you familiar with the contents of B&R procedures STP-DC-005 and STP-SD-002 on May 8, 1981?

A.5 I did not review B&R's procedures on May 8, 1981, and I did not possess detailed information regarding the content of B&R's procedures. However, as a result of my knowledge of the B&R design process, I knew that B&R had procedures which provided for review of vendor reports (which is encompassed within STP-DC-005) and that B&R had procedures which required System Design Descriptions to include criteria for matters such as off-normal and post-accident conditions and casualty events (which is encompassed within STP-SD-002).

1  
2  
3 Q.6 Did HL&P's § 50.55(e) report arising from the Quadrex  
4 Report regarding computer code verification encompass the  
5 "glitch" in the computer code CP-225 discussed in Question  
6 C/M-8?

7 A.6 No. However, this "glitch" was not potentially reportable.  
8 As a result of my participation in meetings between Quadrex  
9 and B&R during the Quadrex review, I knew that the computer  
10 code did not result in any deficiency in design, that there  
11 was no evidence that similar "glitches" existed in other  
12 computer codes and therefore that the "glitch" was not  
13 indicative of a more widespread problem with the control of  
14 computer codes.

15  
16 Q.7 Did you know on May 8, 1981, that the B&R design of the  
17 South Texas Project (STP) called for the use of seismic  
18 Category I supports for non-safety-related HVAC ducts?

19 A.7 Yes. I was aware of this information as a result of my  
20 general knowledge of the design of STP.

21  
22 Q.8 Were you aware on May 8, 1981, that the design for missile  
23 protection is usually developed late during the design of  
24 nuclear power plants?

25 A.8 Yes. I was aware of this fact as a result of my general  
26 experience with the design of nuclear power plants. The  
27 design for missile protection is usually not developed  
28 until late in the design of a plant because the relative  
29  
30  
31



location of components and equipments is not finalized until then. This information is needed in order to identify sources of missiles and potential targets. Once this information is known, it is then possible to determine which measures should be utilized to protect against potential missiles.

1 MR. FRANTZ: That completes the Applicants'  
2 direct examination of Dr. Sumpter.

3 JUDGE BECHHOEFER: Mr. Sinkin.

4

5 CROSS-EXAMINATION

6 BY MR. SINKIN:

7 Q Dr. Sumpter, in question and answer 4 you're  
8 addressing the Quadrex assessment in question M-49.

9 Did Brown & Root ever complete a review of the  
10 particular vendor report that's at issue in that answer?

11 MR. FRANTZ: Mr. Chairman, I'm going to object  
12 to that. I don't know why that's relevant or material.  
13 Mr. Sumpter has testified that as of May 8th, this was  
14 still a draft and that Quadrex reviewed a draft report.

15 MR. SINKIN: Well, let me try it this way, Mr.  
16 Chairman. Let me withdraw that question for the  
17 moment.

18 Q (By Mr. Sinkin) At the time Quadrex reviewed  
19 this particular vendor report, were they told the report  
20 was a draft?

21 A Yes.

22 Q Who told them that?

23 A The Brown & Root -- I don't know the Brown &  
24 Root individual, but it was individuals from Brown &  
25 Root at the review meeting in March when we went over

1 the mechanical questions.

2 Q Were any of the other vendor reports reviewed  
3 by Quadrex draft reports?

4 MR. FRANTZ: I object to that question. It's  
5 outside the scope of this testimony.

6 JUDGE BECHHOEFER: Mr. Sinkin, are they not  
7 correct or --

8 MR. SINKIN: I'm thinking. I'm thinking.

9 Let me withdraw that question for the moment,  
10 Mr. Chairman.

11 Q (By Mr. Sinkin) Do you have any idea why  
12 Brown & Root would not have mentioned the fact that this  
13 vendor report was a draft report in their May 8th  
14 response to the Quadrex findings?

15 A Let me look at the Brown & Root response to  
16 this.

17 I don't know why Brown & Root didn't mention  
18 that in their letter to us from Mr. Saltarelli on May  
19 8th.

20 Q Let me understand what it was that Brown &  
21 Root told Quadrex about this document. Is this a vendor  
22 report on materials that have been delivered but the  
23 vendor report itself is in a draft form? What does it  
24 mean that this is a draft of a vendor report?

25 A This is a report from the vendor, a stress

1 report from the vendor analyzing the stresses for  
2 butterfly valves to demonstrate that they meet ASME  
3 code, section 3. And as I can recall from that meeting,  
4 Quadrex when they asked Brown & Root in question M-49  
5 about how are lows determined and stress limits, et  
6 cetera, Brown & Root agreed, one, to provide -- in  
7 February to provide a specification for a valve disc,  
8 valve specification and then also to provide some vendor  
9 analyses.

10 It's my understanding at this time that there  
11 were very few, if any, vendor reports in and I don't  
12 know why Brown & Root selected this particular one. But  
13 they indicated to us that this was a draft that they  
14 were still working with Hills McCanna on. And it's  
15 rather obvious from if you look at the Quadrex  
16 assessment as far as what was not in the report, since  
17 it's a stress report, one of the first things that was  
18 missing was that the stresses weren't calculated yet.  
19 So, it's obviously still a rough draft report because it  
20 was missing, but that's the report that Brown & Root  
21 chose to show Quadrex.

22 JUDGE BECHHOEFER: Dr. Sumpter, when you  
23 answered the question with respect to Brown & Root's  
24 response, which specific pages did you refer to?

25 THE WITNESS: Oh, in --

1 JUDGE BECHHOEFER: It's part of Applicants'  
2 Exhibit 62. Just so the record will reflect what your  
3 answer reflects.

4 THE WITNESS: This was related to Quadrex  
5 discipline finding 4.5.5.1(c). So, I looked up in the  
6 Brown & Root responses that item. The Brown & Root  
7 responses are not numbered other than by cross-reference  
8 to the Quadrex report.

9 Q (By Mr. Sinkin) Looking at your question 5  
10 and answer 5, Dr. Sumpter, you state that Brown & Root  
11 did have procedures which required system design  
12 descriptions to include criteria from matters such as  
13 off-normal and post-accident conditions.

14 From that statement, are you saying that the  
15 HVAC problems identified in the Brown & Root design were  
16 a failure to follow this particular procedure, that this  
17 procedure should have resulted in off-normal conditions  
18 being considered in the HVAC design?

19 MR. FRANTZ: I object to that question as  
20 again being outside the scope of this testimony. It's  
21 clearly stated in the answer in the testimony that the  
22 sole purpose of this testimony is to address what Dr.  
23 Sumpter knew with respect to certain items that were  
24 raised during the testimony of Dr. Bernsen and Mr.  
25 Lopez. Mr. Sinkin's question goes far beyond what HL&P

1 knew with respect to those items.

2 MR. SINKIN: I'm not at all sure that it does,  
3 Mr. Chairman. He's now stating in his testimony that  
4 there were procedures in place at Brown & Root which  
5 required system design descriptions to include criteria  
6 for matters such as off-normal and post-accident  
7 conditions. My question goes to whether those  
8 procedures were being implemented or not, and that's an  
9 essential part of the testimony of Bernsen and Lopez,  
10 too. It wasn't simply a matter of whether they had the  
11 procedures, it was a question of whether they were  
12 implementing the procedures.

13 MR. FRANTZ: Mr. Chairman, this question was  
14 much more specific than that. It dealt with a  
15 particular problem in HVAC and Mr. Sinkin was asking Dr.  
16 Sumpter's conclusion regarding whether or not that  
17 problem related to I guess a report on procedures or a  
18 failure to implement the procedures. I think that goes  
19 again far beyond this testimony.

20 I don't see why we're going into this. It  
21 could have been gone into back during Dr. Sumpter's  
22 original testimony. If Mr. Sinkin is now attempting to  
23 use this supplemental testimony as a vehicle for opening  
24 up all sorts of questions, we can be here for forever.

25 MR. SINKIN: It's not my decision that there



1 should be supplemental testimony, Mr. Chairman. I'm  
2 cross-examining on the supplemental testimony as  
3 presented and the supplemental testimony is the same  
4 kind of testimony that Mr. Bernsen and Mr. Lopez  
5 presented as to there were procedures in place, numerous  
6 questions were asked about whether they were being  
7 properly implemented. That's obviously the second half  
8 of the question.

9 MR. FRANTZ: Mr. Chairman, the testimony here  
10 by Dr. Sumpter is not co-extensive with the  
11 cross-examination of Dr. Bernsen and Mr. Lopez. It's  
12 clearly to answer three or four questions that were  
13 asked of them during the cross-examination, namely, what  
14 did HL&P know on May 8th.

15 JUDGE BECHHOEFER: I think we'll overrule that  
16 objection. I don't think the testimony is quite that  
17 narrow.

18 A Would you repeat the question, please?

19 Q (By Mr. Sinkin) Given your statement about  
20 the existence of a Brown & Root procedure which required  
21 system design descriptions to include criteria for  
22 matters such as off-normal and post-accident conditions,  
23 was the HVAC problem that was identified in the Brown &  
24 Root system as being a failure to consider off-normal  
25 conditions, was that problem a failure to follow this

1 particular procedure?

2 A No. This procedure outlined the content of an  
3 SDD, what the various sections were to include. The  
4 HVAC problem as reported to the NRC was an indication  
5 that for some HVAC systems, Brown & Root failed to  
6 recognize that those systems would be required to be  
7 operable under accident conditions.

8 That doesn't mean they violated this  
9 procedure. They had a section on the SDD's relative to  
10 all the HVAC systems accident or, I guess,  
11 post-accident -- accident operation, if you will. And  
12 for those particular systems they indicated there was no  
13 need for them. That was an incorrect judgment. That's  
14 not a failure to follow their procedure.

15 Q I see.

16 Turning to your answer 6, can you tell me what  
17 CP-225 was used for, what that code was used to do?

18 A No, I can't recall what that computer code was  
19 used for.

20 Q Let me ask your understanding of the Quadrex  
21 questions and findings that relate to this particular  
22 item. If you look at Quadrex 4.2.2.1(f).

23 A Say again? 4.4 --

24 Q 4.2.2.1(f). Would I be correct that the --  
25 let me let you get there.

1 A Okay.

2 Q Are you there?

3 Would I be correct that the Quadrex question  
4 C/M-8 regarding the glitch observation refers to the  
5 last sentence of 4.2.2.1(f)?

6 A Yes.

7 Q So that the problem being expressed by Quadrex  
8 is that in the reverification procedure used by Brown &  
9 Root, reverification is required only for significant  
10 changes and their concern was that the word  
11 "significant" would be used in such a way as to  
12 eliminate matters that could be important but that were  
13 not considered significant?

14 MR. FRANTZ: I'm going to object at this  
15 point. We're again going beyond the scope of the direct  
16 examination which was limited to what HL&P knew with  
17 respect to this glitch and not what Quadrex was saying  
18 in the report.

19 MR. SINKIN: Well, the question asked of Dr.  
20 Sumpter in the prefiled testimony is whether the  
21 50.55(e) report arising from the Quadrex report  
22 encompassed the glitch in the computer code. He then  
23 describes the glitch but doesn't seem to be talking  
24 about the problem as Quadrex addresses the problem. And  
25 it would be whether the problem that Quadrex addresses

1 is something that should have beer reported that we're  
2 looking at.

3 MR. FRANTZ: We're not -- Mr. Chairman, again,  
4 we aren't addressing this specific discipline finding or  
5 what Quadrex purported to say on that finding. We're  
6 addressing a very narrow issue in C/M-8 regarding the  
7 glitch. Whether the glitch is reportable or not in some  
8 other finding --

9 MR. SINKIN: I'll withdraw the question for  
10 the moment, Mr. Chairman.

11 Q (By Mr. Sinkin) Let me ask you to look at  
12 C/M-8. Do you have that?

13 A Yes.

14 Q Turning to the second page, the Quadrex  
15 assessment, the last sentence, "The glitch was later  
16 discovered to produce true errors in the numerical  
17 output." You are not aware of what the numerical output  
18 referred to there is; is that correct?

19 A You have to be more specific in your  
20 question.

21 Q Well, I asked you earlier if you knew what  
22 CP-225 was used for and you said you do not.

23 A No, I don't recall at this time. I believe it  
24 was brought up at the meeting as far as what the  
25 computer code was, what types of errors occurred in a

1 numerical output, and even though there were errors in  
2 the output, they did not affect the adequacy of the  
3 design.

4 Q In your testimony at page 3, line 10, when you  
5 say, "There was no evidence that similar glitches  
6 existed in other computer codes," was any evaluation  
7 made of previous instances where there had been a  
8 problem or a change in software that had not been  
9 considered significant? Was any evaluation made of  
10 those changes not considered significant to see if they  
11 had indeed resulted in errors in the output calculation?

12 A Brown & Root indicated to us at the meeting on  
13 computer codes that they had not found any other errors  
14 in computer codes in which changes had been made and  
15 those changes had been deemed by the cognizant engineer  
16 to be insignificant and therefore they didn't reverify  
17 those codes.

18 Brown & Root indicated to us that they had not  
19 found any errors in the output of those codes, so I  
20 don't know if you call that an evaluation or not. They  
21 indicated to us again that this was the only example  
22 they had found.

23 Q Looking at your question 8 and answer 8, is  
24 there not analysis fairly early in the design as to what  
25 components might generate missiles so that the materials

1 to be used in fabrication of those components can be  
2 identified?

3 A There is some analysis early in the design on  
4 turbine building orientation location so that when you  
5 locate the turbine building and the turbine, that  
6 safety-related structures will not be impacted by  
7 turbine blade missiles. That's done early. You specify  
8 as far as rotating components in your specifications or  
9 in the electronics relative to over-speed protection to  
10 minimize the generation of missile components from those  
11 and that was done by Brown & Root.

12 Quadrex here was primarily looking at once you  
13 do have a missile, whether you implement it in the  
14 design to protect the safety-related components from  
15 those missiles. And that usually is not done late  
16 because you've got to get the final layout and  
17 orientation of equipment determined before you can  
18 determine what are the sources and what are the  
19 targets.

20 MR. FRANTZ: Excuse me. Did you say not done  
21 late or not done until late?

22 THE WITNESS: Not done until late.

23 MR. SINKIN: That's all I have, Mr. Chairman.

24 MR. REIS: The Staff has no questions.

25 JUDGE BECHHOEFER: The Board has no questions



1 either.

2 MR. FRANTZ: The Applicants have no redirect.

3 JUDGE BECHHOEFER: Dr. Sumpter, I guess you're  
4 excused again.

5 Do the Applicants have any further rebuttal?

6 MR. AXELRAD: Mr. Chairman, it's now 12:15.

7 We have not had an opportunity to consider whether we  
8 wish to provide any additional testimony in light of the  
9 testimony that was provided this morning which we were  
10 not aware of beforehand. And we also believe that we'd  
11 like to confer with the parties with respect to  
12 providing a suggested schedule to the Board for proposed  
13 findings and matters of that kind.

14 I guess there are two possibilities. One is  
15 we could break for lunch and come back, or we could take  
16 a half hour break or so in which we would decide what to  
17 do and come back at that point.

18 I would personally prefer taking a break for  
19 lunch, but if anybody has any other preference --

20 MR. REIS: I would say a forty-five-minute  
21 break for lunch.

22 MR. SINKIN: Such a task driver.

23 JUDGE BECHHOEFER: It's hard to get there and  
24 back.

25 MR. REIS: Well, there are sandwiches

1 downstairs.

2 MR. REIS: There are sandwiches in Washington,  
3 too.

4 JUDGE BECHHOEFER: We'll make it an hour.

5 (Lunch recess taken.)

6 (No hiatus.)

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1 JUDGE BECHHOEFER: Back on the record. Do the  
2 Applicants have further rebuttal?

3 MR. HLandP: Yes, Mr. Chairman. We have some  
4 brief additional rebuttal. We would like to at this  
5 point re-call Mr. George Oprea, who has previously been  
6 sworn.

7  
8 Whereupon,

9 GEORGE OPREA

10 was recalled as a witness by the Applicants and, having  
11 been previously sworn, was examined and testified further  
12 as follows:

13  
14 DIRECT EXAMINATION

15 By Mr. Axelrad:

16 Q Mr. Oprea, were you here this morning during  
17 the testimony of Mr. Collins?

18 A Yes, I was.

19 Q Mr. Oprea, I would like to show you a copy of  
20 CCANP Exhibit 138. And I would like to point your  
21 attention to the second page, chronological list of  
22 events, and a paragraph dated August 27, 1981, which  
23 begins "Collins contacted Mr. Oprea." And I would like to  
24 ask you to read that paragraph.

25 A I've read it.

1           Q     Mr. Oprea, in light of Mr. Collins' testimony,  
2     and the contents of that paragraph, do you have any  
3     recollection of a telephone call from Mr. Collins  
4     concerning the subject matter of that paragraph on August  
5     27th, 1981 or at any time during August or September  
6     1981?

7           A     Mr. Axelrad, this is the first time I've seen  
8     this document was today. This goes back roughly four  
9     years in time. And the best I recall, as I indicated in  
10    earlier testimony, is that after Mr Frazar discussed with  
11    me the report being released for review on site with  
12    staff from the NRC, I believe it was Mr. Shannon  
13    Phillips, I felt it was incumbent that perhaps we ought  
14    to review the report\*with Region IV.

15               Normally to set up a meeting such as that, I  
16    would contact the director who, the regional director or  
17    administrator, and that was Mr. Seyfrit at that time.  
18    And I recollect, as I said, that I called Mr. Seyfrit's  
19    office to set the meeting up for September 8th which we  
20    concurred with; and it could have been that in response  
21    to that call, that Mr. Collins may have called back and  
22    Mr. Seyfrit's absence. But I recall that I initiated the  
23    suggestion to have an oversight or overview of the  
24    Quadrex report.

25           Q     Do you have any recollection of Mr. Collins

1 encouraging you or recommending to you that you advise  
2 the licensing board of the existence of the Quadrex  
3 report?

4 A No, sir, I don't. As I stated earlier, I've  
5 tried to reach back in my memory to see and reconstruct  
6 that period of time and I justifiably don't recall at all  
7 that that statement was made.

8 Q If such a recommendation or suggestion had been  
9 made to you by Mr. Collins, would you have ignored it?

10 A No, I would not have ignored it. I feel sure  
11 that I would have taken it under serious consideration  
12 and talked to our licensing attorneys and followed up on  
13 the basis of a call of that nature.

14 Q And did you have any such considerations with  
15 your licensing attorneys?

16 A No, sir.

17 A The first time that I had any conversations  
18 when I believe Mr. Reis talked to you either you or Mr.  
19 Newman about the fact that the report should be made  
20 available to the licensing board. That's the first time  
21 I talked to any licensing attorneys about the Quadrex  
22 report.

23 MR. AXELRAD: We have no further questions of  
24 this witness, Judge Bechhoefer.

25 JUDGE BECHHOEFER: Mr. Sinkin.

1 MR. SINKIN: Just one minute, Mr. Chairman.

2 CROSS-EXAMINATION

3 By Mr. Sinkin

4 Q Mr. Oprea, it's your best recollection that  
5 after the Quadrex report had been reviewed on site, you  
6 felt it incumbent to discuss reviewing the report with  
7 Region IV and that you contacted Mr. Seyfrit. Can you  
8 place for us the date on which you think you contacted  
9 Mr. Seyfrit?

10 A No. If you recall, Mr. Sinkin, I believe I  
11 said that that after Mr. Frazar talked to me, and I  
12 indeed told him to release the report to the NRC staff to  
13 review it on site, it could have been in parallel with  
14 the point in time that Shannon Phillips was reviewing it,  
15 several days, subsequent I think to August 19th, but it  
16 appears to my best recollection, it was within a matter  
17 of days after that call that I received from Mr. Frazar.

18 MR. SINKIN: I have no further questions, Mr.  
19 Chairman.

20 JUDGE BECHHOEFER: Staff.

21 MR. REIS: Yes, I have a couple.

22 CROSS EXAMINATION

23 By Mr. Reis:

24 Q Mr. Oprea, did you maintain a telephone log in  
25 1981?

1           A     No, sir.

2           MR. REIS: Okay. That's the only question I  
3 have.

4                     BOARD EXAMINATION

5 By Judge Bechhoefer:

6           Q     Mr. Oprea, is it your opinion or was it -- did  
7 you just express that this August 27, this notation of  
8 August 27, 1981 telephone call, would represent a  
9 follow-up by Mr. Collins subsequent to your call to Mr.  
10 Seyfrit?

11          A     I don't have any opinion on that, Chairman  
12 Bechhoefer. I don't know if it could be contituted as a  
13 follow-up or not.

14          Q     Do you have any recollection when or whether  
15 the staff asked for unrestricted review of Quadrex?

16          A     I don't have any recollection of that. All I  
17 recall is when Mr. Frazar called me, I think it's the  
18 19th of August, told him to allow the NRC to review it on  
19 site, and it was my understanding that on the following  
20 day or days thereafter, that Mr. Shannon Phillips and  
21 whoever, did review that report.

22                 JUDGE BECHHOEFER: I guess that's all I have.  
23 Applicants have any --

24                 MR. AXELRAD: No redirect, Mr. Chairman.

25                 MR. SINKIN: No.



1 JUDGE BECHHOEFER: Mr. Oprea, I guess you're  
2 excused again.

3 MR. SINKIN: We do have one matter that we want  
4 to take care of before we close for the day, Mr.  
5 Chairman.

6 JUDGE BECHHOEFER: Yes, we will we have, I  
7 think, several matters. Before we close, we ought to set  
8 a schedule for filing proposed findings.

9 MR. AXELRAD: Yes, the parties have agreed upon  
10 a schedule to recommend for the Board's consideration.  
11 These will be dates in hand of the parties. The  
12 Applicants would file their proposed findings and  
13 conclusions by September 30th. The intervenors would  
14 file their proposed findings and conclusions by October  
15 10th. The NRC staff would file its proposed findings and  
16 conclusions by October 24th; and the Applicants would  
17 file their reply findings and conclusions by October  
18 31st.

19 JUDGE BECHHOEFER: Before we approve this, the  
20 Board would appreciate findings being submitted in  
21 similar formats to the extent possible. Now, does this  
22 time frame -- so that we can compare what one party has  
23 to say on a particular issue, to what another party has  
24 said on that issue. This would not so much affect the  
25 Applicants' findings as much as other parties, at least

1 attempting to have their findings correspond to the  
2 Applicants where possible.

3 Now, there may be matters that the Applicants  
4 don't deal with that can be dealt with by the other  
5 parties. We're not saying that. To the extent -- but  
6 does this schedule allow enough time for that?

7 MR. AXELRAD: Mr. Chairman, let me ask one  
8 question first. Can we assume that the Board would like  
9 proposed findings and conclusions filed in the same  
10 format as the Board used for its partial initial  
11 decision?

12 MR. REIS: Mr. Chairman, if I may be heard on  
13 that. There was some problem in that the partial initial  
14 decision first went through law and it described the law  
15 conclusions and also facts in those legal conclusions.  
16 Then you went through and you had the findings on the  
17 factual matters and then you had ultimate findings of  
18 fact on the factual matters. And it took a weaving, I  
19 know in doing the brief, it took a weaving of matters in  
20 all three places to bring us together. And to -- am I  
21 thinking of the right set? Yes.

22 JUDGE BECHHOEFER: I don't think there will be  
23 much occasion for much legal discussion in this issue.  
24 There might be -- I doubt if there will be. Like we've  
25 already issued an opinion on what character and

1 competence means and that was the real reason for the  
2 legal discussion earlier.

3 MR. REIS: When you say the same format, do you  
4 want the ultimate findings as well? As I remember in the  
5 findings, you had the findings of fact on individual  
6 matters; they were very, very complete. And then you had  
7 some ultimate findings of your conclusions after hearing  
8 all the witnesses and weighing one against the other. Do  
9 you still want the same thing?

10 JUDGE BECHHOEFER: We don't really care if the  
11 parties wish to propose those ultimate conclusory  
12 findings or not. We'll probably make them. But it's the  
13 basic factual findings that we need mostly.

14 MR. SINKIN: Mr. Chairman, in looking at the  
15 schedule which I did agree to at the time as being  
16 reasonable, it suddenly came back to my mind that in  
17 Phase I, when we got the Applicants findings of fact, we  
18 were a little bowled over and how long they were and  
19 comprehensive they were. And I'm just looking at having  
20 given myself ten days, I fully expect to have my findings  
21 done by September 30th. But I don't know what I'll be  
22 receiving from the Applicants on September 30th.

23 And maybe I've made it a 2ittle [too/took]  
24 tight for myself in terms of responding, particularly if  
25 the -- if the format is different than what I've used as

1 my approach. I don't expect it to be too different. And  
2 that maybe I ought to give myself a little more time than  
3 that October 10th period, maybe add ten days into that  
4 and bump it up ten days for the rest.

5 MR. REIS: The format is a difficult matter  
6 when you say the same format. And it may be well if the  
7 Board would propose a format that we could comment on  
8 within the next week as to what you want to see. And  
9 then let us, and then come out with something. Because  
10 right now I'm a little at a loss to think of what format  
11 to do here.

12 JUDGE BECHHOEFER: I don't think the Board  
13 particularly cares as much what the format is, as that it  
14 enables us to find what each party's position is on a  
15 given point. And there have been occasions, not in this  
16 case so much, but in other cases I've been on, where it's  
17 hard to track the findings of various parties because  
18 they cover, they're arranged so they cover such disparate  
19 elements that we really weren't always able -- in Midland,  
20 for instance, to find out what the party's positions were  
21 on a precise point. It was a little bit difficult.

22 MR. SINKIN: What you are saying is you would  
23 like --

24 JUDGE BECHHOEFER: What we would like to know  
25 is what each party's position is on particular points.

1 We wouldn't care so much about so much about what the  
2 format is is that it --

3 MR. AXELRAD: I think the basic problem is that  
4 at times, certainly the applicants and the intervenors  
5 not in just this case, but in other cases, take such a  
6 divergent view of what the case is about and what they  
7 want to talk about, that it's not even possible to put it  
8 in the same format. And I think the proposed findings  
9 and conclusions that will that we received in Phase I of  
10 this proceeding is, I think; you know, a great example of  
11 that.

12 We provided what we considered to be the more  
13 typical type of proposed findings and conclusions that  
14 Boards have received. And then intervenors chose to  
15 stress a particular aspect of the case and focus their  
16 findings on that. I'm not sure that -- in view of the  
17 position that they were taking, I'm not sure it would  
18 have be very easy for intervenors to mesh their proposed  
19 findings with others.

20 MR. SINKIN: We would certainly try, Mr.  
21 Chairman. I'm just thinking that I'll have mine all  
22 written and the Applicants' many arrive and I'll look at  
23 them and go, "Wait a minute, they've gone down the trail  
24 this way and I've gone down the trail this way," which  
25 the Phase I findings were quite different but I don't

1 think it was that difficult to see what our position was,  
2 vis-a-vis the Applicants' position or did NRC's position.

3 JUDGE BECHHOEFER: I wasn't referring to this  
4 case particularly, but there have been --

5 MR. REIS: You know, the Staff and Intervenor  
6 might be able to cross reference on -- provide a cross  
7 reference list. In other words, my finding 26 deals with  
8 what is covered in what appears to be covered in  
9 Applicants finding 32 and that might assist the Board.

10 MR. SINKIN: I'm sure. But it does definitely  
11 suggest me I'm going to have to bump this a little more  
12 than ten days.

13 Can we go off the record for just a minute.

14 JUDGE BECHHOEFER: Off the record.

15 (Discussion off the record.)

16 JUDGE BECHHOEFER: Let's go back on the record.  
17 After some discussion, we've decided that -- and the  
18 parties have agreed that the dates for proposed findings  
19 will be September 30 for the Applicants, October 21 ~~for~~  
20 the Intervenor, November 4 for the Staff, and November 12  
21 for the Applicants' reply findings.

22 The other matter that we still see as a loose  
23 end is what we do with the Thrash matter. Are the  
24 parties prepared to address that?

25 MR. SINKIN: I can address it in still a fairly

1 preliminary fashion, Mr. Chairman. What I have done is  
2 draw up some general questions and the next task is to go  
3 through each of the minutes and pick out particular  
4 sentences that we would like Mr. Thrash to address. We  
5 have not yet decided mutually just what the question is  
6 Mr. Thrash will be asked about those particular  
7 sentences.

8 I had one suggestion. Applicants have some  
9 problems with the wording of that. My thought is that --  
10 I'm available this afternoon for some time to sit down  
11 and try and go through the minutes and identify which  
12 sections we would want him to address; and if the other  
13 parties are available, maybe we can wrap that up and then  
14 leave at least having gotten down on paper what we think  
15 Mr. Thrash should answer.

16 MR. AXELRAD: Applicants are available to  
17 discuss those matters with Mr. Sinkin this afternoon. I  
18 don't believe that it's necessary for the Board to stay  
19 until the resolution of this matter. We will try to work  
20 it out, if we can't, we'll just have to provide whatever  
21 our remaining problems are to the Board in writing and  
22 let the Board decide what should be done.

23 (Discussion off the record.)

24 JUDGE BECHHOEFER: Back on the record. The  
25 Board thinks the parties can try to work out what



1 questions will be asked. They don't have to do it today  
2 but we won't stay around for you to do it. But you could  
3 submit them to us at our offices as soon as possible and  
4 we'll have a conference call shortly thereafter either  
5 approve or suggest changes or anything along those lines,  
6 maybe next week, sometime week, have a conference call.

7 MR. AXELRAD: Okay, Mr. Chairman, perhaps --

8 JUDGE BECHHOEFER: I personally will be here  
9 for a couple more hours but I'm not sure the whole Board  
10 will be.

11 MR. AXELRAD: Perhaps I misunderstand, but it  
12 seems to me at least that if the parties reached  
13 agreement on the questions that should be addressed to  
14 Mr. Thrash that would not be necessary for the Board to  
15 approve or disapprove them, just go ahead and send the  
16 questions out and get the answers and submit those for  
17 the record. That the only reason that we would need to  
18 go through the Board is if we can't reach agreement on  
19 the questions.

20 MR. SINKIN: I didn't have quite that  
21 understanding because my understanding was this was in  
22 lieu of Mr. Thrash being called. If he were called, the  
23 Board might have its own questions.

24 JUDGE SHON: That's the point.

25 JUDGE BECHHOEFER: The Board has one or two or

1 three or four, maybe, and we don't know if the parties  
2 will cover or not and which we would have -- if Mr.  
3 Thrash had testified, we would have asked him at least  
4 absent no other party asking him. That's why we thought.

5 MR. AXELRAD: Fine, Mr. Chairman. I didn't  
6 understand that. Under those circumstances --

7 JUDGE BECHHOEFER: If the parties have covered  
8 the three or four items that we had in mind, it's very  
9 likely that they would. But if you've covered that, we  
10 won't make any changes.

11 MR. AXELRAD: Fine.

12 JUDGE BECHHOEFER: There were some specific  
13 comments in some of those notes that we wanted to make  
14 sure were the subject of questions, what they meant, that  
15 type of thing.

16 MR. AXELRAD: Fine.

17 JUDGE BECHHOEFER: So if the parties can get us  
18 a copy of whatever they agree to as soon as possible,  
19 then shortly thereafter we'll have a conference call.  
20 Which will either -- and then they can be set sent out  
21 immediatly to Mr. Thrash. Presumably on a time schedule  
22 where the answers could be incorporated in this time  
23 frame for proposed findings.

24 MR. AXELRAD: I would certainly hope so.

25 MR. SINKIN: Obviously recognizing that if

1 there's any delay in Mr. Thrash being able to execute  
2 them, that it would not redound in any way to the harm of  
3 the Applicants to have to ask for more time for their  
4 findings.

5 JUDGE BECHHOEFER: Right, we would not object  
6 to that. We would also entertain a request for hearings  
7 in Hawaii.

8 MR. SINKIN: I can make that request now, Your  
9 Honor.

10 I had one other item, Mr. Chairman, CCANP  
11 Exhibit 126 was introduced originally described as the  
12 quality assurance manual for Houston Lighting & Power, it  
13 then turned out that it was not in fact completely the  
14 quality assurance manual, it was partially the quality  
15 assurance plan. And Applicants have been kind enough to  
16 provide me with the latter two sections, procurement and  
17 engineering for both the plan and the program. I think  
18 what I'd like to do is introduce as CCANP 126-a, the two  
19 sections of the quality assurance program and as 126-b,  
20 the two sections of the quality assurance plan so that  
21 between the three documents, generally everything that is  
22 needed is available, if that's okay.

23 MR. GUTTERMAN: I think it's going to create  
24 some confusion because we're going to have some  
25 duplication that 126 is going to be duplication of parts

1 of 126-a and parts of 126-b.

2 MR. SINKIN: I realize that there will be -- I  
3 had originally thought I would just withdraw 126, the  
4 problem is that I don't have the introductory section  
5 without 126.

6 I tell what we could do, alternatively, we can  
7 take 126 and remove the introductory section which is the  
8 introductory section of the quality assurance manual, if  
9 I'm correct, that was originally introduced, attach that  
10 to the other two sections of the quality assurance manual  
11 that I will distribute and we'll call that 126 and then  
12 take the two sections of the quality assurance plan that  
13 are the engineering and procurement sections and call  
14 that 126-a. How's that. \*

15 MR. GUTTERMAN: That sounds fine.

16 JUDGE BECHHOEFER: Parties agree that that's  
17 okay?

18 MR. GUTTERMAN: Yes.

19 MR. REIS: Okay. Just to go through, 126 will --

20 MR. SINKIN: What you basically should do is  
21 take 126, pull the introduction, the cover sheet and the  
22 introduction, throw away the rest.

23 MR. GUTTERMAN: It's a cover sheet and pages  
24 1-3 through 1-9. And then it would continue through Page  
25 3-1 through 3-7 and -- let's see what comes after that.

1 MR. SINKIN: 4-1 THROUGH 4-3.

2 MR. GUTTERMAN: Right.

3 MR. SINKIN: And then you will have a separate  
4 document that will be titled South Texas Project Quality  
5 Assurance Plan that will have the engineering and  
6 procurement sections of the plan.

7 JUDGE BECHHOEFER: That's Exhibit 126-a, the  
8 quality assurance plan is 126-a.

9 Okay, with that description, we will admit at  
10 this time 126-a. And 126 will be revised as just  
11 described, the already admitted 126.

12 (CCANP 126-a was marked for identification  
13 and received in evidence.)

14 JUDGE BECHHOEFER: Are there any other matters  
15 before we close the Phase II record?

16 MR. SINKIN: No, Mr. Chairman.

17 MR. AXELRAD: No, Mr. Chairman.

18 JUDGE BECHHOEFER: Okay. The record for Phase  
19 II is now closed.

20 (The hearing adjourned at 1:50 p.m.,  
21 August 14, 1985.)  
22  
23  
24  
25

CERTIFICATE OF OFFICIAL REPORTERS

This is to certify that the attached proceedings before  
the UNITED STATES NUCLEAR COMMISSION in the matter of:

NAME OF PROCEEDING: EVIDENTIARY HEARING  
HOUSTON LIGHTING AND POWER COMPANY,  
ET AL (SOUTH TEXAS PROJECT, UNITS 1  
AND 2)

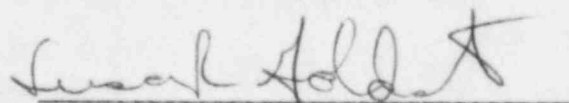
DOCKET NO.: STN 50-498-OL  
STN 50-499-OL

PLACE: HOUSTON, TX

DATE: Wednesday, August 14, 1985

were held as herein appears, and that this is the  
original transcript thereof for the file of the United  
States Nuclear Regulatory Commission.

  
R. Patrick Tate, CSR

  
Susan R. Goldstein, CSR

Official Reporters